RELATIONSHIP BETWEEN ENTREPRENEURIAL MARKETING MIX AND GROWTH OF JUA KALI ENTERPRISES IN NORTH IMENTI SUB COUNTY

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A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS AND ECONOMICS IN PARTIAL FULFILMENT FOR THE REQUIREMENTS OF THE DEGREE OF MASTERS IN BUSINESS ADMINISTRATION
KENYA METHODIST UNIVERSITY

JULY, 2019

DECLARATION AND RECOMMENDATION

Declaration by student

I declare that this research thesis is my original work and has not been presented in any other university.

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Recommendation by Supervisors

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DEDICATION

Dedicated to my precious daughter Krestina Grace, loving siblings Nicholas Mutuma and Kennedy Mutugi. To my parents Mr. and Mrs. Abraham Gatobu.

ACKNOWLEDGEMENT

I wish to express my sincere gratitude to all my family and friends who have continued to assist me in various ways. Special gratitude goes to my supervisors, Dr. Paul Gichohi, PhD and Mr. Abel Moguche for their guidance, intellectual support and assistance in carrying out this research. Special thanks to my MBA colleagues for their support during the entire course work and research process. Many thanks to members of Imenti North jua kali Association for data provision and Dennis Omari for his great assistance. Utmost gratitude goes to my Lord Jesus Christ for giving me strength, sustenance, will and wisdom and for seeing me through this challenging task.

ABSTRACT

Small and Medium Enterprises are the key drivers of the country's economy. The government is tasked with spurring growth of SME's through provision of supportive legal structure and conducive policy environment. However, growth of these small and medium enterprises predominantly depends on proper configuration of entrepreneurial marketing mix practices. The purpose of this study was to investigate the effect of entrepreneurial marketing mix on the growth of jua kali Enterprise in North Imenti Sub County, Meru County. Specifically, the study assessed the relationship between pricing, promotion, distribution, product and growth of jua kali enterprises in North Imenti sub-county, Meru County. The study employed the resource based view theory, Kirzner's "alert" theory of entrepreneurship and the 4P's Marketing Model. The population comprised of one hundred and twenty eight (128) owner managers of jua kali enterprises operating within North Imenti Sub County, Meru County and registered by Micro and Small Enterprises Authority Kenya (MSEA-K). A stratified random sampling technique was used to select a sample of ninety seven (97) jua kali Enterprises from the target population. A structured questionnaire was administered after which data was entered and analyzed using Statistical Package for Social Sciences (SPSS) version 22. The questionnaire was tested for validity and reliability. A pre- test was carried out to test for reliability. The results were analyzed using both descriptive (frequencies and percentage) and inferential statistics (Pearson Correlation, One Way Analysis of Variance (ANOVA) and Regression analysis). The study established that product strategy affects growth of jua kali enterprises hence rejecting the hypothesis concluding that product strategy significantly affects SME's growth. The study found a strong positive relationship between distribution strategy and SME' growth. The null hypothesis was rejected hence concluding that distribution strategy has significant linear relationship to growth of jua kali SMEs. The study found an intermediate positive relationship between promotion strategy on growth of jua kali sector and rejected the null hypothesis hence concluding that promotion strategy affect growth of jua kali SMEs. The study found that pricing affects the growth of jua kali enterprises to a moderate extent in North Imenti constituency. Therefore, rejecting the null hypothesis and concluding that pricing strategy has a significant linear relationship with growth of jua kali SMEs. The objectives of the study were achieved. The study recommends need for SMEs to invest in research and development for products innovations, define clearly distribution channels as well as public, private and NGO's partnerships dedicated to sourcing for sustainable market for products and services. Finally, more research for identification of customer specific needs. The study is valuable to entrepreneurs as they seek for better strategies to grow their enterprises.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS AND ACRONYMS

CDF	Constituency Development Fund
EM	Entrepreneurial Marketing
GDP	Gross Domestic Product
IFC	International Finance Corporation
KIE	Kenya Industrial Estate
KNBS	Kenya National Bureau of Statistics
MNPD	Ministry of National Planning and Development
OECD	Organization for Economic Cooperation and Development
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
MSEA	Micro and Small Enterprises Authority

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

This study examined the relationship between entrepreneurial marketing mix and growth of jua kali enterprises in Meru County. This chapter consists of ten sections. In the first section, the background is explored with introduction of the concept of Small and Medium Enterprises (SMEs), entrepreneurial marketing mix and the jua kali enterprises. In the second section the problem statement is articulated. Thirdly, the research objectives that guided the researcher are presented followed by the research hypothesis. This is followed by a justification of the study that outlines the reasons as to why this particular study was carried out. Also covered are the significance and the scope of the study. The study anticipated some limitations that are clearly spelt out as well as the assumptions. The chapter concludes by providing the definitions of significant terms as used in this study.

1.1.1 The Small and Medium Enterprises

There does not exist a standard definition of Small and Micro Enterprises. However, according to the Organization for Economic Co-operation and Development (OECD), SMEs are defined differently, particularly because of the dimension "small" and "medium" of a firm are relative to the size of the domestic economy (OECD, 2016). For statistical purposes, this study will borrow from the OECD (2017) which defines SMEs as the enterprises employing up to 249 persons, with the following breakdown: micro (1 to 9), small (10 to 49) and medium (50-249). This provides for the best comparability given the

varying data collection practices across countries, noting that some countries use different conventions.

According to the European Commission Annual Report of 2012, SMEs play a great role in the European economy. They are a major source of entrepreneurial skills, innovation and employment, and thus generating most revenue to many people. The report also indicated that, out of the 20 million existing businesses in the EU, more than 99.8% are SMEs and they denote the main source of private sector investments, economic growth and creation of jobs. In the Italian economy, the small and medium size enterprises and "micro-firm" represent 90% of the total Italian economic entities with a medium number of 50 employees for each one. Similarly, In Romania, the share of SMEs in total enterprises was 99.74% in 2011. The majority state capital and the combined represent less than 2%, so it can be concluded that the entire SME sector is private (Statistical Yearbook, 2012).

Across nations and at all levels of development, SMEs play an important role in achieving the Sustainable Development Goals (SDGs), by promoting inclusive and sustainable economic growth, creating employment, promoting viable industrialization and nurturing innovation, and reducing income disparities (OECD, 2017).

In developing countries, SMEs contribute up to 45% of total employment and 33% of Gross domestic Production (GDP). When taking account of the contribution of informal enterprises, SMEs contribute over half of employment and GDP in most countries irrespective of income levels (IFC, 2010). They have been extensively recognized as the springboard for sustainable economic development (Osotimehin, Jegede, Akinlabi, & Olajide, 2012). New and small enterprises are often the driving force behind the sort of

radical innovations that are important for economic growth. This is because they can work outside of principal paradigms, exploit technological or commercial opportunities that have been neglected by more established companies. They also enable the commercialization of knowledge that would otherwise remain un-commercialized in universities and research organizations (OECD, 2010). In this regard, SMEs account for about 20% of patents, one measure of innovation, in biotechnology-related fields in Europe (Eurostat, 2014).

SMEs have been increasingly recognized as a major platform by which many African countries can become developed owing to their existing contribution and capability to further drive the entire African continent to a developed status. According to Ofusaa, Duku, Asante and Kojo (2015), SMEs act as an engine of social and economic development in Africa. They are estimated to constitute about 70% of Ghana's GDP and 92% of its businesses. In South Africa, SMEs make up 91% of formalized businesses while in Nigeria they constitute 70% of the manufacturing sector. It can be seen clearly that SMEs are not only the engine of the economy, but can also serve as a stimulus for economic diversification in other sectors of the economy (Ofusaa et al., 2015).

SMEs with innovative technology have the potential to internationalize and enter foreign markets however, this calls for great need to manage various dimension of growth so as to improve the economy of the African continent (Folusho, 2015). The small business sector in Kenya has great potential of turning around the life of the millions of workers and small business s owners from the survivalist mode to vital players in mainstream economy. The small business sector employ approximately 50 per cent of the productive population in (Kenya Economic Survey, 2017). The sector further contributes to the Kenyan economy

through taxes, employment and maintenance of locally available resource, earning and conserving foreign exchange, provision of goods and services among others (Magambo, 2015). Through adoption of cost effective production and adoption of innovative process, SMEs can be strengthened so as to graduate into industries which are vital pillars towards attaining high levels of economic growth (MPND V2030, 2007).

The Government take on challenges facing MSEs is buttressed by a survey done by International Finance Corporation (IFC, 2011) which identified the following listed constraints facing SMEs: absence of innovative capacity, limited managerial training and experience, inadequate education and skills, dynamic technology, insufficient infrastructure, unavailability of market information, limited access to credit and insufficient entrepreneurial marketing skills.

Kenya has a sizeable informal sector that the government is making efforts to grow and develop. To this recognition, the government's efforts of progress in the sector was initiated by policy provision. Most notable of the government interventions was the Session Paper No.2 of 1992 "Small and Medium Enterprises (MSMEs) and jua kali development in Kenya". The policy framework on SMEs emphasized on the all-inclusive review and analysis of the Acts, policies and Licenses that pertain to SMEs. The paper also championed for easy access to information to SMEs. Various attempts to formulate policies to aid the SME sector followed afterwards. However, - due to the dynamism of the sector and SME operations cross cutting amongst all sectors of the economy – policy application deemed insufficient due to limited focus on tackling region specific SMEs issues (World Bank Group, 2016). Regardless, the current devolved system of governance is expected to

facilitate conducive institutional and regulatory environment in support for SMEs development.

Notwithstanding their significance, past statistics indicate that 3 out of 5 businesses fail within the first few months of operation and those that continue 80 per cent fail before the fifth year (Kenya National Bureau of Statistics, 2017). This peril is attributed to poor entrepreneurial marketing strategies among small businesses which emanates from how they configure the element of marketing mix.

1.1.1.1 Jua kali Sector

In general usage, the term "jua kali" is a Swahili word, which means "hot sun" (Neizert, 1998; Ikoja-Odongo & Ocholla, 2004). In Kenya, the term jua kali refers to men and women working in the open air, and often under the hot sun and usually classified under the informal sector. Jua kali is, therefore, considered a cultural space constituting a number of unique features that make it distinct: First, it is real space occupying slots or spots situated in the open sections of the city grounds or streets, (for example, road junctions, verandas of shops, road sides, including the backyards of shops or sometimes tree shades on the open grounds).

According to Bwisa (2017), the jua kali sector in other countries like India is synonymous with one-person establishment. These establishments are usually managed or owned by one person, and accounts for a significant percentage of employment. In India today, the informal sector "jua kali" is said to account for 80 per cent and 99 per cent of Indian manufacturing employment and establishments, respectively (Bwisa, 2017). For India, there has been a deliberate and sustained policy to support the informal sector. The policy

is anchored on Mahatma Gandhi's teachings that developing countries cannot develop via mass production but via production by the masses.

In the African continent the jua kali sector has been on the forefront of spurring economic development. According to Ofusaa, Duku, Asante and Kojo (2015) the informal sector in Nigeria has acted as the engine of social and economic development in Nigeria. Also, they established the factors limiting the growth of the small and medium enterprises, whereby they found out that finance is a major constraint to the development and growth of small and medium enterprises in Nigeria. Other constraints affecting their growth include lack of adequate entrepreneurship and 'managerial skills as well as absence of the enabling environment for investment in small and medium scale industries (Amulu, 2014).

In the Kenyan context, jua kali enterprises dot several parts of Kenyan towns and mostly are temporary locations (Quinton & Daniels, 2010). The jua kali sector has been recognized as the back bone of economic growth (Kenya Economic Survey, 2017). Small and Medium enterprises which largely form part of the jua kali sector are increasingly seen as engines of economic growth of the country and constitutes 90% of the private sector and value of the SME's output which is estimated at Ksh 3,371.7 billion representing a contribution of 33.8 per cent in 2015. In terms of gross value added, the SMEs are estimated to have contributed Ksh 1,780.0 billion compared to KSh5, 668.2 billion for the whole economy (SME Basic Report, 2016).

1.1.1.2 Growth of jua kali enterprises in Meru County

The development and growth of jua kali sector in Meru County is attributed to the presence of SME oriented capacity building organizations like Kenya Industrial Estates (KIE). The

KIE Meru branch has been documented as one of the oldest state organization to cater for jua kali needs in Meru County. This organization was established in 1978 to promote informal sector projects. As stated by Ngugi (2015) since the establishment of KIE branch in Meru County more than 10,000 informal sector projects have been assisted. According to Ngugi (2015) more than 150 jua kali enterprises in Meru County were accessing KIE services.

According to Berengu (2012) there are pertinent factors affecting the growth of the sector in the county. Berengu study on factors inhibiting growth of jua kali sector established that majority of the female jua kali artisans in Meru town have a low level of education as compared to their male counterparts and they still seem to have a problem of acquiring formal technical skills.

This factor is mainly attributed to male chauvinism in the locality where boys are given preference in schooling. On the other hand, the study by Otieno (2015) noted that competition is stiff within Small and Micro enterprises and product performance has not been effective compared to the last 10 years. This has greatly affected the growth of SMEs in Kenya.

According to Njoroge, (2015), the challenge facing the small and medium enterprises is need for diversification of their products and flexibility on response through creatively introducing small and medium enterprises, instruments and marketing techniques to ensure their growth. Also, Ngugi, (2015), argues that the sustainability of jua kali enterprises growth, the artisans have to consider their service providers' reputation, cost, and location

before engaging them in business beside continuous improvement of their goods and services.

Jua kali artisans from Meru County have obtained space for their businesses and network with other entrepreneurs through avenues provided by the County Government and have benefitted through the incubation services provided by KIE thus enhancing the growth of jua kali enterprises.

1.1.2 Entrepreneurial Marketing Mix

Entrepreneurial Marketing Mix is an interface of two research fields of Entrepreneurial Marketing and Marketing mix. Marketing has been elected to be of critical importance in entrepreneurial research, despite entrepreneurs not being typically marketing experts (Jones, 2010). Several literatures that streams in management and strategy have emphasized the importance role played by marketing in constructing and sustaining competitive advantages (Bettiol, 2011). According to Collinson and Shaw (2001), entrepreneurship regards marketing as core function within the firm, encompassing innovation and creativity. The term Entrepreneurial Marketing (EM) has evolved to encompass the marketing activities of existing and new ventures (Kraus, Harms & Fink, 2010).

Marketing mix is the integration of marketing programs developed and utilized by the firm with the sole intention of attracting and developing long-term relations with customers (Fredrick, 2010). According to Sereikiene (2013) marketing mix is the configuration of product, place, price and promotion strategies applied by enterprises to ensure market exchanges takes place at mutual benefit position. The four P's are variables that one

controls in creating the marketing mix that will attract customers to a business. When developing the marketing mix careful attention is paid to the process as the success of the business depends on it. The right formula in the application of the four P's determines the maximum profit the business attains (Singh, 2016). According to Ehmke, Fulton, and Lusk (2005) the four P's include; price, product, promotion, and place. This results to; development of right product that meets the target market needs, offered at the right price, promoted in the right media channel, accessible at the right place and consumed by informed customers.

To attain the firm's objectives, the main marketing elements can't be applied in isolation from the additional marketing elements: people, process and physical evidence. In scientific literature the main 4P's elements plus the additional 3P's are referred to as the 7P marketing complex (Isoraite, 2014). Thus, for the purpose of this study, the focus will be on the basic elements namely; pricing, promotion, place and product with an empirical evaluation of how the configuration of the same spurs growth of jua kali SMEs in North Imenti Sub County, Meru County, Kenya.

Previous studies have focused on The Effects of Pricing on the Sales Force and the Firm, influence of promotion mix strategies on the growth of customers of pathologist's lancet Kenya, The Effect of Marketing Capabilities and Distribution Strategy on Performance of MSP Intermediary Organizations (Kanina, 2013; Karanja, Muathe & Thuo, 2014; Ritz, 2013). They have not focused on the analysis of the relationship between entrepreneurial marketing mix and growth of jua kali enterprises in North Imenti Sub County, Meru

County. This study therefore sought to fill this research gap by examining the relationship between entrepreneurial marketing mix and the growth of jua kali SMEs.

1.2 Statement of the Problem

Small and medium jua kali enterprises are critical drivers of Kenya's economy. They contribute over 70% of GDP (RoK, 2014). Their growth largely depends on a supportive legal and policy environment as well as proper configuration of the marketing mix among other factors. Despite their significance, studies such as Ngugi (2015) shows that most SMEs do not celebrate their third anniversary. The World Bank report of 2014 also shows that SMEs in Kenya do not graduate into large enterprises. Some remain small while others die gradually. This is an agreement with the Annual report by Kenya National Bureau of Statistics (2017) and a study by Kisumu Constituency Development Fund (CDF) (2013) which observed that three out of five businesses in SME sector fail within the first few months of operation. The failure to survive and grow ultimately leads to jobs losses, marginal income which further threatens economic development and thwarts the realization of vision Kenya's 2030.

Both the Kisumus' CDF report of 2013 and the study by Muthee and Ngugi (2014) attributed the poor rate of survival, stunted growth and dismal performance of SMEs' to the poor configuration of the marketing mix although they did not empirically show how each element of the marketing mix affects growth of jua kali SMEs. Majority of the SMEs in Kenya are faced with challenges of developing high quality products, quality packaging, competitive pricing, strategic distribution and locations that are convenient to the target market, and further fail to vigorously promote their products (Kiveu & Ofafa, 2014).

The connection between the attributes of marketing mix and the growth of SMEs is critical in informing the corrective measures. The existing studies by Bowen, Morara and Mureithi (2009), Kipyegon (2009), and Atieno (2001) focused on positioning strategies, financing and other general challenges that SME's face for survival in Kenya. However, there has not been a specific study within the local context that has concentrated on the role of entrepreneurial marketing mix (pricing, promotion, place and product) on the growth of jua kali SME's in Kenya and Meru County in particular. This study aimed at filling the missing knowledge gap by examining the relationship between entrepreneurial marketing mix and the growth of SMEs with specific reference to jua kali enterprises in Imenti North Sub County, Meru County, Kenya.

1.3 General Objective of the Study

The general objective of this study was to analyze the relationship between entrepreneurial marketing mix and growth of jua kali enterprises in North Imenti sub-county, Meru County.

1.3.1Specific Objectives

i. To assess the relationship between pricing and growth of jua kali enterprises in North Imenti sub-county, Meru County.
ii. To assess the relationship between promotion of products & services and growth of jua kali enterprises in North Imenti sub-county, Meru County.
iii. To assess the relationship between distribution and growth of jua kali enterprises in North Imenti sub-county, Meru County.
iv. To evaluate the relationship between product and growth of jua kali enterprises in North Imenti sub-county, Meru County.

1.4 Research Hypothesis

The following research hypothesis guided the study:

Ho_1: There is no significant relationship between pricing and growth of jua kali enterprises in North Imenti sub-county, Meru County.

Ho_2: There is no significant relationship between promotional and growth of jua kali enterprises in North Imenti sub-county, Meru County.

Ho_3: There is no significant relationship between distribution and growth of jua kali enterprises in North Imenti sub-county, Meru County.

Ho_4: There is no significant relationship between product and growth of jua kali enterprises in North Imenti sub-county, Meru County.

1.5 Justification of the Study

The Kenya's growing economy is placing an increasingly large amount of emphasis on SMEs. Studies on the effects of entrepreneurial marketing on growth of jua kali SMEs, especially in Africa are very scarce. Since SMEs play a significant role in the economic development of a country, efforts geared towards promoting their growth such as exploring the appropriate entrepreneurial marketing approaches, that are specific to jua kali enterprises are essential. This explains the drive and motivation for this study.

1.6 Significance of the Study

This study sought to raise ideas and issues in the hope that the various stakeholders and persons directly addressing communication in relation to sales volumes of small businesses

will continue the discussion. Specifically, the findings of this study are expected to be beneficial to various stakeholders as highlighted below.

The management and owners of the jua kali enterprises would be more knowledgeable on the relationship between entrepreneurial marketing and the growth of SME's. Using the findings, the enterprise owners and managers would be in a position to formulate, implement and monitor sound marketing mix strategies.

The jua kali SMEs sector is important in spurring economic growth of the country. It is a source of revenue to the government through taxation and it also offers employment opportunities to the citizens. The Government is charged with the responsibility of ensuring protection to both the industry players and the citizens. On the basis of the findings of this study, the Government would make informed decisions when formulating policies related to regulation of jua kali SMEs as well as planning for skills development such as capacity building. The symbiotic relationship between entrepreneurial marketing mix by jua kali enterprises and their growth will have been proved empirically.

The academic world should definitely consider the enormous potential of this strategic intersection which results to new knowledge. It also paves way for further research in examining other pertinent variables which can lead to enhanced growth of jua kali enterprises in Kenya and other socio-geographical regions.

1.7 Scope of the Study

The study was conducted in Meru County because of high population of jua kali enterprises that have organized themselves into associations. It is in this regard that the study concentrated only on jua kali enterprises in Imenti North Sub County, Meru County that

are registered with Micro and Small Enterprises Authority (MSEA). The jua kali SMEs included the small manufacturing industries engaged in batik, tie and dye, dressmaking, furniture production, weaving, bee making, poultry production, wood carvers, welding, bakers and others in Imenti North Sub County. The study participants were the owners of the SMEs. The study investigated the relationship between entrepreneurial marketing mix and growth of jua kali enterprises. The study concentrated on the 4 P's of marketing and not the extensive 7 P's.

1.8 Limitations of the Study

This study was limited by research design used that sought to study situations as they occur in the environment. Respondents felt that they were exposing themselves too much. The researcher assured them of their confidentiality which was emphasized by requesting them not to write their names on the questionnaire. The researcher also encountered a limitation where not all respondents returned the questionnaire even after frequent follow up. However, the researcher was able to get a response rate of 63%.

1.9 Assumptions of the Study

The researcher assumed that there was no significant change in the target population throughout the study period. The researcher also assumed that the respondents gave truthful and objective responses.

1.10 Definition of Terms

Jua kali: They are establishments that are usually managed and owned by one person and accounts for a significant percentage of employment (Bwisa, 2017).

Marketing mix: According to Sereikiene (2013) marketing mix is the configuration of product, place, price and promotion strategies applied by enterprises to ensure market exchanges take place at mutual benefit position.

SMEs: According to OECD (2017), Small and Medium Enterprises (SMEs) refers to the firms employing up to 249 persons, with the following breakdown: micro (1 to 9), small (10 to 49) and medium (50-249).

Price: According to Ahmed, Parmar, Warraich and Khoso (2014), price is the amount of money charged for a product or the sum of values that consumers exchange for the bundle of benefits derived after consuming the product

Product: Cant and Van Herdeen (2013) defined a product as a tangible good that is offered to the customer in exchange for some unit of value.

Place: As used in this study, place refers to the kind and nature of strategies an enterprise adopts to ensure timely delivery of the right kind and quality of the products to the consumer (Kasiso, 2017).

Promotion: According to Brassington and Pettit (2000), **P**romotion is the direct way in which the organization communicates its market offers to the target audience.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

A review of relevant literature was conducted in line with the objectives of the study. Theoretical review of theories that supported this study were explored followed by empirical review so as to understand the phenomena at hand and establish the extent to which past studies have dealt with the study problem. Review of the past studies was carried out on pricing, promotion, place, and product with reference to entrepreneurial marketing and the growth of small business enterprises. This review helped in bridging the gap that the various past studies may have not addressed thus improving the knowledge on entrepreneurial marketing mix. This chapter presented a conclusion by presenting the conceptual framework in a way that demonstrates the link between independent and dependent variables.

2.2 Theoretical Review

This study was informed by the resource based view theory, Kirzner's "alert" theory of entrepreneurship and the 4P's Marketing Model.

2.3 Resource Based View Theory

The Resource Based View theory (RBV) was advanced by Penrose in 1959. Penrose argued that superior performance of the organization was determined by how it controlled and made use of its resources. RBV brought into focus the fundamental role played by organizational resources in the competitiveness and performance of the organization in the market (Bridoux, 2004). According to Bridoux (2004), the RBV has two assumptions when

explaining the source of a firm's competitive advantage: the first assumption is that the firms within a group may be heterogeneous with respect to the bundle of resources they control and the second assumption is that, resources heterogeneity may persist within a firm from time to time due to non-transference of some resources held by the firm. The heterogeneity of resources represents the uniqueness of certain firms making it possible to implement differentiated strategies that gives rise to the competitive advantage within the industry (Peteraf & Barney, 2003).

The RBV theory imputes that the resources of the firm directly represents its capabilities (Rigby & Rodgers, 2000), therefore the firms profitability is an outcome of the management ability by the firm's employees of the resources. Sampurno (2005) argued that the firm's resources at the disposal of the organizational management for implementing strategies can be classified either as intangible or tangible (Kenneth, Anderson & Eddy, 2011). According to Ferreira, Azevedo and Ortiz (2011), the intangible resources may include knowledge, skills, reputation and entrepreneurial orientation while tangible resources includes capital, access to capital, location and the employees.

The RBV theory focuses on the characteristics of organization firm's resources value, rareness, imitability and organization. These features are prominently anchored in products and place, which ultimately results to competitive advantage in the market (Peteraf & Barney, 2003). This indicate its relevance in guiding the investigation of two variables (products and place) in this this study. Notably, in the present study, the organizational products and distribution channels are regarded as organizational resources that can be exploited towards creating competitive advantage. The heterogeneity assumption as

discussed by Bridoux (2004) is present in the firm's products as well as distribution channels, hence contributing to the different levels of growth experienced by firms within the same industry.

The RBV theory has contributed immensely in understanding the core competencies required for a business firm to gain competitive advantage. Despite this significant contribution, there are several limitations exhibited by this theory as pointed out by Akio (2005). According to Akio, RBV does not recognize the role played by entrepreneurship in promoting organizational growth. The critique conducted by Essays, UK (2013) points out the inadequacy of the theory due to its inability to consider the external environment factors such as demand side. This is because; a firm may have strong resource capability but lack customers for its products. According to resource based view theory, a company is as rich as its resources. The company needs resources for it to perform better. This theory further underpins the dependent variable of the study which was the growth of jua kali enterprises.

2.4 Kirzner "alert" Theory of Entrepreneurship

The "alert" theory of entrepreneurship was propagated by Kirzner (1973, 1996, & 1997) arguing that the market economy was at disequilibrium and it required an entrepreneur to move it to equilibrium. Kirzner developed a new definition of an entrepreneur as the person who moved the market towards equilibrium by taking advantage of the arbitrage possibilities. Kirzner's work primarily focused on answering the question whether the market works and if it does, what are the processes that lead to market equilibrium? According to Kirzner (1996), an "alert" entrepreneur should be able to recognize the

disequilibrium that exists within the market, and then initiate processes or activities to bridge the gap or bring the market back to equilibrium.

According to Gunning (1992), perfect information rarely exists within the market and therefore it's the work of the entrepreneur to be motivated and use information and knowledge at their disposal in developing processes, activities, products and services to bring the market to equilibrium. This entrepreneurship theory advocates for the ability of the entrepreneur in identifying opportunities existing within the market hence very significant in informing this study as the products developed bridge a certain gap within the market. The innovativeness and creativity that goes in developing a product that satisfies the customer's needs within a given market segment is due to the "alertness" of entrepreneur as argued by (Kirzner, 1997).

Another variable that is propagated by this theory is the choice and execution of promotion method and process adopted by the entrepreneur. This is based on the believe that, developing promotion content requires not only the innovativeness and creativity of the entrepreneur but also the ability to define the target market, matching their tastes and preferences with the message packaged into the communication.

Despite all the positivity of the entrepreneurship theory by Kirzner, various gaps have been pointed out. According to Kirzner (1997), the identification of opportunities creates leads for the entrepreneur to develop products or goods that fill the identified gap, but in real life scenarios, entrepreneurs have been found to use their skills in developing products that end up creating demand in the market.

The theory thus fails to explain explicitly whether the market demand occurs as a result of the entrepreneur skills or as result of an entrepreneur ability to foresee the opportunities. Another limitation is attested in the proposal put forth by (Kirzner, 1997). Kirzner imputes that entrepreneurial awareness occurs before market research happens and thus market research should be costless. This may not be the case in the present world because, firstly, market research requires an investment of both time and money. Secondly, some business opportunities have only become recognizable after the entrepreneur has carried out a thorough market research. Notwithstanding its weaknesses, this theory underpins product strategy because the jua kali enterprises have to produce quality products for customers to buy.

2.5 Marketing Mix Model (4P's of Marketing Model)

Marketing Mix was propagated by McCarthy (1964) as a means of translating marketing planning into practice (Bennett, 1997). According to Rad and Akbari (2014), marketing mix is often referred to as "4P's" representing the; product, price, place and promotion. Kotler and Keller (2015) define marketing mix as a tool utilized by firms to attain the marketing objectives that are aimed at meeting the target market needs, while, according to Singh (2012), marketing mix is a conglomeration of unique marketing decision variables applied by an enterprise in a bid to market its products.

According to Isoraite (2016), marketing mix is vital for the enterprise to attain effectiveness in its marketing activities. The right combination of marketing mix is bound to result to good management of the enterprise budget making it possible to achieve the set objectives (Rad & Akbari, 2014). To attain the set marketing objectives, the enterprise management

has to attain the right mixture of the 4P's, this is because each of the elements are differently characterized and thus need to be aligned to one another (Singh, 2012).

As explained by Kotler and Keller (2015), each element in the marketing mix, plays a unique but pertinent role in ensuring the success of the enterprise marketing objectives. This is because of the scope of configuration as outlined here below. Product – covers decisions related to the design, benefit derived from a good and actions related to its development for exchange; Price – the element that covers decisions on value and actions related to pricing and variation, Place – the element of marketing mix that includes decisions on location of enterprise and movement of goods from producers to consumers; and Promotion – the element that is concerned on awareness creation, education and creation of mutual relationship with stakeholders. This description point out the main elements of this study whose influence was ascertained on the performance of jua kali SMEs.

Proper utilization of the marketing mix model can contribute immensely to the growth of the marketing field and more so to the attainment of the marketing objectives Goi (2009), but, despite its popularity, it falls short due to lack of encompassing all the environmental factors that influence the enterprise marketing activities. As argued by Rad and Akbari (2014) the non-alignment of the elements may lead to failure of the enterprise in achieving its objectives, whereas few studies advises on the formula or process to be followed in aligning the elements. Moreover, the model falls short in terms of indicating the boundary between the elements or the ranking in terms of importance between the elements. This model has kept on mutating with time, with more additional elements (7P's, 12P's) being

added to the initial model without a specific procedure or empirical backing on the criteria used to include the additional elements (Kotler & Armstrong, 2014). This theory states on the four marketing mix model.

Despite the weaknesses of these two theories and one model, they have provided key constructs that were very relevant in guiding this study. The three theories set a background to which the empirical studies were anchored on, providing the basis to which emerging knowledge on the factors affecting jua kali enterprises growth can be related to.

2.6 Empirical Review

Empirical review refers to critical analysis of the previous studies conducted by other scholars based on the study objectives and variables related to the study (Haiying, 2014). This study presents a review of empirical literature on all the variables as stated in chapter one. The discussion herein explored the main findings of the previous studies on the main elements that included pricing, promotion, place and products among SMEs. Also examined are the methodologies used in past studies and analysis of the differences and similarities thereof. This did not only help to expose the research gaps but further enabled the expansion of knowledge in entrepreneurial marketing mix and its effects on the growth of small business enterprises.

2.7 Pricing and Growth of Jua kali Enterprises

According to Ahmed, Parmar, Warraich and Khoso (2014), price is the amount of money charged for a product or the sum of values that consumers exchange for the bundle of benefits derived after consuming the product. Siems, Kraus and Pollok (2012) argue that price when applied in the same context of small business as in large manufacturing, means

the measured level of something either a service or a good that consumers must pay a supplier for the performance or delivery. Therefore, the pricing of a product serves as a pointer to the direction the other marketing strategies follow as it is the only marketing mix strategy that generates revenue for the organization (Tawalbeh & Abu-Rumman, 2015). From the preceding arguments, this study recognizes the important role that pricing plays in a small scale enterprise considering its ability to influence the growth and survival of the organization.

Füreder, Maier and Yaramova (2014) conducted a descriptive study on value-based pricing in 180 Austrian medium-sized companies. The study revealed a positive and significant relationship between value - based pricing and the profitability of the enterprise. Liozu (2013) also conducted a study on pricing orientation, pricing capabilities, and firm performance. The study surveyed 1,812 professionals who are involved in pricing in private companies in United States of America, to measure the influence of pricing approach on firm performance. It was established that there was a positive relationship between value-based pricing and firm performance. The study by Füreder, Maier, and Yaramova (2014), focussed on one strategy of pricing while that of Liozu (2013) target population was on the pricing executives rather than the business owner managers as compared to the current study portends.

According to a study by Manuere, Gwangwa and Jengeta (2015) in Zimbabwe, the pricing of goods produced by SMEs should be in such a way that the process has taken into consideration the costs of goods, overhead costs and gross margins. The study further established that there is a relationship between strategic pricing and organizational growth.

In the same study they established measures of organizational growth such as profit maximization, sales maximization, survival, customer satisfaction, cost coverage, volume maximization, price differentiation and liquidity achievement.

Sije and Oloko (2013) conducted a study on SMEs in Kenya and established that organizations used different types of pricing for different outcomes. In small organizations as noted by Sije and Oloko, prices were set by the managers while in large manufacturing plants; prices were set by a management team. The Sije and Oloko's study used a stratified sampling strategy, collected data from the employees of the SMEs organizations. It made use of descriptive research design and inferential statistics as a measure of the relationship between the variables. This study focused on the owner- managers or managers of the small and micro enterprises that are registered under the SME's Authority in Kenya; that is, those which are members of the jua kali Association in Kenya. The study by Sije and Oloko (2013) recommends that SMEs start-up should adopt penetration pricing as an initial pricing strategy as it gives an enterprise a head start in the market, where other big enterprises may not capable of flexing their prices.

According to Osiri (2015), the pricing strategy should be taken into consideration during the opportunity exploration phase of the entrepreneurial marketing process. This enables the entrepreneur to evaluate the value and feasibility of the investment or venture. A study carried out by Mugambi and Karugu (2017) is in support of this argument. The study employed the use of descriptive survey research design with the target population obtained from clients. The study reviled that a considerable number of the clients considered pricing strategy employed as a major determinant of decision to purchase goods and services.

Based on results of responses of ninety five clients, the study calls for enterprises to conduct market research and determine market segments which will in turn guide their pricing strategies.

2.8 Promotion and Growth of Jua kali Enterprises

Brassington and Pettit (2000) defined promotion as the direct way in which the organization communicates its market offers to the target audience. The definition adopted by Hollensen (2011), views promotion as a process whereby the marketer not only informs, educates, persuade, remind but also reinforce consumers through marketing communication. Kotler and Keller (2014) emphasizes that promotion should not only communicate the market offering, inform the customer about the existence of products in the market, their use, access but also persuade them to buy the products. Small and micro entrepreneurs are mostly on their initial and growth stage and thus need to win more customers for their survival; this requires informing and educating their customers on the need and reasons to choose their products. Therefore, this study adopts the definition of promotion given by Hollensen.

According to Kraus, Harms and Fink (2010), promotion in entrepreneurial marketing mix is based on the word of mouth and recommendation as the best way to create a customer base. This is preferred to the conventional methods of advertising due to the personal touch it creates with the potential customers. The promotion activities in entrepreneurial marketing are centered on the customer and market place, bringing the customer closer to the organization thus leading to informed decisions on meeting the customers' needs (Hacioglu, Eren, Eren & Celikkan, 2012).

This translates to an informal kind of approach towards the potential customers. In a review study on the development of entrepreneurial marketing in Europe, North America and Australia conducted by Kraus et al (2010), they came to a conclusion that entrepreneurial marketing through promotion is an innovative, risk free, proactive, and focused on opportunities and not necessarily performed with resources under control of the business. This study maintained the same perception of promotion being an informal approach towards creating a strong customer base. This was informed by the newness and size that characterizes the small and medium enterprises.

A study was conducted with the aim of understanding entrepreneurial marketing in Australia by (Venkateswara Venkatesan, 2000). Convenience sampling was used to conduct interviews with small and medium enterprises owners to understand their marketing and other business practices. Results revealed that entrepreneurial marketing was considered synonymous to advertising in that it involves 'making people aware of your product.' The study also concluded that entrepreneurial marketing depended mostly on the line of business. SME in professional sectors do minimal advertising mainly to let people know on their location, other businesses adopted aggressive product promotions depending on level of competition.

A study on the influence of entrepreneurial marketing on the growth of SMEs in Kiambu Town established a positive and significant relationship between promotion and growth of small and micro enterprises (Muthee & Ngugi, 2014). The study adopted a descriptive research design and multiple linear regressions in establishing the prominent role that promotion strategies play in ensuring the success of the enterprise. The study did not delve

deeper into exploring the effect of each of the individual elements of promotion strategies thus making it harder for researchers or managers to isolate or specify the particular promotional strategies a business can adopt.

The present study went beyond this demarcation in exploring the relationship between promotional strategy and the growth of jua kali enterprises. The findings of this study corroborated those of Kanina (2013) who established a positive and significant relationship between personal selling and growth of customers. This finding buttress the conclusions arrived at by Kraus et al (2012) who argued that promotion in entrepreneurial marketing is based on the word of mouth.

2.9 Place and Growth of Jua kali Enterprises

Kasiso (2017) views the place not only as the location of the firm but also the kind and nature of strategies an enterprise adopts to ensure timely delivery of the right kind and quality of the products to the consumer. From this definition, it is clear that the place encompasses the location of the organization, delivery channels and mode of delivery, channel size and depth, distribution strategies, quantity and quality of products being ordered and the characteristics of customers.

This study took the holistic definition of place by Kasiso (2017) and Cavosgul and Zou (2014) who defined place not only as the distribution channel and distribution strategy adopted by the enterprise but also as the geographical location and the reach. The distribution channel that an enterprise utilizes has been labelled as one of the critical success factor for growth and performance in the market (Kuswantoro, Rosli & Kader, 2012; Ramaseshan & Patton, 1994). A well thought and planned distribution channel

enhances coordination capabilities among the channel actors, creating an enabling environment that ensures the logistical timelines are met for the benefit of the ultimate consumer of the enterprise products (Omar & Anas, 2014).

The study by Omar and Anas focused on 30 foods processing SMEs in Malaysia and adopted a descriptive research method utilizing descriptive analysis. The study established several problems that SMEs face with the most outstanding being the implementation of marketing strategy. The study pointed out the need for SMEs to use wholesalers when marketing their products. However, Omar and Ana's study doesn't delve deeper into explaining why the choice of wholesalers in the distribution channels rather than the SMEs agents, retailers or through electronic commerce sites.

The study by Kuswantoro, Rosliand and Kader (2012) conducted in Indonesia on agriculture based, export-oriented SMEs. The study used regression analysis adopting descriptive research design on a sample size of 120 SMEs, and established the need of adopting an innovative distribution channels for the enterprise products and services. This is on the premise that innovative channels reduces the inventory costs, manages delivery times and reduces transportation costs. These results are in support of a study conducted by Ferri, Rosli, Abdul and Ghorbani (2012) who established a positive and significant relationship between elements of distribution channels strategy like assortment of products, information sharing and transport coordination, and enterprise growth through increased sales performance.

The present study focused on jua kali SMEs that are involved in value addition or transformation processing and organized in registered groups recognized by Micro and

Small Enterprise Authority (MSEA) in Kenya. Kasiso (2017) in his study on the effects of marketing strategies on the sales performance of SMEs in Kenya, established that place strategies had a positive and significant effect on the sales performance of SMEs. This study is a confirmation of the work done by Muthee and Ngugi (2014) in their study of influence of entrepreneurial marketing on the growth of SMEs in Kiambu Town which found a positive and significant relationship between distribution strategy and SMEs growth.

The study by Kasiso (2017) acknowledges that market access, location and competiveness as some of the main challenges SMEs are facing in the 21st Century. The Kasiso's study delves deeper in terms of expounding the variable place where it is not limited to distribution channel like in Muthee and Ngigi (2014) study, Kasiso includes the location of the business and the surrounding environment of operation. The study by Kasiso did not cover the nature of product as one of the elements of place, while the present study tried to fill this gap.

2.10 Product and Growth of Jua kali Enterprises

Cant and Van Herdeen (2013) defined a product as a tangible good that is offered to the customer in exchange for some unit of value. They further established the aim of a product is to satisfy the needs a customer. Yu et al., (2014) study conducted on more than 130 entrepreneurial firms in Beijing, China established that network competence and technological capability of the firm had a positive and significant effect on the performance of the organization new product development process. This finding is supported by Bisbe and Malagueno (2015) who noted that the value systems and control systems within an

entrepreneurial firm influenced the innovation and creativity process which in turn affected the performance of the organization. Bisbe and Malagueno's study was based on 113 entrepreneurial study in Spain and had adopted a descriptive research design and made use of moderated mediation methodology to analyze the data.

Kotler and Armstrong (2014, p. 248) defined product as "…anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need". According to Sigh (2016), a product is a good offered to a consumer for which she is willing to pay. In essence, a product includes tangible and intangible goods offered to consumers and directed to meeting certain needs in the market. According to Kotler and Armstrong (2014), products are differentiated by their designs, packaging, branding, quality and support services.

This study adopted the definition provided by Kotler and Armstrong due to its broad view and description. It includes both services and physical objects, which entrepreneurs develop as a solution to various problems in the market. According to Cristina and Maiorescu (2013), an enterprise product is a creative solution that meets the customer needs. The product is developed after identifying a gap or an opportunity within the market that can be exploited at the advantage of the enterprise (Yu, Hsiao, Si & Liang, 2014). The development of new products should be leveraged on the network competence as well as the technological capability of the enterprise firm to withstand the turbulent environment forces (Hughes, Hodgkinson, Hughes & Arshad, 2017).

This study solely looked at the effect of entrepreneurial product on the performance of entrepreneurial jua kali firms in Meru County. The departure from the above listed studies

is in the methodology as the present study restricts itself to both descriptive statistics and inferential statistics. Entrepreneurship is all about building out and shaping the opportunity, where the right combination of the founders focus (opportunity) and the customers focus (innovation towards meeting customers' needs) is developed and embraced (Blank, 2005). It is on this base that Osiri (2015) developed a four-stage model of entrepreneurial marketing for shaping and buildings out the opportunity, making sure that the consumers' needs and wants are met.

The four stages are explore, examine, exploit, and expand whereby; in the exploration stage the entrepreneur focuses on the product vis a vis the needs in the market. The examine stage focuses on the pricing strategy; exploitation stage focuses on the placement strategy while the expansion stage dwells with promotion stage. According to Osiri (2013) decision towards the kind of product that the entrepreneur should offer to the market is made during the exploration phase. At this stage, the main focus is coming up with a market offering that meets the problem identified by the entrepreneur. In the second stage of entrepreneurial marketing, the examination phase, the entrepreneur submits to the customers the prototype of the product that solves their problems.

The entrepreneur is supposed to make his first sales at this stage as it's more a market test phase. Further feedback should be gathered or solicited from the target market to improve the market offering. In the exploitation stage the entrepreneur is supposed to make the product available to the customer, establish a physical location and rope in more distributors to ensure a wider reach for his products (Osiri, 2013). The alertness into which the entrepreneur focuses and explores the different stages of entrepreneurial marketing and

the level of awareness and understanding of already existing market influences the level of innovation in terms of the product thus enabling entry into direct and alternative markets that were hitherto not accessible (Baregheh, Rowley, Sambrook & Davies, 2012).

As indicated in the study by Mirzaei, Micheels, and Boecker (2016), the development of innovative products depends on the ability of the entrepreneurial firm or the entrepreneur to answer the question of what resources must be available to continuously innovate in the new and the existing markets. This study is a continuation of the one carried out by, Baregheh et al., (2012) who impute that the competitiveness of a product depends on the nature and type of resources allocated to the market and product innovation process. Mirzaei, Micheels, and Boecker (2016) using structural equation modelling established that entrepreneurs who are market and entrepreneurial oriented were able to adopt or develop new products distributed through multiple marketing channels. The present study went beyond the understanding the entrepreneurial ability of the firm or entrepreneur to the end result of their product development.

2.10.1 Summary of Research and study Gaps

The chapter reviewed literature related to entrepreneurial marketing factors influencing growth of SMEs. Both theoretical and empirical literatures have been reviewed. Particularly, the chapter discussed the Kirzner theory of entrepreneurship, the resource based theory and marketing mix model which are related to SMEs growth and entrepreneurial marketing factors. The study developed a conceptual framework focusing on various empirical studies carried out in a bid to establish the relationship between the independent and the dependent variables.

This study appreciated the various works carried out on the factors influencing the growth of SMEs and the various gaps identified in terms of methodology and various areas of focus. The previous studies do not delve deeper into exploring the effect of each of the individual elements of entrepreneurial marketing mix thus making it harder for researchers or managers to isolate or specify the particulars effect, an element has on the growth of a small business. The present study went beyond this demarcation in exploring the relationship between entrepreneurial marketing mix and the growth of jua kali enterprises. Chapter three outlines the research methodology that was used in implementing this study. There has not been a specific study within the local context concentrating on the role of entrepreneurial marketing mix on the growth of jua kali SME's in Kenya and Imenti North in particular. Several studies have been conducted in the past on SME's focusing on jua kali operations but none has specifically investigated the effects 4P's of marketing on the growth of jua kali enterprises in Meru. Bowen, Morara and Mureithi (2009) conducted a study on challenges affecting small and medium sized manufacturing firms in Kenya. The study has focused primarily on the general challenges that SME's face for survival in Kenya.

Atieno (2001) study focused on SME's growth but with bias on "credit accesses" as a catalyst for the growth and survival of the jua kali enterprises in Kenya, while Kipyegon (2009) carried out a survey on positioning strategies by small firms in Kenya. It is evident that marketing mix (pricing, promotion, place and product) is one of the strategies for growth of the jua kali sub-sector that has remained largely unexplored. This study therefore aimed at filling the missing knowledge gap by examining the relationship between

entrepreneurial marketing mix and growth of SMEs with specific reference to selected jua kali enterprises in Imenti North Sub County, Meru County, Kenya.

2.11 Conceptual Framework

A conceptual framework demonstrates the main ideas of a particular study and the network of relationships amongst them. A conceptual framework is crucial in situating a study as it explains how the research objectives will be explored. It normally includes a visual display or picture that shows how the ideas of the study relate to each other. Figure 2.1 presents the fundamental concept of entrepreneurial marketing on the growth of jua kali enterprises in Meru County as reflected in the theoretical and empirical review.

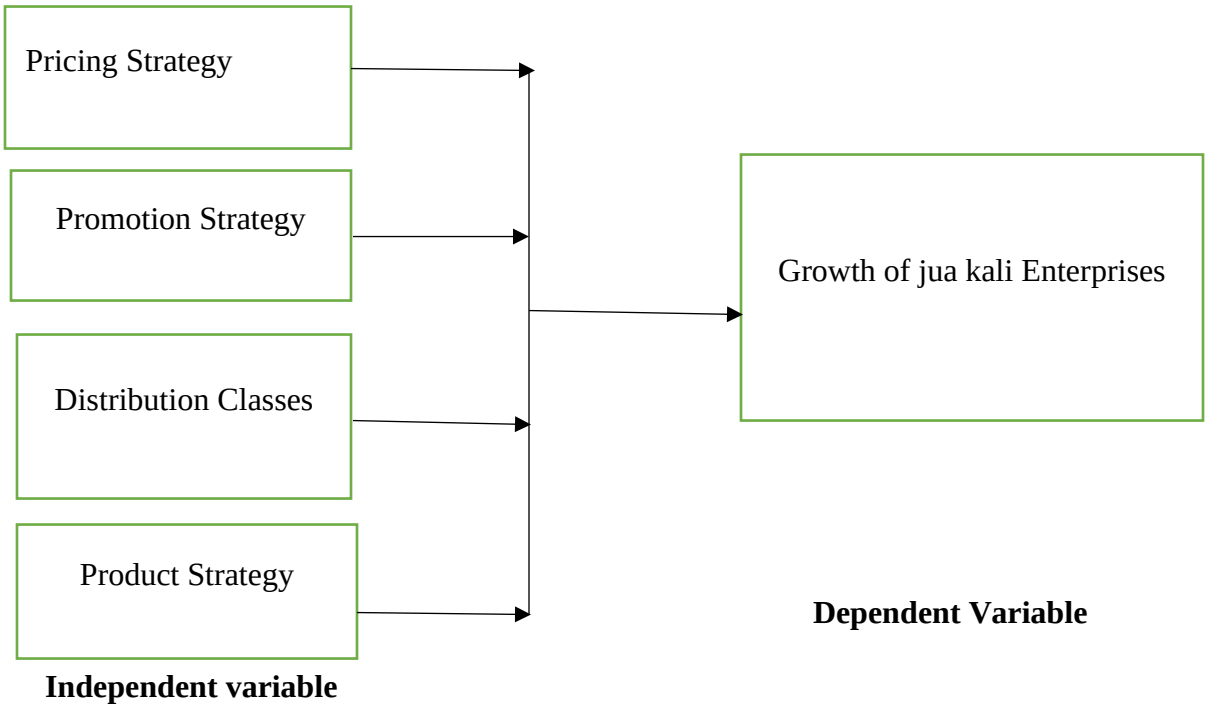

Figure 2.1: **Conceptual Framework**

2.11.1 Price

From the conceptual framework in Figure 2.1, price is seen as a determinant for the growth of jua kali enterprises. According to Sipa, Iwona and Andrzej (2015), price of product rank high among those factors influencing the growth of small enterprises. The price of product is characterized by such factors as cost of production, price discrimination, price differentiation price strategy and price discounts. The right price level determines the revenue generated, eventually influencing the profitability of the enterprise.

2.11.2 Promotion

Promotion is key a determinant for enterprise growth due to its ability to create awareness, inform interest, and educate the customers about a product or service in the competitive world. According to Kotler (2014), promotional strategies enable firms to attract new customers and retain existing ones thus leading to growth due to increased returns on investments and increased market share. Enterprise promotion is categorized into five elements: advertising, sales promotion, personal selling, direct marketing and public relations (Kanina, 2013).

2.11.3 Place

Place enhances the growth of jua kali enterprises as it facilitates the movement of goods from the producer to the consumer, ensuring exchange of value. According to Kasiso (2017), distribution encompasses location of the enterprise, channel, kind of products, and the distribution agents. Kuswantoro, Rosli and Kader (2012) rank the distribution channel among the critical success factors for the growth of an enterprise in the market. This is due to its ability in connecting the manufacturer and the consumer (Kasiso, 2017). This is

supported by Ferri, Rosli, Abdul and Ghorbani (2012) who established a link between the channel strategy elements like channel stakeholders, type of product, information sharing, and the growth of SMEs.

2.11.4 Product

According to Ferrell (2005), product is part of marketing mix strategy enabling organizations to offer consumers symbolic and experiential attributes to differentiate products from competitors. As noted by Kotler and Armstrong (2014), a product is anything that can be offered to the market for attention, acquisition, consumption to satisfy a certain need thus ensuring that the organization retains its presence or market share in the market. The growth of an enterprise is affected by the ability of the various products to meet the various needs identified or existing in the market (Mirzaei, Micheels, & Boecker, 2016). This study focuses on the product design, type and number of products, product features, and technology and innovation as determinants of jua kali enterprises growth.

2.11.5 Jua Kali Enterprises Growth

The jua kali enterprises are considered a force of economic growth due to their ability to consolidate businesses from the informal sector into the formalized economy (Wolfenson, 2013). The growth jua kali enterprises can be measured through its: profitability, market share, revenue generated, distribution coverage, cost coverage, volume maximization and liquidity achievement (Mong'are, 2017; Manuere, Gwangwa & Jengeta, 2015; Sije & Oloko, 2013). A study by Churchill and Lewis (2013) argues that profitability and market share can be used as good indicators of business growth. The operationalization of all the study variables is exhibited in Figure 2

2.12 Operational Framework

The independent variables in this study were pricing strategy, distribution strategy, promotion strategy, and product strategy. The dependent variable was the growth of jua kali enterprises.

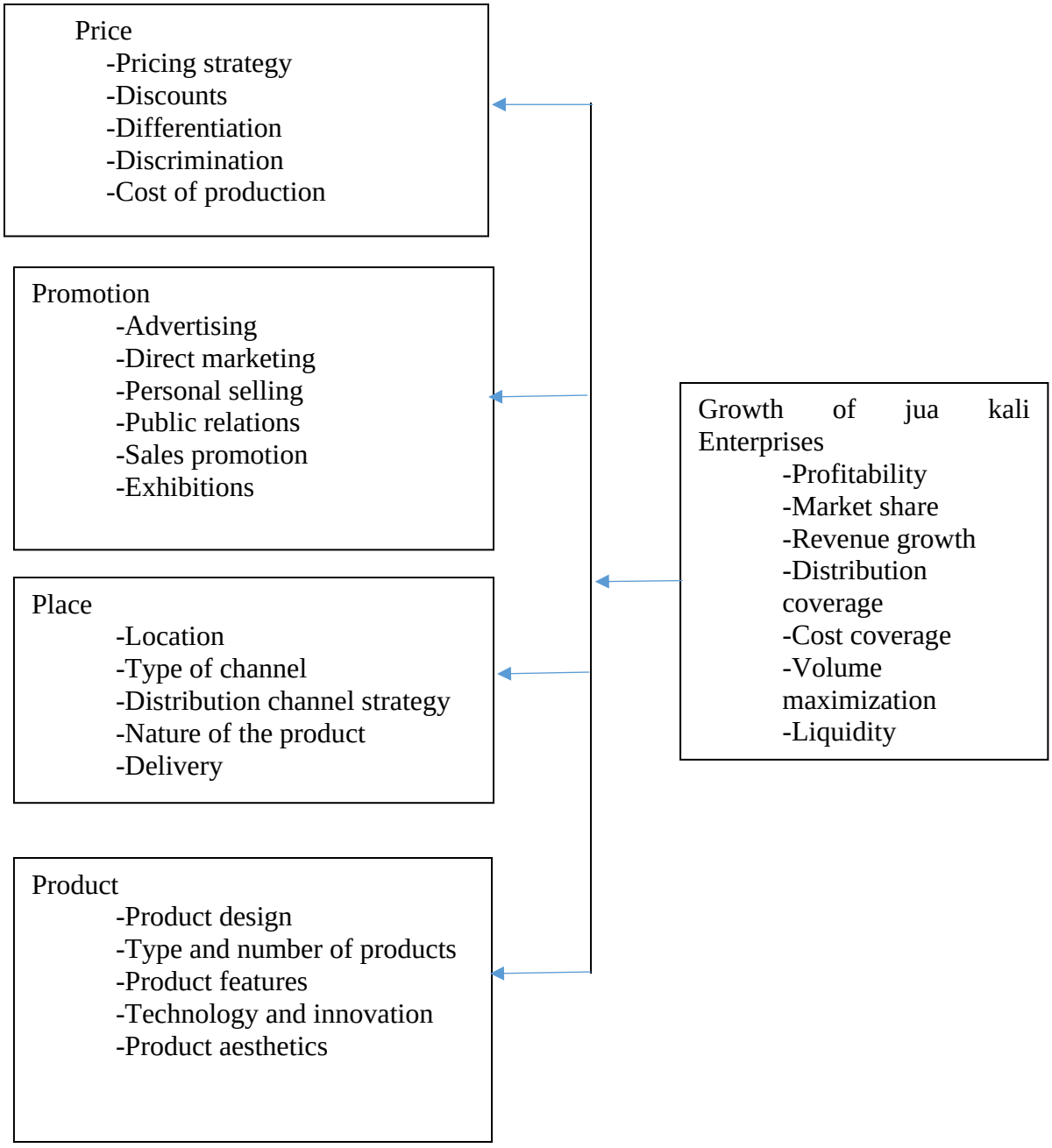

Figure 2.2: Operational Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology used in implementing this study. The study presents the research design adopted, the target population, the sampling design and the sampling design. The kind of research instruments used in the study and data collection procedures is also explained. It also describes the methods used to analyse and present the analyzed data.

3. 2 Research Design

The study used of descriptive research design. According to Kipchumba, (2015) a descriptive research design enables one to collect data on people's opinions, attitudes and opinions. Descriptive research design was adopted in this study because of its ability to describe the phenomena at hand. It is able to describe the relationship between the independent and dependent variables within a given particular period of time. It helps to explore the phenomena in which the relationship among the study variables occurs. The research design was of great use as it enabled the collection of primary data on factors affecting growth of jua kali enterprises.

3.3 Location of the Study

The study was undertaken in Imenti North Sub County, one of the Sub Counties in Meru County, Eastern Region of Kenya. Meru County is one of the forty seven (47) counties of Kenya, located in the former Eastern Province. The researcher conducted the investigation on individual enterprises registered with MSEA. The enterprises were classified within the

small and medium enterprises categories of entrepreneurship and holding a current business permit with Meru County Government and located within the four wards in the Sub County; Municipality, Nyaki East, Nyaki West, Ntima East and Ntima West. The study location was chosen because of the vibrancy of jua kali enterprises, accessibility and acts as the headquarters for County Government of Meru.

3. 4 Target Population

The target population for this study was derived from the registered jua kali enterprises who are members of the North Imenti jua kali Association operating in North Imenti Sub County, Meru. The unit of analysis therefore included jua kali entrepreneurs under the broad categories of leather industry, cottage industries, textile and cloth industry, metal and wood work among other kind of jua kali enterprises dispersed in North Imenti Sub County, Meru County.

The jua kali associations are made up of members involved in value addition and operating within a given region or market. The registered jua kali associations enjoy close patronage by the Meru County Government which offers them continuous capacity building through skills impartation and facilitation in acquisition of tools and equipment relevant to their trade. The target population for this study constituted the 128 jua kali enterprises as registered by Micro and Small Enterprises Authority Office in Meru County (MSEA) - Kenya in 2017 and belonging to North Imenti jua kali Association as shown in the Table 3.1.

Table 3.1.

Target Population

S/NO	Jua kali Business units	No. of Members
1.	Textiles (Tailors & Dress makers)	31
2.	Agro- processors	26
3.	Leather Works	19
4.	Wood workers (Carpenters & furniture workers)	28
5.	Metal Fabricators & Welders	18
6.	Waste Recyclers	6
	Total	**128**

*** The complete list of the members appears in the Appendix V**

3.5 Sampling Design

The study adopted stratified random sampling methodology to arrive at the sample that was administered the research instrument. According to Saunders, Lewis and Thornhill (2009), stratified random sampling ensures that the sample is representative as it includes elements from all the strata. As mentioned earlier, the jua kali association is made up of different enterprises making the whole population heterogeneous; varying number of employees, production methods, product quality, distribution channels, suppliers, raw materials among others. To maintain these characteristics in the final sample, stratified sampling became the most appropriate sampling design. Simple random sampling technique was used to select individual jua kali SMEs within a specific stratum. The specific strata include textiles, agro- processors, leather works, wood workers, metal fabricators, and waste recyclers.

3.6 Sample Size

Copper and Schindler (2014) refers to a small set of a larger population as a sample size. This study adopts Yamane (1973) statistical formulae to select the appropriate sample size from a finite population. This formula was used in a study by Monga're (2017) to determine the representative sample size from the owner managers of SMEs operating within Nairobi CBD as follows:

$n = N / (1 + Ne^2)$

Where;

n = required sample size

N = size of the population

e = alpha level, that is, allowable error (e) = 0.05 at 95% confidence interval

$n = 128 / [1 + 128 (0.05*0.05)] = 128 / 1.32 \approx 97$

The foregoing computation indicate a sample size of 97 owners of jua kali enterprises drawn from North Imenti Sub County and operating within Meru County. This was proportionately allocated to different strata based on the population size of each stratum as shown in Table 3.2.

Table 3.2.

Sample Size

S/NO	Business	Population	% Proportion	Sample Size
1.	Textiles (Tailors & Dress makers)	31	31/128 X 100% = 24	23
2.	Agro- processors	26	26/128 X 100% = 20	19
3.	Leather Works	19	19/128 X 100% = 15	15
4.	Wood Workers (Carpenters & furniture workers)	28	28/128 X 100% = 22	21
5.	Metal Fabricators & Welders	18	18/128 X 100% = 14	14
6.	Waste Recyclers	6	6/128 X 100% = 05	5
	Total	**128**	**100**	**97**

Source: Imenti North jua kali Association records

3.7 Research Instrument

The study used a questionnaire to collect quantitative data from the respondents. According to Kumar (2011), data collection instrument should be both versatile and flexible to ensure the instrument generates valid and reliable data and at the same time, it should not limit the quality and quantity of data generated. A questionnaire ensures that the questions are well articulated and overcomes geographical or physical barriers. Studies like Mong'are (2017); Kasiso (2017); Muthee and Ngugi (2014) and Kanina (2013) which focus on various

elements of entrepreneurial constructs and performance of SMEs also used a questionnaire to collect data.

The specific questions that were included in the questionnaire were derived from the existing data collection tools of previous studies. The questionnaire had two major sections; the first section focused on the general demographic questions while the second section encompassed questions on the study variables as guided by research objectives (See appendix II).The questionnaire comprised both open-ended and closed-ended questions. According to Kumar (2011), closed-ended questions require summated attitude or Likert Type scale for analysis. This enabled collection of numerous data regarding various variables that were under investigation.

3.8 Data Collection Procedure

Data was collected by use of a questionnaire. To administer the questionnaire to the respondents, permission from the School of Post Graduate Studies – Kenya Methodist University was obtained. Thereafter, a research permit was sought from the Kenya National Council of Science and Technology. The researcher also sought help from the committee's in-charge of the jua kali Associations for onward referrals and recommendations to interact and administer the questionnaire to the jua kali Association members. The questionnaire was administered to the entrepreneurs by the research assistants who were properly trained before proceeding to the field.

3.9 Pre-testing of Questionnaire

According to Bolarinwa (2015), it is imperative to pre-test the questionnaire before final administration to the respondents. This enables the study to evaluate the consistency and

reliability of information generated. In this study pre-testing of questionnaires was done, where 10 respondents were selected from Maua jua kali Association. Simple random method was used to select the respondents in that association. The pre-testing helped to re-state some questions to facilitate better understanding of the same. Ambiguous sentiments in each variable were addressed and refocused to the key aspects that were being investigated.

3.10 Validity of Research Instrument

Validity refers to the extent to which instrument measures what it is supposed to measure. To enhance the content validity of the research instrument, the researcher critically referred to literature that was reviewed in Chapter Two on various research variables. The researcher further sought expert opinion in the field of entrepreneurship. The advice from supervisors and other lecturers in the school of business was also sought where both face and content validity were checked and the few inconsistencies detected were rectified accordingly.

3.11 Reliability of Research Instrument

Reliability refers to the degree of instrument's measure of consistency each time it is applied to the target population (Ko, Lee, Birch & Lee, 2017).To establish the reliability of the instrument, the study used Cronbach alpha coefficient value which was computed based on data collected during pre-testing of questionnaires. According to Cooper and Schindler (2014), a coefficient of 0.7 for business and social science studies indicate high reliability. This study regarded a Cronbach alpha coefficient of 0.70 as a minimum measure of the reliability of the questionnaire.

3.12 Data Analysis and Presentation

The questionnaires administered to the respondents were collected, inspected and cleaned to remove the spoilt ones and those with insufficient answers. After this, the responses were coded and entered into the statistical software – the Statistical Package for Social Scientists (SPSS) Version 22. The statistical software helped in quantitative analysis techniques especially descriptive and inferential statistics analysis. It also had the ability to run regression models like the one represented below thus facilitating carrying out of inferences and testing of hypothesis. The descriptive statistics used were frequencies, mean, and percentages, which are good indicator of the population characteristics, while the inferential statistics included bivariate correlations and regression analysis.

A multiple linear regression model in the form $Y= \beta_0+ \beta_1X_1+ \beta_2X_2 + \beta_3X_3 + \beta_4X_4 +\acute{\varepsilon}$ is derived from the objectives of the study and empirical review. The model represents the relationship between the dependent variable (Y) and the independent variables (X) where:

Y = Growth of SMEs

X_1 = Promotion

X_2 = Price

X_3= Place

X_4 = Product

β_0 = Constant

$\beta_1 - \beta_4$ = Regression Coefficients

$\acute{\varepsilon}$ = Error terms

The data analysis output is inform of tables as they are easier to understand and interpret.

3.12.1 Testing of Regression Assumptions

Statistical tests rely upon several assumptions about the variables used in regression analysis. When the assumptions are not met the results may not be trustworthy, resulting in a Type I or Type II error, or over- or under-estimation of significance or effect size(s). There are several linear regression assumptions like; linearity, normality, heteroscedasticity and multicollinearity that were tested in this study and analyzed in the following chapter.

3.13 Ethical Considerations

To enhance ethics, this study first sought a research permit from National Council for Science, Technology and Innovation (NACOSTI), the overall body that ensures studies conducted in Kenya meet ethical standards. Second, the information and data collected from the respondents was kept in confidence. The study kept away from personal questions that tend to invade the respondents privacy. Guaranteeing confidentiality and privacy of the respondents from any third party interference ensured high response rate as the respondents were not required to specify their names on the questionnaire.

The researcher was also required to obtain consent to administer the questionnaire from each of the selected individuals or participants. This was preceded by a precise explanation of the purpose of conducting the study through a cover letter (see Appendix I). The cover letter sought for voluntary participation in this study. To maintain scholarly ethics, all sources of information are acknowledged by citing and referencing them accordingly as guided by American Psychological Association (APA). The study further ensured accurate reporting of the collected data.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents results, interpretation and the discussion of the findings based on the study objectives. The results contained both descriptive and inferential statistics presented in form of tables, pie charts and histogram. Multiple linear regression model has been used to show the relationship between Growth of jua kali SMEs and the four marketing strategies (pricing, place, and promotion and product strategies). This will be preceded by presentation of results on the response rate and demographic characteristics.

4.2 Response Rate

Out of 97 questionnaires issued, the researcher managed to collect 61 questionnaires forming a return rate of 63 percent. The 63 percent response rate was found to be significant to carry out the analysis in this study. This is mainly due to the fact that the questionnaires were distributed externally from a large pool of potential respondents which normally have low response rates averaging 10-15 responses (Fryrear, 2015).

4.3 Demographic Characteristics of Respondents

This section presents the descriptive statistics on the demographic characteristics of the respondents. It includes results on gender distribution, education level, jua kali association and trade distribution. The results are in form of continuous pie charts, tables and bar graphs.

4.3.1 Gender Distribution

The researcher sought to find out gender distribution of respondents. This was in pursuit of finding out which gender group mostly partake in Small and medium Enterprises. Male respondents formed 44.3 percent (F=27) while female respondents formed 55.7 percent (F=34) of the respondents. Therefore, the gender distribution approximately equal albeit leaning towards the female respondents.

Table 4.1.

Gender Distribution

Gender	Frequency	Percentage
Male	27	44.3
Female	34	55.7
Total	61	100

4.3.2 Education Level

The researcher sought to find out the education distribution of respondent. This was aimed at finding out the highest level of education amongst the respondents which in turn affects decision making during entrepreneurial marketing mix based on level of knowledge. This established the correlation between education level and growth of jua kali enterprises.

The majority of 30(49) percent of the respondents had post-secondary qualifications; 12(20) percent of the respondents had education between class 4 to class 8 and thirty-one per cent had secondary education.

Table 4.2.

Education Level of Respondents

Education	Frequency	Percentage
Class 4-8	12	20
Form 1-4	19	31
Post-Secondary	30	49
Total	61	100

Finding out the education distribution of the respondents' was crucial in that it helps map entrepreneurial orientation of the respondents. Specifically it is important placing the impact of education level in terms of providing knowledge and tools required for implementation of entrepreneurial ideas (Ivana Bilic, 2010).

4.3.3 Trade Distribution

Respondents were asked to identify the specific type of trades they partake. The aim was to establish the enterprises the respondents specialized in. Findings are as listed in Table 4.3.

Table 4.3.

Trade Distribution

Trade	Sampled	Response F (%)	Response Rate (%)
Agro-Processors	19	10 (16.4)	52.6
Leather Works	15	11 (18.0)	73.3
Metal Fabricators &Welders	14	7 (11.5)	50.0
Textiles (Tailors & Dress makers)	23	22 (36.1)	95.7
Waste(Tailors & Dress makers)	5	8 (6.6)	80.0
Wood Workers (Carpenters & Furniture workers)	21	3 (11.5)	33.3
Total	97	61 (100.0)	62.9

Table 4.3 shows the distribution of the respondents in terms of the trade they specialize. Majority of the respondents were in Textiles (tailors and dress makers) forming (22)36.1 per cent followed by leather works trade practitioners who formed (11)18 percent, and agro-processors who formed (10)16.4 percent of the respondents. The other trades had little representation including metal fabricators (welders) and wood workers). Nevertheless, respondents from all the jua kali trades in Meru County were represented.

4.4 Reliability Analysis

This section presents the reliability analysis for each variable of the study in the questionnaire and the overall reliability statistics. Cronbach's alpha was used to analyze the internal consistency of the questionnaire where at least a score of above 0.6 (Wright,

2014) was considered reliable. A pilot study of ten questionnaires was conducted based on which the validity and the reliability of the questionnaire was determined.

Table 4.4.

Summary of Reliability Analysis

Variable	**Number of items**	**Cronbach's Alpha**	**Conclusion**
Pricing strategy	7	0.677	Reliable
Promotion strategy	7	0.784	Reliable
Distribution strategy	7	0.753	Reliable
Product strategy	7	0.603	Reliable
Growth of jua kali SMEs	7	0.689	Reliable
Overall	35	0.869	Reliable

4.5 Descriptive Statistics of Variables

This section gives the descriptive statistics in form of frequency and percentages of the responses for each question in the questionnaire and for each variable.

4.5.1 Pricing Strategy

The researcher sought to find out pricing strategies adopted by the respondents. To achieve this the respondents were presented with statements on pricing strategies and asked to rate how they agreed with each. The themes covered differentiation, discounting, prevailing market conditions, distribution channel and production cost. Results are shown in Table 4.5 below.

Table 4.5.

Pricing strategy

The findings on pricing strategies adopted revealed that most of the respondents relatively

No.	Statement (N=61)	1	2	3	4	5	Mean
I.	The enterprise adhere to pricing differentiation according to levels of intermediaries	1(1.6%)	7(11.5%)	17(27.9%)	28(45.9%)	8(13.1%)	3.57
II.	The enterprise offer discounted prices for the products	0(0.0%)	3(4.9%)	11(18.0%)	22(36.1%)	25(41.0%)	4.13
III.	The prices are dictated by the prevailing market conditions	0(0.0%)	1(1.6%)	11(18.0%)	29(47.5%)	20(32.0%)	4.11
IV.	The cost of production affects the pricing mechanism	2(3.3%)	4(6.6%)	7(11.7%)	28(45.9%)	20(32.8%)	3.98
V.	The distribution channel chosen for delivery of products affects the pricing mechanism	0(0.0%)	1(1.6%)	10(16.4%)	30(49.2%)	20(32.8%)	4.13
VI.	There are price discrimination according to market segments	1(1.6%)	5(8.2%)	10(16.4%)	26(42.6%)	19(31.1%)	3.93
VII.	There is an effective pricing strategy in operation	0(0.0%)	2(3.3%)	12(19.7%)	30(49.2%)	17(27.9%)	4.02

agreed with the statements provided. Twenty eight (45.9%) respondents agreed they adhere to pricing differentiation according to levels of intermediaries. This is evident from the

average mean of 3.57 recorded. With an average mean of 4.13, 25 (41.0%) respondents strongly agreed on offering discount prices of their products. On the dictation of prices, 29 (47.5%) respondents agreed to setting their prices as dictated by the prevailing market condition – this is as evidenced in the recorded average mean of 4.11. In like manner 28 (45.9%) respondents agreed that the cost of production affects the pricing mechanism representing an average mean of 3.98. 30 (49.2%) of the respondents also agreed to the statement that the distribution channel chosen for delivery of products affects the pricing mechanism. This reflected to a 4.13 average mean.

Concerning price discrimination, 26 (42.6%) respondents agreed to the statement that there are price discrimination according to market segments leading to an average mean of 3.93. Finally, 30 (49.2%) respondents – scoring an average mean of 4.02 also agreed that there is an effective pricing strategy in operation. The results in Table 4.5 above shows that majority of the respondents agreed that pricing strategy affects growth of jua kali enterprises. The results are in agreement with those of De Toni, Milan, Saciloto and Larentis (2017) who concluded that value based pricing strategy affects profitability of organizations. These findings Collaborate with findings by Jones (2010) that pricing strategy and new product development strategy are the major influences of entrepreneurial marketing that affects the growth of SMEs (Janet & Ngugi, 2014). Similarly, Nyaga (2017) examined the effect of pricing strategies on profitability of Insurance firms and established that they have a positive effect on profitability of an organization.

4.5.2 Promotion Strategy

To gain insight on the promotional strategies embraced, respondents were presented with statements on promotional strategies/campaigns and asked to rate how they agreed with each. The sentiments largely focused on direct marketing, participation in exhibitions, sales promotion, referral marketing, public relations and advertisement. Average scores of the statements are shown in Table 4.6 below.

Table 4.6.

Descriptive statistics on promotion strategy

Statement (N=61)	1	2	3	4	5	Mean
The enterprise capitalize on direct marketing when promoting the products	2(3.3%)	7(11.5%)	10(16.4%)	29(47.5%)	13(21.3%)	3.72
The enterprise do attend exhibitions to promote the products	2(3.3%)	7(11.5%)	12(19.7%)	19(31.1%)	21(34.4%)	3.82
The enterprise carry out sales promotion regularly	0(0.0%)	3(4.9%)	15(24.6%)	25(41.0%)	18(29.5%)	3.95
The customers are the best marketers (referral marketing)	1(1.6%)	3(4.9%)	5(8.2%)	28(45.9%)	24(39.3%)	4.16
The marketing programs are continuous in nature	0(0.0%)	5(8.2%)	9(14.8%)	21(34.4%)	26(42.6%)	4.11
The enterprise takes into importance the public relations activities and events	0(0.0%)	4(6.6%)	7(11.5%)	37(60.7%)	31(21.3%)	3.97
There is an effective advertising program	0(0.0%)	4(6.6%)	13(21.3%)	22(36.1%)	22(36.1%)	4.02

The findings revealed that most of the respondents agreed to the statements provided. 26 (42.6%) respondents strongly agreed on the statement that their marketing programs are

continuous in nature. This reflected an average mean of 4.11. Identically 21(34.4%) respondents also highly agreed on attending exhibitions to promote their products, this was evidenced with the average mean of 3.82. On the other hand, analysis findings revealed that 29 (47.5%) respondents agreed on capitalizing on direct marketing when promoting products signifying an average mean of 3.72. These results were found to conquer with those of (Franco, de Fátima Santos, Ramalho, & Nunes, 2014) In addition, 25(41.0%) residents agreed carrying out sales promotions regularly reflecting an average mean of 3.95.On the other hand, 28(45.9%) residents agreed on use of referral marketing signaling an average mean of 4.16. Similarly, the observation was made in the study of (Martin, 2009). Additionally 37(60.7%) respondents also agreed on taking into importance public relations activities and events as evidenced in the average mean of 3.97. These results agreed with those of (Collinson & Shaw, 2001). Respondents however had mixed feelings on presence of an effective advertising program with a majority of respondents agree and strongly agreeing to the statement. From the results above, it is evident that majority of the respondents agreed that promotion strategy has an effect on growth of jua kali enterprises in Imenti North Sub-county. These results agree with those of Gbolagade, Adesola and Oyewale (2013) who concluded that promotion strategy had an effect on business performance in terms of profitability, expansion, return on investment and market share.

4.5.3 Distribution Strategy

In pursuit of analyzing distribution strategies adopted, respondents were presented with statements on various distribution strategies and asked to rate how they agreed with each. The areas of focus included; distribution and logistical records, communication with

channel intermediaries, accessibility of products and the distribution channel. Average scores of the statements are shown in Table 4.7 below.

Table 4.7.

Descriptive statistics on distribution strategy

Statement (N=61)	1	2	3	4	5	Mean
The distribution and logistical records are updated daily	0(0.0%)	6(9.8%)	18(29.5%)	26(42.6%)	11(18.0%)	3.69
The information on logistics is shared with the channel intermediaries or agents	1(1.6%)	7(11.5%)	15(24.6%)	25(41.0%)	13(21.3%)	3.69
The enterprise is strategically located	0(0.0%)	3(4.9%)	14(23.0%)	28(45.9%)	16(26.2%)	3.93
The delivery affects the accessibility of the products	1(1.6%)	9(14.8%)	8(13.1%)	26(42.6%)	17(27.9%)	3.80
The distribution channel strategy utilized affects the growth of the enterprise	0(0.0%)	2(3.3%)	17(27.9%)	25(41.0%)	17(27.9%)	3.93
The nature of the product affects the channel choice	0(0.0%)	5(8.2%)	8(13.1%)	27(44.3%)	21(34.4%)	4.05
The type of channel affects the sales performance	0(0.0%)	6(9.8%)	11(18.0%)	29(47.5%)	15(24.6%)	3.87

The results in Table 4.7 reveal that 26(42.6%) respondents agreed that they update their distribution and logistics records daily. This resulted to a recorded average mean of 3.69.

In the same fashion, 25(41.0%) respondents agreed to have often shared information on logistics with the channel intermediaries as evidenced with the average mean of 3.69. Similarly, 28(45.9%) respondents agreed that their businesses are strategically located as signified by the average mean of 3.39. Additionally, 26(42.6%) respondents agreed that delivery affects accessibility of the products which was evidenced by the average mean of 3.80. In likely manner, 25(41.0%) respondents also agreed that distribution channels utilized affect the growth of enterprises. This was as evidenced from the average mean of 3.93.

Likewise, 27(44.3%) respondents also agreed that the nature of the product affects the channel of choice as result of a recorded average mean of 4.05. Finally, 29(47.5%) respondents agreed that the type of channel affects the sales performance. This was evidenced from the recorded average mean of 3.87. It was therefore established that distribution strategy affects growth of jua kali enterprises. These findings are consistent with that of (C Onyejiaku, Ghasi & Okwor, 2018) who noted that manufacturing firms should improve their process of production and their selling and distribution strategies of their existing products in order to enhance their life cycles. These are necessary especially in developing countries of which Kenya is one where environmental dynamics are regularly changing. Further, the results agreed with those of Mbithi, Muturi, and Rambo (2015) who concluded that opening outlets or agencies can boost expansion of organizations.

Further, the findings of Langat (2016) showed that the respondents either agreed or strongly agreed that distribution channels have enabled the company to achieve

performance in the following aspects: market share, sales volume, development index, penetration levels, innovation and creativity, cost management, pre – tax profits and customer satisfaction. Also the result of this study were consistence with the study carried out by Chikweche & Fletcher (2012) as quoted in Langat (2016) who found cases of success where distribution channels were related to the development of unconventional channels. In those cases the usage of informal channels was applied besides the formal (traditional) ones. Anderson (2006) points out that one of the biggest challenges of serving markets is to ensure availability of products and services throughout the country, not just in cities.

4.5.4 Product Strategy

The Researcher sought to find out product strategies adopted by the respondents. To achieve this the respondents were presented with statements on pricing strategies and asked to rate how they agreed with each. The sentiments that were focused on were product design, emerging technologies, type of product, product innovation and product development. Average scores of the statements are shown in Table 4.8 below.

Table 4.8.

Descriptive statistics on product strategy

Statement (N=61)	1	2	3	4	5	Mean
The enterprise spend in enhancing the design of my products	1(1.6%)	5(8.2%)	24(39.3%)	21(34.4%)	10(16.4%)	3.56
The products are competitive in the market due to their aesthetics, design and utility	0(0.0%)	4(6.6%)	15(24.6%)	33(54.1%)	9(14.8%)	3.77
The enterprise has continued to embrace emerging technologies	0(0.0%)	5(8.2%)	9(14.8%)	22(36.1%)	25(41.0%)	4.10
The type and number of products developed determines the profitability	0(0.0%)	3(4.9%)	11(18.0%)	32(52.5%)	15(24.6%)	3.97
There are product designers within my business contributing to enhanced product features	0(0.0%)	3(4.9%)	11(18.0%)	28(45.9%)	19(31.1%)	4.03
There is continuous product innovation	0(0.0%)	1(1.6%)	15(24.6%)	28(45.9%)	17(27.9%)	4.00
The source for product development and designs are from other people and organizations	0(0.0%)	0(0.0%)	13(21.3%)	30(49.2%)	18(29.5%)	4.08

On analysis of the average means, 25(41.0%) respondents strongly agreed that their enterprises have continued to embrace emerging technologies, as reflected with the average mean of 4.10. Further analysis revealed that 21(34.4%) respondents agreed that they spent in enhancing the design of their products as was evidenced in the average mean of 3.56. In like manner 33(54.1%) respondents agreed that their products are competitive in the market as signified with the average mean of 3.77. In addition, 32(52.5%) residents agreed that the type and number of developed products determines their profitability reflecting an average mean of 3.97. Likewise, 28(45.9%) respondents also agreed that there are product designers contributing to enhance product features as evidenced in the average mean of 4.03. On product innovation, 28(45.9%) respondents agreed that there is continuous product innovation achieving an average mean of 4.00 and 30(49.2%) respondents agreed to sourcing product development and designs from other people and organizations as evidenced with average mean 4.08.

Majority of the respondents agreed that quality product affects growth of jua kali enterprises. This is to imply that growth of jua kali is affected by the quality of products. These results are in agreement with those of Ole Kulet, Wanyoike and Koima (2019) who established that organizational performance is affected by product strategy. This indicate that firms should employ enough resources to enhance improvements of product quality. Gadzala (2009) noted that Chinese business presence in Kenya results in low-cost products being produced by small scale industries in China and imported to Kenya, which creates greater competition, since the local enterprises cannot compete (on price) due to the costs associated with their production outputs. UK SME owner-managers on their perceptions of growth-impeding constraints, revealed that inadequate abilities, lack of development

expertise in product and service innovations and a lack of skill in information technology were the common limits to growth (Mang'unyi, Mwanzia & K. Govender, 2018).

Table 4.9.

Descriptive statistics on promotion strategy

Statement (N=61)	1	2	3	4	5	Mean
The enterprise has been achieving my sales and revenue targets	0(0.0%)	5(8.2%)	11(18.0%)	28(45.9%)	17(27.9%)	3.93
The enterprise has included more products to the portfolio	1(1.6%)	3(4.9%)	15(24.6%)	22(36.1%)	20(32.8%)	3.93
The enterprise has acquired more customers leading to volume maximization	0(0.0%)	3(4.9%)	9(14.8%)	33(54.1%)	16(26.2%)	4.02
The enterprise has maintained good liquidity levels	0(0.0%)	1(1.6%)	16(26.2%)	25(41.0%)	19(31.1%)	4.02
The distribution network for my goods has expanded	0(0.0%)	2(3.3%)	17(27.9%)	27(44.3%)	15(24.6%)	3.90
The sales margins are adequate to cover the enterprises' operating costs	0(0.0%)	7(11.5%)	11(18.0%)	22(36.1%)	21(34.4%)	3.93
There is revenue growth comparable to previous years	0(0.0%)	3(4.9%)	11(18.0%)	31(50.8%)	16(26.2%)	3.98

4.5.5 Growth of Jua Kali SMEs

Growth of jua kali SMEs was the dependent variable. To get insights on the growth of jua kali SMEs, respondents were also presented with statements and asked to rate their agreement on each. The areas of focus were; achieved sales targets, volume maximization, maintenance of good liquidity levels, growth in revenue and adequate sale margins. Average means of the statements are shown in Table 4.9 below

Descriptive statistics on Growth of Jua Kali SMEs

On analysis, findings revealed that the respondents agreed to all the statements. 28(45.9%) respondents agreed to have been achieving their sales and revenues leading to an average mean of 3.93. Likewise, 22(36.1%) residents agreed to have included more products in their portfolio as reflected by the average mean of 3.93. Additionally, 33(54.1%) respondents agreed on having acquired more customers leading to volume maximization evidenced by the average mean of 4.02 moreover, 25(41.0%) respondents agreed their businesses have maintained good liquidity levels signaled by the average mean of 4.02. Identically, 27(44.3%) respondents agreed that their distribution network have expanded as evidenced by the average mean of 3.90 and 22(36.1%) respondents agreed that their sales margins are adequate to cover their operating costs reflecting an average mean of 3.93.

The results indicate that there is growth in jua kali sector which is contributed by product strategy, pricing strategy, promotion strategy and place strategy. The results are in agreement with those of Gbolagade, Adesola and Oyewale (2013) who established that marketing strategies (Product strategy, Promotion strategy, Place strategy and Price strategy) affected business performance in terms of return on investment, profitability,

expansion and market share. The study by Mwangi (2013) added that there is relationship between the entrepreneurial marketing practices and the growth of the hair salons. Most of those who used the entrepreneurial marketing indicated some level of growth in their hair salon. Those who practices relationship marketing indicated that the growth was either excellent or very good (Kanina, 2013).

4.6 Testing of Hypotheses

This section concerns testing of the study's hypotheses. The study had four null hypotheses. The following subsections show individual effect of each marketing strategy on Growth of jua kali SMEs in Imenti North Sub-County. Simple linear regression analysis shows the relationship between the marketing strategies (pricing strategy, promotion strategy, distribution/place strategy and product strategy) and dependent variable (growth of jua kali SMEs). For each linear regression, t-statistic was the inferential parameter used to test the corresponding hypothesis. The results also includes multiple linear regression as an additional subsection, which shows the effect of the four marketing mix elements when put together on growth of jua kali SMEs. Prior to testing the four hypotheses, the study tested assumptions of linear regression to ensure that they complied.

4.6.1 Testing Linear Regression Assumptions

The assumptions tested in this study include absence of outliers, normality of data, linearity, absence of collinearity between independent variables and homogeneity of residual variance.

4.6.1.1 Outliers

The test of these four assumptions was carried out with the aid of SPSS after removal of outliers. Mahalanobis statistics and Cook's Distance statistics were used to look for outliers. An initial regression run was used to generate Mahalanobis and Leverage distance values. The cut-off value for Mahalanobis statistics was from the chi-square distribution, χ (5%, five variables) = 11.0705 while the cut-off for Leverage distance was 2*k/ n (k was number of independent variables and n was 61 cases); 2*4/61 = 0.1311. From the analysis, four outliers were identified which had values above the aforementioned cut-off points. These outliers were not selected for testing of assumptions and for the final regression run. Therefore, inferential analysis relied on 57 valid cases that did not have outliers. According to Casson & Farmer (2014), outliers can reduce the goodness of fit of the regression line especially for smaller samples.

4.6.1.2 Normality

According to Ernst and Albers (2017), normality of regression residuals is necessary to ensure that the model generates correct estimates. Gauss – Markov theorem states that ideal linear regression estimates are both unbiased and have the least amount of variance (Schmidt & Finan, 2018).This study used Kolmogorov-Smirnov and Shapiro-Wilk statistics, which tests the null hypothesis that the data is normal (Das & Imon, 2016). The findings of these tests were corroborated with normal Q-Q plot, normal P-P plot and histogram of standardised residuals.

Table 4.10.

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	p-value	Statistic	Df	P-value
Unstandardized Residual	0.101	57	0.200*	0.973	57	0.234

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Both Kolmogorov-Smirnov and Shapiro-Wilk statistics test the null hypothesis that the unstandardized residuals are normally distributed. According to Razali (2011), Shapiro-wilk test is more powerful for testing normality in data than Kolmogorov-Smirnov statistic albeit both being low for small samples. Table 4.10 shows that both tests in this study had p-values (probability values) of 0.200 and 0.234 respectively, which were both more than 0.05 (5 percent). Therefore, the null hypotheses were retained indicating normality in the unstandardized residuals. Furthermore, the statistic of Shapiro-Wilk test was 0.973 and being closer to unity (1.000), it showed that the unstandardized residuals were normally distributed (Osborne, 2013).

According to Ghasemi and Zahediasl (2012), normality can also be checked by looking at normal plots. The normal Q-Q plot shows that the observed values fitted well along the expected normal curve. Therefore, the regression residuals distributed normally confirming the inference made from the Shapiro-Wilk Normality test. By visually inspecting the normal P-P plot the observed cumulative probability values spread around the expected cumulative probability curve (normal curve) hence depicting that the regression residuals

followed a normal distribution. The histogram of regression standardised residuals also shows a normal curve as envisaged for a normally distributed data.

4.6.1.3 Linearity

Linear regression also assumes that there is an inherent linear relationship between the independent variables and the dependent variable. Otherwise, it would not make any sense using a linear model to estimate data that is behaving in a cyclic manner. According to Casson and Farmer (2014), linearity can be checked by plotting the scatter plot of an outcome variable against predictor variables. The data should form an approximate linear pattern. Furthermore, the scatter plot can be corroborated with Pearson's correlational coefficients corresponding to the scatter plot of each outcome variable against predictor variables as presented in Table 4.11

The scatter plots are in the appendixes (Appendix IV: Normality Plots and Scatter Plots). The scatter plot between growth of jua kali SMEs and pricing strategy in Appendix Figure V appears to be linear with a corresponding Pearson's correlation (R) of 61 percent which significant ($p=0.000<0.05$). The scatter plot between growth of jua kali SMEs and promotion strategy in Appendix Figure VI appears to be linear with a corresponding Pearson's correlation (R) of 65.2 percent which significant ($p=0.000<0.05$). The scatter plot between growth of jua kali SMEs and distribution strategy in Appendix Figure VII appears to be linear with a corresponding Pearson's correlation (R) of 64.9 percent which significant ($p=0.000<0.05$). The scatter plot between growth of jua kali SMEs and pricing strategy in Appendix Figure VIII appears to be linear with a corresponding Pearson's correlation (R) of 55.3 percent which significant ($p=0.000<0.05$).

Table 4.11.

Correlational Matrix

		Pricing strategy	Promotion strategy	Distribution strategy	Product strategy
Growth of Jua Kali SMEs	Pearson Correlation	0.610	0.652	0.649	0.553
	p-value	0.000	0.000	0.000	0.000

Ernst and Albers (2017) also recommend the use of the plot of regression-standardized residuals against regression standardized predicted values, which is Appendix Figure IV for this study to show linearity between the independent and the dependent variable. It can be observed that the residuals spread constantly (constant variance) along the predicted values with no significant deviation. In the absence of a linear relationship, the scatter plot would have had a pattern away from the zero horizontal line with continued observations. Therefore, the assumptions of linearity has been met.

4.6.1.4 Multicollinearity

According to Casson and Farmer (2014), linear regression requires that predicted dependent values conditional on one independent variable to be uncorrelated to predicted dependent values conditional on another independent variable. This way, errors will not carry the same information hence it will reduce the standard error of the regression estimates (Daoud, 2017). Overinflating the standard errors by multicollinearity makes

some variables statistically insignificant when they should be significant. This study tested multicollinearity using variance inflation factor (VIF) and tolerance values whereby, the two are inverse of each other.

Table 4.12.

Collinearity Statistics

Model	Collinearity Statistics	
	Tolerance	VIF
Pricing strategy	.548	1.824
Promotion strategy	.392	2.553
Distribution strategy	.427	2.340
Product strategy	.674	1.483

a. Dependent Variable: Growth

Table 4.12 shows that the highest VIF was 2.553 for relationship between promotion strategy and other variables. According to Akinwande, Dikko and Samson (2015), VIF of less than five is acceptible for deeming absence of multicollinearity.

4.6.1. 5 Homoscedasticity

Multiple linear regression also assumes homoscedasticity of errors such that errors are independently and identically distributed. The converse, heteroscedasticity, may arises due to overlooked non-linear predictor variables (Klein, Gerhard, Büchner, Diestel, & Schermelleh-Engel, 2016). This study tested heteroscedasticity using inferential statistics (Breusch-Pagan and Koenker test) and scatter plots of regression error terms.

Table 4.13.

Breusch-Pagan and Koenker test

Statistic	LM	P-Values
BP	4.503	0.342
Koenker	7.048	0.133

Table 4.13 displays the Breusch-Pagan (BP) and Koeker test that tests the null hypothesis of homoscedasticity. The p-value of BP and Koenker tests are 0.342 and 0.133 respectively, and they are less than 5%, hence there is no heteroscedasticity. According to Klein, et al. (2016),Breusch-Pagan test, which is a residual based test, is preferable in testing homogeneity of variance. Appendix Figure IV also shows that there is approximately constant variance of the regression-standardized residuals around the regression standardized predicted values, which confirms the absence of homoscedasticity.

4.6.2 Effect of Pricing Strategy on Growth of jua kali SMEs in Imenti North Sub-County

The first objective of the study was to investigate the effect of pricing strategy on growth of jua kali SMEs in Imenti North Sub County. Simple linear regression modelled the relationship between pricing strategy and growth of jua kali SMEs. Results include model summary (Table 4.14), analysis of variance (Table 4.15) and model test results in Table 4.16

Table 4.14.

Model summary for relationship between growth of jua kali SMEs and pricing strategy

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson (d)
0.610	0.372	0.360	2.48048	1.997

Predictors: (Constant), Pricing strategy

Dependent Variable: Growth of jua kali SMEs

Pearson's correlation coefficient in Table 4.14 is 61 percent. This shows strong positive correlation between pricing strategy and growth of jua kali SMEs. The coefficient of determination (R Square) shows that variations in pricing strategy account for 37.2 percent of the variations in growth of jua kali SMEs. Variables not included in this model account for remaining 62.8 percent of the variations. Table 4.14 also shows that there was no serial correlation among the residual errors because d=1.997 which approximately equal to two. If $d < 2$, there is positive serial correlation and if $d > 2$, there is negative serial correlation (Babatunde, Ikughur, Ogunmola, & Oguntunde, 2014; Casson & Farmer, 2014).

Table 4.15.

Analysis of variance for relationship between growth of jua kali SMEs and pricing strategy

Model	Sum of Squares	df	Mean Square	F	P-value
Regression	200.262	1	200.262	32.548	0.000[b]
Residual	338.404	55	6.153		
Total	538.667	56			

Dependent Variable: Growth of jua kali SMEs

Predictors: (Constant), Pricing strategy

Table 4.15 shows the results from analysis of variance tested using F-statistics. It tests the null hypothesis that growth of SMEs is non-linear to pricing strategy. The results show that the p-value corresponding to the observed F-statistics is 0.000, which is less than 5 percent ($F_{(1, 55)} = 32.548$, $p = 0.000 < 0.05$). Therefore, the study rejects the null hypothesis hence concluding that pricing strategy has a significant linear relationship with growth of jua kali SMEs.

Table 4.16.

Model test on whether pricing strategy influences growth of jua kali SMEs in Imenti North Sub-County

Model	Unstandardized Coefficients		Standardized Coefficients	T	P-value
	B	Std. Error	Beta		
(Constant)	9.659	3.174		3.044	0.004
Pricing strategy	0.639	0.112	0.610	5.705	0.000

Dependent Variable: Growth of jua kali SMEs

The study set out to investigate the relationship between pricing strategy and growth of jua kali SMEs. The study formulated the null hypothesis that there is no significant relationship between pricing strategy and growth of jua kali SMEs at 5 percent significance level (H_{01}). Table 4.16 shows the linear regression results whereby the predictor was pricing strategy and the dependent variable was growth of jua kali SMEs. The regression equation of the linear regression analysis is as shown in equation (i):

$$Y = 9.659 + 0.639X_1 + e \quad \ldots\ldots\ldots\ldots\ldots\ldots \text{(i)}$$

$$t - statistic \quad 3.044 \quad 5.705$$

$$p\text{-}value \quad 0.004 \quad 0.000$$

Where

Y – Dependent variable (Growth of SMEs)

X_1 – Pricing Strategy

e – Regression error term

A predictor that has a p-value less than 5 percent is likely to be a meaningful addition to the model because changes in the predictor's value significantly relate to changes in the response variable. Table 4.16 shows that the p-value corresponding to pricing strategy is 0.000, which less than 5 percent. Therefore, the study rejects the null hypothesis (H_{01}) implying that growth of SMEs relates positively and significantly to pricing strategy.

The study by (Sije & Oloko, 2013) noted that setting price independently of the rest of the marketing mix rather than as an intrinsic element of market positioning strategy; and not varying price enough for different product items, market segments, distribution channels and purchasing occasions. Firms must therefore set a price for the first time when it develops a new product, when it introduces its regular product into a new distribution channel or geographical area and when it enters bids on new contract. The firm must decide where to position its product on quality and price (Kottler & Keller, 2009). Pricing therefore refers to the process of setting a price for a product or service and more than any other element of your marketing mix, will have the biggest impact on the amount of profit you make. Price for any product or a service will inevitably fall somewhere between that which is too low to produce a profit and that which is too high to generate any demand. Strategy is the set of actions through which an organization by accident or design develops resources and uses them to deliver services or products in a way which its users find valuable, while meeting the financial and other objectives and constraints imposed by key stakeholders. Most successful strategies give an organization some property that is unique or at least distinctive and the means for renewing its competitive advantage as the environment changes (Haberberg & Rieple, 2008).

4.6.3 Effect of Promotion Strategy on Growth of jua kali SMEs in Imenti North Sub-County

The second objective of the study was to investigate the effect of promotion strategy on growth of jua kali SMEs in Imenti North Sub County. Simple linear regression modelled the relationship between promotion strategy and growth of jua kali SMEs. Results include model summary (Table 4.17), analysis of variance (Table 4.18) and model test results in Table 4.19

Table 4.17.

Model summary for relationship between growth of jua kali SMEs and promotion strategy

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.652	0.425	0.415	2.37251	1.610

Predictors: (Constant), Promotion strategy

Dependent Variable: Growth of jua kali SMEs

Pearson's correlation coefficient in Table 4.17 is 65.2 percent. This shows strong positive correlation between promotion strategy and growth of jua kali SMEs. The coefficient of determination (R Square) shows that variations in promotion strategy account for 42.5 percent of the variations in growth of jua kali SMEs. Variables not included in this model account for remaining 57.5 percent of the variations. Table 4.17 also shows serial correlation results tested using Durbin-Watson statistic. No serial correlation was observed among the residual errors because d=1.610 which is in between 1.5 and 2.5 hence approximately near two.

If d < 2, there is positive serial correlation and if d > 2, there is negative serial correlation (Babatunde, Ikughur, Ogunmola & Oguntunde, 2014; Casson & Farmer, 2014).

Table 4.18.

Analysis of variance for relationship between growth of jua kali SMEs and promotion strategy

Model	Sum of Squares	df	Mean Square	F	P-value
Regression	229.082	1	229.082	40.698	0.000[b]
Residual	309.584	55	5.629		
Total	538.667	56			

Dependent Variable: Growth of jua kali SMEs

Predictors: (Constant), Promotion strategy

Table 4.18 shows results for analysis of variance tested using F-statistics, which tests the null hypothesis that growth of SMEs is non-linear to promotion strategy. The results show that the p-value corresponding to the observed F-statistics is 0.000, which is less than 5 percent ($F_{(1, 55)} = 40.698$, $p = 0.000 < 0.05$). Therefore, the study rejects the null hypothesis hence concluding that promotion strategy has significant linear relationship to growth of jua kali SMEs.

Table 4.19.

Model test on whether promotion strategy influences growth of jua kali SMEs in Imenti North Sub-County

Model	Unstandardized Coefficients		Standardized Coefficients	T	P-value
	B	Std. Error	Beta		
(Constant)	12.353	2.421		5.103	0.000
Promotion strategy	0.548	0.086	0.652	6.380	0.000

Dependent Variable: Growth of jua kali SMEs

The study set out to investigate the relationship between promotion strategy and growth of jua kali SMEs. The study formulated the null hypothesis that there is no significant relationship between promotion strategy and growth of jua kali SMEs at 5 percent significance level (H_{02}). Table 4.19 shows linear regression results whereby the predictor was promotion strategy and the dependent variable was growth of jua kali SMEs. The regression equation of the linear regression analysis is as shown in equation (ii):

$$Y = 12.353 + 0.548\ X_1 + e \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(ii)}$$

t – statistic 5.103 6.380

p-value 0.000 0.000

Where

Y – Dependent variable (Growth of SMEs)

X_1 – Promotion Strategy

e – Regression error term

Table 4.16 shows that the p-value corresponding to promotion strategy is 0.000, which less than 5 percent. Therefore, the study rejects the null hypothesis (H_{02}) implying that growth of SMEs relates positively and significantly to promotion strategy. The study by (C Onyejiaku et al. 2018) revealed that advertising, public relations and personal selling were promotional strategies that affected sales growth in the manufacturing firms. The study also revealed that promotional strategy had a positive and significant effect on sales growth. (Beta = 78.234, $p = 0.009 < 0.05$) during the period studied. A promotion strategy is an activity that is designed to help boost the marketing of a product or service. It is very important as it not only helps to boost sales but it also helps a business to draw new customers while at the same time retaining older ones. It can be done through an advertising campaign, public relation activities, a free sampling campaign, through demonstrations and exhibitions, through direct marketing, personal sales letter etc. promotion reward making activity that influences people to buy and consume the products of a marketer Oyebamiji, Kareem and Ayeni. 2013) as quoted in (Onyejiaku et al., 2018, p. 3).

Most business organization and marketing practitioners have come to realize that they are operating in competitive environment, in which every organization is trying to succeed. In order to keep up with the competition and changing consumer needs and wants, firms are forced to adopt effective promotional strategies to promote growth beyond boarders thus creating awareness and increase usage rates of their products and services. Promotional strategies enable firms to attract and retain customers thus increased growth in terms of return on investments due to expanded client base (Kotler, 2007).

4.6.4 Effect of Distribution Strategy on Growth of jua kali SMEs in Imenti North Sub-County

The third objective of the study was to investigate the effect of distribution strategy on growth of jua kali SMEs in Imenti North Sub County. Simple linear regression modelled the relationship between distribution strategy and growth of jua kali SMEs. Results include model summary (Table 4.20), analysis of variance (Table 4.21) and model test results in Table 4.22

Table 4.20.

Model summary for relationship between growth of jua kali SMEs and distribution strategy

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.649	0.422	0.411	2.38005	2.059

Predictors: (Constant), Distribution strategy

Dependent Variable: Growth of jua kali SMEs

Pearson's correlation coefficient in Table 4.20 is 64.9 percent. This shows strong positive correlation between distribution strategy and growth of jua kali SMEs. The coefficient of determination (R Square) shows that variations in distribution strategy account for 42.2 percent of the variations in growth of jua kali SMEs. Variables not included in this model account for remaining 57.8 percent of the variations. Durbin-Watson statistic further shows no serial correlation among the residual errors (d=2.059, approximately near two).

Table 4.21.

Analysis of variance for relationship between growth of jua kali SMEs and distribution strategy

Model	Sum of Squares	df	Mean Square	F	P-value
Regression	227.112	1	227.112	40.093	0.000
Residual	311.555	55	5.665		
Total	538.667	56			

Dependent Variable: Growth of jua kali SMEs

Predictors: (Constant), Distribution strategy

Table 4.21 shows results for analysis of variance tested using F-statistics, which tests the null hypothesis that growth of SMEs is non-linear to distribution strategy. The results show that the p-value corresponding to the observed F-statistics is 0.000, which is less than 5 percent ($F_{(1, 55)} = 40.093$, $p = 0.000 < 0.05$). Therefore, the study rejects the null hypothesis hence concluding that distribution strategy has significant linear relationship to growth of jua kali SMEs.

Table 4.22.

Model test on whether distribution strategy influences growth of jua kali SMEs in Imenti North Sub-County

Model	Unstandardized Coefficients		Standardized Coefficients	T	P-value
	B	Std. Error	Beta		
(Constant)	9.881	2.827		3.496	0.001
Distribution strategy	0.656	0.104	0.649	6.332	0.000

Dependent Variable: Growth of jua kali SMEs

The study set out to investigate the relationship between distribution strategy and growth of jua kali SMEs. The study formulated the null hypothesis that there is no significant relationship between distribution strategy and growth of jua kali SMEs at 5 percent significance level (H_{03}). Table 4.22 shows linear regression results whereby the predictor was distribution strategy and the dependent variable was growth of jua kali SMEs. The regression equation of the linear regression analysis is as shown in equation (iii):

$$Y = 9.881 + 0.656 X_1 + e \quad \ldots\ldots\ldots\ldots\ldots\ldots \text{(iii)}$$

t – statistic *3.496* *6.332*

p-value *0.001* *0.000*

Where

Y – Dependent variable (Growth of SMEs)

X_1 – Distribution Strategy

e – Regression error term

Table 4.22 shows that the p-value corresponding to distribution strategy is 0.000, which

less than 5 percent. Therefore, the study rejects the null hypothesis (H_{03}) implying that growth of SMEs relates positively and significantly to distribution strategy. The study by (Janet & Ngugi, 2014) Promotional strategy and distribution strategy) and dependent variable (Growth of Small and Medium Enterprises). Co-efficient of determination (R2) and correlation co-efficient reveal that: R=0.91: R2=0.83, Showing that the four independent variables had a strong relationship. The distribution channel is an important component of the marketing strategy mix as it serves for the provision and availability of products to various export markets. It is these structures in place that makes sure that products manufactured in one country crosses borders to tap into global markets, in the process sales performance is achieved.

The findings of the meta-analysis results done by Louter et al., (2008) indicated that this argument is valid to the extent that distribution strategy positively impacts firm performance in terms of export proportion of sales and profit level. The study adds that the relationship between export channel intermediary type and overall export performance is significantly linked. With the distribution strategy, the adaptation or standardization approach do not have much effect of it on total firm performance, however, is slightly in support of adaptation strategy. Its function is making sure that products are accessible in targeted markets internationally. This study model takes into consideration that the appropriateness of a particular channel of distribution is not 29 stagnant but depends mainly on the conditions of the foreign market, such as economic situation, the structure of distribution, and competitive practices. Distribution strategy carries a critical role in dealing with delivery time that influence the export performance of the firm. The effectiveness and efficiency in the delivery time of the products exported constitutes a key

to total firm performance in overseas markets, as it affects the firm‘s operations in terms of competitiveness and success in the market (Piercy, Philip & Organ, 2007). The results of the study by Keegan, (2009) exhibited a positive correlation between distribution channel and sales performance.

In addition, significant findings on delivery time which is a result of distribution structures put in place by a firm were also observed to be related to sales volume, export proportion of sales, and certain composite performance measures. The occurrence of such adjustments is necessary for response to the variations in business environments, such as economic situation, legislation, and physical conditions.

Finally, the differences in distribution structures in terms of the number of intermediaries like types of outlets, and channel functions (Keegan, 2009). Therefore, the necessity for distribution adaptation was represented in the analysis of the results, where a significant positive relationship with performance was found, besides its impact on sales but also financial performance especially export profit level (Langat, 2016).

4.6.5 Effect of Product Strategy on Growth of jua kali SMEs in Imenti North Sub-County

The fourth objective of the study was to investigate the effect of product strategy on growth of jua kali SMEs in Imenti North Sub County. Simple linear regression modelled the relationship between product strategy and growth of jua kali SMEs. Results include model summary (Table 4.23), analysis of variance (Table 4.24) and model test results in Table 4.25

Table 4.23.

Model summary for relationship between growth of jua kali SMEs and product strategy

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.553	0.306	0.294	2.60655	1.708

Predictors: (Constant), Product strategy

Dependent Variable: Growth of jua kali SMEs

Pearson's correlation coefficient in Table 4.23 is 55.3 percent. This shows strong positive correlation between product strategy and growth of jua kali SMEs. The coefficient of determination (R Square) shows that variations in product strategy account for 30.6 percent of the variations in growth of jua kali SMEs. Variables not included in this model account for remaining 69.4 percent of the variations. Durbin-Watson statistic further shows no serial correlation among the residual errors (d=1.708, approximately near two).

Table 4.24.

Analysis of variance for relationship between growth of jua kali SMEs and product strategy

Model	Sum of Squares	df	Mean Square	F	p-value
Regression	164.992	1	164.992	24.285	0.000
Residual	373.675	55	6.794		
Total	538.667	56			

Dependent Variable: Growth of jua kali SMEs

Predictors: (Constant), Product strategy

Table 4.24 shows results for analysis of variance tested using F-statistics, which tests the null hypothesis that growth of SMEs is non-linear to product strategy. The results show that the p-value corresponding to the observed F-statistics is 0.000, which is less than 5 percent ($F_{(1, 55)} = 24.285$, $p = 0.000 < 0.05$). Therefore, the study rejects the null hypothesis hence concluding that product strategy has significant linear relationship to growth of jua kali SMEs.

Table 4.25.

Model test on whether product strategy influences growth of jua kali SMEs in Imenti North Sub-County

Model	Unstandardized Coefficients		Standardized Coefficients	T	P-value
	B	Std. Error	Beta		
(Constant)	8.806	3.843		2.292	0.026
Product strategy	0.681	0.138	0.553	4.928	0.000

Dependent Variable: Growth of jua kali SMEs

The study set out to investigate the relationship between product strategy and growth of jua kali SMEs. The study formulated the null hypothesis that there is no significant relationship between product strategy and growth of jua kali SMEs at 5 percent significance level (H_{04}). Table 4.25 shows linear regression results whereby the predictor was product strategy and the dependent variable was growth of jua kali SMEs.

The regression equation of the linear regression analysis is as shown in equation (iv):

$$Y = 8.806 + 0.681\ X_1 + e \quad \ldots\ldots\ldots\ldots\ldots\ldots \text{(iv)}$$

t – statistic	*2.292*	*4.928*
p-value	*0.026*	*0.000*

Where

Y – Dependent variable (Growth of SMEs)

X_1 – Product Strategy

e – Regression error term

Table 4.25 shows that the p-value corresponding to product strategy is 0.000, which less than 5 percent. Therefore, the study rejects the null hypothesis (H_{04}) implying that growth of SMEs relates positively and significantly to product strategy. This results coincides with that of (Janet & Ngugi, 2014) that product development strategy was the key critical factor of entrepreneurial marketing that influences growth of SMEs. The study recommended owner entrepreneur managers to utilize product development as a strategy for growth of the business. Promotional strategy and distribution strategy) and dependent variable (Growth of Small and Medium Enterprises). Co-efficient of determination (R2) and correlation co-efficient reveal that: R=0.91: R2=0.83, Showing that the four independent variables had a strong relationship. Further, in accordance to a study by (Nyakamba, Kimutai, & Getare, 2017), influence of consumer characteristics on how families purchase products is dwelt on in the course of the business. The study found that the Community around makes regular purchase. The study also established that there are loyal customers in the jua kali business. As per the study there are no vast products available for sale.

4.6.6 Influence of entrepreneurial marketing mix on the growth of jua kali SMEs in Imenti North sub-county

Finally, the study investigated the effect of entrepreneurial marketing mix (combination of pricing strategy, promotion strategy, distribution/place strategy and product strategy) on growth of jua kali SMEs in Imenti North Sub County. Multiple linear regression modelled the relationship between the four strategies and growth of jua kali SMEs. Results include model summary (Table 4.26), analysis of variance (Table 4.27) and model test results in Table 4.28

Table 4.26.

Model summary for the influence of entrepreneurial marketing mix on the growth of jua kali SMEs in Imenti North sub-county

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.754[a]	0.569	0.536	2.11339	2.057

a. Predictors: (Constant), Product strategy, Distribution strategy, Pricing strategy, Promotion strategy

b. Dependent Variable: Growth

Pearson's correlation coefficient in Table 4.26 is 75.4 percent. This shows strong positive correlation between entrepreneurial marketing mix and growth of jua kali SMEs. The coefficient of determination (R Square) shows that variations in distribution strategy account for 53.6 percent of the variations in growth of jua kali SMEs. Variables not included in this model account for remaining 43.1 percent of the variations. Durbin-Watson statistic further shows no serial correlation among the residual errors (d=2.057, approximately near two).

Table 4.27.

Analysis of variance for the influence of entrepreneurial marketing mix on the growth of jua kali SMEs in Imenti North sub-county

Model	Sum of Squares	df	Mean Square	F	P-value
Regression	306.413	4	76.603	17.151	0.000[b]
Residual	232.254	52	4.466		
Total	538.667	56			

a. Dependent variable: Growth of jua kali SMEs

b. Predictors: (Constant), Product strategy, Distribution strategy, pricing strategy, Promotion strategy

Table 4.27 shows results for analysis of variance tested using F-statistics, which tests the null hypothesis that growth of SMEs is non-linear to the entrepreneurial marketing mix. The results show that the p-value corresponding to the observed F-statistics is 0.000, which is less than 5 percent ($F_{(4, 52)} = 17.151$, $p = 0.000 < 0.05$). Therefore, the study rejects the null hypothesis hence concluding that entrepreneurial marketing mix has significant linear relationship to growth of jua kali SMEs.

Table 4.28.

Model test on the influence of entrepreneurial marketing mix on the growth of jua kali SMEs in Imenti North sub-county

Model	Unstandardized Coefficients		Standardized Coefficients	T	P-value
	B	Std. Error	Beta		
(Constant)	1.251	3.513		0.356	0.723
Pricing strategy	0.217	0.129	0.207	1.682	0.099
Promotion strategy	0.169	0.122	0.202	1.387	0.171
Distribution strategy	0.288	0.141	0.285	2.048	0.046
Product strategy	0.280	0.136	0.228	2.053	0.045

a. Dependent variable: Growth of jua kali SMEs

The study set out to investigate the relationship between entrepreneurial marketing mix and growth of jua kali SMEs. The study formulated the null hypothesis that there is no significant relationship between entrepreneurial marketing mix (pricing strategy, promotion strategy, distribution/place strategy and product strategy) and growth of jua kali SMEs while controlling for each other at 5 percent significance level. Table 4.28 shows multiple linear regression results whereby the predictor was entrepreneurial marketing mix (pricing strategy, promotion strategy, distribution/place strategy and product strategy) and the dependent variable was growth of jua kali SMEs.

The regression equation of the linear regression analysis is as shown in equation (v):

Y =	1.251	+ 0.207 X_1	+ 0.202 X_2	+ 0.285 X_4	+ 0.22 X_4	+ e	……. (v)
t – statistic	*0.356*	*1.682*	1.387	2.048	2.053		
p-value	*0.723*	*0.099*	0.171	0.046	0.045		

Where

Y – Dependent variable (Growth of SMEs)

X_1 – Pricing Strategy

X_2 – Promotion Strategy

X_3 – Distribution Strategy

X_4 – Product Strategy

e – Regression error term

Based on results in Table 4.28, the study did not find a significant relationship between pricing strategy and growth of jua kali SMEs while holding constant promotion, distribution and product strategies ($t = 1.682$, $p = 0.099 > 0.05$). The study also found insignificant relationship between promotion strategy and growth of jua kali SMEs while holding constant pricing, distribution and product strategies ($t = 1.387$, $p = 0.171 > 0.05$). Distribution strategy was found to be significantly related to growth of jua kali SMEs while holding constant pricing, promotion and product strategies ($t = 2.048$, $p = 0.046 < 0.05$). Product strategy was found to be significantly related to growth of jua kali SMEs while holding constant pricing, promotion and distribution strategies ($t = 2.053$, $p = 0.045 < 0.05$).

The study by Janet & Ngugi, (2014) results of the multiple regression model reveal that product development strategy had a coefficient of 3.199, T calculated of 3.375 which is greater than T critical value of 2 and a P value of 0.001 which is less than 5%. Pricing

strategy had a coefficient of 3.175, T calculated of 3.355 and P value of 0.003. Promotional Strategy had a coefficient of 2.554, T calculated of 3.276 and P value of 0.004. Distribution strategy had a coefficient of 2.363, T calculated of 3.234 and P value of 0.045. The value of each independent variable coefficient determines the extent to which the independent variable influences of entrepreneurial marketing on the growth of SMEs. The results above compares with this study in that product strategy and distribution strategy are found to significantly impact SME growth. However, the above results differs from those of this results in that pricing and promotion though they affect SME's growth but not to a bigger extent as found in Janet & Ngugi (2014) study.

A study by Miller (2009) found out that new product development strategy influences the growth of SMEs in many African countries. The study noted that innovativeness contributed to new product development in many African countries such as South Africa, Nigeria and Kenya. Baker (2008) conducted a study on enterprise success factors in Small and medium enterprises (SMEs) Gauteng, South Africa, it was concluded that a lack of technical and managerial skills were major impediments. Little work has been done on distribution strategy and SME, growth however innovation has been noted as a stimulator of sustainable development, but there is no significant work done covering SMEs (Gupta, Guha & Krishnaswami, 2013).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study findings, conclusions and recommendations drawn from the study. The chapter is structured into three sections, first section presents summary of the findings as per the research objectives, second, it presents conclusion while the third one dwells on the recommendations and suggestions for further research.

The purpose of this study was to investigate the effect of entrepreneurial marketing mix on the growth of jua kali Enterprise in North Imenti Sub County, Meru County. Despite the key role of SME'S in economic growth; SMEs in Kenya do not graduate into large enterprises. Some remain small while others die gradually. This study investigated the problem by analyzing the 4p's marketing mix in relationship to SME'S growth. Specifically the study assessed the relationship between pricing, promotion, distribution, product and growth of jua kali enterprises in North Imenti sub-county, Meru County. There has not been a specific study within the local context concentrating on the role of entrepreneurial marketing mix on the growth of jua kali SME's in Kenya and Imenti North in particular. Several studies have been conducted in the past on SME's focusing on jua kali operations but none has specifically investigated the effects 4P's of marketing on the growth of jua kali enterprises in Meru. The study was informed by Kirzner theory of entrepreneurship, the resource based theory and marketing mix model which are related to SMEs growth and entrepreneurial marketing factors.

The investigation adopted a descriptive research design. The population comprised of one hundred and twenty eight (128) owner managers of jua kali enterprises. A stratified random sampling technique was used to select a sample of ninety seven (97) jua kali Enterprises from the total population. The data collection instrument was a structured questionnaire. The study utilized both descriptive and inferential statistics to analyze the data. The descriptive statistical analysis included frequencies and percentage distributions, mean and percentages while the inferential statistical analysis included Pearson Correlation, One Way Analysis of Variance (ANOVA) and Regression analysis.

5.2 Summary of the Findings

The study investigated the relationship between entrepreneurial marketing mix and the growth of jua kali enterprises in North Imenti Sub County of Meru County. The study established that majority of the respondents were female. Concerning level of education, post-secondary education was the highest, followed by secondary education and lastly class eight. Majority of the respondents were in textiles (tailors and dress makers) followed by leather works trade practitioners and lastly at number five were wood workers.

To assess the relationship between pricing of products and growth of jua kali enterprises in North Imenti, Meru County, findings were majority of the respondents had an effective pricing strategy in operation with an agreement of 78.1 %. 19.7 % of the respondents unsettled on a pricing strategy that worked for them while only 3.3 per cent did not have an effective pricing strategy. An intermediate positive relationship was found between pricing and growth of SME's ($r=37.2$, $F=32.55$, $p=0.00$) indicating that variations in pricing strategy account for 37.2 percent of the variations in growth of jua kali SMEs. The

F statistics- analysis of variance tests the null hypothesis that growth of SMEs is non-linear to pricing strategy. The results showed that the p-value corresponding to the observed F-statistics is 0.000, which is less than 5 percent ($F_{(1, 55)} = 32.548$, $P = 0.000 < 0.05$). Therefore, the study rejects the null hypothesis (H_{01}) implying that growth of SMEs relates positively and significantly to pricing strategy.

The assessment on the relationship between promotion of products and growth of jua kali enterprises in North Imenti, Meru County the study found a strong relationship between promotion strategy on Growth of jua kali sector (R=65.2, p=0.00). F-statistics, which tests the null hypothesis that growth of SMEs is non-linear to promotion strategy showed that the p-value corresponding to the observed F-statistics is 0.000, which is less than 5 percent ($F_{(1, 55)} = 40.698$, $P = 0.000 < 0.05$). Therefore, the study rejects the null hypothesis hence concluding that promotion strategy significantly affect growth of jua kali SMEs.

The study found a moderate strong positive relationship between place strategy and growth of SME's (R=0.649, P=0.00). The F-statistics, which tests the null hypothesis that growth of SMEs is non-linear to place strategy showed that the p-value corresponding to the observed F-statistics is 0.000, which is less than 5 percent ($F_{(1, 55)} = 40.093$, $P = 0.000 < 0.05$). Therefore, the study rejects the null hypothesis (H_{03}) implying that growth of jua kali SMEs relates positively and significantly to place strategy.

Product strategy is the fourth variable that the study investigated. The study revealed a positive relationship between product strategy and SME's growth (r=55.3). The F-statistics, which tests the null hypothesis that growth of SMEs is non-linear to product strategy showed that the p-value corresponding to the observed F-statistics is 0.000, which

is less than 5 percent ($F_{(1, 55)} = 24.285$, $P = 0.000 < 0.05$). Therefore, the study rejects the null hypothesis (H_{04}) implying that growth of SMEs relates positively and significantly to product strategy.

5.3 Conclusion

This study sought to assess the relationship between entrepreneurial marketing mix and the growth of Jua kali enterprises in North Imenti Sub County of Meru County. It is evident that this study has established that pricing, promotion of products and their distribution strategy impact on growth of Jua kali enterprises in North Imenti Sub County, Meru County. Pricing of products moderately affect SME growth though not as much as promotion and distribution strategy. Therefore, the objectives of this study were achieved. This study has further rejected the null hypothesis thus concluding that pricing strategy, product strategy, place strategy and promotional strategy has significant positive linear relationship to growth of jua kali SMEs.

It's therefore important to outline the need to employ price strategy, product strategy, distribution strategy and promotional strategy in growing entrepreneurship in jua kali sector.

5.4 Recommendations

Product development strategy was the key critical factor of entrepreneurial marketing that influences growth of jua kali enterprises to a very significant extent, followed by distribution strategy.

5.4.1 Recommendations on Research Findings

The study therefore recommends the owner entrepreneur managers to employ product development as a strategy for growth of the jua kali enterprise. Also, the marketing department to invest in research and development to enable product innovations, increase quality of products, offer differentiated products to meet customers specific needs in order for SME's to remain competitive and profitable.

Secondly the study recommends that the marketing department of the jua kali sector to clearly set its place strategy indicating the place and specific market niche that is different from that of its domestic competitors in order to enhance mobility of goods and services. The study recommends the public private partnerships that will enhance creation of sustainable market for product. Further, the partnerships between county governments ministry of trade to invest in research meant to understand the needs of the customers in the available markets as well as seek more external markets for the products. This way the SME's can create royal customers who will invite referrals and thus retaining old customers as well as attract new.

Further the study recommends that different SME's to come up with a price level that will make the jua kali product affordable and attractive to those consumers that are price sensitive as well as compete fairly well with imported product.

The study recommends that jua kali SME's come up innovative promotional strategies such as internet marketing and mobile phone platforms to reach the unreached markets both locally and internationally. This is expected to increase the attractiveness of the products to the potential customers increasing demand for product hence spurring growth of SME's.

5.4.2 Recommendations for Further Study

The study was conducted on the growth of jua kali enterprises and the influencing marketing mix. The study recommends a further study to be done to identify the specific product strategy indicators and their effect on SME's growth as well as the effectiveness of product strategy in SME's Growth.

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APPENDICES

Appendix I: Questionnaire Cover Letter

Jackline Kanana Gatobu
Department of Business Administration,
Kenya Methodist University,
P.O. Box -60200,
Meru, Kenya.
Email:gatobujackline@gmail.com
Mobile: +254728350629

Dear sir/madam,

I am currently conducting a study on ″Relationship between entrepreneurial marketing mix and growth of jua kali enterprises in Imenti North Sub County, Meru County″. The study is purposely directed to entrepreneurs who are members of jua kali associations registered by MSEA-Kenya to answer questions on marketing mix adopted and its influence on the growth of their enterprises.

Participating in this survey is voluntary and your entrepreneurial activities will remain uninterrupted. The administration of the questionnaire will take approximately 15 minutes. All information will be treated with strict confidentiality and all the responses will be treated as grouped data in the final report. You are not required to write your name in the questionnaire. Feel free to ask for clarification where necessary.

Your time and effort in completing this survey is highly appreciated. Feel free to indicate your desire to be furnished with the final results.

Yours faithfully,

Jackline Kanana Gatobu

(**BUS-3-0820-3/2015**)

Appendix II: Questionnaire

This questionnaire assists in data collection for academic purpose. The study intends to give an analysis of the effect of product, price, place and promotion on growth of jua kali Enterprises. Information provided will be treated with highest level of confidentiality. Please do not incorporate identification or names in this questionnaire.

Please answer every question by using either a cross(x) or tick (√) in the option that applies.

Section A: Personal Information

1. Please indicate your gender (Tick where applicable)

Male ☐ Female ☐

2. Please indicate your highest level of formal education?

Lower primary (Class 1-3) ☐ Upper Primary (Class 4-8) ☐

Secondary (Form 1-4) ☐ Post-secondary ☐

3. Indicate the name of jua kali association in which you are a member _____

4. Please select the nature of trade you are involved in from the choices below

Agro- processors	
Leather Works	
Metal Fabricators & Welders	
Textiles (Tailors & Dress makers)	
Waste Recyclers	
Wood Workers (Carpenters & furniture workers)	

Section B: Pricing strategy

The questions in this section ask about the pricing practiced on your products and services. Please give your sincere opinion by ranking each statement in order of: 1- Strongly Disagree, 2-Disagree, 3- Neutral, 4-Agree, and –5 Strongly Agree

No.	Statement	1	2	3	4	5
VIII.	The enterprise adhere to pricing differentiation according to levels of intermediaries					
IX.	The enterprise offer discounted prices for the products					
X.	The prices are dictated by the prevailing market conditions					
XI.	The cost of production affects the pricing mechanism					
XII.	The distribution channel chosen for delivery of products affects the pricing mechanism					
XIII.	There are price discrimination according to market segments					
XIV.	There is an effective pricing strategy in operation					

Section C: Promotion strategy

The questions in this section ask you about the promotion strategies and methods in place within your business, please give your sincere opinion by ranking each statement in order of: : 1- Strongly Disagree, 2-Disagree, 3- Neutral, 4-Agree, and –5 Strongly Agree.

No	Statement	1	2	3	4	5
I.	The enterprise capitalize on direct marketing when promoting the products					
II.	The enterprise do attend exhibitions to promote the products					
III.	The enterprise carry out sales promotion regularly					
IV.	The customers are the best marketers (referral marketing)					
V.	The marketing programs are continuous in nature					
VI.	The enterprise takes into importance the public relations activities and events					
VII.	There is an effective advertising program					

Section D: Place/ Distribution strategy

No.	Statement	1	2	3	4	5
I.	The distribution and logistical records are updated daily					
II.	The information on logistics is shared with the channel intermediaries or agents					
III.	The enterprise is strategically located					
IV.	The delivery affects the accessibility of the products					
V.	The distribution channel strategy utilized affects the growth of the enterprise					
VI.	The nature of the product affects the channel choice					
VII.	The type of channel affects the sales performance					

The questions in this section ask you about the effect of distribution channels and location on the growth of the enterprise. Please give your sincere opinion by ranking each statement in order of: 1- Strongly Disagree, 2-Disagree, 3- Neutral, 4-Agree, and –5 Strongly Agree

Section E: Product strategy

The questions in this section ask you about the product development and design effect on the growth of the jua kali enterprise. Please give your sincere opinion by ranking each statement in order of: 1- Strongly Disagree, 2-Disagree, 3- Neutral, 4-Agree, and 5 Strongly Agree.

No.	Statement	1	2	3	4	5
I.	The enterprise spend in enhancing the design of enterprise products					
II.	The products are competitive in the market due to their aesthetics, design and utility					
III.	The enterprise has continued to embrace emerging technologies					
IV.	The type and number of products developed determines the enterprises' profitability					
V.	There are product designers within the enterprises contributing to enhanced product features					
VI.	There is continuous product innovation					
VII.	The source for product development and designs are from other people and organizations					

Section E: Growth of jua kali Enterprises

The questions in this section ask you the growth of the jua kali enterprise for the number of years it has been in operation. Please give your sincere opinion by ranking each statement in order of: 1- Strongly Disagree, 2-Disagree, 3- Neutral, 4-Agree, and 5 Strongly Agree

No.	Statement	1	2	3	4	5
I.	The enterprise has been achieving sales and revenue targets					
II.	The enterprise has included more products to the portfolio					
III.	The enterprise has acquired more customers leading to volume maximization					
IV.	The enterprise has maintained good liquidity levels					
V.	The distribution network for the enterprise goods has expanded					
VI.	The sales margins are adequate to cover the enterprises' business operating costs					
VII.	There is revenue growth comparable to previous years					

Thanks for your participation

Appendix III: Reliability Results

Pricing Strategy Reliability Analysis

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The enterprise adhere to pricing differentiation according to levels of intermediaries	24.5000	8.500	0.237	0.693
The enterprise offer discounted prices for the products	24.1000	8.100	0.455	0.622
The prices are dictated by the prevailing market conditions	24.0000	8.000	0.532	0.603
The cost of production affects the pricing mechanism	23.6000	7.378	0.606	0.575
The distribution channel chosen for delivery of products affects the pricing mechanism	23.7000	8.900	0.389	0.644
There are price discrimination according to market segments	23.9000	8.322	0.520	0.612
There is an effective pricing strategy in operation	23.6000	9.156	0.124	0.725
		Overall Section Score		0.677

Promotion Strategy Reliability Analysis

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The enterprise capitalize on direct marketing when promoting our products	24.1000	13.211	0.450	0.771
The enterprise usually attend exhibitions to promote the products	24.3000	11.344	0.826	0.686
The enterprise usually carry out sales promotion regularly	23.9000	13.656	0.446	0.769
The customers are the best marketers	23.9000	10.322	0.809	0.682
The marketing programs are continuous in nature	23.8000	14.622	0.441	0.770
The enterprise takes unto importance the public relations activities and events	23.7000	16.011	0.246	0.796
There is an effective advertising program	23.7000	14.900	0.350	0.784
			Overall Score	0.784

Distribution Strategy Reliability Analysis

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The distribution and logistical records are updated daily	24.3000	8.011	0.821	0.626
The information on logistics is shared with the channel intermediaries or agents	24.0000	9.778	0.528	0.709
The enterprise is strategically located	23.8000	11.289	0.478	0.728
The delivery affects the accessibility of the products	24.2000	9.733	0.390	0.751
The distribution channel strategy utilized affects the growth of the enterprise	23.8000	10.400	0.523	0.713
The nature of the products affects the channel choice	23.7000	11.344	0.396	0.738
The type of channel affects the sales performance	23.6000	11.378	0.248	0.769
			Overall Score	0.753

Product Strategy Reliability Analysis

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The enterprise spend in enhancing the design of my products	25.2000	5.511	0.217	0.600
The products are competitive in the market due to their aesthetics, design and utility	24.5000	4.944	0.572	0.491
The enterprise has continued to embrace emerging technologies	24.0000	6.444	0.000	0.646
The type and number of products developed determines my profitability	24.7000	5.344	0.241	0.594
There are product designers within the enterprise contributing to enhanced product features	24.4000	5.156	0.261	0.590
There is continuous product innovation	24.5000	4.722	0.450	0.514
The enterprise borrow product development and designs from other people and organizations	24.3000	4.678	0.540	0.485
			Overall Score	0.603

Growth Reliability Analysis

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The enterprise has been achieving sales and revenue targets	23.8000	14.844	0.122	0.722
The enterprise has included more products to the portfolio	23.7000	9.567	0.678	0.555
The enterprise has acquired more customers leading to volume maximization	23.6000	14.267	0.291	0.680
The enterprise has maintained good liquidity levels	24.1000	13.211	0.364	0.664
The distribution network for the enterprise goods has expanded	24.1000	12.544	0.473	0.636
The sales margins are adequate to cover the enterprise operating costs	23.6000	12.933	0.430	0.647
There is revenue growth comparable to previous years	23.9000	12.544	0.439	0.644
			Overall Score	0.689

Overall Reliability Analysis

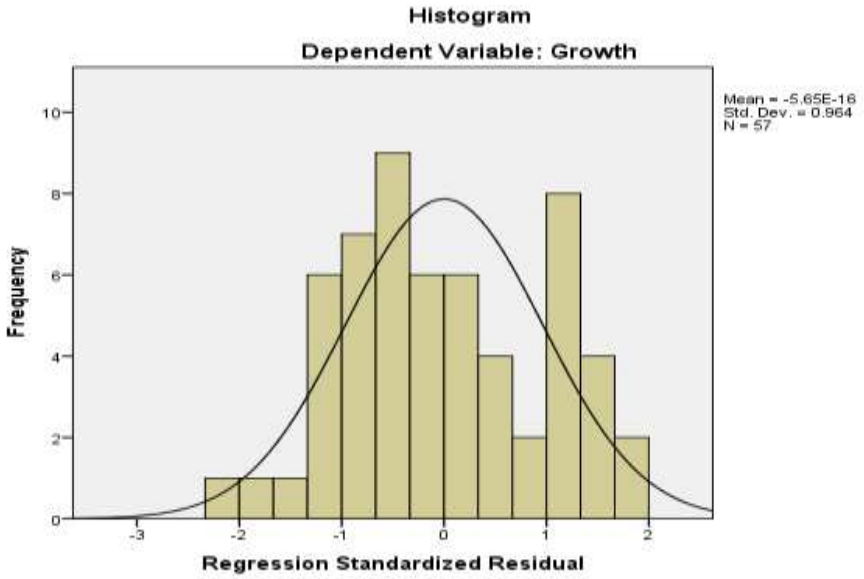
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The enterprise adhere to pricing differentiation according to levels of intermediaries	136.7000	148.900	.483	.863
The enterprise offer discounted prices for the products	136.3000	151.789	.453	.864
The prices are dictated by the prevailing market conditions	136.2000	147.956	.708	.859
The cost of production affects the pricing mechanism	135.8000	147.956	.628	.860
The distribution channel chosen for delivery of products affects the pricing mechanism	135.9000	156.322	.284	.867
There are price discrimination according to market segments	136.1000	153.878	.417	.865
There is an effective pricing strategy in operation	135.8000	149.956	.446	.864
The enterprise capitalize on direct marketing when promoting the products	136.3000	152.233	.310	.867

The enterprise usually attend exhibitions to promote the products	136.5000	141.167	.832	.854
The enterprise usually carry out sales promotion regularly	136.1000	147.656	.553	.861
The customers are the best marketers	136.1000	138.544	.785	.853
The marketing programs are continuous in nature	136.0000	150.444	.565	.862
The enterprise takes unto importance the public relations activities and events	135.9000	156.989	.241	.868
There is an effective advertising program	135.9000	154.767	.297	.867
The distribution and logistical records are updated daily	136.5000	146.500	.589	.860
The information on logistics is shared with the channel intermediaries or agents	136.2000	147.511	.608	.860
The enterprise is strategically located	136.0000	161.111	-.015	.872
The delivery affects the accessibility of the products	136.4000	152.933	.273	.869
The distribution channel strategy utilized affects the growth of the enterprise	136.0000	150.222	.577	.862
The nature of the products affects the channel choice	135.9000	151.878	.573	.863
The type of channel affects the sales performance	135.8000	153.733	.333	.866

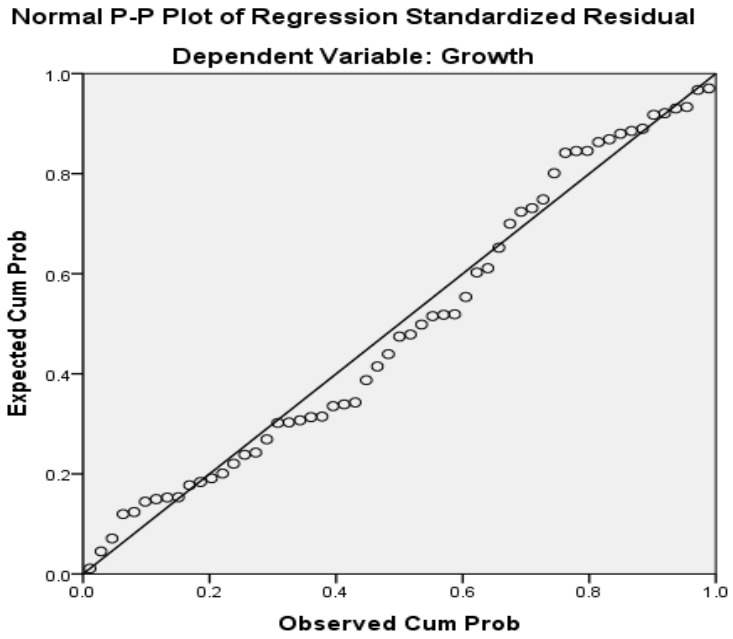
The enterprise spend in enhancing the design of my products	136.7000	152.456	.479	.864
The products are competitive in the market due to their aesthetics, design and utility	136.0000	153.333	.537	.864
The enterprise has continued to embrace emerging technologies	135.5000	159.833	.085	.870
The type and number of products developed determines the enterprises profitability	136.2000	152.178	.466	.864
There are product designers within the enterprise contributing to enhanced product features	135.9000	149.878	.555	.862
There is continuous product innovation	136.0000	149.333	.628	.861
The enterprise borrow product development and designs from other people and organizations	135.8000	151.067	.584	.862
The enterprise has been achieving my sales and revenue targets	136.1000	158.322	.084	.873
The enterprise has included more products to the portfolio	136.0000	158.222	.041	.877
The enterprise has acquired more customers leading to volume maximization	135.9000	159.656	.047	.872

The enterprise has maintained good liquidity levels	136.4000	157.600	.114	.872
The distribution network for the goods has expanded	136.4000	155.378	.209	.870
The sales margins are adequate to cover the enterprise operating costs	135.9000	160.322	.002	.874
There is revenue growth comparable to previous years	136.2000	165.067	-.190	.880
			Overall score	0.869

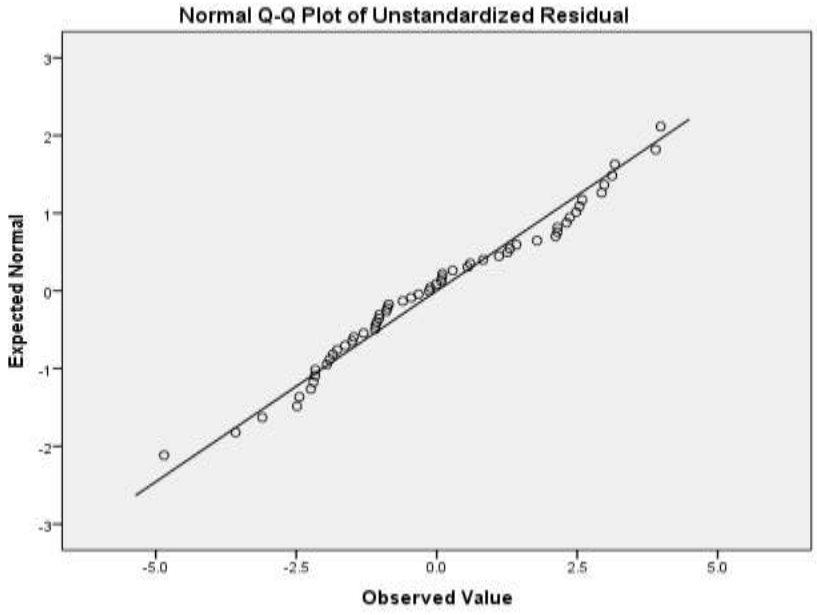
Appendix IV: Normality Plots and Scatter Plots



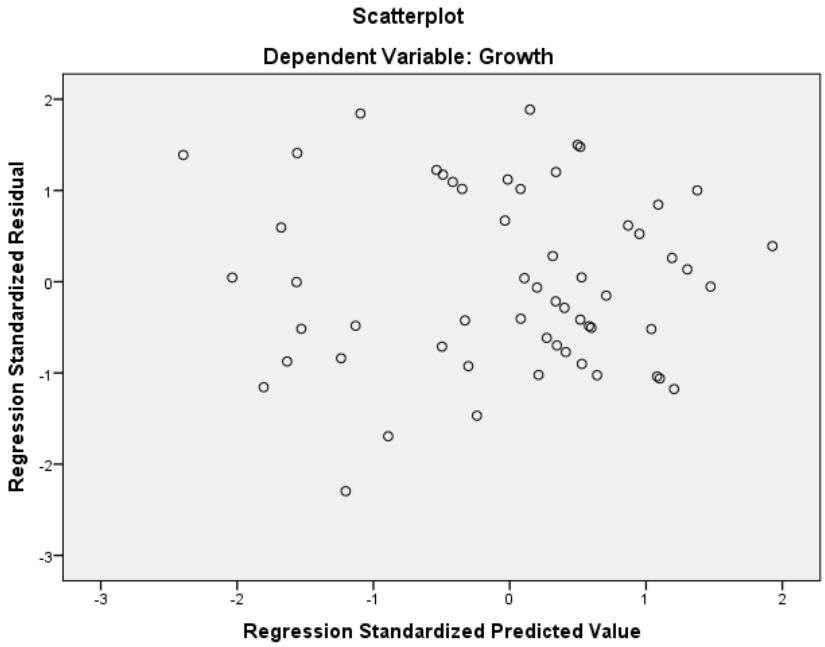
Histogram of standardized residuals



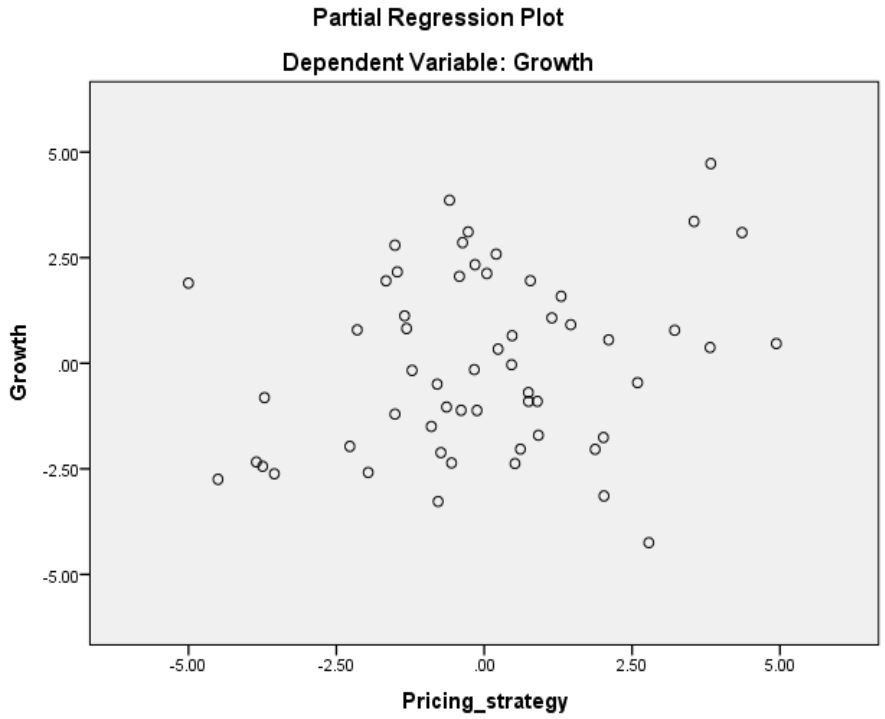
Normal P-P Plot of regression standardized residuals



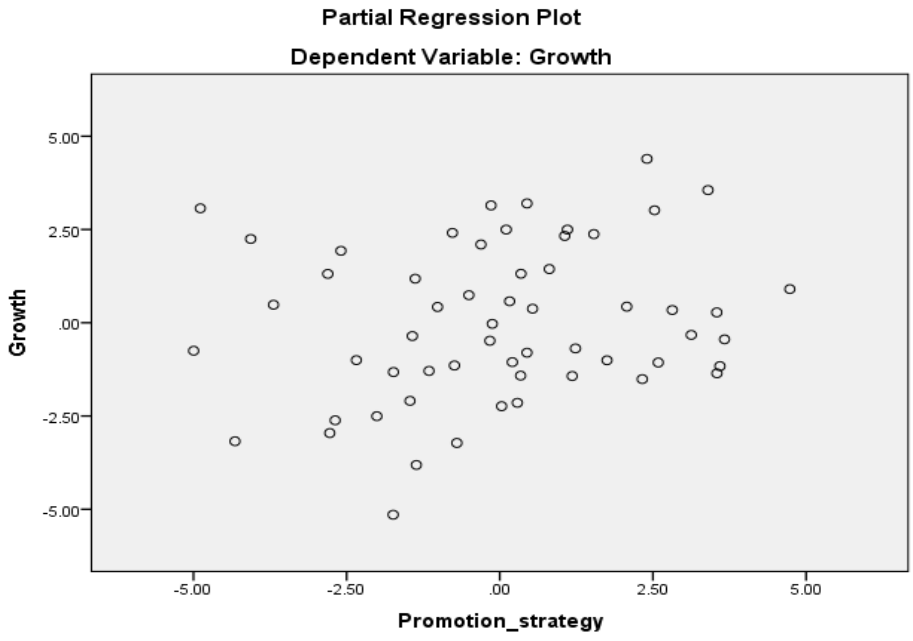
Normal Q-Q Plot of regression unstandardized residuals



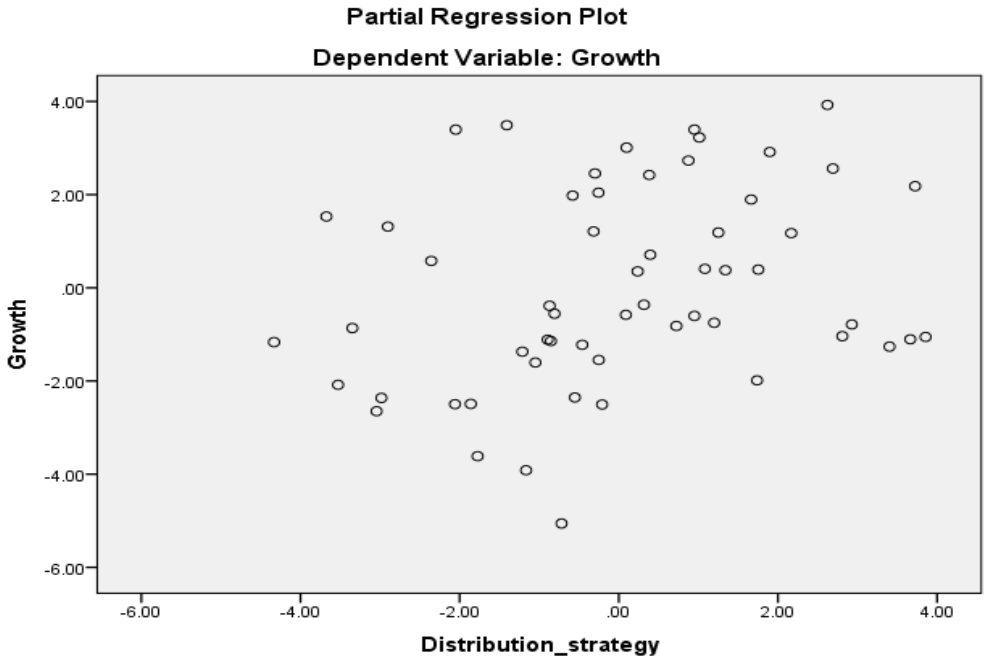
Plot of regression standardized residuals against regression standardized predicted values



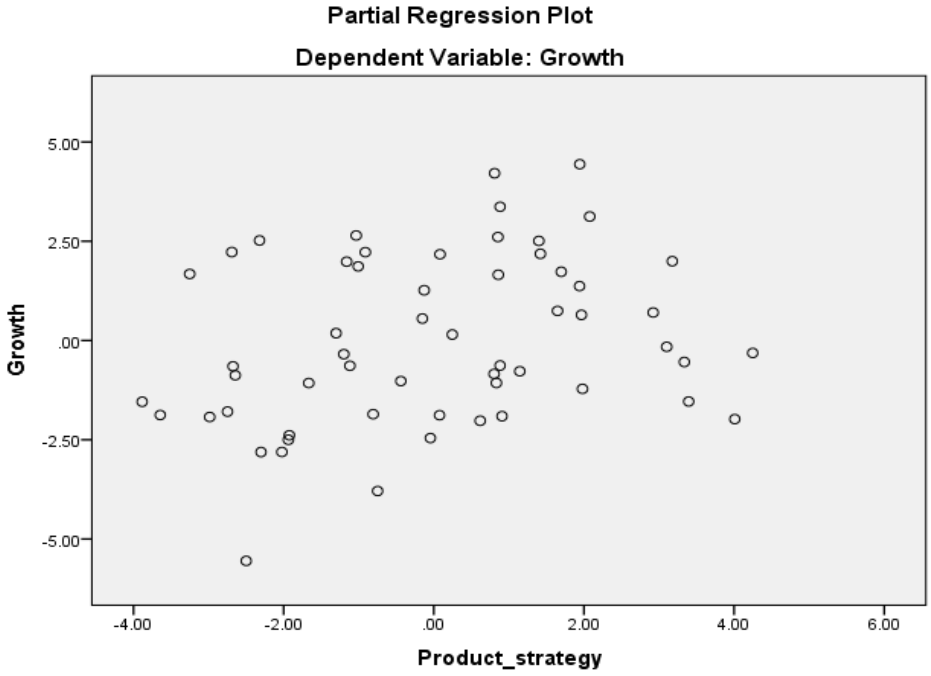
Plot of growth of jua kali SMEs against pricing strategy



Plot of growth of jua kali SMEs against promotion strategy



Plot of growth of jua kali SMEs against distribution strategy



Appendix V: List of North Imenti Jua Kali Association members

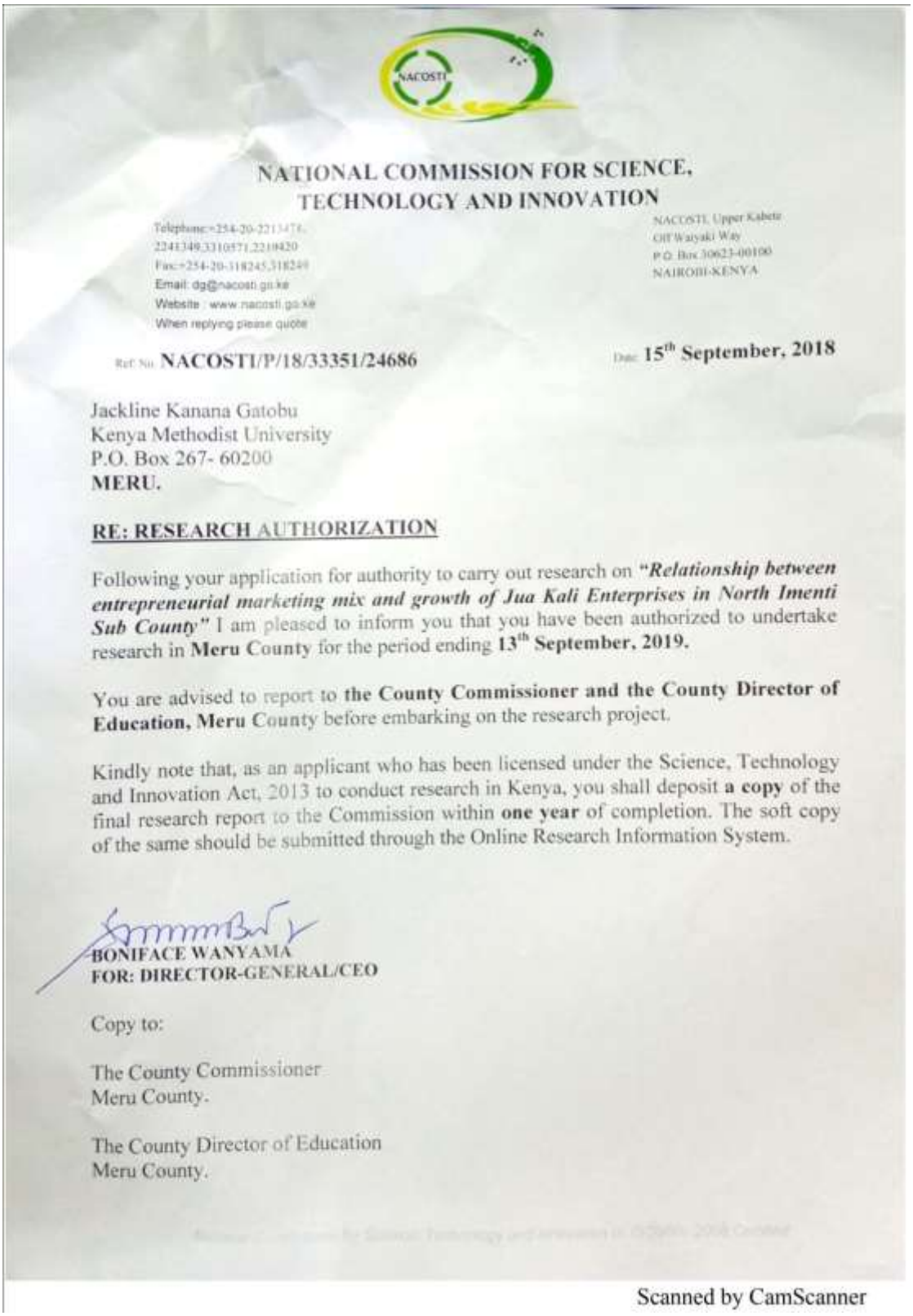
S/NO	NAME	ID. NO.	NATURE OF BUSINESS
1.	Solomom Mutea Nchebere	8882485 -Chairman	Welding
2.	John Gitonga Kamathi	22033330 -Treasurer	Leather Works
3.	Elizabeth Wangui	6103652 -Secretary	Agro- Processing
4.	Delphino Mugambi	1447321	Leather Works
5.	Lucy Njoki		Agro- Processing
6.	Elias Kaumbuthu		Welding
7.	Josphat Mwigirwa		Leather Works
8.	Lawi Kithinji Guantai		Agro- Processing
9.	Patrick Kirimi		Leather Works
10.	Patrick Muthee		Metal Fabrications
11.	Kenedy Muriungi	23217123	Carpentry
12.	Faith Kagwiria		Leather Works
13.	Fredrick Murangiri	22240170	Welding
14.	Evanson Kamotho		Carpentry
15.	Festus Kimathi		Welding
16.	Monica Ntibuka		Agro- Processing
17.	Esther Wanja	1304402	Leather Works
18.	Samson Mbaabu	16107078	Metal Fabrication
19.	Emily Kendi		Agro- Processing
20.	Martin Muguna	22932795	Leather Works
21.	Joyce Regeria		Welding
22.	John Michuki		Carpentry
23.	Mary Nyambura		Agro- Processing
24.	Alex Bundi		Carpentry
25.	Godfrey Karani		Carpentry
26.	Edith Karimi	23124380	Leather Works
27.	Julius Kirimi Kirimania		Metal Fabrication
28.	Phineas Mutai Jason	8870119	Agro- Processing
29.	Julius Mworia	1091482	Leather Works
30.	Kinyua Rugendo		Agro- Processing
31.	Shadrack Mugiira		Carpentry
32.	Jason Kimathi		Leather Work
33.	Lilian Gaceri		Carpentry
34.	Peter Mutiso	1476575	Agro- Processing
35.	Arthur Mbogori		Carpentry
36.	Edward Kalunge		Agro- Processing
37.	Timothy Kimathi		Tailor
38.	Solomon Mwiti	21172176	Metal Fabrication

39.	Beatrice Igoki		Agro- Processing
40.	Nahason Mugiira		Dress Maker
41.	Daniel Gitonga	12498972	Agro- Processing
42.	Alex Murithi	21005102	Tailor
43.	Alice Njeri		Metal Fabrication
44.	Faustina Kagwiria		Agro- Processing
45.	Priscilla Kajuju		Leather Work
46.	Mishi Thuranira		Carpentry
47.	Francis Mwangi		Agro- Processing
48.	Hudson Mutugi		Waste Recycling
49.	Isaac Mutea	11326856	Welding
50.	Doreen Kaimenyi		Leather Works
51.	David Kiragu	28660074	Carpentry
52.	Jacob Githinji		Carpentry
53.	Joseph Mwenda	2482933	Carpentry
54.	Josphine Kinanu	22786290	Agro- Processing
55.	Moses Mutwiri		Dress Maker
56.	Ephraim Mbutu		Carpentry
57.	Martin Muguna	20896843	Dress Maker
58.	Douglas Mbaya	3503996	Carpentry
59.	Daniel Maitima		Agro- Processing
60.	Nicholas Kimathi Kithinji	23204603	Leather Works
61.	Zabron Rugendo		Tailor
62.	Caroline Wanja		Waste Recycling
63.	Florence Kairendi		Carpentry
64.	Charles Kubai Ibeere	4591779	Agro- Processing
65.	Shadrack Mugiira		Dress Maker
66.	Joshua Murangiri	2365082	Carpentry
67.	Florence Karendi		Leather Works
68.	Peter Ndumba		Tailor
69.	Charity Karimi		Metal Fabrication
70.	Douglas Mbaya		Tailor
71.	Rosalia Kananu		Agro- Processing
72.	Joseph Muriiki	24583083	Waste Recycling
73.	Lucy Kananu	22104096	Welding
74.	Lucy Muketha		Leather Works
75.	Joseph Gichuru		Dress Maker
76.	Jotham Kirema		Carpentry
77.	Stanely Munene		Waste Recycling
78.	Naftaly Bundi	13816317	Agro- Processing
79.	Morris Mwirigi	10613475	Agro- Processing
80.	Peter Ndumba		Metal Fabrication
81.	Peter Mutwiri Mugaa	1447321	Tailor

82.	William Kimani Gichoki		Metal Fabrication
83.	Pius Mungai Ng'ang'a		Carpentry
84.	Samson N Rikanya	11401748	Agro- Processing
85.	Boniface Mwiti	10098181	Carpentry
86.	Nkirote Mutua		Dress Maker
87.	Fredrick S. Mburunga	2444174	Leather Works
88.	Abdul Malik	2444174	Carpentry
89.	Ismael Omondi		Tailor
90.	Jacinta Kaguri		Agro- Processing
91.	Francis Murega	9525322	Carpentry
92.	Peter Mwiti	2555480	Tailor
93.	Peter Kubania	31015330	Leather Works
94.	Stella Ntinyari		Carpentry
95.	Joel Mugambi	7410509	Dress Maker
96.	Joel Kirimi		Leather Works
97.	Tom M' Rimberia		Carpentry
98.	Virginia Kagendo		Waste Recycling
99.	Ayub Kiugu		Carpentry
100.	Evans Mawira Kiungu	34114497	Carpentry
101.	Doris Kathure	9047498	Agro- Processing
102.	Magdalene Kendi		Waste Recycling
103.	Peter Kailikia		Agro- Processing
104.	Johnson Bundi		Carpentry
105.	Isaac Kirimi Mbwiria	13754417	Welding
106.	Simon Maina		Carpentry
107.	Jane Mukiri	7456275	Agro- Processing
108.	Sicily Gacheri Mugambi	21724396	Metal works
109.	John M' Inanga		Agro- Processing
110.	Alexander Kinoti		Leather Works
111.	Japheth Murithi Itunga		Carpentry
112.	John Muguna Mwitari		Welding
113.	Mercy Kanario	20623669	Tailor
114.	William Kaaria	27081142	Dress Maker
115.	Julius Kamencu	13834307	Tailor
116.	Penina Makandi	29115775	Dress Maker
117.	EricKimathi	22372376	Dress Maker
118.	Martha Nkendi	13812748	Tailor
119.	Owen Kithinji	20894602	Dress Maker
120.	Ken Manane	34724932	Tailor
121.	Douglas Koome	20092210	Tailor
122.	Faith Gatwiri	26281345	Tailors
123.	Rose Kanyiri	14415130	Dress Makers
124.	Joeph Kabui	23331420	Tailors

125.	Annrita Gataka	27440408	Dress Makers
126.	James Kihumba	22492004	Tailors
127.	Kelvin Mwenda	28727685	Tailors
128.	Evans Munene	36584329	Dress Makers

Appendix VI: Research permit



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P.O. Box 30623-00100
NAIROBI-KENYA

Ref No. **NACOSTI/P/18/33351/24686**

Date: **15th September, 2018**

Jackline Kanana Gatobu
Kenya Methodist University
P.O. Box 267- 60200
MERU.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Relationship between entrepreneurial marketing mix and growth of Jua Kali Enterprises in North Imenti Sub County"*** I am pleased to inform you that you have been authorized to undertake research in **Meru County** for the period ending **13th September, 2019.**

You are advised to report to **the County Commissioner and the County Director of Education, Meru County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Meru County.

The County Director of Education
Meru County.

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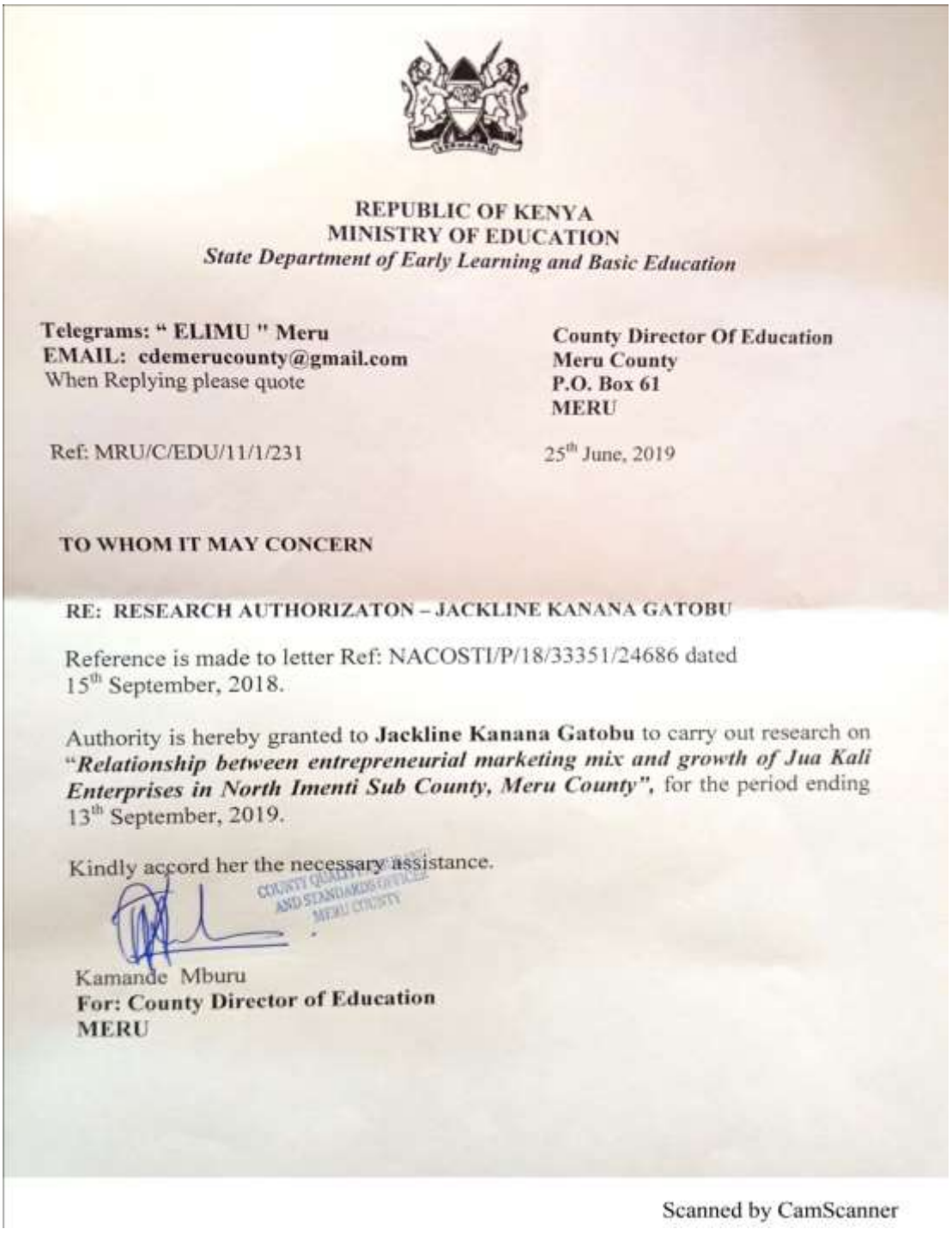
Appendix VII: Research permit from County Director of Education



REPUBLIC OF KENYA
MINISTRY OF EDUCATION
State Department of Early Learning and Basic Education

Telegrams: " ELIMU " Meru
EMAIL: cdemerucounty@gmail.com
When Replying please quote

County Director Of Education
Meru County
P.O. Box 61
MERU

Ref: MRU/C/EDU/11/1/231

25th June, 2019

TO WHOM IT MAY CONCERN

RE: RESEARCH AUTHORIZATON – JACKLINE KANANA GATOBU

Reference is made to letter Ref: NACOSTI/P/18/33351/24686 dated 15th September, 2018.

Authority is hereby granted to **Jackline Kanana Gatobu** to carry out research on "***Relationship between entrepreneurial marketing mix and growth of Jua Kali Enterprises in North Imenti Sub County, Meru County***", for the period ending 13th September, 2019.

Kindly accord her the necessary assistance.

COUNTY QUALITY ASSURANCE AND STANDARDS OFFICER MERU COUNTY

Kamande Mburu
For: County Director of Education
MERU

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