

**ELECTRONIC COMMERCE AND BUSINESS GROWTH OF SMALL AND MEDIUM  
TEXTILE ENTERPRISES IN NAIROBI COUNTY**

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**DECLARATION**

I declare that this project is my original work and has not been presented to any university for award of any other degree.

Signature.....

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

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## **DEDICATION**

I dedicate this project to my wife and two sons for always inspiring me to become a better husband and father. Their love inspires me to create and innovate, a core area of my studies now and in the future.

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## **ABSTRACT**

Increasing development of E-Commerce has provided opportunities to improve the performance enterprises in the textile sector. The objective of this study was to determine the correlation between E-Commerce strategies and business growth of SMEs in the textile sector in Nairobi, by understanding types of E-Commerce strategies applied to achieve business growth. In addition to reviewing relevant theories on technology adoption, the study reviewed use of specific E-commerce strategies as described in the web marketing mix model (4S Model). Strategies proposed in the model include; strategy and E-Commerce objectives of the firm (Scope), promotional strategies (site), E-commerce integration strategy (synergy) and technology (system). The data was collected from 58 small and medium enterprises in Nairobi county using questionnaire and data analysis was done with Statistical Package for Social Sciences software (SPSS) version 22.

In general, E-commerce influences business growth of the textile SME's positively. The study observed that most SMEs were using E-commerce strategies at different levels, with most firms adopting at least three strategies as per the web marketing mix model; the more the E-commerce strategies the higher the business growth parameters observed in SMEs. It can be concluded that E-commerce increases SMEs sales volume, market share, profits and SME savings. The study recommends adoption of all the four strategies of E-Commerce, though most SMEs don't undertake system strategy (website maintenance) due to costs, they must budget for it..

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Information and Communication Technology (ICT) development has changed the way business compete in the market place and spread globally. Blending internet with traditional commerce has provided opportunities for SMEs businesses to advance business models that take advantage of opportunities in globalization (Zwass, 2003). Increased development of technologies in business and trade has provided unprecedented improvement in organizational growth, small and medium enterprises are able to sell their products and services to a larger potential market through appropriate E-Commerce strategies (Rastogi, 2002).

This study was anchored on Schumpeter Theory of Innovation, Diffusion of Innovation and Technology Acceptance theories to explain use of E-Commerce strategies among textile SMEs. All the three theories focus on innovativeness of entrepreneurs as a strategy of enhancing business growth. For example Schumpeter theory of innovation emphasized on entrepreneurs seeking value generating activities to expand flow of income. Technology acceptance theory by Davis (1989) predict technology acceptance by understanding usage behavior within an organization, while diffusion of innovations theory seeks to understand the acceptance process of E-Commerce technologies within SMEs.

Access to technologies and other innovation is necessary for SME growth, according to Tufano (2003), globalization has impacted on the competitiveness of SMEs and threatened survival of the weak ones, and thus SMEs have been forced to modify their marketing strategies for them to

realize growth. Storey (2003) has recommended use of business growth as the most appropriate indicator of the performance for surviving small enterprises. Innovative enterprises grow faster than non- innovative ones, because they develop new products frequently, this was a finding by Roper (2007) in a study that focused on product innovation in German, UK and Irish SMEs. E-Commerce also affects sales growth of SMEs as justified by Engel et al. (2004) when he was studying Crafts SMEs in Germany.

### **1.1.1 The Concept of Electronic Commerce**

Electronic commerce is the use of electronic platforms to exchange business information, Sanayei (2003). There are other definitions of E-Commerce that mention electronically based intra-organizational activities as E-Commerce, this activities includes, electronic funds transfer, e-mail and electronic data interchange. (Rayport and Jaworski, 2001; Sanayei, 2003; Rwigema and Venter, 2004; Chinweike, 2008). This study doesn't adopt particular definition of E-Commerce because all are relevant but it understands E-Commerce as business conducted via electronic media with internet access.

Electronic Commerce has increased the competitive advantage of organizations and enabled them attain high business growth levels, particularly those selling over the internet. Other important attribute of E-Commerce that has enhanced business growth is efficiency of communication with suppliers, customers and other business partners globally (Rayport & Jaworski, 2001). E-Commerce also yields greater efficiency and profitability because it minimizes the expense and cumbersomeness of time, distance and space in doing business (Kurato & Hodgetts, 2001).

### **1.1.2 The Concept of Business Growth**

Wickman et al provides different measures on how growth of a business is measured. They include internal measures such as number of new products, sales turnover and number of employees and external measures such as market position and share. Research shows that SME growth can either be linear and predictable or opportunistic and non-predictable, in both cases they closely agree on the measures of business growth. According to Storey (2003) growth is commonly associated with, achievement of business goals and firm survival that is as a result of scaling up of activities. Takahiro (2012) recommended that adoption of competitive strategies such as change of product lines, strengthening marketing, improving productivity environment and reduction of costs can enhance growth opportunities for SMEs in textile sector.

Business growth can be influenced by factors such as political changes; economic factors such as the tax systems, monetary and fiscal policies, interest rates, internal regulations and exchange rates; and social factors such as religious considerations, the impact of the business on local communities, ethnic considerations and cultural factors (Mintzberg, 2003).

### **1.1.3 Small and Medium Enterprises**

In Kenya Small and Medium Enterprises employs about 80% of the Kenyan workforce, (Republic of Kenya, 2015). Several studies have qualified the role of SMEs in economic growth of countries, some researchers estimate that 85% of world economic growth is a result of SMEs. They play this role by creating jobs, innovating on new products and services and enhancing the marketing channels among others. Distinction between micro, small and medium enterprises depends on three measures; the number of employees, annual turnover and assets value, an

increase in any of them above a defined bracket is what differentiates these categories. Though categorization of SMEs differ from one country to the other based on the above, partners worldwide, 2012 have narrowed definition of MSMEs to annual revenue only, stating that MSMEs can be categorized through countries gross national income. SMEs are business with annual revenue in US dollars terms between 10 to 1000 times the mean per capita gross national income (GNI) of the country in which it operates.

During business growth, small firms have special characteristics that may hinder or enhance their adoption of E-Commerce. For example, SMEs ability to innovate enables them to find niche markets and develop them or being less committed to existing practices, contrariwise resource constrains may hinder E-commerce adoption (Zwass, 2003). Nonetheless E-commerce is a key stimulator of growth of enterprises. SMEs face various challenges in their growth path, they include limited access to favorable financial products, poor business management skills and competition for product and service markets.

#### **1.1.4 Kenya Textile Industry**

Kenya's textile and garment industry constitute 12% of the business in manufacturing sector, and they also dominate the wholesale and retail sector where they sale finished products (IFC, 2010). The Kenya textile industry is made up of firms of varying sizes and technologies that produce local, regional and international markets (McCormick et al., 2001). Textile and apparel industry in Kenya entails progressive stages of production, manufacturing and trade; it includes cotton growing and ginning, yarn and thread production, fabric manufacture and apparel manufacture and trade (Omollo et al., 2006).

Success and failure of textile industry has been documented, with most studies agreeing that production and manufacturing activities in the industry is in a continuous decline. In 1960s to late seventies production of cotton and manufacturing of textile was among the fastest growing sector at 10% per annum, due to the import substitution strategies pursued by the early government. However, since the liberalization of trade in 1990s the sector's growth has been on a decline because it was forced to compete with imports from developed economies and quotas that protected the industry were eliminated (World Bank, 2015). Kenyan's textile demands is mostly met by imports from china, Thailand, turkey and second hand clothes from the west.

### **1.1.5 Small and Medium Textile Enterprises in Nairobi**

SMEs in textile sector recorded mixed performance in 2006 (Republic of Kenya 2007) with an increase of 4.4 % in total sales. Cloth and textile businesses in Nairobi are of various categories, ranging from those that sale designer wares in prime shopping malls, to markets stalls that sale medium priced garments imported from China, Turkey, Thailand to small stalls that sale second hand clothes and low cost garments. Trade on local manufactured garments is minimal in Nairobi because they face competition from strong international products that are of high quality. Garment shops in Nairobi are mainly second hand clothes and low priced imports, domestic products have only 5% market share in retail shops (Takahiro 2012).

### **1.2 Research Problem**

Growing the business can be taken to mean crafting and implementing strategies that will bring profit to the business, attracting and pleasing customers (Thompson & Strickland, 2003). Development of Kenya Information and Communication sector has created increased access to

internet by Kenyan consumers thus opening up opportunities for SMEs to plan for growth through adoption of competitive Electronic Commerce strategies. It is estimated that internet users in Kenya are about 29 million, with 18.6 million accessing internet over the mobile (CAK, 2015).

The growing competition in the market place and advancement of textile manufacturing technologies has exerted strong impacts on the entire textile industry in Kenya. Under such a dynamic environment, textile businesses have had to come up with a lot of initiatives that are oriented to providing better services with the help of E-Commerce. Even though textile industries have invested on E-Commerce, business owners need to find out if E-Commerce has a positive effect on their business growth.

Different scholars have done studies related to Electronic Commerce and business growth. Hult et al. (2015) did a research on effects of E-Commerce on productivity of hospitality industries. They found that due to the tough global competition, SMEs apply their innovation strategies and entrepreneurial abilities in order to gain competitive advantage. Klomp and Van Leeuwen (2014) carried out a research on relationship between ecommerce and employment growth and found a positive relationship between E-Commerce and sales growth but no evidences of a relationship between the E-Commerce and employment growth.

Wanyoike et al. (2012) found out that visible results emanating from E-Commerce use such as; efficient coordination among various value chains partners, simplification of work routines and improved customer services influenced small formal enterprises in urban Kenya to adopt E-

Commerce. Eid (2011) concluded that the use of electronic commerce mechanisms is effective on market share and customer satisfaction during his study on use of E-Commerce in by companies.

While various studies have been done in reference to E-Commerce, none had been done in regards to the effect of E-Commerce Strategy in Small and Medium textile enterprises growth in Kenya depicting the existence of a knowledge gap. Therefore this study sought to answer the following questions: what are the E-Commerce strategies applied by Small and Medium Textile Enterprises in Nairobi County? What is the relationship between E-Commerce strategies and business growth of Small and Medium Textile Enterprises in Nairobi County?

### **1.3 Research Objectives**

The overall objective of the study was to determine the relationship between E-Commerce strategies and business growth of SMEs in textile sector in Nairobi Kenya.

Specific objectives was;

1. To establish the relationship between E-Commerce and business growth of Small and Medium Textile Enterprises in Nairobi County
2. To identify E-Commerce strategies applied by Small and Medium Textile businesses in Nairobi County

#### **1.4 Value of the Study**

This study findings will add value to the existing body of knowledge on how business growth can be improved when organizations leverage on E-Commerce while being a stepping stone to further research on E-Commerce strategies.

The findings of this study may help the Government of Kenya as it seeks to grow the textile industry through E-Commerce and enhance business growth. The government of Kenya will be able to appreciate the various areas of E-Commerce strategies within the textile industry and may opt to provide support by either waiving taxes or introducing other non-monetary incentives.

The findings of this study will also be helpful to the policy makers because it will shed more light on E-Commerce and business growth which will assist in formulating innovation strategies.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter looked at previous studies done on E-Commerce and business growth. It addressed the theoretical foundation of the study, E-Commerce strategies and effects of E-Commerce on business growth, empirical review and a summary of the literature review.

#### **2.2 Theoretical Foundation**

Theories related to E-Commerce and business growth are reviewed. The study considered Schumpeter theory of innovation, Technology acceptance theory and Diffusion of innovation theory.

##### **2.2.1 Schumpeter Theory of Innovation**

Schumpeter (1934) argued that entrepreneurs, inventors or researchers create opportunities for new profits with their innovations, this creates a wave of investment by imitators who are attracted by super-profits but sooner the attraction may reduce or erode the profit margin for the innovation.

In advancing Schumpeter's theories of innovations, Scott Shane found out that rates of self-employment and firm formation increased in response to technological changes, self-employment being a measure of individual entrepreneurship. Large technological changes provides greater sources of opportunity because they create larger changes in productivity by recombining resources. Shane (1996) observed that the per capita income in organizations increased in subsequent years when technological changes or new patents are registered.

### **2.2.2 Theory of Acceptance Model**

Theory of Technology acceptance was developed by Davis (1989) to predict and explain IT usage behavior, that is, what causes potential adopters to accept or reject the use of information technology. Supposed usefulness and ease of use determines and predicts attitudes towards user's willingness to use the system. Perceived usefulness refers to how the system would enhance job performance and ease of use refers to the level of free effort required to use the system (Davis, 1989).

Theory of acceptance model was developed from theory of reasoned action (TRA) to understand how users of an information system react to its introduction in organizations. The acceptance of the information system is understood by examining the perceived usefulness and perceived ease of use of information system and the resultant behavior outcome that make its use regular. If users are able to find out the information they need when they visit the website, then perceived usefulness believes have been met. The Theory of Technology Acceptance is important in this study as it explains Information Technology usage behavior among SMEs as well as consumers. This study will further seek to identify acceptance of E-Commerce technologies among SMEs and its effects on growth.

### **2.2.3 Diffusion of Innovation (DOI)**

Diffusion of Innovation Theory, (Rogers 1962) explains how an idea gains momentum and spreads through a population over time. As a result of this diffusion, people, adopt a new idea or behavior, or product in different stages over the time of spread. Nooteboom (1994) reviewed diffusion of innovations theory on social marketing programs and observed that, there are

different types of adopters in every target audience; these adopters have unique motivations for adopting new behavior and are in certain proportions. There are innovators, early adopters, early majority, late majority, and laggards. Observations from this study can be used to explain E-Commerce adoption and use processes among textile SMEs.

### **2.3 Electronic Commerce Strategies**

The web marketing mix framework presents a sound and functional basis for designing, developing and commercializing business to consumer on line process. According to Constantinides (2002), the basis for successful E-Commerce is the full integration of the virtual activities into the company's physical strategy, marketing plan and organizational process. Constantinides, argues that the use of the 4Ps marketing mix framework to advance virtual marketing strategies has limitations because the 4P marketing framework lacks strategic elements and the roles of the Ps is continuously diminishing. This study adopts the 4S marketing mix framework of scope, site, synergy and systems as recommended in the web marketing mix to analyze E-Commerce strategies.

#### **2.3.1 Strategy and Objectives of the firm (Scope)**

The web marketing mix model recommends that, on line activities can pursue clearly defined strategic objectives such as improving company image, expanding customer's base, increasing brand awareness and reducing operational costs while aligning to organization corporate missions and strategic goals. This specificity of online activities and objectives is important because of the need to focus on challenging market analysis of virtual customers and establishing a strategic role for online activities. Such role may be informational, promotional, transactional or

educational. Firms should therefore define specific objectives that have to be attained by implementing on line activities.

### **2.3.2 Promotional strategies (Website experience)**

The website is the company customer interface, a prime source of customers experience and a communication element too. In the web marketing mix model, the prime mission of the website is to attract traffic, establish contact with online target market and brand the organization on line. During website development, online privacy and protection of personal data should not be overlooked, it's estimated that lack of confidence on the online system caused a loss of over 12.4 billion dollars in the year 2000.

Website has to fulfill a variety of roles, assigning roles to a website while maintaining its functionality and user friendliness is a delicate process depending not only on available funds or technical options but good knowledge of potential customers. Firms must therefore develop interactive websites with easy to use features.

### **2.2.3 E-commerce integration strategy (synergy)**

Web marketing mix model, recommends integration of virtual organization objectives together with physical process and third parties in order to achieve synergies that propels growth of E-commerce strategies in a firm. Firms do not need to come up with new virtual activities for them to realize E-Commerce. Three integration strategies recommended in the model are; integrating the physical communication plan(front office) with online plans(website), this will enhance promotional activities by capitalizing on embedded customer good will; integrating back office activities such as customer service, order processing and fulfilment, reverse logistics into

companies online operation system improves company value system. By making existing organizational infrastructure available to online operation, back office operation become even more effective; and thirdly integrating third parties into the company online operations also enhance E-commerce effectiveness. Such third parties includes; search engines and web directories, affiliate networks and online advertising increase traffic to the sites.

#### **2.3.4 Technology (System)**

Website maintenance and management is key to the success of E-commerce because it affects number of customers visits and should adapt to customers' expectations. Organizations have to constantly offer good web experience to customers by managing web technologies. There are common technological challenges that should be continuously addressed by organizations that are present online or have website, these includes; website administration and maintenance, which should be done on 24 hour basis. Further to this, content management should include frequent reviews of web content based on changing customers' demands, market conditions and competition. Website should be protected against any forms of malicious attacks, and transaction and customer data must be considered; system backups, choice of webservers and service providers must be studiously undertaken.

#### **2.4 Electronic Commerce and Business Growth**

Afua and Tucci (2001), argue that firms are in business overcome competition therefore they reinforce an existing competitive advantage by adopting new technologies. In order to survive firms are changing their business models to conform to the rapidly changing environment, they observe that firms may want to undergo a strategic management process to answer the question of where the firm is now concerning the internet. In the field of

competition, Internet-driven business-to-business (B2B) relationships can provide a vehicle through which competition can be strengthened. On the provider side, goods and services can be offered for sale to a global clientele on a highly cost-effective basis while the real-time interactivity of the Internet enables the suppliers to sell their merchandise more flexibly using, for example, auctions.

E-Commerce has been used positively to influence productivity of SMEs. In his study on how companies in hospitality industry cope with global competition, Hult et al (2015) found out that companies adopted E-Commerce strategies to outcompete others. E-Commerce also influences sales growth positively, Klomp and Van Leeuwen (2014) established this relationship while studying on effects on E-commerce on employment, and Eid (2011) concluded that the use of electronic commerce mechanisms is effective on market share and customer satisfaction during his study on use of E-Commerce in by companies.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter provides the various steps that will be used to undertake the study. It outlines the research methodologies that was used; including the design of research, population of the study, sampling design and size, methods of data collection and analysis procedure.

#### **3.2 Research Design**

Research design is the structure of enquiry to get answers to questions of research. Descriptive research design was used for this study. Descriptive designs describes what exists with respect to variables in a situation, by asking individuals about their perceptions of a phenomena. A descriptive study is concerned with determining the frequency with which something occurs or the relationship between variables (Cooper and Schindler, 2003).

#### **3.3 Population of the Study**

A population is a well-defined or set of people that are being investigated. The target population in this study comprised registered textile SMEs which file tax returns to KRA. According to KRA (2015) there are currently 358 textile SMEs which meet this condition in Nairobi County. However this study was able to establish on 280 SMEs in the textile sector.

#### **3.4 Sample**

Sample size is the number of members of an accessible population that is representative of the whole population. The SMEs in the population differ in terms of manufacturing, wholesale and

retail sectors to ensure that different categories are represented. In order to ensure all categories of manufacturers, wholesale and retail is represented in the sample, stratified sampling was used during selection of respondents. The textile SMEs in Nairobi County were therefore first classified into levels as to whether they are under the manufacturers, wholesalers or retailers. The list obtained served as the sampling frame from which a representative sample of the population will be obtained. Simple random sampling procedure was then be used to pick the sample because it reduced biasness and accorded the research more scientific features that validate its findings more concrete. According to Mugenda and Mugenda (2003), 10-30% of the population makes a good representation of the entire population. The study used 20% of the population, giving a sample of 72.

### **3.5 Data Collection**

The primary data that was used in the study was collected using self-administered questionnaire attached as appendix 1 which was given to the managers of textile SMEs because they are best suited to identify the strategies used in adoption of E-Commerce and the relationship it has on the growth of the enterprises. The instrument was of five point Likert scale format to ensure that respondents are guided well in answering the questions. The instrument was divided into four sections. Section A contained questions on the respondent characteristics, section B focused on the annual net income and average total sales turn over for the last three years for the textile SME, section C contained questions on extent of E-Commerce adopted in textile sector, section D focused on the effect of E-Commerce on growth of SME's.

### 3.6 Data Analysis

Data was analyzed using both descriptive and inferential statistics. Descriptive analysis provided frequency, mean, mode and percentages of variables while regression analysis was used to whether an independent variable predicts a given dependent variable (Mugenda and Mugenda 2003). In this study, the researcher will use Statistical Package for Social Sciences (SPSS) Version 21.0 to analyze data. The results were presented in form of tables showing frequency, mean, standard deviation and co-efficient of variation to determine the extent of E-Commerce usage by analyzing data in section C of the questionnaire. Regression analysis was used to test significance and the relationship of E-Commerce and growth using the information contained in Sections D of the questionnaire.

Further analysis was done using the linear regression model below;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where  $Y$  is the growth,  $\beta_0$  is constant and  $\varepsilon$  is the error term of the model.

- $X_1$  = Strategy and objectives of the firm (Scope)
- $X_2$  = Promotional strategies (Website experience)
- $X_3$  = E-commerce integration strategy (synergy)
- $X_4$  = Technology (System)

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.0 Introduction**

This chapter presents analysis of results collected through questionnaires and discusses the findings on effects of electronic commerce strategies on business growth of small and medium textile enterprises in Nairobi County.

#### **4.1 Response Rate**

A response rate of 80% was achieved from the total target respondents. The data findings and their possible interpretations have been presented by use of mean, percentages, frequencies, and standard deviation. Analysis was carried out using statistical Package for Social Sciences (SPSS) version 22.0 application software for Windows.

#### **4.2 Demographics of Textile SMEs Owners**

This sections summaries gender, age and level of education of respondents. And establishes whether this demographics affect business growth and E-Commerce strategies. No major differences were observed in gender of respondents, more than 65% were less than 45 years and 70% had acquired education levels above Diploma. This indicates favorable demographics that understands E-Commerce strategies and Business growth.

##### **4.2.1 Gender of Respondents**

Respondents were asked to indicate their gender and findings are presented in Table 4.1;

**Table 4.1: Gender of Respondents**

		Frequency	Percent
	Male	33	56.9
	Female	25	43.1
	Total	58	100.0

Source: (Research data, 2016)

From Table 4.1 above, 56.9% of the respondents were male while 43.1% were female. This indicates that majority of the owners of SME textile are male although the difference is not significant enough to influence the results of the study towards any gender.

#### **4.2.2 Age of Respondents**

Respondents were asked to indicate their age and the findings are in Table 4.2;

**Table 4.2 Age of Respondents**

		Frequency	Percent
	Below 25	7	12.0
	26 - 35	18	31.0
	36 - 45	14	24.1
	46 - 55	11	18.9
	Above 56	8	14.0
	Total	58	100.0

Source: (Research data, 2016)

As shown in Table 4.2, 31% of the respondents were between 26-35 years, 24.1% were between 36-45years, 18.9% were 46-55 years, 14% were above 56 years and 12% were below 25 years. This shows that the respondents were spread across all ages and the study result were not biased on the basis of any of age group.

### 4.2.3 Level of Education

The respondents were asked to indicate their level of education. The findings are in Table 4.3;

**Table 4.3: Level of Education**

	Frequency	Percent
Masters	10	17.2
Bachelors	19	32.8
Diploma	12	21.0
Certificate	12	21.0
Secondary Level	5	8.0
Total	58	100.0

Source: (Research data, 2016)

Majority of the respondents had Bachelor's degree (32.8%). 21% had diploma and another 21% had certificates. 17.2% had Master's degree while 8% had secondary level of education. This indicates that majority of the respondents were knowledgeable to understand the concepts of the study.

## 4.3 Background information of Textile SMEs

### 4.3.1 Sources of Capital

The study sought to identify the source of capital for the SME textile business establishments.

The findings are shown in Table 4.4 below;

**Table 4.4 Source of Capital**

	Frequency	Percent
Own savings	20	34.6
Loan/Credit from banks/Sacco	22	37.9
Inheritance	8	13.8
Venture capital	6	10.3
Others	2	3.4
Total	58	100.0

Source: (Research data, 2016)

According to the findings, 37.9% which were the majority source of income came from loan/credit from banks/Sacco. 34.6% were from own savings, 13.8% came from inheritance. Venture capital contributed 10.3%, while other sources were 3.4%. This is an indication that owners managers trusted on ability of their business to have returns that meet cost of credit.

#### **4.3.2 Ownership of the Business**

Respondents were asked to indicate ownership of the business. The findings are shown in Table 4.5 below;

**Table 4.5 Ownership of Business**

	Frequency	Percent
Sole proprietorship	12	20.7
Partnership	25	43.1
Corporation	21	36.2
Total	58	100.0

Source: (Research data, 2016)

From the findings most of the textile businesses are owned by partnerships (43.1%) 36.2% are owned by corporations while sole proprietorship account for 20.7%. This implies that most textile business use partnerships to enhance more funds acquisition and also networking.

#### 4.4 E-Commerce usage among Textile SMEs

##### 4.4.1 Extent of Innovation

The study sought to identify the level of E-commerce usage adopted by Small and Medium textile Enterprises in Nairobi County. Likert scale was used where: 5= Very high level 4= High level 3= moderate level 2= low level 1= Very low level. They indicated as shown in Table 4.6 below;

**Table 4.6: Extent of E-commerce usage**

	N	Mean	Std. Dev
Perform financial accounting	58	3.74	.828
Perform market/product research	58	4.09	.756
Setup customer/supplier databases	58	4.09	.864
Receive orders	58	4.07	.971
Implement online sales through the internet	58	4.36	.831
Training and develop employees	58	3.91	.996
Communicate with customers, suppliers and employees	58	4.31	.799
Manage payroll	58	3.78	1.125
Improve quality of designs of products/services	58	4.16	.834
Track and enquire about orders by customers via email	58	4.57	.624
Valid N (listwise)	58		

Source: (Research data, 2016)

The respondents indicated that E-Commerce is applied to a very high level to track and enquire about orders by customers via email, communicate with customers and implement online sales. To a second level, E-Commerce was used to improve products, receive orders and set up databases of suppliers and customers. E-Commerce was least used to manage payroll systems or manage financial accounting. This implies that SMEs mostly adopt E-Commerce to orient to external activities such as reaching customers than for internal activities such as managing accounting.

#### 4.4.2 Effects of E-commerce on Textile SMEs Growth

Respondents were asked to indicate the level of agreement on the effects of E-commerce on growth of the enterprise. Likert scale was used where: 5 = Strongly agree 4 = agree 3 = Undecided 2 = Disagree 1 = strongly disagree. Results are indicated as shown in Table 4.7 below;

**Table 4.7: Effects of E-commerce on Growth**

	N	Mean	Std. Dev
E-Commerce influences income generating potential	58	3.56	1.044
E-Commerce increases savings for the company	58	3.64	.892
E-Commerce reduces operating cost of the company	58	3.51	1.155
E-Commerce increased profits for the company	58	4.03	.917
E-Commerce increases the company's market share	58	4.19	.712
E-Commerce increases sales volume	58	4.33	.846
Valid N (listwise)	58		

Source: (Research data, 2016)

As evident in Table 4.7, majority of the respondents agreed that E-commerce increases sales volume, company's market share and increases profits for the company. Next to this observation, is that, E-commerce increases savings for the company, the income generating potential and reduces operating cost of the company. This implies that SMEs that adopt proper E-Commerce strategies to increase clients and attain business growth in the form of increased market share, sales and profits.

#### 4.4.3 Electronic Commerce Strategies

The research sought to establish if the enterprises had a running website or any other online presence and responses are shown in Table 4.8 below;

**Table 4.8 Website and any other Online Presence**

		Frequency	Percent
	Yes	51	87.9
	No	7	12.1
	Total	58	100.0

Source: (Research data, 2016)

From Table 4.8, 87.9% of the enterprises have a website or any other online presence while 12.1% indicated no website or any form of online presence. This indicates that most SMEs understand the importance of E-Commerce and have attempted to aggressively adopt it though at different scales and level.

**Table 4.9 Electronic Commerce Strategies**

	N	Mean	Std. Dev
<b>E-commerce as a strategy to enhance firm strategic objective</b>			
Enterprise website enhances firms competitiveness	58	3.78	.918
Website enhances analysis of market trends for company products	58	3.98	.737
Website enhances new customer acquisition by company	58	4.21	.833
Website disrupts internal organizational processes	58	3.47	1.392
Website development and maintenance is costly	58	3.79	1.225
<b>Company website (promotional) as E-commerce strategy</b>			
Web content and display captures company values	58	3.53	1.126
Customers online purchases are increase or will increase in future	58	3.93	.876
Web interactive features; feedback, navigation, search are virtuous	58	3.59	1.093
Products descriptions, display and images online are precise	58	3.78	1.044
Enterprise has a catalogue of its products online	58	3.88	.975
Online products delivery matches customers' orders(quality)	58	4.00	.858
<b>Internal systems synergy as a strategy to enhance E commerce</b>			
Location map and contact is available online/website	58	4.00	.955
Enterprise has an automated inventory management for products	58	3.97	.878
Enterprise has automated management of supply system	58	3.72	.988
Front office desk integrates online feedbacks, complains on comps?	58	3.91	1.031
Enterprise website is advertised in popular networks e.g Facebook	58	4.00	1.026
Enterprise website is optimized on search engines e.g google	58	3.34	1.278
Enterprise website has affiliate networks that advertise on it	58	3.83	1.028
<b>Systems maintenance as strategy to enhance E commerce</b>			
Enterprise has web administrator and maintenance services	58	3.81	.999
Enterprise does frequent content review based on market trends	58	3.67	.906
Enterprise does frequent content review based on competition	58	3.86	1.017
Customers trust site security features and protection	58	3.76	1.081
Website has a continuously updated system backup	58	4.21	.894
Valid N (listwise)	58		

(Source: Research data, 2016)

Firms set objectives to be achieved through adoption of specific E-Commerce strategies, owners therefore identify E-Commerce activities to be undertaken to fulfill overall firm strategy such as firm expansion of its market share. Respondents were asked on the use of E-Commerce as a strategy to enhance firm strategic objective, as revealed in Table 4.9, respondents agreed that E-commerce enhances new customer acquisition, analysis of market trends for company products and enhances firm's competitiveness. However, costs of implementing E-Commerce were reported as a disincentive to achieving firm's strategic objective. In this regard firms E-Commerce strategies are adopted to enhance firm's strategic goals.

E-Commerce promotional strategies is mostly through a company's websites. Respondents were asked on the use of company website (promotional) as E Commerce strategy. The respondents agreed that website is an effective promotional strategy because it increased customers' online purchases. In the order importance, they agreed that online products delivery matches customers' orders, enterprise has a catalogue of its products online, products descriptions, display and images online are precise and web interactive features; feedback, navigation, search are virtuous. The above website features enhance promotion of SMEs online.

E-Commerce success requires integration of internal physical process to the implementation of online activities. SMEs were asked strategies they use to align their internal systems to achieve E-Commerce success. The respondents agreed that they integrated their location map and contact on their online activities, integrated their promotional activities (website) into other popular networks and used affiliate networks to advertise. SMEs also integrated automated inventory management for products, front office desk and online feedbacks and automated management of

supply systems. However, they were undecided on whether enterprise website is optimized on search engines.

SMEs were also asked on what strategies they use to maintain systems and technologies required for implementation of E-Commerce. Respondents agreed that website back up services and continuous content review was the most important system maintenance activities. Other systems maintenance activities were customer’s security and continuous review of contents to match trends in markets.

**4.4.4 Regression analysis of Business growth and E-Commerce strategies**

Regression analysis was done to test significance and the relationship of E-Commerce strategies(scope, site, synergy and system) on business growth.

**Table 4.10 Model summary**

Mode	R	R Square	Adj R Square	Std. Error of the estimate
1	.653 <sup>a</sup>	.727	.248	.436

Source: (Research data, 2016)

Regression analysis revealed a positive relationship ( $r = 0.653$ ). Moreover, the dependent variable (business growth) can be explained by 72.7% variations by the independent variables (E-Commerce strategies). The model is thus significant implying that it’s fit and robust.

**Table 4.11 Regression coefficients**

Model		Unstandardized		Standardized	t	Sig.	95.0% Confidence Interval for	
		Coefficients		Coefficients			B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.219	.437		5.264	.000	1.433	4.025
	SME's objectives strategies	.416	.329	.468	1.421	.161	-.192	1.128
	Company website strategy	.356	.296	.364	1.268	.210	-.211	.937
	Internal systems synergy	.108	.215	-.096	-.309	.758	-.661	.484
	Systems maintenance strategy	-.117	.328	-.103	-.336	.738	-.722	.515

Source: (Research data, 2016)

$$Y = 3.219 + 0.416X_1 + 0.356X_2 + 0.108X_3 - 0.117X_4 + \varepsilon$$

Where  $Y$  is the growth,  $\beta_0$  is constant and  $\varepsilon$  is the error term of the model.

- X1 = Strategy and Objectives of the firm (Scope)
- X2 = Promotional strategies (Website experience)
- X3 = E-commerce integration strategy (synergy)
- X4 = Technology (System)

Positive effects were reported on SME's objectives strategies, company website, and internal systems synergy strategy. Firms aligning to their strategic and objective to E-Commerce and use of online promotional strategies were the key E-Commerce strategies that influenced a positive business growth. Negative effect was reported on system maintenance strategy. ANOVA test was carried out to establish if the relationship between e-commerce and business growth was significant at 95% confident level. The results are indicated in table 4.12

**Table 4.12 Anova**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.028	7	1.718	6.256	.013
	Residual	26.009	8	3.251		
	Total	38.037	15			

Source: Research data, 2016)

Analysis of Variance (ANOVA) provides levels of variability in a regression model. Significance exist between the response and predictor variables if P-value < 0.05. As shown in Table 4.12, P-Value = 0.013 < 0.05 hence we have sufficient evidence to conclude that there is a significant linear relationship e-commerce and business growth.

#### **4.5 Interpretation of findings and Discussions**

From the findings of the study, majority of the SMEs have adopted E-Commerce at different levels. SMEs adopt E-Commerce strategies to increase clients and attain business growth in the form of increased market share, sales and profits. In the study findings majority of the respondents agreed that E-commerce increases sales volume, company's market share and increases profits for the company. Next to this observation, is that, E-commerce increases savings for the company, the income generating potential and reduces operating cost of the company. Many related studies have been conducted and it seems evident that there exists a strong relationship between e-commerce and the growth of SMEs. This findings agrees with the findings of a study by Coad and Rao (2008) who probed the relationship between e-

commerce and the growth of sales for firms in high tech sectors, they observed that e-commerce is of a vital importance for selected fast growth firms.

The findings also show that most SMEs adopted E-Commerce to orient themselves to external activities such as reaching customers than for internal activities such as managing accounting. The respondents indicated that E-Commerce is applied to a very high level to track and enquire about orders by customers via email, communicate with customers and implement online sales. To a second level, E-Commerce was used to improve products, receive orders and set up databases of suppliers and customers. This findings agrees with observations by from Susman et al, 2006 who asserted that introduction of new processes or functions enhanced performance or the addition of new features into the existing products.

Findings on E-Commerce strategies used indicates that most SMEs understand the importance of E-Commerce and have attempted to aggressively adopt it though at different scales and level. Positive effects were reported on SME's objectives strategies, company website, and internal systems synergy strategy. Negative effect was reported on system maintenance strategy. Becheikh *et al.* (2006), agreed with the findings and states that e-commerce is unavoidable for firms which want to develop and maintain a competitive advantage and gain entry in to new markets.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter summarizes the major findings of the study. This study sought to find out effects of e-commerce on business growth of Textile SMEs in Nairobi County. In addition, this chapter provides a direction for further studies and gives some recommendations for policy making by the relevant authorities. Questionnaires were used to gather primary data. The questionnaires comprised of both closed and open-ended questions and were strictly administered by the researcher. Both primary and secondary information was used to determine the findings of the study.

#### **5.2 Summary of Findings**

Findings show a positive perception on the effect of E-Commerce strategies to business growth by business owners of textile SMEs in Nairobi. The study findings also provides specific areas of business growth that are highly influenced by E-Commerce strategies adopted, it further observes which E-Commerce strategies are mostly used by business owners interviewed. The key findings of the study are;

Almost 70% of the textile SME owners in Nairobi had education at diploma level education and above. This level of education exposes owners to innovation and this may have encouraged search for alternative ways of influencing business growth such as E-Commerce. The study also found out that most of the business were owned as partnerships and their source of initial funding was either by borrowing a loan from a SACCO or a bank. This findings may agree to the

assumption that owners were able to accept the risk of taking loans because they believed on their business growth which may come as a result of E-Commerce adoption.

Specific business growth factors that were influenced by E-Commerce strategies were SMEs sales volume, market share and profits. This implies that SMEs do adopt appropriate E-Commerce strategies to increase clients and attain business growth in the form of increased market share, sales and profits. Most SMEs applied E-Commerce at high level to track and enquire about orders by customers via email, communicate with customers and implement online sales. E-Commerce was least used to manage payroll systems or manage financial accounting. This implies that SMEs mostly adopt E-Commerce to orient to external activities such as reaching customers than for internal activities such as managing accounting.

The study also found out that web marketing strategies of scope, site, synergy and system influenced business growth at different levels. For example firm objective (scope) and promotional strategy (site) strategies greatly influenced growth of SMEs because it enhanced market trend analysis, new customer acquisition and website enhancement features were key to attracting traffic. Synergy (integrating internal physical process to online) and systems (Technology) had a little influence on business growth because it attracted additional operational costs to the company. This however should not be understood as a disincentive to E-Commerce because it's the opportunity cost firms have to pay in order to realize the other strategies.

### **5.3 Conclusion**

The study concluded that majority of SMEs are using a number of E-Commerce innovations and specific E-Commerce strategies to realize their business growth. SMEs that reported more E-Commerce innovations and strategies also reported more business growth parameters. Business growth parameters are influenced by E-Commerce innovations and strategies are business sales, market share and profits for the company. Internally, SMEs are able to reduce operating costs and make savings.

SMEs in the textile sector mostly used E-commerce innovations to interact with customers and improved their products or services. E-Commerce innovations are used by SMEs to improve their products, receive orders from customers and sale their products. Among the E-commerce strategies that improve SMEs business growth were firm's E-Commerce strategic objectives and use of promotional strategies, mostly the website.

### **5.4 Recommendations from the findings**

The study recommends that textile SMEs to adopt e-commerce innovations that increases business growth. For businesses to realize growth, investment in e-commerce should be made in order to reduce costs, increase their savings and achieve higher level of sales. Textile SMEs need to keep designing and redesigning their products to meet changing user needs and product innovation is very crucial in the achievement of this objective, this can be achieved by improving website interactive features and undertaking niche based market trend analysis. It is also vital for businesses to take E-Commerce to raise the level of quality of the products they produce as this research has revealed that e-commerce can greatly enhance the production of quality

products which would in the end raise the level of sales and increase the profit margins of the business.

### **5.5 Limitations of the Study**

This study adopted the 4S market mix model to study the influence of E-Commerce strategies in the textile industry. This model provides both a framework for marketers to solve both strategic and operational internet marketing issues in an integral and efficient manner. This model is not specific to textile sector but a generic model of evaluating E-Commerce. Therefore, this study has not been able to gain any previous criticism on application of this model to the textile industry, this however will not affect the application of the model.

Getting accurate information from the respondents was one of the major challenges since some of the respondents were unwilling to give some type of information, respondents were particularly not ready to discuss annual of business turnover of SMEs. This study was minimized by using the Likert scale as a measurement instrument of responses so that neutral or undecided respondents can be accommodate. To minimize lack of responses to business turnover questions, we introduced various parameters of business growth such as sales, market share and profits. Thus, the study was not affected by respondent's unwillingness to answer questions.

The sample selected for the study was small considering the number of population of the small and medium textile enterprises in Kenya, hence we cannot make a conclusion for the entire

SMEs in the Country based on only one county. The findings interpretations and conclusions have therefore been limited to textile SMEs in Nairobi.

### **5.6 Recommendations for further research**

E-Commerce is a developing area of research borrowing from across theoretical foundations on innovations, entrepreneurship and management. E-Commerce use and strategy is affected by rapidly changing technologies in the information and communication sector and therefore this study has not established effects of E-Commerce trends and challenges of their adoption. Further research is recommended on trends of E-Commerce strategies and the challenges posed by this trends to adoption.

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**APPENDICES**

**Appendix I- Questionnaire**

Dear respondent,

This questionnaire is intended to collect data relating to the relationship between E-Commerce and business growth of Small and Medium Textile Enterprises in Nairobi County. Information collected from this questionnaire will be handled with high confidentiality and will strictly be used for academic purposes only by the researcher.

**SECTION A: Demographic Information**

1. What is your gender?      Male                          Female
2. How old are you?

Age (years)	Below 25	26-35	36-45	46-55	Above 56
Response					

3. What is your role in this business?

Role	Owner	Senior Manager	Mid-Level Manager	ICT Staff	Other
Response					

4. What is your highest level of education?  
Masters     Bachelors     Diploma     Certificate     Secondary Level   
Others (Please Specify) .....

5. List the sources of capital for your business
  - i.      Own savings
  - ii.     Loans/Credit from banks/saccos
  - iii.    Inheritance

- iv. Venture capital
- v. Others.....

6. Please indicate on the ownership of the business

Sole proprietorship [ ]                      Partnership [ ]                      Corporation [ ]

Any other, Please Specify .....

**SECTION B: Income**

Please indicate the annual net income and average total sales over the last three years

Year	2013	2014	2015
Annual Net Income			
Average Total Sales			

**SECTION C: Extent of E-Commerce Usage**

Please indicate on the level of usage of E-commerce in the business by indicating your level of agreement with the following statements.

Use the following scale: 5= Very high level 4= High level 3= moderate level 2= low level 1= Very low level

No.	In this business, E Commerce is used to;	1	2	3	4	5
1	perform financial accounting					
2	perform market/product research					
3	setup customer/supplier databases					
4	receive orders					
5	Implement online sales through the internet.					
6	Training and develop employees.					
7	Communicate with customers, suppliers and employees					
8	Manage payroll					
9	Improve quality of designs of products/services.					
10	Track and enquire about orders by customers via email					

**SECTION D: Effects of E-Commerce on growth**

Please indicate on the impact of E-commerce in growth of your business by indicating your level of agreement with the following statements.

The following scale will be applicable: 5= strongly agree 4= agree 3= undecided 2= disagree 1= strongly disagree

No.	The growth of the business is affected by E-commerce through;	1	2	3	4	5
1	The income generating potential of the company is influenced by use of E-Commerce					
4	E-Commerce increases savings for the company					
5	E-Commerce reduces operating cost of the company					
6	E-Commerce increased profits for the company					
7	E-Commerce increases the company's market share					
8	E-Commerce increases sales volume					

**SECTION E: Electronic Commerce Strategies**

<b>Does your company have a website or any other online presence</b>	<b>Yes</b>		<b>No</b>	
--	------------	--	-----------	--

Please indicate on the level of usage of E-commerce strategies by indicating your level of agreement with the following statements.

The following scale will be applicable: 5= strongly agree 4= agree 3= undecided 2= disagree 1= strongly disagree

No	The owner/manager practices the following strategies;	1	2	3	4	5
<b>1.0</b>	<b>E Commerce as a strategy to enhance firm strategic objective</b>					
<b>1.1</b>	enterprise website enhances firms competitiveness					
<b>1.2</b>	website enhances analysis of market trends for company products					
<b>1.3</b>	website enhances new customer acquisition by company					
<b>1.4</b>	website disrupts internal organizational processes					
<b>1.5</b>	website development and maintenance is costly					

<b>2.0</b>	<b>Company website (promotional) as E Commerce strategy</b>					
2.1	Web content and display captures company values					
2.2	Customers online purchases are increase or will increase in future					
2.3	Web interactive features; feedback, navigation, search are virtuous					
2.4	Products descriptions, display and images online are precise					
2.5	Enterprise has a catalogue of its products online					
2.6	Online products delivery matches customers' orders(quality)					
<b>3.0</b>	<b>Internal systems synergy as a strategy to enhance E commerce</b>					
3.1	Location map and contact is available online/website					
3.2	Enterprise has an automated inventory management for products					
3.3	Enterprise has automated management of supply system					
3.4	Front office desk integrates online feedbacks, complains on comps?					
3.5	Enterprise website is advertised in popular networks e.g Facebook					
3.6	Enterprise website is optimized on search engines e.g google					
3.7	Enterprise website has affiliate networks that advertise on it					
<b>4.0</b>	<b>Systems maintenance as strategy to enhance E Commerce</b>					
4.1	Enterprise has web administrator and maintenance services					
4.2	Enterprise does frequent content review based on market trends					
4.2	Enterprise does frequent content review based on competition					
4.3	Customers trust site security features and protection					
4.5	Website has a continuously updated system backup					

## Appendix II- Textile Enterprises in Nairobi

1. Mamas Toto (market stalls center)
2. Abdulla & Co Ltd
3. Abigae bridal boutique ( Mombasa road)
4. Abumuscat
5. Abuu Beauty & Cosmetics
6. Aco-eve Home Designs
7. Afri Fashions Ltd
8. Africa Apparels EPZ Ltd
9. Agog Tailor
10. Aircool Refrigeration
11. Alimag Textile & Design
12. Alliance Garment Industries Ltd
13. Ally Star Fashion & Design
14. Alpha Knits Ltd
15. Alpha Knits Ltd
16. Alpha Knits Ltd
17. Alpha Woollens
18. Alpha Woollens (K) Ltd
19. Amal Super Embroidery & Fashion
20. Amarson's Collections Ltd
21. Amarsons Collection Ltd
22. Amble Cote Ltd
23. Amit Wholesalers
24. Ampex Outfitters
25. Amrit Enterprises
26. Anchor Safety & Equipment Ltd
27. Andeb Fashions
28. Animet Ltd
29. Anita Fashion
30. Ann Tailoring
31. Anointed Hands Outfitters
32. Anthony's fashion and style (Moi avenue)
33. Anyaa Enterprises
34. Apex Apparels EPZ Ltd
35. Apparel Africa Ltd
36. Arax Mills Ltd
37. Armario Collections Ltd
38. Arrival Textiles
39. Arrow Designs
40. Atul's General Merchants
41. Azna Fabrics
42. Baba Ben Fashion
43. Bagosher Ltd
44. Bahati Wholesalers
45. Ballarina Esquire
46. Banister Designer
47. Banzalini Mens Wear Exclusive
48. Baraka Creation
49. Bed & Bath Ltd
50. Bedi Investments Ltd
51. Belcom Enterprises
52. Beno Garments Ltd
53. Bethel Tailors & Outfitters
54. Betty Dressmaking
55. Beula Fashions Ltd
56. Bhagwanji Hansraj & Co
57. Bhupco Textile Mills Ltd
58. Bids Garments Ltd
59. Bikini city (taveta road)
60. Bin Diwal Textile Shop
61. Binty Designs
62. Bliston Enterprises
63. Bogani Industries Ltd – Ruiru Town
64. Brother Knitwear
65. Bulltex Emporium Co. Ltd
66. Cafa Trading Co Ltd
67. California Link (E P Z) Kenya Ltd
68. Cambridge GMTS
69. Carnation Island Stores Ltd
70. Celebrity Fashions K. EPZ Ltd
71. Chalange Industries Ltd
72. Chic Fashions Ltd
73. Coblantra Retail Ltd.
74. Combined Supplier Ltd
75. Creative Fabric World Co Ltd
76. CROWN FASHIONS LTD.
77. Curtains & Drapers
78. Cyro Ventures

79. Dabs Fashion
80. Deacons Kenya ltd (Kijabe street)
81. Denamal Garment Factory (K) Ltd
82. Dienya Curtains & Covers Makers
83. Dipco Garments Factory
84. Distinct Garment Factory
85. Dong Fang Development Co. Ltd
86. Dynamic Products Ltd
87. East African Garment Factory Ltd
88. Elmenteita Weavers Ltd
89. Emaan Enterprises Ltd
90. Emke Garments Kenya Ltd
91. Equitorial Coatings Ltd
92. Excel Garment Designers
93. Executive Curtains & Furnishing Ltd
94. Express Clothing Wholesalers
95. Fabric Bonanza Ltd
96. Fashion Point Ltd.
97. Fine Spinners Ltd
98. Fineline Industries Ltd
99. Freeman's Ltd.
100. Fulchand Raishi & Co Ltd
101. Future Garments EPZ Ltd
102. Gala Emporium
103. Garment Craft Ltd
104. Geminis
105. Gifted Hands Curtains & Furnishing Ltd
106. Global Apparels (K) EPZ Ltd
107. Golden Dragon Enterprise Ltd
108. Golden Light EPZ Ltd
109. Gosrani Wholesalers Ltd
110. Guo Yi Company Ltd Chinese Shop
111. Ha-amin Shop
112. Haberdashery Shop
113. Haidyl Textiles
114. Hailat Knitting Enterprises Ltd
115. Harji Kara & Co
116. Hebron Fashion Ltd
117. Hemkaj
118. Hemraj Bharmal Ltd
119. Hirani Suppliers Ltd
120. Hong Kong Garments (K) EPZ Ltd
121. Ikenso Trading Co Ltd
122. In seasons Style (Jamia mall)
123. Indigo Boo Ltd
124. Industries Store Ltd
125. Ismana Designs Ltd
126. Jade collections (Tom mboya street)
127. Jambo Selections
128. Jethabhai Enterprises Ltd
129. Jin's Shop
130. Jomery Designs
131. Joncy Textiles
132. Kaajal Textile Ltd
133. Kaderdina Hajee Essak Ltd
134. Kamyn Industries Ltd
135. Karina Emporium
136. Kawa Garments Ltd
137. Kega Fashions (K) Ltd
138. Kemco Clothing Factory Company
139. Ken Knit (K) Ltd
140. Kentex Apparels (EPZ) Ltd
141. Kenyan Drapers Ltd
142. Kerbrook Garment Manufacturers Ltd
143. Kericho Tengecha Uniforms
144. Key Link Distributors
145. Kibao Fashions
146. Kiboko Leisure Wear Ltd
147. Kidoshu (ngong road)
148. Kiko Romeo
149. Kikoy Co Ltd
150. Kira General Stores Ltd
151. Kisura Ltd
152. Klad house (ongata rongai)
153. Ladies Emporium & Co
154. Layanda Garments Ltd
155. Leena Apparels Ltd
156. Lex Ltd
157. Liladhar Goar Shah
158. Londra Ltd
159. Londra Ltd – Nakuru Branch
160. M R C Nairobi EPZ Ltd
161. Madhura Garments
162. Maggi Textiles Fashion
163. Malaika Emporium
164. Malde Pleating Industry Ltd

165. Mama Ian textile shop (Buruburu complex)
166. Manix clothing store (Lower kabete rd)
167. Mara Creation Nairobi Ltd
168. Memsaab Ltd
169. Micasalo Designers
170. Millbrook Garment
171. MIMI shop (adams arcade)
172. Minco Co. Ltd
173. Mirage Fashion Wear EPZ Ltd
174. Mitumba clothes (Gikomba)
175. Moda (K) Ltd
176. Molly's Maternity wear (jamia mall)
177. Mombasa Towel Manufacturers Ltd
178. Montana Boutique Ltd ( Lusaka road)
179. Mr Price (Moi Avenue)
180. Nairobi Drapers (K) Ltd
181. Nakuru Industries Ltd
182. Nanyuki Spinners & Weavers
183. Nelco Enterprises
184. Nets Ltd
185. New Utiithi Ulphostery
186. New Venture Group
187. Nildeep Ltd
188. Nyanza Woollen Shop Ltd
189. Omar Ainen & Co
190. Orange Styles (EPZ) Ltd
191. OranTextiles Ltd
192. Palak Fabrics Ltd
193. Palak Fabrics Ltd
194. Palmtex Ltd
195. Pama Garments
196. Polo Industries Ltd
197. Poojah Textiles Ltd
198. Print Wholesalers Ltd
199. Procure For You
200. Punja Parbat Gudka
201. QED Equip Hire Ltd
202. Quick Wholesalers
203. Raichand Lakhmshi & Sons
204. Rainbow Fashions Ltd
205. Ricardo EPZ International Co Ltd
206. Rising Sun Kenya EPZ Ltd
207. Ritz Enterprises Ltd
208. Rivatex (East Africa) Ltd
209. Rive Island (Kigali lane)
210. Riziki Manufacturers Ltd
211. Rosetex Trading
212. S K Davdra & Co
213. Saam Kenya Ltd
214. Sabina Collection
215. Safari Image Ltd
216. Safiri Textiles Ltd
217. Saree Palace
218. Savannah Stitching Co
219. Scooper Ltd
220. Seem Textiles
221. Shamula Ltd
222. Shawaz Textile Mills Ltd
223. Silkina Fashions
224. Silver Star Manufacturers Ltd
225. Sinolink Kenya Garment Manufacturing
226. Sir henry's ltd (Old mutual)
227. Sirbrook Kenya Ltd
228. Slumbernight Linen & Hotel Accessories
229. Sneh Emporium
230. Specialised Towel Manufacturers Ltd
231. Spiegel Interiors Ltd
232. Spin Knit Ltd
233. Spinner's Web
234. Step In Ltd
235. Stiches & Stiches Textiles
236. Stitch Masters Ltd
237. Store 66 Limited (Kaunda street)
238. Storm Apparel Manufacturers
239. Straightline Enterprises Ltd
240. Sumark Drappers Ltd
241. Summit Fibres Ltd
242. Sunflag Textile & Knitwear Mills Ltd
243. Suntan Ltd
244. Sunu's Baby & Children Wear Limited
245. Supra Textile Ltd
246. Supreme Selections
247. Tayari Lesso Ltd
248. Teejay Textile
249. Tetemesha Africa
250. Tex Care Africa (EPZ) Ltd

251. The Fabric gallery (yaya center, 2<sup>nd</sup> floor)
252. The Kikoy Co Ltd
253. The Oloo collections (Imenti house)
254. The woman shop (sarit center)
255. Thika Cloth Mills Limited
256. Tile & Carpet Centre Ltd
257. Tinga Tinga Lifestyle Ltd
258. True star fashions (jamia mall)
259. TSS spinning and weaving ltd
260. Tynit Garments
261. Ultimate Sweater Makers
262. Umeshco Ltd
263. Uniffa Garments Ltd
264. Union Apparels Kenya (EPZ) Ltd
265. United Aryan (EPZ) Ltd
266. United Textile Industry (K) Ltd
267. Utamaduni Craft Centre
268. Uzuri Manufacturers Ltd
269. Velvet Centre
270. Veronica Mutheu
271. Victoria Outfitters
272. Vijay P Shah & Co Ltd
273. Vivo active wear (Ngong road)
274. Wagemar Fashions
275. Waridi Garments
276. Wedding Belles (jamia mall)
277. Wildlife Works (EPZ) Ltd
278. Winka Fashions
279. Winven Investments Ltd
280. Yusuf Osman & Sons

## **Appendix III-Sampled SMEs**

### **Manufacturer**

- 1 Apex Apparels EPZ Ltd.
- 2 Africa Apparels EPZ Ltd
- 3 Alpha Knits Ltd
- 4 CROWN FASHIONS LTD.
- 5 Excel Garment Designers
- 6 Riziki Manufacturers Ltd
- 7 Kiko Romeo
- 8 Specialized Towel Manufacturers Ltd
- 9 Bhupco Textile Mills
- 10 Thika Cloth Mills Limited
- 11 Suntan Ltd
- 12 Supra Textile Ltd
- 13 TSS spinning and weaving ltd
- 14 Dynamic Products Ltd
- 15 Emaan Enterprises Ltd
- 16 Fine Spinners Ltd
- 17 Golden Light EPZ Ltd
- 18 Kira General Stores Ltds
- 19 United Textile Industry Ltd

### **Wholesalers**

- 1 Coblantra Retail Ltd.
- 2 Combined Supplier Ltd.
- 3 Fashion Point Ltd.
- 4 Freeman's Ltd.
- 5 Memsaab Ltd.
- 6 Saree Palace
- 7 Kisura Ltd
- 8 Scooper Ltd
- 9 Amarson's Collections Ltd
- 10 Atul's General Merchants
- 11 Haberdashery Shop
- 12 Palak Fabrics Ltd
- 13 Poojah Textiles Ltd
- 14 Rainbow Fashions Ltd.
- 15 Spinner's Web
- 16 Utamaduni Craft Centre
- 17 Animet Ltd
- 18 Sunu's Baby & Children Wear Limited

### **Retailers**

- 1 The Oloo collections (Imenti house, tom mboya street)
- 2 Klad house (ongata rongai)
- 3 Jade collections (Tom mboya street)
- 4 Mr Price (Moi Avenue)
- 5 True star fashions (jamia mall)
- 6 Anthony's fashion and style (Moi avenue)
- 7 Sir Henry's ltd (Old mutual)
- 8 Vivo active wear (Ngong road)
- 9 Deacons Kenya ltd (Kijabe street)
- 10 Mamas Toto (market stalls center)
- 11 Abigae bridal boutique ( Allimex plaza, Mombasa road)
- 12 The woman shop (sarit center)
- 13 Mama Ian textile shop (stall F2, buruburu complex)
- 14 The Fabric gallery (yaya center, 2nd floor)
- 15 Montana Boutique Ltd (Lusaka close, Industrial area, Lusaka road)
- 16 In seasons Style (Jamia mall)
- 17 Bikini city (taveta road)
- 18 Molly's Maternity wear (jamia mall)
- 19 Wedding Belles (jamia mall)
- 20 Rive Island (Kigali lane)
- 21 Store 66 Limited (Kaunda street)
- 22 Manix clothing store (Lower kabete rd)
- 23 MIMI shop (adams arcade)
- 24 Kidoshho (ngong road)
- 25 Mitumba clothes (Gikomba)