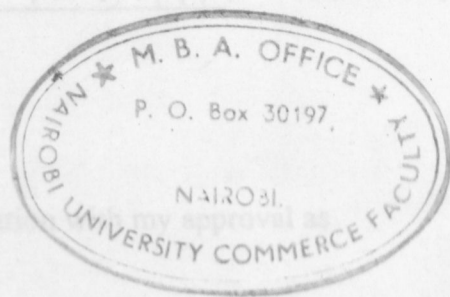


**The Marketing Problems of Small-Scale Fish Traders  
and Strategies used to overcome them: A Case Study  
of the Landing Beaches in Kisumu District**

BY

Pellyne A. Onyango



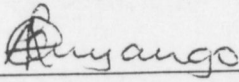
Signed [Signature] 12-11-1999  
A Management Research Project Submitted in Partial Fulfilment of the  
Requirements for the Degree of Master in Business and administration,  
University of Nairobi.

June, 1999

DEDICATION

**DECLARATION**


To my parents, Beah and Millieant for their unfailing love, patience, care and  
dedication. Without their dedication to education, I could not have come this far.  
This management project is my original work and has not been presented for a degree in  
any other university.

Signed: 

Date: 10<sup>th</sup> Aug, 1999.

Pellyne Atieno Onyango

This Management Project has been submitted for examination with my approval as  
university supervisor.

Signed: 

Date: 12-11-1999

Dr. Martin Ogutu

## ACKNOWLEDGEMENTS

I would like to acknowledge the following people who contributed to the

### DEDICATION

To my parents, Boaz and Millicent for their unfailing love, patience, care and encouragement. Without their dedication to education, I could not have come this far.

I also express my appreciation to Prof. Ogutu of the Department of Religious Studies, for his mentorship during the first stages of this project.

Special thanks go to my family (Dad - Boaz, Mum - Millicent, Sister Carren, lovely Nephew - Jay and my brothers) for their encouragement and support.

I also thank Mr. Bani Orwa of Kenya Institute of Management for his mentorship and support in my work.

Special thanks go to all my friends Margaret Gloke, Carren, Odi and all Members of my MBA Class for the resistance they gave me when writing this paper.

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I would like to acknowledge the following people who contributed to the successful completion of this project.

My special thanks go to my Supervisor, Dr. Martin Ogutu for the advice and guidance he gave me when writing this project.

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Sincere thanks go to my family (Dad – Boaz, Mum – Millicent, Sister Carren, lovely niece – Joy and my brothers) for their encouragement and support.

I also thank Mr. Bani Orwa of Kenya Institute of Management for his commitment and interest in my work.

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## ABSTRACT

The main objective of the study was to identify the problems in the marketing of fish by small scale fish traders and to identify the strategies used in coping or overcoming these problems. The population of interest was small-scale fish traders from the landing beaches in Kisumu District. The information needed was gathered using a questionnaire, completed by 40 fish traders. The questionnaire was in three parts. Section A was concerned with the current nature of fish marketing in Kisumu District. Section B looked at the problems traders face in marketing fish. Section C looked at personal details of the traders. The results of the study showed that fish traders faced many marketing problems. The major ones were deficiency in transport and communication, insufficient cold storage, heavy losses due to spoilage, lack of capital for investment, low prices of fish in the market, short-shelf life of fish, inadequate packaging, scarcity of fish, poor infrastructure (roads) and high prices of fish at the landing beaches.

The research findings also discovered what farmers perceived as solutions to their marketing problems. These included selling at discount to avoid greater losses from perishability, trading in processed fish, ensuring that daily purchases reached the market the same day and selling on credit.

On the basis of the findings, the Government should improve infrastructure by repairing the roads leading to the landing beaches, encourage the traders to pool their resources, offer more book-keeping lessons and extend credit facilities to traders. The study was majorly limited by time and financial resources. The researcher only managed to look at the fish landing beaches in one district as opposed to the whole marketing system.

In conclusion, the marketing problems of fish traders in Kisumu District can be solved by the traders and the government. It's upon the traders to take initiative. They should pool their resources in order to increase their competitive power. They will be able to stand up as one unit when looking for possible solutions to their marketing problems.

Fishing is one of man's oldest industries and trade in fishery products has been going on for centuries. Fishing in Kenya is an important economic activity. Fish harvesting, processing and marketing employ almost half the working age population in western Kenya.

Lake Victoria is the major source of fish in the country. It accounted for 85% of the total fish landings in 1997. The land immediately following the Kenya sector of Lake Victoria is semi-arid. It has negligible agricultural production. The main cash crop in the area is fish. Fish trade is therefore an important economic activity. Economic prospects are very limited. Rainfall is low, the soil is poor, agriculture is mainly at the subsistence level and paying jobs are scarce (Jansen, 1997). Efforts to increase employment in this area and to improve the standards of living must therefore focus on the fishing industry.

The types of traders fall into the four categories: small-scale traders and large-scale traders. The small-scale traders include those using bicycles to transport fish to a radius of between 50 and 75km. In most cases, they carry fresh fish to their homes where it is processed before being taken to the market. There are those who buy small quantities that can be carried to a regional market centre, basically the neighbourhood. The large-scale traders buy fish in large quantities from fishermen or sometimes they fish themselves before selling the fish in large-scale. The area of interest of this study is in the small-scale traders. Fishing trade provides employment to many people, it is a source of capital and fish is a source of food and medicine.

Little has been verified through empirical studies on the marketing problems faced by small-scale traders. A lot more needs to be known on what constraints hinder these traders in



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background

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Little has been verified through empirical studies on the marketing problems faced by small-scale traders. A lot more needs to be done on what constraints hinder these traders in

marketing fish in Africa, particularly in Kenya. Past accounts of fish trade around Lake Victoria emphasise dependence on legions of small-scale entrepreneurs, most of whom are men (Ogotu, 1992).

The small-scale fish traders play a very crucial role in the fishing industry. They can not be ignored. This study therefore looks at what problems they face in marketing fish in the face of competition from their large-scale counterparts and what they are doing to encounter these problems.

### **1.11 The Research Setting**

Kisumu District is situated in the Western part of Kenya. The District is one of the five administrative units that include Kisii, Rachuonyo, Homa Bay, Bondo and Siaya which make up the Nyanza Province of Kenya.

The annual rainfall in Kisumu District is low, about 1134 mm. which is well distributed throughout the year. The vegetation found in the region is called the lakeshore savanna which provides grazing ground for cattle, sheep and goats (Muma 1982). The Luos keep cattle, sheep and goats. They also cultivate cassava, potatoes, groundnuts, millet, sorghum and maize for consumption. The only cash crop grown is cotton. Agriculture is mainly subsistence because the soil is poor (Ogotu, 1992).

Fishing is also a major activity carried out. Fishing is done both in the Lake, rivers and swamps. Fish is a major food of the Luos.

The physical features of Kisumu District consist of a plateau of gentle relief. The central part which is occupied by Kisumu makes up the Kavirondo Rift. To the west the Rift had been flooded and it forms the Kavirondo Gulf while to the east the floor is above the lake level, where

it forms Kano Plains (Morgan, 1973). Kisumu District has very little arable land. These ecological and climatic conditions are inimical to progressive agricultural production.

## 1.2 Research Problem

Fish trade is an important economic activity providing income to many people who would otherwise be unemployed. The fishing industry is a big business for the Luo people. Fish harvesting, processing and marketing employ almost half the working age population. According to (Jansen, 1997), some 80% of fish traders derive their primary income from fish trade. It continues to provide some measure of livelihood for thousands of local people and their dependants. In the case of Kisumu District, most of the population depend on fish trade due to increased scarcity of land. Agriculture is mainly at the subsistence level and paying jobs are very scarce (Ogutu, 1992).

Many people have been in the fish trade in Kisumu District. In the early 1980s, the fisheries of Lake Victoria was exploited solely by small-scale traders (Jansen, 1997). The traditional fisheries were almost totally occupied by small operators. The trend today is changing. Large-scale traders have dominated this market. These traders are not part of the local community. Some are large wealthy entrepreneurs while others include companies like Afro Meat, Kenya Fishnet, Kenya Cold Storage, Trans-Africa, among others. Many small-scale traders have been pushed out of business.

Efforts to increase employment in Kisumu District and to improve the living standards must focus on the fishing industry. Sustainability of the local community can only be enhanced by focusing on fish production and marketing since this is the only viable option to utilizing the land.



Generally, most studies the researcher has come across on the fishing industry touch on marine fisheries (Okidi,1978), supply function for fish (Oduor-Otieno et al.,1978), socio-economics of Lake Victoria fisheries (Jansen ,1997), clusters and dynamics of Lake Victoria fisheries (McCormick et al. ,1996 and Mitullah ,1996), artisanal fisheries of Lake Victoria, (Ogotu,1992) and the role of middlemen in fish trade (Jansen 1997).

Regarding the marketing side of the fishing industry, Abila (1995) undertook a study on the performance, structure and conduct of the Kisumu fish marketing system. He looked at the conduct of traders in terms of their attitudes to quality, efficiency in operations, pricing behaviour and profit margins. He also described the structure of the fish market. Whereas many studies have been done on other areas of the fishing industry, the researcher has not come across studies tackling problems of the small-scale traders. It is against this foregoing background that the research seeks answers to the following questions:

**What problems do small-scale fish traders encounter in marketing fish?**

**What strategies do they adopt to cope with these problems?**

It is hoped that through identification of these problems, the small-scale traders will be able to stand the stiff competition they are currently facing from the large traders. The small trader local incomes may be boosted by improving their marketing operations because of the industry's importance to them.

### **1.3 Objectives of the Study**

The objectives of this study are:

- To identify the problems in the marketing of fish by small-scale fish traders in the landing beaches of Kisumu District, and
- To identify the strategies that small-scale fish traders use in overcoming or coping with these

problems. collection and data analysis techniques

#### 1.4 Importance of this Study

It is hoped that the results of this study will be of help to the following groups of people:

1. Small-scale traders

They would be able to overcome obstacles that stand in the way of fish marketing.

2. Non Governmental Organizations, donor agencies and co-operative movements.

They would be able to channel their effort to finding lasting solutions to the marketing problems of small-scale fish traders.

3. The Government

The findings of this study would guide policy makers in making relevant recommendations towards alleviating the marketing pitfalls of small-scale fish traders.

#### 1.5 Overview of the Report

This report is divided into five chapters. The first chapter, the introduction chapter, gives the background of fish marketing. It shows the research setting, highlights the research problem and the objectives of the study, importance of the study and overview of the report.

The literature review is contained in Chapter Two. It gives the importance and main objectives of the fishing industry in Kenya. It provides literature on the status of the fishing industry in Lake Victoria (Kenya sector) and the small-scale fish traders in Kisumu District. It further shows the structure and system of the fish market. The chapter ends on the problems in the marketing of fish.

Chapter Three discusses the research methodology, the population, sample size and



selection, data collection and data analysis techniques.

The fourth chapter gives a summary of the data analysis and discussions of the findings. The analysis is entirely based on the objectives of the study.

Chapter five presents conclusions of the findings, limitations of the study, recommendations based on the findings and suggested areas for further research.

employment plus income to many rural families.

The main fishes found in Lake Victoria (the main source of fish in Kisumu District) are the lung fish, Nile perch, Tilapia, Elephant snout fish, the Butter fish, Cat-fish and Rastrineobola.

These are shown in Appendix III.

## 2.2 Previous Research

Previous research has focused on other areas but not on the problems hampering marketing of fish.

Ochieng (1974) studied Kenya's marine fisheries. He explored the amount and location of fishing in Kenya, the role of the fisheries department and commercial ventures. He found that there was need for regulation to prevent depletion of various stocks by reckless fishing especially by long distance boats.

Oduor-Otieno, et al. (1975) carried out a study of the supply function for fish in the Kenyan waters of Lake Victoria and along the Kenya coast. They concluded that the existing technology today is such that it hampers full exploitation of fisheries. Problems facing fishermen today included lack of proper security at sea, variations in weather, theft of equipment and over of fish from sea bed in the Lake, and lack of enough money for further investment.

Okungu (1980) carried out a study on economic analysis of fresh water fish marketing on the landing beaches of Lake Victoria (Kenya). He found that the factors determining fish prices

### LITERATURE REVIEW

#### **2.1 Background**

The fishing industry has played a major role in expanding the export base, and providing employment plus income to many rural families.

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Nyanja (1986) carried out a study on economic analysis of fresh water fish marketing on the landing beaches of Lake Victoria (Kenya). He found that the factors determining fish prices

include storage, processing, and transportation. same amount of proteins.

Moro (1985) studied the transport difficulties of selling fish in Nigeria. He contends that in spite of the existence of a big potential market, the efforts of the large fishing community are restricted to some extent by difficulties in reaching the markets.

Abila (1995) analysed the structure, conduct, and performance of Kisumu fish marketing system with the aim of understanding the organization of the market, the role of middlemen, their capital outlay and how these relate to consumer price of fish. He found that Lake Victoria and Lake Turkana supplied the fish sold in Kisumu. There was product differentiation and very little formal vertical market differentiation was examined in terms of attitudes to quality, efficiency in operations, pricing behaviour and profit margin.

Mwaura (1987) studied fish farming in Lake Naivasha. He found that fishermen in Lake Naivasha do not get maximum returns from their catch due to transportation problems. He suggested that fishermen should pool resources and acquire refrigerated vans that would enable them to transport good quality fish to distant markets at lower costs.

## **2.3 The Fishing Industry In Kenya**

Fishing is one of man's oldest industries and trade in fishery products has been going on for centuries. The development of Kenya's fisheries and the traditional marketing of stable items like cured fish has played a very significant role in the history of our country and especially the lake region.

### **2.31 Importance**

The fishing industry in Kenya has multiple roles in the economy of the country. It is estimated that Kenya's Lake Victoria alone provided income to over 300,000 individuals engaged in different areas of the fisheries sector (Reynolds and Grevobol, 1988). Fish is a highly nutritious human food. Sysoer (1970) estimated that 4 to 5 kg of fish meat provides 2.7 kg of proteins

compared to 11 kg of beans which provides the same amount of proteins.

The fishing industry also provides fish meal, a protein-rich product used in the manufacture of animal feeds. Nile perch skin is sold to tanneries.

## 2.4 The Status of the Fishing Industry in Lake Victoria

### (Kenya Sector)

#### 2.32 Major Objectives

The major objective of the fishing industry tends to be defined as maximization of production on a sustained yield basis but this maximization is merely a strategy to some other objectives, namely:

##### 1. Employment

The fishing industry provides employment to fishermen and fish traders. Small-scale fisheries which is the mainstay of the Kenya sector is labour-intensive and serves the people well. Fish processing facilitates employment of more people in the industry.

##### 2. Food

Fish serves as human food. It provides protein of high quality. The swim bladder can also be used directly as food. The fish oil can be used for preparing other foods. It is also medicinal, for example, the cod liver oil.

##### 3. Providing of linkages with other industries. The fishing industry facilitates development of the other industries on which it depends, that is, water, electricity and access roads.

FOOD	% CONTRIBUTION
Lake	10.4
Lake	
Coast Province	8.3
Others	0.8

Source: 1984 Fisheries Statistical Bulletin as quoted in Nyanga (1985)



## 2.4 The Status of the Fishing Industry in Lake Victoria

### (Kenya Sector)

Lake Victoria is the second largest lake in the world and remains the single most important fishing area in Kenya today. The Kenyan part of the Lake, which has a surface area of 755 km<sup>2</sup>, has for many years accounted for over half of the total fish production on the country. In 1981 and 1982 the Lake accounted for 66.7% and 68.0% of the total national catch, respectively (Economic Survey, 1983). Since 1983, the Lake accounts for about 80% of the national catch. The contribution of the Lake can be seen from Table I below.

**TABLE 1**

#### THE RELATIVE DISTRIBUTION OF YEARLY TOTAL CATCH ON AN AREA BASIS FOR

1983

<b>FISHING GROUND</b>	<b>% CONTRIBUTION TOTAL CATCH</b>
Lake Victoria	79.4
Lake Turkana	10.4
Coast Province	8.3
Lake Naivasha	0.7
Lake Baringo	0.4
Others	0.8

*Source: 1984 Fisheries Statistical Bulletin as quoted in Nyanja (1986).*



Small-scale fisheries have been and continue to be the mainstay of fisheries development in the Kenya Sector of the Lake (Samaki, 1987). After landing, fish is bought by local fish traders and distributed. Prices on the major landing beaches today have increased beyond the capacity of the small fish traders that total catches are sold to the enterprising middlemen leaving local communities with no fish to eat. There are co-operative societies in Kisumu District. They are sandwiched between fishermen and fish dealers without big roles in the marketing of fish. They have remained as mere collectors of the commissions without economic contribution to traders (Samaki, 1987). There is over-fishing in Lake Victoria because the Lake is an open access fishery where anybody is free to be licensed.

## **2.5 The Small-Scale Fish Traders In Kisumu District**

The majority (75%) of the small-scale traders are men (Kongere, 1979). Their ages range from 18-46 years with a mode of 37 years and a mean of 40 years. These men have family sizes ranging from 3 to 10 children. Their level of education is generally low. They are either illiterate or primary school leavers. They find entry into the fish trade easy because it requires a minimal initial capital investment of about Kshs 1,000 or less, in addition to a license of Kshs. 200 plus a health certificate. The business is labour intensive and because most of them trade in fresh fish, they move out of their homes to the beaches. Most beaches have turned into overcrowded settlements (rural ghettos) with no facilities such as schools or health centres. Many of them ferry their fish loads from the landing beaches to inland markets on bicycles. Their number responds positively to the quantities of fish landed.

Fishmongers are small business people who possess very little capital for their business. They purchase enough quantity of fish that they would be able to transport partly on their heads or on bicycles or by public means to inland markets. Unlike the small-scale traders, many large-

or on bicycles or by public means to inland markets. Unlike the small-scale traders, many large-scale traders have invested heavily in the business. They own their own fishing vessels and gear and have hired crewmen to fish in bulk (involving purchases of up to Kshs. 10,000 or more). These are then transported to markets outside the region. Some companies also undertake large-scale business. They collect fresh or processed fish from various landing beaches mainly for marketing in the big towns around the country.

Generally, the small-scale traders keep no records of their purchases, sales and operating costs. Consequently many of them are unaware of the losses they incur. Some get pushed out of business as a result of such undetected losses. The artisanal nature of the Lake Victoria fisheries is characterized by fluctuations in supply and consequently in incomes that accrue to the fishermen and fish traders. To ensure constant supply, the traders make arrangements with fishermen to supply them with fish on a regular basis.

## **2.6 The Fish Market Structure/System In Kisumu District**

A marketing structure is defined as all features that may affect the behaviour and performance of firms in a market or the type of products that they sell (Lipsey and Chrystal, 1995).

The fish marketing channel is made up of fishermen, primary buyers, second, third, fourth and fifth buyers who operate as assemblers, wholesalers and retailers. As to who becomes the second, third, fourth or fifth buyer depends on the shelf-life of the fish and how far the target consumers are or their buying habits (Ogutu, 1992). The outstanding feature in Kisumu District is that the channel in the marketing of fish is long. Even for fresh fish, the channel is as long as five levels/stages or more. Conditions of monopsony (single buyers) and oligopsony (several buyers) characterize fish marketing structure at various stages of delivery. As a result the marketing structure at various stages of delivery should be held responsible for the low prices received by

fishermen and the high prices received by consumers for the fish (Abila, 1995).

Fish traders perform marketing roles. The marketing functions performed along the marketing channel include semi-processing, transporting, storage, risk-bearing, financing, wholesaling and retailing (Abila, 1995). The groups of traders are involved in the fish marketing process at two distinct levels of the marketing channel. The wholesale level of the marketing channel consists of groups of traders who buy fish from fishermen at the landing beaches and transport it to the local or distant rural and urban market where they sell it to retailers, or less often to consumers in those markets. Besides buying, transporting and selling, these groups of traders may semi-process the fish or store it under refrigerated conditions in case the amount they buy can not be immediately sold or consumed in the market (Nyanja, 1986).

Fresh fish is more remunerative to fishermen and traders than semi-processed fish. In 1994, the average price for fresh fish on Lake Victoria beaches was Kshs. 2.47 /kg as compared to Kshs. 1.44/kg for semi-processed fish (Abila, 1995).

The second level of the fish-marketing channel consists of small-scale fish traders who perform retail function at the consumer markets. This group of traders links the wholesalers and the retailers. They buy fish from the former group and sell to the latter. In some small consumer markets located close to fish landing beaches, a small group of traders may sufficiently combine both wholesale and retail functions. (Appendix IV shows the distribution channel for fish).

## **2.61 The Marketing Systems Of Fish**

The marketing system relates to the period when the catch is hauled into the fishing vessel to the time it reaches the consumer (Abila, 1995). The market system for fish in Kisumu district includes:

- i Fish landing markets where the fish is bought by the consumer right at the beach.



- ii Local open air markets where the fish is taken by the very small-scale fish traders mainly from markets within walking distance from the landing beach.
- iii Not too distant inland markets say 20 or 50 kilometres away from the beach. These markets are mainly supplied by cyclists who are normally men and the fish is presented fresh. Any fish remaining unsold at the end of the day is taken home for processing and can be sold to women who could take it to the market the next day.
- iv Interior markets are too far for unpreserved fish because the spoilage is enhanced by the long time taken in transit hence fish in these markets are preserved. Most of these markets are either municipality or county council markets where fish is sold in racks built in open air or sheds.
- v The other marketing system comprise essentially an additional middleman, normally resident in an urban area and has some cold storage facilities. Small-scale traders collect fish from the beach and transport it to the urban area where other middlemen buy, and then sell to local residents or to his customers in other urban areas where he may decide to take the surplus.
- vi The large-scale fish dealers own their refrigerated vehicles and cold storage facilities in urban areas. The traders send refrigerated vehicles to various landing beaches around the lake to buy and collect fish. The iced fish is taken to factories for processing for immediate sale to residents or for export trade. Countries importing fish from Kenya waters of Lake Victoria include Spain, Holland, France, U.K, Belgium, Israel and Japan.

**2.62 The Role Of Middlemen**

The role of middlemen is complex and involves several disciplines like salesmanship, marketing, accounting, storage, transport and law among others. Middlemanship in a small-scale

fish trade calls for considerable funds to establish transport and storage facilities. In the marketing of fish, many times there is no direct contact between the producer and consumer. Studies have been done on the role of middlemen in a marketing channel. Szcze Panik (1960) looked at the economic role of middlemen and cooperatives in Indo-Pacific fisheries. He argued that aid through these agents in the development of fisheries is necessary due to the poverty of fisheries of small-scale traders and fishermen. Middlemen are financially powerful. They provide fishing capital plus consumer goods while insisting on the mortgage of fish catches.

In India, middlemen are viewed as parasites who exert a stronghold over fishermen. The elimination of such middlemen would therefore maximize benefits accruing to fishermen (Saha, 1970). Stirrat (1973) in his study on the role of middlemen argues that inspite of their exploitative nature in appropriating surplus value, the advice given to fishermen by middlemen may occur to an outsider as an abiding factor for exploitation. Middlemen enable fishermen to have a guaranteed long-term outlet for their product. The relationship between fishermen and middlemen is both social and economic. FAO has also observed the importance of middlemen. They contend that

their existence is often systematic of considerable under or concealed employment and the social consequences of any drastic removal of such people from the trading scene, apart from the political effect, could be profound as they are often from the rural areas themselves and contribute to what little prospect that exists. Since they are generally unorganized with small capital resources, it can not be expected that they are able to make large investments (OECD/FAO 1977 as quoted in Okidi, 1978).

Jansen (1972) and Jansen (1976) undertook a study on fish marketing on Lake Victoria, focussing on the middlemen in the marketing system by analysing their members, distribution and capital assets. These middlemen were small-scale with a daily working capital between Ksh 30 and Ksh 100. Jansen (1976) argued that this had negative and positive effects. Its main advantage was that fish trade especially that of fresh fish was shared among middlemen, thus leading to some degree of competition in fresh fish distribution. However the small capital base limited the ability



of traders to venture into distant urban markets where higher prices may have been expected. After landing, the fish is taken over by the middleman who takes the risk of possible post-facilitate movement of fresh fish in areas where fishermen could totally be strangers. Because of the presence of middlemen, the primary producers have more time to perfect their trade.

## 2.7 The Problems In The Marketing Of Fish

These problems are the constraints that small-scale fish traders face or are faced with in their attempt to market fish. They include:

### a) *Lack of cold storage facilities.*

There are no cold-storage facilities on the landing beaches in Kisumu District to enable preservation of fish. Landed catch must therefore be sold off immediately. Trading flourishes when fishing canoes arrive in the morning hours. Lack of ice makes preservation hard for individual traders.

### b) *Transportation*

Transportation determines how much of the landed catch is sold fresh. The modes of fish transportation from the landing beaches include head loads, buses, bicycles and private vehicles.

Traditionally, fish transportation from the beaches to the inland markets within the Lake region has been dependent on women. Transport may be affected by climatic factors. Heavy rains make seasonal roads impassable. This affects the movement of fish between markets and the landing beaches. Most people rely on local transportation to get fish to the market. A bus break down or a flat tyre on a bicycle could cause a trader to lose the entire load of fish. The shelf life of fresh fish is short. Ineffective transportation leads to great losses in business. Transportation costs are high because the buses and bicycles are adversely affected by impassable roads (Nyanja, 1986).

### c) *Inaccessibility of the landing beaches*

Accessibility of the landing beaches determines the percentage of the catch that is sold in fresh

form. Certain beaches are inaccessible during certain periods of the year. Poor roads link landing beaches to various market centres. Traders can not get the fish to the market centres as fast as is desirable. By the time they reach the market, some fish have started going bad. Traders then are forced to sell the fish at discounted rates partly to dispose of the stock quickly before heavier losses are incurred through fish spoilage.

#### *d) Packaging*

Rastrinoboela (Sardines) is packed in sacks, baskets and plastic troughs, while Nile perch and Tilapia are packed in cage like baskets plus sacks, mainly for local markets. For further national markets, insulated tracks are used both to carry and transport fish. For small-scale traders, packaging is a problem because fish goes bad very quickly on exposure to the sun in the course of transportation to the market either by public transport, bicycle or porting.

#### *e) Lack of training and / or formal education*

There is a general lack of knowledge from fish traders on what their role and responsibilities are in the trade. Most of them don't know what trading in a fragile and easily contaminated consumer commodity means. They lack knowledge in basic accounting and business management thus are unable to manage their businesses effectively or invest intelligently.

#### *f) Competition from large-scale traders*

The large-scale traders have advantages over the small-scale traders because of their strong base.

They have better organization, better transport systems and more reliable fish preservation facilities. They buy their fish at low prices but sell at high prices ending up with large profit margins (Abila, 1995). They have competitive advantages in terms of funds, managerial skills and storage facilities over their small counter parts. (A list of large-scale traders can be seen from appendix V).

#### *g) Identification of customers*

Customer flow is seasonal, regular and irregular. They vary depending on the week of the month and season of the year. A trader who has no customers stands the risk of getting losses from spoilage of fish due to lack of demand.

#### *h) Problems of segmenting markets*

Most small-scale fish traders don't know their target markets. They take their fish to any market regardless of the substantiality of buyers. They end up with low profit margins or losses because they don't divide up their total market into groups of potential customers who are homogeneous with respect to wants and needs.

#### *i) Inaccessibility of some markets*

Some good markets are on routes that are hardly passable during rainy periods thus traders end up stranded with their fish. This enhances post harvest losses during the rainy seasons.

#### *j) Absence of a standardized pricing system*

Unlike the other sectors like meat, the government does not control fish prices. Fish traders set their own prices. A problem occurs during the big harvest seasons when supply is greater than demand. Traders also lack a strong negotiating power in respect of fish price related to income prices achieved by middlemen. Due to lack of control of prices, threefold differences between wholesale and retail prices are very common.

#### *k) Unawareness of support activities available to aid them (traders)*

The traders are not aware of (lack information on) Support activities available to them. Coupled with high taxation rates, their fish never gain entry into some markets. Support activities include finance, marketing, business information, tools and equipment among others.

#### *l) Perishability*

Fish meat is very delicate. A few hours of exposure in the absence of chilling facilities will make it go bad. It therefore needs a very limited time to be delivered to the customers.

*m) Bureaucracies with the distribution system of fish.*

There are long channels, that is, the time taken by fish in moving from the producer to the consumer is too long. The commodity changes hands too many times. Price mark-ups at each stage becomes smaller. There is also networking that occurs. A trader will only be sold fish by a fisherman he/she knows.

*n) Lack of working capital.*

Small-scale traders generally lack the capital to invest in their businesses. This makes them buy fish in small quantities. They are not able to acquire proper packaging materials, cold storages among others.

### 3.2 Sample

In this study, simple random sampling was used to select the small-scale fish traders from whom data was collected. Kisumu District has thirteen major landing beaches (see appendix VI). To select the beaches, simple random sampling was used. The beaches were numbered one to thirteen on slips of paper. These papers were placed in a bowl and vigorously stirred. Four beaches were then selected from the bowl by picking four pieces of paper randomly.

The traders were then selected from each of the four landing beaches already selected. This gave a sample size of 16 fish traders. They were chosen after an interval of 30 minutes to avoid biasness.



## CHAPTER THREE

### METHODOLOGY

This section looks at the population, sample, data collection and data analysis method.

#### 3.1 Population

The population of interest in this study consisted of all small-scale fish traders in Kisumu District. According to Ogutu (1992), small-scale fish traders are those who buy small quantities of fish that can be carried to a minimal market radius, basically the neighbourhood. They use bicycles, public transport or head loads to transport fish to a radius of between 50 and 75 km. They invest up to Ksh 1,000 in their businesses.

Presently there are no reliable statistics on the number of fish traders but The Department of Fisheries estimates that the ratio of fishermen to fish traders operating along Lake Victoria is 1:3 meaning that there are about 24,000 fishermen and 72,000 traders (Department of Fisheries).

#### 3.2 Sample

In this study, multi - stage sampling was used to select the small-scale fish traders from whom data was collected. Kisumu District has thirteen major landing beaches (see appendix VI). To select the beaches, simple random sampling was used. The beaches were numbered one to thirteen on slips of papers. These papers were placed in a bowl and vigorously stirred. Four beaches were then selected from this bowl by picking four pieces of paper randomly.

Ten traders were then selected from each of the four landing beaches already selected. This gave a sample size of 40 fish traders. They were chosen after an interval of 30 minutes to avoid biasness.

### 3.3 Data Collection Method

Primary data was collected through personal interviews using a questionnaire (see appendix

II). For ease of communication, Dholuo the local language was used. The questionnaire had three parts. Section A collected data on the current nature of fish trading in Kisumu District, section B focused on the problems of marketing and strategies, and finally section C collected data on details of the respondents (fish traders).

### 3.4 Data Analysis Method

This is a simple descriptive study. Data was analysed using percentages, mean scores, tables and cross tabulations.

1. Further analysis according to the fish traders
2. An analysis of the fish traders solutions to their problems.

#### 4.1 Current Nature of Fish Trade and Personal Characteristics of Traders.

Table 2 Sex Distribution of the Fish Traders

SEX	NO. OF TRADERS	PERCENTAGE
MALE	25	62.5
FEMALE	15	37.5
TOTAL	40	100.0

The table shows that most fish traders are male (62.5%). The men are more in the trade than the women because they can venture the long distances to the landing beaches. They are also good at buying fish from far long distances.

DATA ANALYSIS AND FINDINGSIntroduction:-

In this chapter, the data from the completed questionnaires is summarised and presented in tables, Percentages, mean scores and cross tabulations.

A total of forty small-scale traders were personally interviewed. This gave an overall response rate of 100%. The analysis of the report is done in 3 areas.

1. Analysis of the current nature of fish marketing and the traders personal characteristics.
2. Problem analysis according to the fish traders
3. An analysis of the fish traders solutions to their problems.

4.1 Current Nature of Fish Trade and Personal Characteristics of Traders.Table 2: Sex Distribution of the Fish Traders

SEX	NO. OF TRADERS	PERCENTAGE
MALE	25	62.5
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The table shows that most fish traders are male (62.5%). The men are more in the trade than the women because they can endure the long distances to the landing beaches. They are also good at riding bicycles for long distances.

Table 3: Age Distribution of the Respondents

AGE (YEAR)	NO. OF TRADERS	PERCENTAGE
UNDER 20	1	2.5
20-29	13	32.5
30-39	10	25
40 and over	16	40
<b>TOTAL</b>	<b>40</b>	<b>100</b>

Most of the fish traders are aged people. They are 40 and over. There was only 1 trader interviewed who was under 20 years of age. This is probably because they enter the business around the age of 20s or 30s and stay very long in it. The younger people are probably involved in other businesses in towns like the white collar jobs or other entrepreneurial jobs like mechanics, carpentry among others.

Table 4: Marital Status of the Respondents

MARITAL STATUS	NO. OF TRADERS	PERCENTAGE
SINGLE	1	2.5
MARRIED	30	75
DIVORCED	2	5
WIDOWED	7	17.5
<b>TOTAL</b>	<b>40</b>	<b>100</b>

The survey also established the marital status of the respondents. This was categorised as single, married, divorced and widowed. A good proportion (75%) of traders is married. They have families to take care of. The table 5 shows educational level of respondents. It ranges from no formal schooling to secondary education.



Table 5 Educational Level of the Respondents

EDUCATIONAL LEVEL	NO. OF TRADERS	PERCENTAGE
NO FORMAL SCHOOL	10	25
STD 1-5	9	22.5
STD 6-8	19	47.5
SECONDARY LEVEL	2	5
OTHERS	0	0
<b>TOTAL</b>	<b>40</b>	<b>100</b>

70% of the respondents possess primary level education while 25% possess no formal education at all. This is a major constraint in the fish marketing because they have no idea of bookkeeping. Most of them have no business records. They probably don't attend school due to lack of school fees or parent dedication to education.

Table 6: Attendance of a Formal Business Training

ATTENDANCE OF FORMAL BUSINESS TRAINING	NO. OF TRADERS	PERCENTAGE
YES	5	12.5
NO	35	87.5
<b>TOTAL</b>	<b>40</b>	<b>100</b>

Majority (87.5) of the traders have never attended any formal business training. This may some how explain the low business success - rate of the fish traders. This is also true because after their 8 years of schooling they lack the interest or money for their fees and opt for this trade instead of attending a business training. They are not able to keep their records. Logically they are unable to find out whether or not they make profits.

Table 7 shows the traders views on profitability of fish traders.

Table 7: Profitability of Business

PROFITABILITY	NO. OF TRADERS	PERCENTAGE
VERY PROFITABLE	3	7.5
PROFITABLE	34	85
NOT PROFITABLE	3	7.5
<b>TOTAL</b>	<b>40</b>	<b>100</b>

85% of the respondents find fish trade profitable although its greatly affected by seasonality. There are some seasons unlike others that fish is widely consumed. Bearing in mind some of them only invest Kshs. 200 in the business, the profitability margin they are talking about range from Kshs. 100 – 500. For a good business mind this is no profit. Infact when variables like their time is added on to the investment you find there is no profit they are making.

Table 8: Length of time in Business

TIME IN BUSINESS	NO. OF TRADERS	PERCENTAGE
A MONTH	0	0
MORE THAN 1 YEAR	39	97.5
1 YEAR	1	2.5
<b>TOTAL</b>	<b>40</b>	<b>100</b>

None of the traders interviewed have been in business for only 1 month. The majority (97.5%) have been in business for more than one year. This is true as they are fairly old. They probably enter the business young and stay long in it.

Table 9 shows types of fish traders sell.

Table 9: Types of fish Traded In:

FISH TYPE	NO. OF TRADERS	PERCENTAGE
TILAPIA	32	80
NILE PERCH	30	75
RASTRINOBOELA	17	42.5
<b>OTHERS</b>		
CAT FISH	2	5
LUNG FISH	2	5

From the table majority of the respondents trade in Tilapia, Nile perch and Sardines. These are the fishes easily found in the Lake. Note that some traders trade in more than one type of fish.

Table 10 shows the respondents capital position.

Table 10: Current Capital Position of the Trader

AMOUNT (KSHS)	NO. OF TRADERS	PERCENTAGE
LESS THAN 500	12	30
501-1000	23	57.5
1001-2000	2	5
MORE THAN 2000	3	7.5
<b>TOTAL</b>	<b>40</b>	<b>100</b>

From the table, 87.5% of the traders have invested upto Kshs. 1000 in their business. This is quite low for one to comfortably trade in fish. The low capital base may be attributed to the fact that there's no external sources of funds and also to the fact that fish is not accepted as a security for loans. Only 7.5% of the traders have a capital base exceeding Kshs. 2000 which is still very low for any business. Fish is not accepted as a source of loan because of their short shelf-life.

Table 11 presents the traders sources of capital.

Table 11: **Sources of Capital**

SOURCE	NO. OF TRADERS	PERCENTAGE
FRIENDS	2	5
PERSONAL SAVINGS	38	95
FAMILY MEMBERS	2	5
LOAN	1	2.5

From this table it can be concluded that the major source of capital for traders is personal savings. Only one trader interviewed acquired a loan to start his/her business. The government should be called upon to extend loan facilities to the traders. The traders should be encouraged to seek awareness about these facilities.

Table 12 shows the markets where fish is sold.

Table12: **Markets where fish is Normally Sold.**

MARKET	NO. OF TRADERS	PERCENTAGE
KISUMU	40	100
NAIROBI	0	0
<b>OTHERS</b>		
KISII	4	10
KAKAMEGA	8	20
SIAYA	4	10
NAKURU	13	32.5

From the table, Kisumu stands out to be a popular market for fish, probably because its near the landing beaches. The traders are able to reach their supplies to the markets the same day. They



don't spend a lot of money on transport to far away markets like Nairobi. Table 13 shows the number of traders receiving support services.

Table 13: Support Services.

RECEIVE SUPPORT SERVICES	NO. OF TRADERS	PERCENTAGE
YES	1	2.5
NO	39	97.5
TOTAL	40	100

From the table, majority of the traders do not receive any support services. Most of them are never aware of the existence of these support services. Only one respondent has ever received support in form of money from an NGO from Norway. It is upon the Government to sensitize the traders on the existence of support services.

Table 14 shows how much money in Kshs. the traders would comfortably enhance their business with.

Table 14: Amount to Comfortably Trade

AMOUNT	NO. OF TRADERS	PERCENTAGE
LESS 10,000	10	25
10,001 - 50,000	22	55
50,001 - 90,001	4	10
MORE THAN 100,000	4	10
TOTAL	40	100

In the table, the majority (55%) of the traders would comfortably trade in fish if they had a capital base of upto Kshs. 50,000 unlike the majority's real capital base of upto Kshs. 1000. Capital is

therefore a major constraint in fish business. A business can never take off without enough capital.

They therefore not able to acquire cold-storages, appropriate packaging facilities among others.

### Cross Tabulations

I used cross tabulations to study relationships among and between some of the variables in my study.

Table 15 presents the traders by their status in the business (either full or part time trade) and the length of time spent in business.

**Table 15: Traders by their Status and Time Spent in Business**

STATUS	TIME IN BUSINESS			Total
	1 Month	1 Year	More than 1 year	
Full time trader	0	0	39	39
Parttime trader	1	0	0	1
	1	0	39	40

From the above table, a full time fish trader is one who has been in the business for more than 1 year. Being a full or part trader depends on how long long one has been in business.

Most traders the researcher interviewed say they started business as part time traders and with time they became full time traders. Once a trader becomes a full time trader, he/she stays very long in the business. This could be because they get specialized and learn how to cope with the problems of marketing.

The next table shows traders by age and marital status.

Table 16: Traders by Age and Marital Status

AGE	MARITAL STATUS				Total
	Single	Married	Divorced	Widowed	
Upto 29	1	10	0	3	14
Over 30	0	20	2	4	26
	1	30	2	7	40

This table shows that the traders marital status depends on their ages. 10 respondents are married and are under 29 while 3 are divorced. However the majority who are married are over 30. They marry when they are young and begin bringing up their families.

The next table shows traders by their education levels and Business training.

Table 17: Traders by their Educational Levels and Business Training.

Business	Education level				Total
	No formal education	std 1-5	Std 6-8	secondary level	
Yes	0	1	5	0	5
No	10	8	14	2	35
	10	9	19	2	40

Business training depends on education levels. The traders possess an education of upto 8 years.

This means they don't go for any business training because they lack the papers. They could also lack the money and/or the initiative to attend any business training. Its again upon the

Government to extend training programmes to these traders.

Traders by their education levels and awareness of support services is provided on the next table.



Table 18: Traders by their Educational Levels and Awareness of Support Services

Awareness of support Services	Educational levels				Total
	No formal Schooling	std 1-5	std 6-8	secondary level	
Yes	0	0	0	1	1
No	10	9	19	1	39
	10	9	19	2	40

The table shows that the traders awareness of support services depends on their education levels. Only 1 trader interviewed was aware of the support services having attended secondary level of education. Its therefore upon the Government to provide education to the traders. Due to their illiteracy they are ignorant of existing support services. The fisheries department can begin literacy classes on particular days. They may give certificates of attendance on completion.

The next table shows the traders by the length of time they have been in business and the business profitability levels.

Table 19: Traders by the Length of Time they have been in Business and Profitability Levels.

LENGTH OF TIME IN BUSINESS	PROFITABILITY LEVELS			Total
	Very Profitable	Profitable	Not Profitable	
Less than 1 year	0	0	1	1
More than 1 year	3	34	2	39
	3	34	3	40



The above table shows that the profit the traders receive depends on the length of time they have been in business. Over time, the traders learn tactics of marketing fish and how to cope with the marketing problems. With an exception of the problem of seasonality in the business, the traders say their profits have increased over the years. Over time, most of the traders who began by carrying fish on their heads to markets have acquired bicycles and packaging facilities.

#### **4.2 Traders Marketing Problems**

The traders were asked whether these marketing problems were very serious, serious, not serious or not a problem. The results are summarised in Table 20 as either serious problems or not serious.

From the table, it is seen that all the traders interviewed voiced problem including deficiency in transport and communication, insufficient cold storages, heavy losses due to spoilage, lack of capital for investment, short shelf life of fish, inadequate packaging, scarcity of fish and poor infrastructure. They had a response of 100%.

This shows that they have similar problems.

Transport and communications ought to be improved so that spoilage is controlled. They will be able to reach their supplies to their markets faster. The traders should also be encouraged to pool their resources and invest together in storage facilities. This will increase their competitive power. They could even purchase pick-ups together to ease the transport problems. Together with this, the traders should be encouraged to look for new beaches that have not been exploited to overcome scarcity.

Table 20: Percentages of Farmers Mentioning the Problems.

MARKETING PROBLEM	SERIOUS		NOT SERIOUS	
	NO.OF TRADERS	PERCENTAGE	NO. OF TRADERS	PERCENTAGE
1. Deficiency in transport and communication	40	100	0	0
2. Insufficient cold storage	40	100	0	0
3. Heavy losses due to spoilage	40	100	0	0
4. Lack of capital for investment	40	100	0	0
5. Low prices	40	100	0	0
6. Inadequate promotion	0	0	40	100
7. Inaccessibility of some markets	30	75	10	25
8. Short shelf-life of fish	40	100	0	0
9. Inaccessibility of some landing beaches	35	87.5	5	12.5
10. Intense competition	37	92.5	3	7.5
11. Inadequate packaging	40	100	0	0
12. Harassment from council offices	25	62.5	15	37.5
13. Problems of segmenting the markets	10	25	30	75
14. Losses from fluctuations in demand	36	90	4	10
15. Problem of identification of customers	21	52.5	19	47.5
16. Lack of formal education	34	85	6	15
17. Lack of market outlets	24	60	16	40
18. Others				
a) Difficulty in riding bicycles	30	75	10	25
b) Scarcity of fish	40	100	0	0
c) Poor infrastructure (roads)	40	100	0	0
d) Distance of landing beaches	30	75	10	25
e) High prices of fish at the beaches	40	100	0	0
f) Constant bribery to officers	20	50	20	50

The majority of traders perceived some marketing problems as no problem in the trade (Refer to table 4.14). This include inadequate promotion (55%) , problem of segmenting the markets (37.5%) and problem of identification of customers (25%). The others were mentioned by only a few traders meaning they could be problems to many others.

### 4.3: Traders Solutions

**Table 21: Percentages of traders mentioning solutions.**

SOLUTIONS TO PROBLEMS	NO. OF TRADERS	PERCENTAGE
1. Selling at discounts to avoid greater losses from perishability.	35	87.5
2. Trading in processed fish	30	75
3. Pooling resources to expand scale of operations	5	12.5
4. Setting target market and segmenting according to accessibility and concentration of buyers.	10	25
5. Attending book-keeping lessons extended by the fisheries.	5	12.5
6. Ensuring daily purchases reach the market the same day.	40	100
<b>Others</b>		
a) Use other means of transport	20	50
b) Selling in credits	35	87.5
c) Going to beaches very early		

The table shows that 87.5% of the traders sell at discounts to avoid greater losses, 75% trade in processed fish to increase the shelf-life of fish, 12.5% were pooling resources to expand their operation scales, 25% were segmenting and targeting markets according to accessibility and concentration of buyers and only 12.5% were attending book keeping lessons.

All the traders ensured daily purchases reach the market the same day while half the traders were using other means of transport like hiring hand-carts. 87.5% of the traders were selling in credits while 80% were going to the fish landing beaches very early in the morning for their supplies.



## CHAPTER FIVE

### Conclusion

This chapter concludes on the findings of the study that were entirely based on the objectives. It then presents recommendations, limitations of the study plus suggested for further research.

The main objectives of this study was to determine the marketing problems of the small scale fish traders. The study also sought to assess the relative importance of the identified factors.

#### 5.1 CONCLUSION

From the research funding presented in chapter four, several conclusions may be drawn.

A large proportion small scale fish traders are men (62.5). This is because the men are more hardy. They are able to endure long distances to the landing beaches. They are also good at riding bicycles. Considering their age distribution, majority are aged (over 40 years old). They enter the business at the early age of 20's and stay longer in it. They become full time traders. All their life is spent ferrying fish from the landing beaches to nearby markets.

Looking at the educational level of the respondents, 70% posses primary level education. They never went beyond primary education which is a major hindrance. Many dropped out of school due to poverty. They were unable to pay their school fees. Some dropped out due to parents dedication to education. The majority are married (75%). Fish trade is therefore the mainstay of most people in Kisumu District. A large proportion (87.5) have never attended any formal business training. This is so because they are illiterate. They are not able to communicate well with their customers. They cannot determine what price to charge for their supplies. They lack marketing tools and basic accounting techniques.



The majority (85%) indicate that fish trade is profitable to them. Considering other valuables like time and energy invested in this business, it can be concluded that small scale traders run their businesses at losses. The profit margin mentioned ranges from Kshs. 200/= which is very little. More than half the traders (97.5%) have been in business for more than 1 year and personally saved the capital they invested in. Most of the traders trade in Tilapia, Nileperch and rastrinoboela as they are the fishes most commonly found in Lake Victoria. Kisumu is the most lucrative market for all the traders probably because of its distance. The distance is considered in terms of the fares paid. From the fish landing beaches, the traders ferry fish either on their heads or bicycles upto certain points. The fish then is loaded onto buses, lorries or matatus to their destined markets. The traders find fares to markets within Kisumu district more bearable. This is why most of them prefer selling fish in markets within the district.

According to the summary statistics, all the traders mentioned the following marketing

problems:

- i) Deficiency in transport and communication.
- ii) Insufficient cold storages
- iii) Heavy losses due to spoilage
- iv) Lack of capital for investment
- v) Low prices of fish in the market
- vi) Short shelf life of fish
- vii) Inadequate packaging
- viii) Scarcity of fish
- ix) Poor infrastructure (roads)
- x) High prices of fish at the landing beaches.

The marketing problems of traders in Kisumu district are therefore a result of poor road network to the landing beaches. The roads are not tarmacked and are therefore impassable during the rainy seasons. Because of the traders small capital base, they cannot afford cold storage facilities. Fish then gets spoilt very fast. They are therefore forced to fix low prices to dispose of stocks.

They however indicated inadequate promotion as no problem. There are possible solutions to the mentioned problems by the traders. They are selling at discounts to avoid greater losses from perishability, trading in processed fish, ensuring daily purchases reach the market the same day and selling in credits.

## 5.2 Recommendations

From the conclusions made, the following recommendations can be made.

The government should improve roads and communication services to enhance the speed at which fish reaches the market from the landing beaches. The roads leading to the landing beaches should be tarmacked. The traders should be encouraged to pool their resources and acquire loans to purchase pick ups or trucks. This will ease the problem of difficulties in riding bicycles or porting.

The government should develop a pricing system for the fishing industry especially in Kisumu district. Prices are mainly fixed by the large scale traders. The small scale traders are therefore at their mercy. The high prices of fish at the landing beaches is a major marketing problem. A standard price should be set. Council askaris ought to supervise how these prices are charged right from the fish landing beaches to the market. This will automatically solve the problem of price variations between fishermen, small-scale traders and the large scale traders.

To overcome the capital constraints, the government should expand the loan facilities to include the fish traders. Provisions should be made to allow fish as security because fish trade is

accounting courses. The traders may learn new marketing techniques. This can be done by the fish landing beaches. Structures can be set up. Marketing and Accounting tutors may be posted to these centres. The fish traders can be asked to set specific days to attend these classes. With time their knowledge may be enhanced on how to market and keep records.

Necessary checks should be put in place to avoid trade in spoilt fish. Because the shelf life of fresh fish is very short, traders at times sell spoilt fish. The government should post Council askaris in various markets to counter check the supplies before they are sold. The government ought to protect the small scale traders against harassment by the council askaris waiting for constant bribes.

There should be cold storage facilities provided for these traders. The government together with other organizations can set up a cold room to avoid the problem of spoilage. All the ways mentioned above can only be possible by the district council funding and capacity. With proper support fish marketing by small scale traders in Kisumu District may prosper. Unemployment will definitely be curbed because the Kenyan population keeps rising daily and many people may opt to begin trading in fish.

Small scale fish traders should come together. By pooling their resources they would increase their bargaining power.

### **5.3 Limitations of the Study.**

The major limitation of this study was that there was a constraint of time and finance. The researcher then only chose 4 landing beaches out of the 13 major landing beaches in Kisumu district. The research was limited in its setting. The results can not be generalized to all small scale fish traders in Kenya.

### **5.4 Suggested areas for Further Research**



The current study was based mainly on small-scale traders. Future research should be extended to large scale traders to find out their marketing problems.

A further research could be carried out to cover the landing beaches in the remaining districts in Kenya to investigate whether their marketing problems are the same.

The researcher mainly looked at fresh fish traders. Research could focus on processed fish traders to establish their marketing problems.

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# APPENDICES

## Appendix I: COVERING LETTER

**University of Nairobi**  
**Faculty of Commerce**  
**Department of Management Science**  
**P O Box 30197**  
**Nairobi**

April 1999

Dear Respondent,

I am a postgraduate student in the Faculty of Commerce, University of Nairobi. Currently, I am conducting a Management Research Project on **"THE MARKETING PROBLEMS OF SMALL SCALE FISH TRADERS AND STRATEGIES USED TO OVERCOME THEM; A CASE STUDY OF THE LANDING BEACHES IN KISUMU DISTRICT.** This is in partial fulfillment of the requirements for the Master of Business and Administration (MBA) Degree.

I am kindly requesting you to fill in the attached questionnaire the soonest possible and to the best of your knowledge. The information you give is needed purely for academic research purposes and will therefore be treated with strict confidence. In no way will your name appear in the final Report.

A copy of the final Report will be made available to you upon request.

Your assistance and cooperation will be highly appreciated. Thanking you in advance.

Yours faithfully

Pellyne Onyango  
MBA Student

Dr. M. Ogutu  
Project Supervisor



## Appendix II: QUESTIONNAIRE

### SECTION A

*Below are questions related to the current nature of fish trading (marketing) in Kisumu District. Please provide an appropriate response to each question.*

1. How profitable do you find business in this part of Kisumu?

Very profitable ( )

Profitable ( )

Not profitable ( )

2. For how long have you been in the business?

A month ( )

1 year ( )

more than 1 year ( )

3. Are you a full time fish trader?

Yes ( )

No ( )

4. Which type of fish do you trade in?

Tilapia ( )

Nile perch ( )

Rastrinoboela (omema) ( )

Others (specify) .....



- Marketing ( )  
 Business Information ( )  
 Others (please specify) ( )
5. Where do you normally sell your fish?  
 Kisumu markets ( )  
 Nairobi markets ( )  
 Other (specify) .....

*This section looks at the marketing problems of small scale traders and solutions. Please tick in the box provided for an appropriate responses*

6. What is the amount of capital (money in Kenya Shs) that you have invested in this business?
1. How serious a problem do you find each of the following factors?
- |  | Very Serious | Serious | Not serious | Not a problem |
|--|--------------|---------|-------------|---------------|
| a. Deficiencies in transport and communication | ( )          | ( )     | ( )         | ( )           |
| b. Inadequate cold storages                    | ( )          | ( )     | ( )         | ( )           |

7. How did you acquire the initial capital to start the business?
- c. Heavy losses due to spoilage ( ) ( ) ( ) ( )
- d. Lack of capital for investment and operation ( ) ( ) ( ) ( )
- e. Low prices ( ) ( ) ( ) ( )
- f. Inadequate Promotion ( ) ( ) ( ) ( )
- g. Short shelf-life of fresh fish ( ) ( ) ( ) ( )
- h. Inaccessibility of some markets ( ) ( ) ( ) ( )
- i. Inaccessibility of some markets ( ) ( ) ( ) ( )

8. In your view, what amount of capital is sufficient for one to comfortably trade in fish?
- \_\_\_\_\_

9. Do you receive any support services from any organization?
- Yes ( )  
 No ( )

10. If Yes, which ones?
- Financial ( )

- Marketing ( )
- Business Information ( )
- Tools and equipment ( )
- Others (please specify) ( )

**SECTION B**

*This section looks at the marketing problems of small scale traders and solutions. Please tick in the box provided for an appropriate responses.*

1. How serious a problem do you find each of the following factors?

	Very Serious	Serious	Not serious	Not a problem
a. Deficiencies in transport and communication	( )	( )	( )	( )
b. Insufficient cold storages	( )	( )	( )	( )
c. Heavy losses due to spoilage	( )	( )	( )	( )
d. Lack of capital for investment and operation	( )	( )	( )	( )
e. Low prices	( )	( )	( )	( )
f. Inadequate Promotion	( )	( )	( )	( )
g. Short shelf-life of fresh fish	( )	( )	( )	( )
h. Inaccessibility of some markets	( )	( )	( )	( )
i. Inaccessibility of some landing beaches	( )	( )	( )	( )
j. Intense competition	( )	( )	( )	( )
k. Inadequate packaging	( )	( )	( )	( )

1. Harassment from the council officers. ( ) ( ) ( ) ( )

*This section looks at the personal details of the respondent. Please tick in the box provided for appropriate response.*

m. Problems of segmenting the markets. ( ) ( ) ( ) ( )

n. Losses from fluctuations in demand. ( ) ( ) ( ) ( )

o. Problem of identification of customers. ( ) ( ) ( ) ( )

a. Lack of formal education ( ) ( ) ( ) ( )

b. Lack of market outlets. ( ) ( ) ( ) ( )

c. Others ( please specify) ( ) ( ) ( ) ( )

2. Please tick only those statements that indicate what you are doing to overcome these problems.

3. a. Selling at discounts to avoid greater losses from perishability ( )

b. Trading in processed fish ( )

c. Pooling resources to expand scale of operations (help acquire storage facilities) ( )

d. Setting target market and segmenting according to accessibility and concentration of buyers. ( )

e. Attending book-keeping lessons extended by the Fisheries Department and the Lake Basin Development Authority ( )

f. Ensuring daily purchases reach the market the same day ( )

g. Others (please specify) \_\_\_\_\_

Yes ( )  
No ( )

Thank you for your cooperation.

**SECTION C**

*This section looks at the personal details of the respondent. Please tick in the box provided for appropriate response.*

1. Sex

Male	NAME ( )	LOCAL NAME
Female	CH ( )	MBUTA
Age (years)	FISH	KAMONGO
Under 20	( )	NGBOE
20 - 29	SNOUT FISH ( )	FULU
30 - 39	FISH ( )	SEW
40 and over	( )	MUMI
Marital status	OEBOLA	OMENA

Single ( )

Married ( )

4. What class did you reach in formal education ?

No formal schooling at all ( )

Std 1-5 ( )

Std 6-8 ( )

Secondary level (form I-IV) ( )

Others (please specify) \_\_\_\_\_

5. Have you ever attended any formal business training?

Yes ( )

No ( )

Thank you for your cooperation.



**APPENDIX III**

**MAIN FISHES FOUND IN LAKE VICTORIA**

NAME	LOCAL NAME
NILE PERCH	MBUTA
LUNG FISH	KAMONGO
TILAPIA	NGEGE
ELEPHANT SNOUT FISH	FULU
BUTTER FISH	SEW
CAT FISH	MUMI
RASTRINOEBOLA	OMENA

Source: Artisanal fisheries of Lake Victoria.

Source: Artisanal Fisheries of Lake Victoria.

N.B At the landing beaches there are cooperatives and fishermen. Small scale, large scale and medium traders purchase fish either from the cooperatives or fishermen. From them, wholesalers or retailers purchase and sell to consumers or they sell directly.

MAJOR LIST OF LARGE SCALE FISH TRADERS.

1. Samaki Industries (Kenya) Limited.
2. Kenya Cold Stores
3. Samaki and Tilley Butchery Limited
4. Kenya Fishing Industries
5. Wananchi Trading Company Limited
6. Government Owned Company
7. Afro Meat
8. Trans - Africa
9. Kenya Fish net

Source: Fao Fisheries Technical Paper No. 233

Source: Fao

Source: Department of Fisheries, Nairobi

APPENDIX: VI

MAJOR LANDING BEACHES IN THE KISUMU District.

Name of Beaches

- Dunga
- Ralayo
- Nyamawaka
- Arongo
- Asat
- Kaloka
- Ogal
- Paga
- Usoma
- Nyamware
- Nduru
- Ogenya
- Sango rota

Source: Department of Fisheries, Nairobi.