'FACTORS INFLUENCING CURIO ENTREPRENEURS VENTURING INTO THE INTERNATIONAL MARKET: A CASE OF SELECTED CURIO MARKET IN MOMBASA COUNTY, KENYA

J^YABAWA SUKI MARY WANZA

A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE MASTER OF ARTS Degree IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI

2010
DECLARATION

I declare that this is my original work and has not been previously submitted for the award of a degree in this or any other university.

NYADA WABA SUKI MARY WANZA

Registration No: L50/71321/2009

Signature:

Date:

This project report has been submitted for examination with my approval as University supervisor.

Signature:

MR. JOHN BOSCO KISIMBII

LECTURER, DEPARTMENT OF EXTRA MURAL STUDIES
UNIVERSITY OF NAIROBI

Page:
DEDICATION

To Mr. Barnabas Nyadawa and Mrs. Rhoda Kanaa Nyadawa, my loving parents who have encouraged and believed in me every step of the way
ACKNOWLEDGMENT

First and foremost I would wish to thank my supervisor Mr John Bosco Kisimbii for the support and invaluable guidance he accorded me. He worked tirelessly to guide and support me throughout my research and subsequently this report. I would like to thank my heavenly father for giving me the gift of life and the strength to see this through. I would like to thank my family and friends for the support, encouragement and guidance that they gave me, in particular Sophie Wangari, Lorina Kagosha, Juliet Tunje, Urbanus Ngunga and Ian Wanyoike. I would not forget my supervisor at work Mr Jerry Aurah who always encouraged me and allowed me to take time off work while studying for this degree.
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ABSTRACT

The globalization of entrepreneurship creates wealth and employment that benefits individuals and nations throughout the world. International entrepreneurship is exciting and in today's hyperactive world with rapidly changing technology, it is essential for an entrepreneur to at least consider entering the global market. The purpose of this study was to analyse the factors that influence curio entrepreneurs who are venturing into international markets, a case of selected curio entrepreneurs in Mombasa Municipality, Kenya. These factors include market opportunities, level of education and training, cultural environment, technological advancements, competition review and the sources of financing the venture. This study was also based on several research questions which begged to find out how sources of financing, cultural environment, technological advancements and level of education and training influenced the curio entrepreneurs venturing into international markets. The study also sought to establish the role of the government in influencing curio entrepreneurs venturing into international markets. The findings of this research will enable curio entrepreneurs to be well informed and be better prepared when venturing into international markets. They will also enable the different government agencies be able to better serve the budding entrepreneur who wishes to venture into the international market. The study used qualitative and quantitative methods for data collection and analysis. These methods included structured questionnaires, interviews with key informants and focus group discussion. The study found that not many curio entrepreneurs were venturing into international markets and sited lack of finances and exposure especially on markets and cultural environments as the main reason for not venturing. The study also found that the relevant government and private agencies are dedicated to assist the curio entrepreneur who wishes to venture into international markets. The study also found that the level of education and training contributed in influencing a curio entrepreneur into venturing into international markets. This study recommends curio entrepreneurs to establish viable partnerships to ease the venturing into international markets even as the government needs to make loans accessible to the curio entrepreneurs. The study also recommends that curio entrepreneurs need to use better equipments and tools for quality functional products and also to learn more about their prospective clients and countries for expanded reach. This can be achieved by attending courses and seminars offered by various government bodies.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

There has been a great deal of attention paid to the subject of entrepreneurship over the past few years, stemming primarily from the discovery by economic analysts that small firms contribute considerably to economic growth and vitality. Moreover, many people have chosen entrepreneurial careers because doing so seems to offer greater economic and psychological rewards than does the large company route.

Many entrepreneurs are venturing into the international markets. So much so that if anyone is not travelling to Dubai or any other exotic country or selling their wares in the UK or thereabouts then they have no business acumen or sense. Entrepreneurship has reached phenomenal heights beyond the local scenery.

So, who is an entrepreneur? An entrepreneur is an innovator or developer who recognizes and seizes opportunities, converts those opportunities into workable/marketable ideas, adds value through time, effort, money, or skills; assumes the risks of the competitive marketplace to implement these ideas; and realizes the rewards from these efforts. (Kuratko 2009)

In this regard, International entrepreneurship can be defined as 'the process of an entrepreneur conducting business activities across national boundaries." It may consist of exporting, licensing, opening a sales office in another country, or something as simple as placing a classified advertisement in the Paris edition of the *International Herald Tribune*. When an entrepreneur executes his or her business model in more than one country, international entrepreneurship is occurring.

The term international entrepreneurship was introduced around 1988 to describe the many untapped foreign markets that were open to new venture reflecting a new technological and cultural environment (Hisrich R D, 2009)

According to the Business Dictionary, Entrepreneurship is the Capacity and willingness to undertake conception, organization, and management of a productive venture with all
attendant risks, while seeking profit as a reward. Entrepreneurial spirit is characterized by innovation and risk-taking, and an essential component of a nation's ability to succeed in an ever-changing and more competitive global marketplace. "Entrepreneurship is the process of acquiring, assembling, and deploying resources in the pursuit of perceived opportunities for long-term gain." (Bowman & Upton, 1991)

Although international and domestic entrepreneurship alike are concerned with sales, costs, and profits, what differentiates domestic from international entrepreneurship is the variation in the relative importance of the factors affecting each decision. International entrepreneurial decisions are more complex due to such uncontrollable factors such as economic, politics, culture, and technology.

However, going global is not about waking up one morning and shipping your wares to a foreign country. There are definitely factors that one needs to consider when planning to venture into the international markets. Entrepreneurs need to consider the economy of the host country, how different it is from the home country and how it will affect money exchange. The entrepreneur also needs to consider the stage in economic development and infrastructure. Such may increase the overall cost of doing business thus being too expensive for the entrepreneur to export his merchandise. The technological environment may also affect a curious entrepreneur's venture into international markets. The use of new age instruments may mean an increase in productivity thus a bigger profit margin. Use of the internet to promote and also transact business is becoming increasingly common. This means that entrepreneurs need to be internet savvy so as to communicate with a wider market. The entrepreneur also needs to be culturally compliant. This means that he has a master of the official or local language so that he can communicate effectively. He also needs to know the cultures of the people he is to do business with so that he may not offend them with either gestures or words that mean different things in different communities. Entry strategies are also factors that an entrepreneur venturing into the international markets should know. While a manufacturer can promote his new product in a local market easily from advertising in the media or direct distribution to supermarkets and retailers, it is different to venture into international markets. (Mputhia C 2010)

In Kenya, self-employment or entrepreneurship has been the only way of creating jobs for the young people. Approximately 500,000 graduates from various tertiary academic
institutions enter the job market annually. However, due to low economic growth, corruption, nepotism and demand for experience by potential employees, a majority of youth remain unemployed (Kenya National Youth Policy 2002)

This leads them to finding innovative ways of making ends meet thus thrusting them into the informal sector as entrepreneurs. In Mombasa district many of these youth usually decide to venture into curio trade as it is the most lucrative especially during the high tourism season. Some become curio makers while others become traders, buying the made artifacts from their friends and selling them to the tourists or hotels at a small profit.

Tourists love buying the traditional artifacts which also serve as a testament of their trips to Africa. Many of the tourists who visit the scenic beaches of Mombasa off the coastline of Kenya will buy the curios which they either find at their hotel curio shops or in the streets shops they encounter in their discovery of the town. With an increase in tourists came an increase in curio makers at the Coast.

When the tourists return to their home countries, the curios they bought usually attract the admiration from their friends and families thus prompting them to make orders for the same from curio makers in Kenya. In this way international entrepreneurship is born for many curio entrepreneurs. Due to the weak support systems from the government for the curio entrepreneurs, many of them do not go beyond that original order. They end up selling their wares locally and unpredictably.

In order to increase the country’s export capacity to traditional and emerging markets curio entrepreneurs are encouraged to develop and promote new brands, thus creating employment and wealth amongst producer groups. The vision of this plan is to see producers of commercial crafts in Kenya competitively penetrate new markets in a consistent way, placing new designs of high value brands onto the retail outlet shelves in the target market. The producers/curio makers are also being encouraged to do more range products that have functionality elements.

The Ministry of Trade has 17 Commercial representation offices in strategic countries whose role among others is to promote Kenyan exports, attract investments, source appropriate technology and taking care of Kenya’s trade and investment interests. This includes commercial crafts or curios. (Export Promotion Council, 2010)
In order to tap into this government support, curio entrepreneurs in Mombasa have come together to form SACCOs, cooperatives or associations. These cooperatives promote the works of the curio makers on their behalf. They also support curio traders in attending and marketing their artifacts in trade fairs outside the country. They also link possible clients to the curio entrepreneurs.

Mombasa boasts of three major such cooperatives. These are Akamba handicraft, Bombolulu workshop and Mombasa Beach Association. Other than tourists who buy the carvings as mementos of their visit to the country, they also export most of their artifacts to selected countries/markets around the world.

Bombolulu workshop employs about 145 people while Akamba Handicraft has about 1,500 employees at the workplace. Mombasa Beach Association has a membership of about 1,500 curio traders who operate along the main Mombasa Beach. Bombolulu workshop exports 221,000 units to 20 different countries every year. Akamba exports about 30% of their total goods while 70% is sold nationally. (Akamba handicraft, 2010)

Current statistics (The Kenya Economic Survey) indicate that export earnings from commercial crafts were valued at Kshs. 384 million in 1999, Kshs. 388 million in 2000, and Kshs. 449 million in 2001. As you can note, the commercial value of our crafts exports was on the increase and this trend was commendable and encouraging.

However, recent statistics show that the export earnings from curio trade have been on a downward trend. In 2009 only 0.18% of Kenya's total earnings were from commercial trade as opposed to 0.33% in 2006. (Kenya Revenue Authority 2010)

1.2 Statement of the problem

Exports generally generated 344,950,422,114 billion Kenya shillings in 2009. 620,724,711 million Kenya shillings came from the curio industry (Kenya Revenue Authority, 2010). As much as this was a healthy contribution in the national GDP it was only 0.18% of the total export earnings for Kenya. Recent data shows that in Mombasa only 1,500 curio entrepreneurs venture into the international market yearly despite the opportunities that the market offers. (Municipal Council of Mombasa, 2010). Studies by various authors (Mputhia C, Munyu A W, Roy M,
Wheeler D) have shown that lack of finances, technological advancements, knowledge of or lack of therein of the cultural environment, ignorance on government support, agreements and tariffs and level of education and training are the key factors that influence venturing into the international markets hence the essence of this study.

1.3 **Purpose of the study**

The purpose of this study was to analyse the factors that influence the curio entrepreneurs venturing into the international markets; the case of selected curio markets in Mombasa Municipality, Kenya

1.4 **Objectives of the study**

The broad objective of this study was to analyse the factors influencing curio entrepreneurs venturing into the international market. The specific objectives were fivefold:

1. To determine whether sources of financing influences curio entrepreneurs venturing into the international markets.
2. To establish how knowledge of the cultural environment influences curio entrepreneurs venturing into the international markets.
3. To establish the technological advancements that influence curio entrepreneurs venturing into the international markets.
4. To assess how the level of education and training influences curio entrepreneurs venturing into the international markets.
5. To examine how the government role influences the curio entrepreneurs venturing into the international markets.

1.5 **Research Questions**

The study sought to answer the following research questions:

1. To what extent does the source of finance influence the venturing into international markets by curio entrepreneurs?
2. To what extent does cultural environment influence the venturing into international markets by curio entrepreneurs?
3. How do technological advancements influence the venturing into international markets by curio entrepreneurs?
4. To what extent does education and training influence the venturing into international markets by curio entrepreneurs?
5. How does the government's role in international trade influence the venturing into international markets by curio entrepreneurs?

1.6 Significance of the Study

This study analysed the factors that influence curio entrepreneurs in Mombasa district who are venturing into international markets. It sought to understand the barriers that the curio entrepreneurs in Mombasa face as they venture into the international markets and the strategies that they can employ when venturing into the international markets. The study looked at how curio entrepreneurs can utilize technological advancement, both in equipment and the internet, and knowledge of one's cultural environment to ensure that their ventures are successful. The study also looked at the role that different government agencies play in facilitating curio entrepreneurs who are venturing into international markets.

This study provides a basis for the relevant government bodies like the Ministry of Trade and The Kenya National Chamber of Commerce and Industry to be able to better support entrepreneurs who wish to venture into the international markets. The findings of this study are beneficial to curio entrepreneurs who are planning on venturing into the international markets. It is also beneficial to individuals, curio cooperatives and companies from Mombasa district that are venturing into the international markets.

1.7 Scope of the Study

The study targeted curio entrepreneurs in cooperatives and companies that are venturing into the international markets. It also looked at individuals who are venturing or are planning on venturing into international markets.

The study specifically involved the curio makers, individuals who own curio shops, management of cooperatives and companies. Officers from the Ministry of Trade and Industry, Kenya National Chamber Of Commerce and Industry and the Export Promotion Council were also involved.
4. To what extent does education and training influence the venturing into international markets by curio entrepreneurs?

5. How does the government's role in international trade influence the venturing into international markets by curio entrepreneurs?

### 1.6 Significance of the Study

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Officers from the Ministry of Trade and Industry, Kenya National Chamber Of Commerce and Industry and the Export Promotion Council were also involved.
1.8 **Limitations of the study**

Most of the curio entrepreneurs are active within the cooperatives during the high season when tourists visit the country. Considering that this study was carried out during the low season, there were instances where it was not possible to administer the questionnaire and the researcher had to make several trips to the establishment in order to get the right people. Curio entrepreneurs' organisations in Mombasa are usually run by an informal management committee that is not privy to giving out information. The researcher had to implore the assistance of introduction letter from the University and also from managers of institutions she had a cordial relationship with.

1.9 **Delimitations of the study**

Since the month of the study was the tourism low season, most of the entrepreneurs who were available were busy preparing goods for export so they were able to provide a meaningful discussion on venturing into international markets including barriers and factors to consider. The key informants who were interviewed expressed high hopes that this study will assist to bring out and bridge the gaps encountered by curio makers who are prospective exporters.

1.10 **Basic assumptions of the study**

This study has several assumptions firstly that the curio entrepreneurs are actually venturing into the international markets. Secondly that the curio entrepreneurs and key informants will be willing to provide the relevant information that will inform this study correctly. Finally that the various relevant government agencies believe that they have a role to play in promoting and encouraging curio entrepreneurs who wish to venture into international markets.

1.11 **Definition of significant terms used in the study**

**Curio:** Curios are small objects which are prized for their rarity or distinctiveness. The term is short for "curiosity." Sometimes a curio comes with an interesting history, or it sparks conversation simply because it is so distinctive. In some cases, such objects are displayed in a curio cabinet, which sets them off to advantage while protecting
them (Wikipedia). In this study they are also referred to as commercial crafts.

**Informal sector:** - the ILO and UNDP, 1972 refers "to the non-structured sector that has emerged in the urban centres as a result of the incapacity of the modern sector to absorb new entrants".

**Local curio entrepreneurs:** - also called the manufacturer, curio trader or curio maker. A curio entrepreneur is an innovator or developer who recognizes and seizes opportunities; converts those opportunities into workable/ marketable ideas and deals in curios. These include individual entrepreneurs in the curio industry and the handicraft industry in Mombasa namely Akamba handicraft, Mombasa Beach Association and Bombolulu workshop.

**Low and high season:** - periods in the year in Kenya dictated by the weather seasons abroad i.e. spring and summer and autumn and winter respectively.

**Small and micro enterprise:** - a type of small business, often unregistered, having five or fewer employees

### 1.12 Organisation of the study

In Chapter One the researcher presented the background of the study, outlining the problem and significance of the study. The chapter further states the objectives that guide the study in analysing the factors influencing curio entrepreneurs venturing into the international markets which acted as a guide for the research.

Chapter Two presents a review of literature with particular focus on the factors influencing curio entrepreneurs venturing into international markets. It provides an in-depth analysis of the venturing into international markets with special focus on sources of finance, technological advancements, cultural environment, education, training and the government's role in supporting curio entrepreneurs venturing into international markets. Contained within this chapter is the conceptual framework.

In Chapter Three the research design, location of the study, population, sampling size, data collection and data analysis procedures that were used during the study are examined. It also contains discussion on the reliability and the validity of research instruments.
Chapter four presents the findings of the study and the analysis from the data collected from the three cooperatives and individual curio traders in Mombasa district. The operational definition of variables found in chapter three guide the formulation of the questionnaire items which subsequently addressed the study objectives.

After validation, questionnaires were used for gathering data. Simple percentages were used for the data analysis. The findings are presented in tabulations that clearly show the varying percentages.

Chapter five presents a summary of findings from the study. It also holds a discussion of the findings of the study in relation to other findings by other studies and writers. This chapter also gives a brief of the findings guided by the objectives of the study and recommendations. Finally it provides suggestions for further research.
CHAPTER TWO
LITERATURE REVIEW

Introduction

This chapter presents a review of literature with particular focus on the factors influencing curio entrepreneurs venturing into international markets. It provides an in-depth analysis of the venturing into international markets with special focus on sources of finance, technological advancements, cultural environment, education, training and the government's role in supporting curio entrepreneurs venturing into international markets.

Definition of international entrepreneurship

International entrepreneurship can be defined as "the process of an entrepreneur conducting business activities across national boundaries". It may consist of exporting, licensing, opening a sales office in another country, or something as simple as placing a classified advertisement in the Paris edition of the *International Herald Tribune*. When an entrepreneur executes his or her business model in more than one country, international entrepreneurship is occurring.

The term international entrepreneurship was introduced around 1988 to describe the many untapped foreign markets that were open to new venture reflecting a new technological and cultural environment. (Hisrich, 2009)

Although international and domestic entrepreneurship alike are concerned with sales, costs, and profits, what differentiates domestic from international entrepreneurship is the variation in the relative importance of the factors affecting each decision. International entrepreneurial decisions are more complex due to such uncontrollable factors such as economic, politics, culture, and technology.

Many scholars quote McDougall and Oviatt as defining International entrepreneurship as, "a combination of innovative, proactive, and risk-seeking behavior that crosses or is compared across national borders and is intended to create value in business organizations". This definition takes into account at the organizational level the notions of innovation, risk taking, and proactive behavior.
McDougall and Oviatt in their paper define it thus as "international entrepreneurship is the discovery, enactment, evaluation and exploitation of opportunities - across national borders - to create future goods and services".

Global expansion favors smaller, entrepreneurial companies. It gives them access to capital, technology, talent, and markets that previously only big firms could reach. In fact, over 63,000 or 77 percent of all the companies involved in exporting from the United States had fewer than 100 employees. (Price 2010)

2.3 Why go global:

Failure to cultivate global markets can be a lethal mistake for modern businesses, whatever their size. A few decades ago, small companies needed to concern themselves mainly with competitors who were perhaps six blocks away; today small companies face fierce competition from companies that may be six time zones away! As a result, entrepreneurs find themselves under greater pressure to expand into international markets and to build businesses without borders (Zimmerer et al 2008).

Operating a small business increasingly requires entrepreneurs to see their companies as global citizens rather than as companies based in a particular geographic region. For small companies around the world, going global is a matter of survival, not preference.

Going global can put tremendous strain on a small company, but entrepreneurs who take the plunge into global business can reap the following benefits

2.3.1 Offset sales decline in the domestic market - markets in foreign countries may be booming when those in the country are sagging. In other words, a small company's export sales act as a counter-cyclical balance against flagging domestic sales.

2.3.2 Offset sales and profits: - two forces are working in tandem to make global business increasingly attractive: income rising to levels at which potential sales are now possible, and the realization that 96 percent of the planet's population lives outside the United States.
2.3.3 **Extend their products' life cycle:** - some companies have been able to take products that had reached the maturity stage of the product life in the USA and sell them successfully in foreign markets.

2.3.4 **Lower manufacturing costs:** - in industries characterized by high levels of fixed costs, businesses that expand into global markets can lower their manufacturing costs by spreading those fixed costs over a larger number of units.

2.3.5 **Lower the cost of their products:** - many companies find that purchasing goods or raw materials at the lowest cost requires them to shop the global market place

2.3.6 **Improve competitive position and enhance reputation:** - going up against some of the toughest competition in the world forces a company to hone its competitive skills.

2.3.7 **Raise quality levels:** - customers in many global markets are much tougher to satisfy than those in the USA. Businesses that compete in global markets learn very quickly how to boost their quality levels to world-class standards.

2.3.8 **Become more customer oriented:** - delving into global markets teaches business owners about the unique tastes, customs, preferences, and habits of customers in many different cultures. Responding to these differences imbues businesses with a degree of sensitivity towards their customers, both domestic and foreign.

Success in a global economy requires being constantly innovative; staying nimble enough to use speed as a competitive weapon; maintaining a high level of quality and constantly improving it; being sensitive to foreign customers' unique requirements; adopting a more respectful attitude towards foreign habits and customs; hiring motivated, multilingual employees; and retaining a desire to learn constantly about global markets. In short business owners must strive to become 'insiders' rather than just 'exporters'.

Becoming a global entrepreneur does require a different mindset. To be successful, entrepreneurs must see their companies from a global perspective and must instill a global culture throughout their companies that permeates everything the business does. To these entrepreneurs and their companies, national boundaries are
irrelevant; they see the world as a market opportunity. An absence of global thinking is one of the barriers that most often limit entrepreneurs' ability to move beyond the domestic market. Indeed, learning to think globally may be the first - and most challenging - obstacle an entrepreneur must overcome on the way to creating a truly global business. Global thinking is the ability to appreciate, understand, and respect the different beliefs, values, behavior, and business practices of companies and people in different cultures and countries. This requires entrepreneurs to do their homework to learn about the people, places, business techniques, potential customers, and culture of the countries in which they intend to do business. Several government agencies offer vast amounts of information about all nations, including economic data that can be useful to entrepreneurs searching for market opportunities. Doing business globally presents extraordinary opportunities only to those who are prepared.

2.4 Strategies for going global:

Small companies pursuing a global presence have nine principal strategies from which to choose: creating a presence on the web, relying on trade intermediaries, outsourcing production, establishing joint ventures, engaging in foreign licensing arrangements, franchising, using counter trading and bartering, exporting products or services, and establishing international locations.

2.4.1 Creating a presence on the web

In our technology-rich global environment, the fastest, least expensive, and lowest-cost strategic option to creating a global business presence is creating a web site. The web gives even the smallest businesses the ability to sell its goods and services all over the globe. By establishing a presence online, a local entrepreneur gains immediate access to customers around the world. With a well-designed web site, an entrepreneur can extend its reach to customers anywhere in the world - and without breaking the budget. A company's web site is available to anyone anywhere in the world and provides exposure 24 hours a day to its products or services 7 days a week. For many small companies, the web has become a tool that is essential to doing business as the telephone and the fax machine.
Before the advent of the internet, small businesses usually took incremental steps toward becoming global businesses. They began selling locally, and then, after establishing a reputation, expanded regionally and perhaps nationally. The web has now enabled small companies with a low cost global distribution channel that they can utilize from the day they are launched.

2.4.2 Trade intermediaries

Trade intermediaries are domestic agencies that serve as distributors in foreign countries for domestic companies of all sizes. They rely on their network of contacts, their extensive knowledge of local customs and markets, and their experience in international trade to market products effectively and efficiently all across the globe. These trade intermediaries serve as the export departments for small businesses, enabling the small companies to focus on what they do best and delegate the responsibility for coordinating foreign sales efforts to the intermediaries. Although a broad array of trade intermediaries is available, the following are ideally suited for small businesses.

Export management companies (EMCs) are an important channel of foreign distribution for small companies just getting started in international trade or for those lacking the resources to assign their own people to foreign markets. Most EMCs are merchant intermediaries, working on a buy and sell arrangement with domestic small companies and entrepreneurs, taking title to the goods and then reselling them in foreign markets. They provide small businesses with low-cost, efficient, independent international marketing and export department, offering services ranging from doing market research and giving advice on patent protection to arranging financing and handling shipping. The greatest benefits EMCs offer small companies are ready access to global markets and an extensive knowledge base on foreign trade, both of which are vital for entrepreneurs who are inexperienced in conducting global business.

Export trading companies (ETCs) are businesses that buy and sell products in a number of countries, and they typically offer a wide range of services such as exporting, importing, shipping, storing, distributing, and others to their clients. Although EMCs usually create exclusive contracts with companies for a particular
product line, ETCs often represent several companies selling the same product line. However, like EMCs, ETCs lower the risk of exporting for small businesses.

**Manufacturer's export agents (MEAs)** act as international sales representatives in a limited number of markets for various non-competing domestic companies. Unlike the close, partnering relationship formed with most EMCs, the relationship between the MEA and the small company is a short-term one, and the MEA typically operates on a commission basis.

**Export merchants** are domestic wholesalers who do business in foreign markets. They buy goods from domestic manufacturers and then market them in foreign markets. Unlike MEAs, export merchants often carry competing lines, which means they have little loyalty to suppliers. Most export merchants specialize in particular industries, such as office equipment, computers, industrial supplies and others.

**Resident buying offices** are government-owned or privately owned operations of one country established in another country for the purpose of buying goods made there. Selling to them is just like selling to domestic customers because the buying office handles all the details for exporting.

**Foreign distributors:** some small businesses work through foreign distributors to reach international markets. Domestic small companies export their products to these distributors, who handle all of the marketing, distribution, and service functions in the foreign country.

### 2.4.3 Joint ventures

Joint ventures, both domestic and foreign, lower the risk of entering global markets for small businesses. They also give small companies more clout in foreign lands. In a domestic joint venture, two or more US small businesses form an alliance for the purpose of exporting their goods and services. The businesses share the responsibility and the costs of getting export licenses and permits, and they split the venture's profits. Establishing a joint venture with the right partner has become an essential part of maintaining a competitive position in global markets for a growing number of industries.
In a foreign joint venture, a domestic small business forms an alliance with a company in the target nation. The host partner brings to the joint venture valuable knowledge of the local market and its method of operation as well as of the customs and the tastes of local customers, making it much easier to conduct business in the foreign country. Sometimes foreign countries place certain limitations on joint ventures. Some nations require host companies to own at least 51 percent of the venture.

2.4.4 Foreign Licensing

Rather than sell their products or services directly to customers overseas, some small companies enter foreign markets by licensing businesses in other nations to use their patents, trademarks, copyrights, technology, processes or products. In return for licensing these assets, a small company collects royalties from the sales of its foreign licenses. Licensing is a relatively simple way for even the most inexperienced business owner to extend his or her reach into global markets. Licensing is ideal for companies whose value lies in its intellectual property, unique products or services, recognized name, or proprietary technologies.

2.4.5 International Franchising

Over the last several decades, a growing number of franchises have been attracted to international markets to boost sales and profits as the domestic market has become increasingly saturated with outlets and much tougher to wring growth from. International expansion is however not a good idea for a new franchiser while it is an appropriate strategy for experienced franchisers. Franchisers that decide to expand internationally should take the following steps:

**Identify the countries that are best suited to the franchisers business concept.** Factors to consider include the business climate, demographic profile, rate of economic growth, degree of legal protection, language and cultural barriers, and market potential.

**Generate leads for potential franchisers.** Tools that they can utilize include trade shows, their own web sites, trade missions, and brokers. These trade missions are
designed to introduce franchisers to qualified franchise candidates in target countries.

**Select quality candidates.** Because of the complexity and cost of international franchising, selecting quality franchisees is essential to success.

**Structure the franchise deal.** Franchisers can structure international franchise arrangements in a variety of ways,

### 2.4.6 Countering and Bartering

A countertrade is a transaction in which a company selling goods in a foreign country agrees to promote investment and trade in that country. The goal of the transaction is to help offset the capital drain from the country’s purchases. As entrepreneurs enter more developing countries, they will need to develop skills at implementing this strategy. In some cases, small and medium-sized businesses find it advantageous to work together with large corporations who have experience in the implementation of this marketing strategy.

However countertrading does suffer numerous drawbacks. It can be complicated, cumbersome and time consuming. Entrepreneurs must weigh the advantages against the disadvantages for their company before committing to a countertrade deal. Because of its complexity and the risks involved, countertrading is not the best choice for a novice entrepreneur looking to break into the global marketplace.

### 2.4.7 Exporting

As global competition exerts pressure on domestic markets and trade agreements open foreign markets as never before, growing numbers of small companies are looking to exporting as a way of gaining or maintaining a competitive edge. The biggest barrier facing companies that have never exported is not knowing where or how to start.

### 2.5 Barriers to International Trade

The world has never had a truly free system of trade because governments have always used a variety of barriers to block free trade among nations in an attempt to
protect businesses within their own borders. The benefit of protecting their own companies, however, comes at the expense of foreign businesses, which face limited access to global market. Numerous trade barriers—both domestic and international—restrict the freedom of businesses in global trading. Although these barriers restrain companies in every country from selling their goods anywhere in the world, international trade grew at a healthy 6 percent per year from 1990 to 2000 and totals more than $7 trillion a year! (Zimmerer 2008)

.1 Domestic Barriers

Sometimes the biggest barriers potential exporters face are right here at home. Three major domestic roadblocks are common: attitude, information, and financing. Perhaps the biggest barrier to small businesses exporting is the attitude: "I'm too small to export, that's just for big corporations." The first lesson of exporting is take nothing for granted about who can export and what you can and cannot export. The first step to building an export program is recognizing that the opportunity to export exists.

Another reason entrepreneurs neglect international markets is a lack of information about how to get started. The key to success in international markets is choosing the correct target market and designing the appropriate strategy to reach it. That requires access to information and research. Although a variety of government and private organizations make volumes of exporting and international marketing information available, many small business owners never use it. A successful global marketing strategy also recognizes that not all markets are the same. Companies must be flexible, willing to make necessary adjustments to their products and services, promotional campaigns, packaging, and sales techniques.

Another significant obstacle is the lack of export financing available. One study of exporters found that 53 percent said they had lost export business because they couldn't get financing.
2.5.2 International Barriers

Domestic barriers aren't the only ones export-minded entrepreneurs must overcome. Trading nations also erect obstacles to free trade. Two types of international barriers are common: tariff and nontariff.

**Tariff barriers:** A tariff is a tax, or duty, that a government imposes on goods and services imported into that country. Imposing tariffs raises the price of the imported goods, making them less attractive to consumers and protects the makers of comparable domestic products and services. Established in the United States in 1790 by Alexander Hamilton, the tariff system generated the majority of federal revenues for about 100 years. Today, the U.S. tariff code lists duties on 8,753 items—from brooms and olives to Hash-lights and teacups.

**Nontariff Barriers:** Many nations have lowered the tariffs they impose on products and services brought into their borders, but they rely on other nontariff structures as protectionist trade barriers.

**Quotas:** Rather than impose a direct tariff on certain imported products, nations often use quotas to protect their industries. A quota is a limit on the amount of a product imported into a country. Every country imposes quotas on some of the products they import. The United States, for instance, imposes more than 3,000 quotas on clothing and Mile imports from 40 countries. These quotas, for example, limit the number of cotton knit shirts imported to the United States to 28 million. Whatever their intentions may be, quotas can restrict a company's ability to do business in the global community. David Dyer, CEO of Lands' End, a catalog and online retailer that sells millions of clothing items a year, says "Apparel quotas are very onerous for us."

Japan, often criticized for its protectionist attitude toward imports, traditionally used tariffs and quotas to keep foreign competitors out; however, Japan's average tariff rate is low among the world's lowest—averaging just 1.9 percent (compared to 2.5 percent in the United States)—but quotas still exist on many products.

**Embargoes:** An embargo is a total ban on imports of certain products. The motivation for embargoes is not always economic. For instance, because of South
Africa's history of apartheid policies, many nations have embargoed imports of Krugerrands (gold coins). Traditionally, Taiwan, South Korea, and Israel have banned imports of Japanese autos.

**Dumping:** In an effort to grab market share quickly, some companies have been guilty of dumping products, selling large quantities of them in foreign countries below cost. The United States has been a dumping target for steel, televisions, shoes, and computer chips in the past.

Under the U.S. Antidumping Act, a company must prove that the foreign company's prices are lower here than in the home country and that U.S. companies are directly harmed.

### 2.5.3 Political Barriers

Entrepreneurs who go global quickly discover a labyrinth of political tangles. Although many American business owners complain of excessive government regulation in the United States, they are often astounded by the complex web of governmental and legal regulations and barriers they encounter in foreign countries.

Companies doing business in politically risky lands face the very real dangers of government takeovers of private property; attempts at coups, overthrow ruling parties; kidnappings, bombings, and other violent acts against businesses and their employees; and other threatening events. Their investments of millions of dollars may evaporate overnight in the wake of a government coup or the passage of a law nationalizing an industry (giving control of an entire industry to the government).

Some nations welcome foreign business investment, but others do everything they can to discourage competition from foreign companies.

### 2.5.4 Cultural Barriers

The **culture** of a nation includes the beliefs, values, views, and mores that its inhabitants share. Differences in cultures among nations create another barrier to international trade. The diversity of languages, business philosophies, practices, and traditions makes international trade more complex than selling to the business.
down the street Entrepreneurs who want to succeed in international markets must understand the culture in which they plan to do business and adapt their business styles and their products to suit that culture Many international deals collapse simply because a businessperson fails to understand the differences in one culture from another. "A lot of times problems come from the assumption that the American way of doing business is universal when, in fact, it is not," says one international business expert

2.6 Factors to consider when going global

2.6.1 Sources of financing the venture:

Entrepreneurs use their networks of contacts to acquire resources and information that they would not be able to access about customers (Witt, 2004). Further it is not only entrepreneurial action that plays a role in new venture growth (Hansen, 1995), but also the strength of the ties in relation to the different phases of the entrepreneurial process, e.g. firm emergence (Jenssen and Greve, 2002; Singh, 2000), and firm maturity (Johannisson et al., 1994, Ostgaard and Birley, 1996). A firm's resources lie at the heart of a venture's strategy however resource limitations prevent entrepreneurial managers from leveraging novel combinations to generate new customer value (Sirmon, Hitt and Ireland, 2007). However, others (Perks and Hughes, 2008) found that entrepreneurs in midsize firms did not face problems of resource adequacy.

2.6.2 Cultural environment:

Entrepreneurs must make sure that each element in the business plan has some degree of congruence with the local culture, e.g. cultures of bribes and corruption An entrepreneur should know how to deal with such a situation if it occurs and the best course of action to take and still maintain high ethical standards. Attitudes based on religious beliefs or cultural norms often shape marketing choices in fundamental ways as well As (Hiam and Schewe 1992) noted, "cultures differ in their values and attitudes toward work, success, clothing, food, music, sex, social status, honesty, the rights of others, and much else." They observed that even business practices can vary tremendously from people to people. "For instance, haggling is never done by the Dutch, often by Brazilians, and always by the
Chinese "The entrepreneur who does not take the time to make himself aware of these differences runs the risk of putting together an international marketing venture that can fail at any number of points."

2.6.3 Technological environment:

One should not assume that the other countries have the same technological advances such as computers. E.g. American car manufacturers assume that they drive on wide roads with no real consideration for fuel consumption. That would not work in a country like Kenya.

2.6.4 Level of Education and Training:

Very few entrepreneurs have received a formal education and/or participated in a semi-formal training program such as an apprenticeship for their trade or activity sector (Roy and Wheeler 2006). All others had been educated and trained informally at home, by parents, older siblings, or community members, or simply through observation of others in their sector. There was a significant correlation between the levels of formal education/training and literacy and the perceived level of success and growth of their micro-enterprises. "The ability of a country's people to read and write has a direct influence on the development of the economy—and on marketing strategy planning," observed McCarthy and Perreault (1990). "The degree of literacy affects the way information is delivered—which in marketing means promotion." However, although training and literacy may increase the likelihood of success, they are not necessarily a guarantee of future success, because even with a very good education other entrepreneurial capabilities or 'key success factors' might be missing. Thus it is interesting to note that MFI professionals identified other, potentially more significant, success factors.

2.6.5 Role played by the Government in the venturing of curio entrepreneurs into the international market

Factors here include system of government in targeted market; political stability; dominant ideology, and national economic priorities. This aspect of an international market is often the single most important one, for it can be so influential in shaping other factors. For example, a government that is distrustful of
foreigners or intent on maintaining domestic control of an industry or industries might erect legal barriers designed to severely curtail the business opportunities of foreign firms (Gowa 1994). This includes limitations on trade through tariffs or quotas, documentation and import regulations, various investment, tax, and employment laws; patent and trademark protection, and preferential treaties. These factors range from huge treaties (North American Free Trade Agreement-NAFTA, General Agreement on Tariffs and Trade-GATT) that profoundly shape the international transactions of many nations to trade barriers erected by a single country. Some countries have favourable trade agreements with Kenya and these countries would be the most suitable when divesting.

Mputhia (2010) concludes that before choosing where to divest, a firm should look at Government policies so as to determine which jurisdiction is most favorable.

2.7 International trade agreements

With the fundamental assumption that free trade among nations results in enhanced economic prosperity for all parties involved, the last 50 years have witnessed a gradual opening of trade among nations. Hundreds of agreements have been negotiated among nations in this period, with each contributing to free trade across the globe. Although completely free trade across international borders remains elusive, the following trade agreements have reduced some of the barriers to free trade that had stood for many years.

2.7.1 World Trade Organization (WTO):

The world trade organization was established in Jan 1995 and replaced the general agreement of tariffs and trade (GATT), the first global tariff agreement, which was created in 1947 and designed to reduce tariffs among member nations. The WTO, currently with 149 member countries (2008), is the only international org that establishes rules for trade among nations. Its member countries represent more than 97% of all world trade. Through the agreements of the WTO, members commit themselves to nondiscriminatory trade practices. Each member country receives guarantees that its exports will be treated fairly and consistently with other member countries'. markets. The WTO's intellectual property agreement, which covers patents, copyrights, and trademarks, defines rules for protecting ideas and creativity.
across borders. In addition to the development of agreements among members, the WTO is involved in the resolution of trade disputes among members.

2 **North American Free Trade Agreement:**

A free trade area is an association of countries that have agreed to eliminate trade barriers, both tariff and non-tariff, among partner nations. Under the provision of the free trade agreement, these barriers were eliminated for trade among the member countries, but each remained free to set its own tariffs on imports from non-member nations. NAFTA is one such trade agreement that brought together three countries namely Canada, Mexico and the United States of America.

**When going global:**

For a rapidly growing number of small businesses, conducting business on a global basis will be the key to future success. To remain competitive, businesses must assume a global posture. Global effectiveness requires managers to be able to leverage workers' skills, company resources, and customer know-how across borders and throughout culture across the world. Managers also must concentrate on maintaining competitive costs structures and a focus on the core of every business—the customer! Robert G. Shaw, CEO of International Jensen Inc., a global maker of home and automobile stereo speakers, explains the importance of retaining that customer focus as his company pursues its global strategy: "We want [our customers] to have the attitude of [our] being across the street. If we're going to have a global company, we have to behave in that mode—whether [the customer is] across the street—seven miles, seven minutes, or 7,000 miles away." (Zimmerer 2008)

Few businesses can afford the luxury of basing the definition of their target market on the boundaries of their home nation's borders. Although there are no sure-fire rules for going global, small businesses wanting to become successful international competitors should observe these guidelines:

- Make yourself at home in all three of the world's key markets—North America, Europe, and Asia. This triad of regions is forging a new world order in trade that will dominate global markets for years to come.

- Develop new products for the world market.
iii. Familiarize yourself with foreign customs and languages; constantly scan, clip, and build a file on other cultures-their lifestyles, values, customs, and business practices.

iv. "Glocalize"-make global decisions about products, markets, and management, but allow local employees to make tactical decisions about packaging, advertising, and service.

v. Train employees to think globally, send them on international trips, and equip them with state-of-the-art communications technology.

vi. Hire local managers to staff foreign offices and branches.

vii. Do whatever seems best wherever it seems best, even if people at home lose jobs or responsibilities.

viii. Consider using partners and joint ventures to break into foreign markets you cannot penetrate on your own.

ix. By its very nature, going global can be a frightening experience for an entrepreneur considering the jump into international markets. Most of those who have already made the jump, however, have found that the benefits outweigh the risks and that their companies are much stronger because of it.

2.9 Conceptual Framework

Below is a conceptual framework that looks at the factors influencing curio entrepreneurs venturing into the international markets. It goes further to look at the factors to consider when thinking of venturing into the internationally markets.

Figure 1: The Conceptual Framework

**Independent Variables**

- Sources of financing the venture
- Cultural Environment
- Technological Advancements
- Level of Education/ Training
- Government’s role

**Dependent Variables**

- Curio entrepreneurs venturing into the international markets

**Moder Variables**

- Tax benefit
- Infrastructure
.1 Explanation of the variables

One of the independent variable of the study was market opportunities. Many entrepreneurs usually have no in-depth knowledge of their markets either as people or countries. Entrepreneurs also have no access to information on other possible markets for their goods. Market opportunities could also mean the trade fairs organized either locally or abroad. These are avenues that the entrepreneur could exploit so as to market his work without even leaving the country.

Another independent variable was knowledge of a country's cultural environment. It is important for an entrepreneur venturing into the international market to have knowledge on the culture of the host country. This will spare him many embarrassing situations. Knowledge of the language will also be beneficial in striking deals and making sales without necessarily being short-changed by an interpreter.

The third independent variable was technological advancements. The world is fast becoming a global village. Knowledge of the working of the World Wide Web is now paramount for anyone who would like to venture into the global market. Sales transactions are now being operated online hence the need for an entrepreneur to be familiar with the internet and credit cards. Technological advancements could also mean that the equipment that the entrepreneur is using should be able to make him produce more goods of a higher quality. Roughly hewn logs purporting to be a sculpture may not sell in today's market.

A source of financing the venture is another independent variable. Many of the entrepreneurs usually resort to curio making as a means of making ends meet. They are usually motivated by the need to feed their families and putting a roof over their heads. This means that they may not have enough money needed as start up capital for venturing into the international market. In Kenya several banks are able to finance entrepreneurs who wish to expand their businesses. By joining a cooperative an entrepreneur is able to sell his wares abroad at a minimal cost.
Infrastructure is a moderating variable in that entrepreneurs may spend a lot so as to get their wares to the market or airport for transportation. This unfortunately is a factor that they can do nothing about.

Another moderating variable is tax benefits. While some countries offer tax subsidies, many do not; therefore, having knowledge on the economic environment of a host country is very important.

The dependent variable was venturing into the international markets which will be affected by the independent variables. Many of the curio entrepreneurs would like to venture into the international markets but they do not know how, neither do they have the means or support.

2.10 Summary of literature review

In this chapter, a review of selected literature was done on studies that focused on the factors influencing curio entrepreneurs venturing into international markets. It focused on specific factors including sources of financing, cultural environment, technological advancements, and the role of the government in supporting curio entrepreneurs venturing into international markets.

From the literature review, it is apparent that failure to cultivate global markets can be a lethal mistake for modern businesses. As a result, entrepreneurs are finding themselves under greater pressure to expand into international markets and to build businesses without borders (Zimmerer et al., 2008). To remain competitive, businesses must assume a global posture.

It further explores entrepreneurs' use of their networks of contacts to acquire resources and information that they would otherwise not be able to access about customers (Witt, 2004). Very few entrepreneurs have received a formal education and/or participated in a semi-formal training program. However, McCarthy and Perreault (1990) observe that, "the ability of a country's people to read and write has a direct influence on the development of the economy - and on marketing strategy planning". Attitudes based on religious beliefs or cultural norms often shape marketing choices in fundamental ways (Hiam and Schewe, 1992).

This literature review also looks at the role of governments in promoting the venture of entrepreneurs into international markets. Many governments still have used a variety of barriers to block free trade among nations in an attempt to protect...
businesses within their own borders. Therefore, before choosing where to divest, a company should look at government policies so as to determine which jurisdiction is most favourable (Mputhia 2010).
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter examined the research design, location of the study, population, sampling size, data collection and data analysis procedures that were used during the study. It also contain discussion on the reliability and the validity of research instruments.

3.2 Research design

This study analyzed the factors that influence curio entrepreneurs venturing into international markets. It was carried out in 3 main cooperatives in Mombasa district.

The study was quantitative and qualitative and employed a descriptive survey research method. A survey method was economic and was perceived as authoritative by people in general. This was because it was easy to understand and gave the researcher more control of the research process.

The research design employed various data collection instruments such as structured questionnaires, focus group discussions and key informant interviews. The instruments were guided by the variables of the study which were operationalized to know what to look for, observe and ask respondents.

Primary data was collected from a select population which included curio entrepreneurs, their associations and cooperatives, government line ministries and private agencies in Mombasa district. This was in tandem to the variables in the study, and combined the information with the secondary data that was available.

Questionnaires were used in order to determine the opinions, attitudes and perceptions of persons of interest to the research and thus appropriate for the study.

To ensure the research findings, evidence and conclusions stood the closest possible scrutiny and to reduce the possibility of getting the wrong answer to the research problem- the researcher paid attention to the reliability and validity of the research design.
Target Population

The target populations for the study were from selected curio markets in Mombasa municipality. Those interviewed were mainly the curio makers and the managers of the associations/ cooperatives they belong to. The groups were randomly selected from the three cooperatives to reduce a bias in the variables under study. The three cooperatives were Akamba Handicraft with a population of 1500 curio makers, Bombolulu workshops with a population of 145 persons and Mombasa Beach Curio Association with a wavering membership of 1000 members.

Sampling procedure and Sample Size

The sampling frame captured the 3 main curio cooperatives in Mombasa district. These were namely Akamba Handicraft, Bombolulu Workshop and Mombasa Beach Curio Association. From these 150 curio makers and entrepreneurs were selected through the use of simple random sampling method. This was after getting a sampling frame from the various departments at the cooperatives.

To get data from the key informants' probability sampling was used. The managers and chairmen of the cooperatives were interviewed. Key officials in relevant government ministries and private agencies such as Ministry Of Trade, Export Promotion Council, Ministry Of Foreign Affairs and the Kenya National Chamber Of Commerce were also interviewed. In total 6 key informants were interviewed.
### Table 3.1: Sample size

<table>
<thead>
<tr>
<th>Organization</th>
<th>Data Collection Methods</th>
<th>Respondents</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akamba Handicraft</td>
<td>Key Informant</td>
<td>Chairman</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Questionnaire/ Focus</td>
<td>Manager</td>
<td>1</td>
</tr>
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<td></td>
<td>Group Discussion</td>
<td>Curio makers</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Key Informant</td>
<td>Chairman</td>
<td>1</td>
</tr>
<tr>
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<td>Curio makers</td>
<td>30</td>
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<tr>
<td></td>
<td>Group Discussion</td>
<td>Manager</td>
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<td>Mombasa Beach Curio Association</td>
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<td></td>
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<td>M. of Trade</td>
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<tr>
<td></td>
<td>Group Discussion</td>
<td>Chamber of Commerce</td>
<td>1</td>
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<tr>
<td>Government line ministries</td>
<td>Key Informant</td>
<td>Regional manager</td>
<td>1</td>
</tr>
<tr>
<td>Export Promotion Council</td>
<td>Key Informant</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Data collection methods

The study employed both primary and secondary sources of data collection. In the primary method, questionnaires were used as the main instruments of collecting data.

The questionnaires were administered to the curio makers, curio entrepreneurs, managers and chairmen of the cooperatives, key government officials and focused groups. They were mostly administered through an interview. This is because the curio entrepreneurs were working with their hands and thus preferred to be interviewed. This method was also preferred by the researcher as it allowed for in depth probing of the respondents. There was more interaction and collaboration between the researcher and the respondent. Finally it allowed for capturing the feelings and expressions with which various issue were responded to.

The secondary data was collected from the internet, institutions libraries such as the university library, newspapers, master thesis, government documents to name a few.
Validity and reliability

Reliability as the extent to which results are consistence over time and accurate representation of the total population under study can be reproduced under a similar methodology. Validity determine whether the research truly measures that which is intended to measure. The reliability of the instruments was assessed by means of internal consistence and test re-test coefficient. The organization had some similarity to the study organizations and ensured that the expected results were valid. The questionnaires were approved after the necessary adjustment. The results obtained from the pilot study were used to test the reliability of the instruments.

Data Collection procedures

The researcher was able to acquire an introductory letter from the university with which she was able to set up interviews within the various workplaces. The letter also introduced the researcher to the individual curio entrepreneurs in Mombasa old town and Mombasa beach.

The researcher was able to code each questionnaire used. Additional information gotten from the respondents was noted down at the back of the questionnaire for easy tracking.

Methods of Data Analysis

Once the data was collected through the interviews and questionnaires, the researcher coded all the responses and keyed in the results into tables using access and excel. The data collected is as much as possible descriptive.

Ethical Considerations

The interview forms were serialized and the interviewees were not expected to indicate their names on the questionnaire. This was to ensure anonymity and confidentiality of the person being interviewed. The name of the institution was however indicated on the questionnaire form.
3.10 Data Presentation and Analysis Techniques

Once the data was collected through the interviews and questionnaires, the researcher coded all the responses and manually key in the tables. The data collected was represented in frequency tables. Frequencies and percentages were used to analyze factors influencing curio entrepreneurs venturing into the international markets in Mombasa district.
Operational definition of variables:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Measurement</th>
<th>Research method/design</th>
<th>Scale</th>
<th>Data Collection method</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Venturing into International market</strong></td>
<td>Number</td>
<td>No. of curio companies venturing into international markets</td>
<td>Descriptive</td>
<td>Ordinal</td>
<td>Survey</td>
</tr>
<tr>
<td></td>
<td>Size</td>
<td>Volume of trade in terms of units/money</td>
<td></td>
<td>Ratio</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Presence in countries</td>
<td>No. of countries ventured</td>
<td></td>
<td>Nominal</td>
<td>Questionnaire</td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural environment</td>
<td>What language does the entrepreneur speak?</td>
<td>How many languages does the entrepreneur speak or know?</td>
<td>Descriptive</td>
<td>Nominal</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>Technological advancement</td>
<td>Knowledge of use of computer, internet Move to use technologically advanced instruments</td>
<td>Ability to transact business on the net Ability to use technologically advanced instruments</td>
<td>Descriptive</td>
<td>Ordinal</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>Sources of financing the venture</td>
<td>How much they make in a month Who do they partner with</td>
<td>Amount of finances Diversity of sources</td>
<td>Ordinal</td>
<td>Questionnaire</td>
<td></td>
</tr>
<tr>
<td>Level of education</td>
<td>Certificate</td>
<td>Level of education attained?</td>
<td>Ordinal</td>
<td>Questionnaire</td>
<td></td>
</tr>
</tbody>
</table>

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CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the findings of the study and the analysis from the data collected from the three cooperatives and individual curio traders in Mombasa district. The operational definition of variables found in chapter three guide the formulation of the questionnaire items which subsequently addressed the study objectives.

After validation, questionnaires were used for gathering data. Simple percentages were used for the data analysis. The findings are presented in tabulations that clearly show the varying percentages.

4.2 Response Rate

The researcher conducted a survey of 120 curio makers in Mombasa district. Questionnaires were completed and returned by 98 curio makers and 6 key informants. (81.7% response rate)

4.3 Profiles of the respondents

The respondents were drawn from Akamba handicraft, Bombolulu workshop and Mombasa Beach Curio Association. Other respondents interviewed included key officials from the Ministry of Trade, Kenya National Chamber of Commerce, the Export Promotion Council and managers from the three cooperatives.

4.3.1 Age

The respondents ranged in age from 15-70 years of age, with the largest group falling between 30 - 39 years (39%). This is a group that has young families and hence the need to support them. They are also at the prime of their life when they assume more responsibilities in regard of the extended family.
4.3.2 Gender
Of the respondents 74% were male while 26% were female. This can be attributed to the fact that curio making can be a very energy exerting activity which women might find difficult for them.

4.3.3 Marital Status
69% of the total number of respondents was married while 22% of them were single. The rest were either separated or divorced. Comparing this to the age, the majority of the respondents were married with small young families.

4.4 Factors influencing curio makers venturing into international markets
The study analyzed the factors influencing curio entrepreneurs venturing into the international markets from selected markets in Mombasa district. The variables included market opportunities, cultural environment, technological environment, sources of financing the venture and level of education.

This study started by looking at how many curio entrepreneurs sell their curios on the international markets.

Table 4.1: Number of curio entrepreneurs who export their goods

<table>
<thead>
<tr>
<th>Responses</th>
<th>Number of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>32</td>
<td>33%</td>
</tr>
<tr>
<td>No</td>
<td>66</td>
<td>67%</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>100%</td>
</tr>
</tbody>
</table>

The result from the table 4.1 shows that only 33% curio entrepreneurs export their products internationally. A large number (67%) does not export their curios and cite various factors for them not venturing into international markets.
Table 4.2 below shows the reasons for not venturing into international markets

### Table 4.2 Reasons for not exporting to the international markets

<table>
<thead>
<tr>
<th>Response</th>
<th>Number of Respondents</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>lack of finances</td>
<td>42</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>Satisfied with local market</td>
<td>20</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>No government support</td>
<td>4</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>not enough stock</td>
<td>7</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>lack of connection</td>
<td>8</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>lack of information</td>
<td>6</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>no exposure</td>
<td>4</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>sell through the SACCO</td>
<td>10</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>not interested</td>
<td>2</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>no response</td>
<td>7</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>110</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Lack of finances topped their list (38%) Without capital one is not able to make a large stock for export. They are also not able to fund their trip to the host country. Lack of finances also prevents them from preparing for essentials like passport, pay taxes; get a ticket and money for accommodation. Keeping in mind that most of them are not computer literate, lack of finances inhibits their desire and efforts to venture globally.

As observed in the above table 4.2 a sizeable group (18%) felt that they were satisfied with the local market. When prodded further during the interview, many said that they would consider venturing globally if they had connections to those markets. Others cited lack of information on foreign markets while still others said that the requirements needed to be fulfilled before they could travel had put them off.

10% of the respondents said that they preferred selling through the SACCO or cooperative. This way they were assured that someone else would do the marketing and selling for them and give them their money at the end of the day without having to go through the hassle of marketing their products and looking for clients.

### 4.4.1 Source of financing the venture

Finances or lack of therein was cited as the major impending factors to anyone who wanted to venture into the international market. Table 4.3 shows ways in which many of the exporters were able to overcome that hurdle.
Table 4.3 Mode of exporting to the international markets

<table>
<thead>
<tr>
<th>Responses</th>
<th>Number of Respondents</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alone</td>
<td>4</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Partners</td>
<td>11</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Cooperative</td>
<td>12</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Of the curio entrepreneurs who export, 11% said that they were able to export due to working together with partners present in the international countries. 12% said that they preferred exporting via the cooperative as this allowed them to export without going over the hustle of marketing, packaging and selling.

4.4.2 Knowledge of a country's cultural environment

Table 4.4: Number of languages spoken by curio entrepreneurs

<table>
<thead>
<tr>
<th>Responses</th>
<th>Number of Respondents</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>54</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>2</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Sign Language</td>
<td>5</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

From table 4.4 above most curio makers and entrepreneur (55%) are conversant in three languages mainly English, Swahili and their ethnic/mother language. This means that they can communicate with people who are able to speak any of the three languages. A few of the rest (2% and 3%) are able to converse in other languages mainly Italian, German and French. This has enabled them strike sales deals with the tourists even after they have left the country. An observation here however would mean that many of them who are only able to communicate in Swahili and their mother tongue are not able to communicate with their potential clients in the global markets thus losing out on leads and customers.

Another factor to consider when looking at cultural environment is the entrepreneurs' possible encounter with the culture of the potential
Of the total respondents interviewed, only 13% have ever travelled out of Kenya. This means that the remaining 87% have never left the country.

Table 4.5: Overseas Travel

<table>
<thead>
<tr>
<th>Responses</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ever travelled</td>
<td>13 (13%)</td>
</tr>
<tr>
<td>Never left the country</td>
<td>85 (87%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>98 (100%)</td>
</tr>
</tbody>
</table>

This can be interpreted to mean that the curio makers and entrepreneurs have no knowledge of the cultures of their customers. They may not know the kind of language to use signs or business culture.

4.4.3 Technological Advancement

Technological advancements influence how one can venture into international markets. This could include knowledge on how to access information from the internet or even how to make sales transactions using the computer. It could also be the kind of equipment used in making the curios, equipment that would allow for high quality finishing on the end product.

Table 4.6: Computer Literacy

<table>
<thead>
<tr>
<th>Response</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can operate a computer</td>
<td>31 (32%)</td>
</tr>
<tr>
<td>Cannot operate a computer</td>
<td>67 (68%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>98 (100%)</td>
</tr>
</tbody>
</table>

From the table above only 32% respondents said that they can operate a computer. This includes being able to type letters, use Microsoft office and navigate the internet. The rest (68%) confessed to not knowing how to operate a computer.

The above observation means that a large percentage of the curio entrepreneurs are not technologically savvy and therefore are not able to access and communicate with their clients from abroad via the internet.
They are also not able to research for information on potential markets available on the internet.

The figure below highlights the types of tools that the curio makers use in making their curios.

Table 4.7: Tools used to make curios

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chisel and Mallet</td>
<td>54</td>
<td>52%</td>
</tr>
<tr>
<td>Hand woven</td>
<td>39</td>
<td>37%</td>
</tr>
<tr>
<td>Specialized machine</td>
<td>10</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>103</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Many of the curio makers (52%) still use the chisel and mallet to make their curios. This equipment will not produce such a fine finish to the end product, however only 9% use specialized equipment that will produce a clean finished product of quality and in large quantities. This means that the larger population of curio makers who use chisel and mallet or weave using their hands may not produce high quality materials to sell internationally and neither will they produce sufficient amounts of stock within a short time. This according to their own words is one of the major factors inhibiting them from venturing into the international markets.

4.4.4 Education and Training

Use of specialized tools would guarantee the high quality of the curios made and the large volumes of stock made. Most of these tools or equipments require one to go for specialized training in order to operate them.

In table 4.8 of the total respondents interviewed, 50 % of the respondents had gotten primary education and can read and write Only about 15% of them had gotten any tertiary education
Table 4.8: Education levels of curio entrepreneurs

<table>
<thead>
<tr>
<th>Response</th>
<th>Number of Respondents</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td>8</td>
<td>8%</td>
</tr>
<tr>
<td>Primary</td>
<td></td>
<td>49</td>
<td>50%</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td>27</td>
<td>27%</td>
</tr>
<tr>
<td>Tertiary</td>
<td></td>
<td>14</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>98</td>
<td>100%</td>
</tr>
</tbody>
</table>

The study also looked at the kind of training that the curio makers went through for them to practice their trade. Table 4 shows that 48% professed to not having anyone teach them how to make curios. Only 13% had taken a specialized course at a tertiary institution.

Table 4.9: Kind of Training acquired

<table>
<thead>
<tr>
<th>Response</th>
<th>Number of Respondents</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Taught</td>
<td></td>
<td>36</td>
<td>48%</td>
</tr>
<tr>
<td>Apprenticeship</td>
<td></td>
<td>26</td>
<td>35%</td>
</tr>
<tr>
<td>Polytechnic</td>
<td></td>
<td>10</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>3</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>75</td>
<td>100%</td>
</tr>
</tbody>
</table>

Linking this to technological advancement in terms of tools used, we see that many of the curio makers are still leaning towards the old way of making curios which does not enable them make large volumes of curios for sale within and without the country.

Findings from Interviews

The researcher conducted key informant interviews from government ministries and other agencies dealing with curio entrepreneurs and export in Mombasa Municipality. The researcher also carried out interviews with the curio entrepreneurs and their managers. Below are the responses which focused on the objectives of the study.

4.5.1 Government's role in supporting curio entrepreneurs venturing globally

According to respondents from the government ministries and other agencies, structures have been put in place to support the curio entrepreneur.
wishing to venture into the international market. The Kenya National Chamber Of Commerce and the Export Promotion Council provide information on possible markets, possible market entry strategies and marketing opportunity. In rare cases they have been known to provide raw materials.

Results from table 4.8 shows that majority of the curio entrepreneurs (89%) said that they do not get any support from the government. However some said that they had gotten trainings and tax waivers through the Export Promotion Council, Ministry of Trade and the Kenya National Chamber of Commerce.

**Table 4.10: Kind of support from Government**

<table>
<thead>
<tr>
<th>Support</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Trainings</td>
<td>1</td>
</tr>
<tr>
<td>Information</td>
<td>1</td>
</tr>
<tr>
<td>Materials</td>
<td>1</td>
</tr>
<tr>
<td>Subsidies (tax waiver)</td>
<td>6</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>2</td>
</tr>
<tr>
<td>Any other</td>
<td>0</td>
</tr>
<tr>
<td>I don't get any support</td>
<td>87</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
</tr>
</tbody>
</table>

The curio entrepreneurs said that they do not feel the government support and would like the government to support more especially in opening up of new markets and sponsoring curio entrepreneurs who would like to attend trade fairs. They would like the government to support potential curio entrepreneurs venturing globally with finances to travel, loans to make large orders of curios to export, information on potential markets and even open up more markets that would offer favorable terms.

4.5.2 *Source of financing the venture*

The government does not support financially any entrepreneur wishing to venture into the international markets. However the government agencies offer subsidies mainly in form of tax subsidies. This is given mainly to the SACCOs hence benefiting the curio entrepreneurs. For the exporters the government pays for the venue and covers advertising costs for the exhibition. The Kenyan airlines also offer subsidies especially if the curio entrepreneurs travel as a group.
From the discussions with the curio entrepreneurs who export their curios to international markets they said that they make between a hundred and two hundred thousand shillings a month. They have been able to plow this money back into the business so as to increase their stocks for export.

4.5.3 Cultural environment

The Kenya National Chamber of Commerce, the Ministry of Trade and the Export promotion council offer information on the cultural practices in the potential markets. This information is crucial so as to ensure that the curio entrepreneurs conduct their business without being duped or going against the laws and cultures of the potential markets.

4.5.4 Technological advancements

The Kenya National Chamber of Commerce, the Ministry of Trade and the Export promotion council usually organize and participate in trade fairs all over the world. They get to make connections and links with potential and interested clients. They then pass on this information to curio entrepreneurs especially those who are registered with them. Curio entrepreneurs need to be able to use the internet as this is the most common mode of communication between entrepreneur and client. Modern specialized tools enable the curio entrepreneurs produce goods that are of a high quality. This is particularly important if they wish to stay ahead of the competition. The Export Promotion Council offers regular training on pricing and quality of goods. Specialized modern tools also ensure that the curio entrepreneurs produce more goods for export thus reducing exporting costs.

4.5.5 Education and Training

The Export Promotion Council, the Ministry of trade and the various SACCOs offer trainings to interested curio entrepreneurs wishing to venture into international markets. The topics covered in the trainings include; Product quality and quality control, Pricing, new designs and export marketing. They also offer any other information on export.
CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
In this chapter the researcher presents and discusses briefly the summary of the findings of the study and further gives recommendations and makes suggestions for future relevant research. A brief conclusion is also given in this chapter.

5.2 Summary of findings
The study had set out to analyze the factors influencing curio entrepreneurs venturing into the international markets taking a case of selected markets in Mombasa, Kenya. Several aspects were earmarked for the study namely, technological advancement, cultural environment, sources of finances, government's role, level of education and training.

The study found out that many of the curio entrepreneurs are not venturing into international markets majorly due to financial constraints. Venturing into international markets as a solo entrepreneur is hampered by minimal funds and hence stock. The study found out that only 11% of curio entrepreneurs were able to export because they were able to have partners in different countries. A bigger percentage (12%) preferred exporting through the local SACCO as it does everything for them from marketing to selling and exporting. Lack of information on potential markets proved to be a deterrent to those thinking of venturing into the global markets.

Knowledge of the culture of the country one wishes to export to is also another important factor to consider. This will allow the curio entrepreneur interact better with the customers and also to make business without being shortchanged or without being uncivil. The study found that 31% of the curio entrepreneurs know only two languages that is Swahili and their mother tongue. This hampers any efforts that they make in connecting with potential buyers and subsequently venturing into international markets. However 55% are conversant in three languages namely...
English, Swahili and their mother tongue enabling them to converse with potential customers and use the internet to find other clients and markets. Only 13% of the curio entrepreneurs have ever been out of the country meaning that they are not very exposed and may not know how to get clients or identify potential markets. Neither have they encountered the cultures of the potential markets.

The study found that 32% of the respondents are able to use and operate a computer. This means that they are able to communicate with their clients abroad and make sales. They are also able to research on potential markets and clients. They are able to find their way on the World Wide Web. This is important as they can do international business without leaving the comfort of their houses or offices in the country. However, the larger percentage is not technologically savvy. The study also found out that a large percentage of curio entrepreneurs (52%) still use the chisel and mallet in making their wares. This does not allow them to make a large amount of curios in a short time. This would enable them break even in terms of economic sense of exporting more and spending less on packaging and taxes. The use of chisel and mallet or hand weaving compromises the quality of the end product.

This study found out only 15% have gotten tertiary education. This means that the rest have not gotten any formal training in use of specialized equipment. This means that they are not able to use the specialized equipment thus slowing them down.

The study found that 89% of the curio entrepreneurs felt that the government was not offering enough support for curio entrepreneurs venturing into international markets. Support in terms of loans or support when travelling for trade fairs. However, the export promotion council, the ministry of trade and the Kenya national chamber of commerce all said that their core business is supporting entrepreneurs who wish to export or venture into international markets. They offer trainings and information on viable potential markets and clients. Through exporting with the SACCOs one is able to get tax waivers or subsidies. Lastly, being a member of the Export Promotion council or the Kenya National Chamber of Commerce allows the curio entrepreneur access information on possible lucrative markets, on trade fairs and possible sponsorship.
5.3 Discussions of the findings

This section relates the findings of the study with the literature that the researcher had reviewed. The discussions are guided by the objectives of the study.

Lack of finances or capital was cited as the main reason for not exporting curios internationally. Many felt that without enough resources they are not able to make enough stock to satisfy large orders that come from their foreign customers. They are also not able to travel and source for markets and clients. Exporting requires a large financial base which was lacking for most of the curio entrepreneurs.

A firm's resources lie at the heart of a venture's strategy, however, resource limitations prevent entrepreneurial managers from leveraging novel combinations to generate new customer value (Sirmon, Hitt and Ireland, 2007). However, others (Perks and Hughes, 2008) found that entrepreneurs in midsize firms did not face problems of resource adequacy.

The study found that 32% of the respondents are able to use and operate a computer. This means that they are able to communicate with their clients abroad and make sales. The study also found out that a large percentage of curio entrepreneurs (52%) still use the chisel and mallet in making their wares. This does not allow them to make a large amount of curios in a short time.

The study found that many of the curio entrepreneurs are not able to converse in any other language other than Swahili and their mother tongue. This limits their client base as they may not be able to communicate with foreign clients. Many of the curio entrepreneurs have also never travelled outside this country. This means that they have not encountered other cultures and practices other than their own or the ones that they see with the tourists which is not sufficient.

Attitudes based on religious beliefs or cultural norms often shape marketing choices in fundamental ways as well. As (Hiam and Schewe 1992) noted, "cultures differ in their values and attitudes toward work, success, clothing, food, music, sex, social status, honesty, the rights of others, and much else." They observed that even business practices can vary tremendously from people to people.
The study shows that there is a strong correlation between curio entrepreneurs who have gotten o-level education and those who have ventured into international markets. This means that they are most likely more exposed, travelled and technologically compliant.

All others had been educated and trained informally at home, by parents, older siblings, or community members, or simply through observation of others in their sector. There was a significant correlation between the levels of formal education / training and literacy and the perceived level of success and growth of their micro-enterprises. "The ability of a country's people to read and write has a direct influence on the development of the economy—and on marketing strategy planning," observed (McCarthy and Perreault 1990).

From the study we see that the government is committed to assisting entrepreneurs who wish to export their goods. It has set up and allowed three different and yet similar agencies to assist any entrepreneur wishing to venture into international markets. These are the Ministry of Trade, the Export Promotion Council and the Kenya National Chamber of Commerce.

A government that is distrustful of foreigners or intent on maintaining domestic control of an industry or industries might erect legal barriers designed to severely curtail the business opportunities of foreign firms (Gowa 1994). This includes limitations on trade through tariffs or quotas, documentation and import regulations, various investment, tax, and employment laws; patent and trademark protection, and preferential treaties.

5.4 Conclusion

This section gives a brief of the conclusions of the findings guided by the objectives of the study.

Many of the curio entrepreneurs do not venture into international markets because they have no money to do that. Many of them have young families and a limited source of income (a thousand shillings in a week) thus hindering them from venturing into international markets. Curio entrepreneurs who have successfully ventured into international markets have either taken loans, exported through their SACCOs or had partners in the countries of interest.
The curio entrepreneurs pointed out lack of enough stock to export as one of the reasons why they have not ventured into the international markets. This was as a result of inadequate finances and using of primitive tools. Curio entrepreneurs therefore need to move from the old fashioned tools and learn how to use specialized machines and equipments.

This study shows that only 3% of the respondents can speak a foreign language and this is French, German or Italian. This group of people is at an advantage when venturing into international markets. There is therefore need for curio entrepreneurs to learn foreign languages. This will enable them converse with their clients and carry out business better. There is also enable the curio entrepreneurs to learn more about their potential clients and markets by conversing with them, reading more on them or even visiting them.

The findings from this study show that the curio entrepreneurs need support in terms of trainings on new equipments or tools, pricing and acceptable grades of products. This will enable them produce better products for export to international markets. There is also need for Curio entrepreneurs to be encouraged to get an education as it widens their scope of experience and of relating with different people. Learning of a foreign language is also highly recommended for ease of accessibility with clients.

There is need for the government to open new markets for the curio entrepreneurs. Although this government has began by opening up the East African Community which will open opportunities for export within East Africa and also reduce illegal trade along the border there is need for more and diverse markets to be accessible to the curio entrepreneurs.

**Recommendations**

The section gives the recommendations of the findings guided by the objectives of the study.

There is need for curio entrepreneurs to establish viable partnerships that will enable them to venture into international markets. Taking of loans can also assist
them make viable business. The government needs to make loans accessible to the curio entrepreneurs.

Curio entrepreneurs need to adopt more specialized machines and tools in order to make better quality products and in a larger number. This will enable them make and sell more of their goods. Attending trade fairs will open the customer base for curio entrepreneurs. The experience will also reveal to them the products that are marketable during the different seasons.

Learning of a foreign language other than English and Swahili will enable curio entrepreneurs to converse better with their clients. This will also expand their reach in terms of global markets. Visiting a different country will open up the curio entrepreneur to other cultures, beliefs, and practices.

Attending courses that update curio entrepreneurs on pricing, acceptable quality of products and cultures of different markets will assist curio entrepreneurs to be better prepared to export their products. Curio entrepreneurs need to make products that are more functional as opposed to them being only ornamental. This will make them favorable to a wider customer base.

The various government agencies need to have regular update trainings for the curio entrepreneur wishing to venture into the international market.

Support from the government is paramount and important if the curio entrepreneur is to be successful in venturing into the international markets. Support from the government and favorable lending conditions from the banks will enable more curio entrepreneurs to venture into international markets. Opening up of more markets will also allow them to sell their products to a wider customer base and create more demand for their curio products.
Suggestions for future research

The following was the researcher's suggestion for further research.

Government agencies that deal in export need to better support the curio entrepreneurs. They mention that they offer trainings and information however the effectiveness of these to the venturing of curio entrepreneurs into international markets has not been measured.
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## APPENDICES

### Appendix 1:

**Exports of Handicrafts (2006-2009)**

<table>
<thead>
<tr>
<th></th>
<th>VALUES IN KSHS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YEAR</strong></td>
<td><strong>2006</strong></td>
</tr>
<tr>
<td>Basketry</td>
<td>16,199,303</td>
</tr>
<tr>
<td>Fishing Flics</td>
<td>72,135,593</td>
</tr>
<tr>
<td>Articles of Jewellery</td>
<td>87,527,662</td>
</tr>
<tr>
<td>Statuettes</td>
<td>496,056,854</td>
</tr>
<tr>
<td>Ceramics</td>
<td>95,856,366</td>
</tr>
<tr>
<td>Soap stones</td>
<td>72,335,620</td>
</tr>
<tr>
<td><strong>TOTAL EXPORTS</strong></td>
<td>840,113,404</td>
</tr>
<tr>
<td><strong>KENYA'S GRAND TOTAL EXPORTS</strong></td>
<td>253,016,072,759</td>
</tr>
<tr>
<td>% in KENYA'S GRAND TOTAL EXPORTS</td>
<td>0.33</td>
</tr>
</tbody>
</table>

*Source: Customs Department, Kenya Revenue Authority*

*Compiled by: Centre for Business Information in Kenya, Export Promotion Council 2010*
Dear Sir/ Madam,

**RE: COLLECTION OF DATA FOR A MASTER OF ARTS DEGREE PROPOSAL**

This letter refers.

I am a student at the University of Nairobi (Mombasa campus). I am conducting an academic research on factors that influence curio entrepreneurs venturing into international markets: a case of selected curio markets in Mombasa County.

You/ your institution have been identified as a respondent to provide data for the study.

This letter is therefore to request for your assistance and support in filling out the questionnaire.

Your responses to this questionnaire will be confidential and you will not be required to provide your name anywhere during this exercise.

Your honest answers will go a long way in helping us understand the factors that influence curio entrepreneurs venturing into international markets especially from Mombasa County.

I would greatly appreciate your help in responding to this study.

Yours Sincerely,

Suki Wanza Nyadawa
Master of Arts Student
University of Nairobi
Appendix 4:

Questionnaire 1: For curio makers

Respondent Identification code:

Respondent Type (Curio maker/ Manager)
(Curio maker-700+; Manager-800+; Group-900+ ;)

Interviewer name:

Interviewer code:

Date of interview:

Start Time: End time:

Interview completed: Yes No

If not, give reasons

Interview number:

Checked by Supervisor: ((Signature)

Supervisor Name:

Date:
**Confidential**

**Introduction**

My name is . I am conducting an academic research on analyzing the factors influencing curio entrepreneurs venturing into international markets.

I shall ask you a few questions and in the course of the interview I will note down your responses on the paper. This exercise shall take approximately 30 minutes. I request that you respond to the questions as honestly as possible. I would like to assure you that whatever you say will be confidential. You don't have to record your name on this paper. If you have any questions about this research, you may contact Suki Nyadawa on snyadawa@yahoo.com or 0721-397144.

Thank you for sparing your time to fill in this questionnaire.

Name (optional)

---

### SECTION 1: DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENT

Please tick whichever is appropriate for you or fill the answers in the spaces provided.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>Workplace:</td>
</tr>
<tr>
<td>102</td>
<td>Marital status: Sex: M D F n</td>
</tr>
<tr>
<td>104</td>
<td>Age: 15 - 20yrs 21 - 29yrs 30 - 39yrs 40 - above</td>
</tr>
<tr>
<td>105</td>
<td>Level of Education: None n Primary Q Secondary 0 Tertiary</td>
</tr>
<tr>
<td>106</td>
<td>Where do you live?</td>
</tr>
<tr>
<td>107</td>
<td>Do you have any children? None 1 - 2 3 - 5 more than 5</td>
</tr>
<tr>
<td>108</td>
<td>What is your occupation? Employed Self employed Family business</td>
</tr>
<tr>
<td>109</td>
<td>If employed, Name of workplace</td>
</tr>
<tr>
<td>110</td>
<td>If owning own business, how many people have you employed? Less than 5 5 - 10 10 - 20 More than 20</td>
</tr>
<tr>
<td>111</td>
<td>What kind of curios do you make? Fibre works Textiles Clay DSoapstone DWood Qieadwork</td>
</tr>
<tr>
<td>112</td>
<td>Are any of your children curio makers? Yes Q No Q</td>
</tr>
</tbody>
</table>

### SECTION 2: EDUCATION AND TRAINING

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>213</td>
<td>Does making curios require one to go for any training? Yes • No •</td>
</tr>
<tr>
<td>Page</td>
<td>Question</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>214</td>
<td>If you have undergone any training, kindly share with us where you got your training from?</td>
</tr>
<tr>
<td>215</td>
<td>What equipment do you use to make your curio?</td>
</tr>
<tr>
<td>216</td>
<td>Do you know how to use the computer?</td>
</tr>
<tr>
<td>217</td>
<td>If yes, how proficient are you?</td>
</tr>
<tr>
<td>318</td>
<td>Where do you sell the cuiros that you make?</td>
</tr>
<tr>
<td>319</td>
<td>How did you get the market for your curios?</td>
</tr>
<tr>
<td>320</td>
<td>How much do you make per day? (in Kshs)</td>
</tr>
<tr>
<td>421</td>
<td>How many languages do you know/speak?</td>
</tr>
<tr>
<td>422</td>
<td>Have you ever travelled outside Kenya?</td>
</tr>
</tbody>
</table>

SECTION 3: KNOWLEDGE OF MARKETS

SECTION 4: INTERNATIONAL ENTREPRENEURSHIP
| 423 | If yes, How many countries have you been to? |
| 424 | Do you know of anyone who has exported any of their curios outside Kenya? Yes ☑ No ☐ |
| 425 | If yes, were they successful? Yes ☑ No ☐ |
| 426 | How many do you know? |
| 427 | What do you think made them successful in exporting their curios? |
| 428 | Do you export any of the curios that you make? Yes ☑ No ☐ |
| 429 | If yes, Why did you decide to venture into the international market? |
| 430 | How many countries do you export to? |
| 431 | Can you name them? |
| 432 | How many curio pieces do you export in a month? |
| 433 | Approximately how much do you make from exporting curios in a month? |
| 434 | **How did you know about these markets?** |
| | From a friend |
| | From the internet |
| | From reading newspapers |
| | From magazines and foreign journals |
| | Through the cooperative |
| | Participated in a trade fair |
| | Directed by a satisfied client |
| | No response |
| 435 | How did you get into the market? |
| 436 | Are you exporting alone or do you have partners?  
    | Alone • Partners • Cooperative • |
| 437 | How did you finance your export business?  
    | Savings • Loan • Cooperative • |
| 438 | If no exporting, what are the reasons for not venturing into the international market? |

**SECTION 5: CHALLENGES/ BARRIERS**

| 539 | Did you face any challenges when venturing into the international markets?  
    | Yes • No • if not go to 642 |
| 540 | If yes, what were the challenges? |
| 541 | How did you overcome the challenges? |

**SECTION 6: SUPPORT**

| 642 | What kind of support do you get from the government?  
    | Trainings  
    | Information and materials  
    | materials  
    | Subsidies (tax waiver)  
    | sponsorship  
    | Any other  
    | I don't get any support |
| 643 | Are you a member of the export promotion council?  
    | Yes • No • if not go to 645 |
| 644 | If yes, What are the benefits of being a member of the EPC? |
| 645 | Do you belong to any cooperative?  
    | Yes • No • if not go to 645 |
| 646 | If yes, What are the benefits of being a member of the cooperative? |
Do you have any questions or comments? Please provide them here

Thank you very much for your time and feedback.
Appendix 4:

Questionnaire 2: For kr% Informants

Respondent Identification code:

Respondent Type ((hairman/\(h>\) eminent official)
((hairman-300+; (iovt offn al-400+))

Interviewer name:

Interviewer code:

Date of interview:

Start Time: End tin³:

Interview completed: Y [ ] 7 No [ ]

If not, give reasons: _______________

Interview number:

Checked by Supervisor: ((Signature)

Supervisor Name: ____________

Date:
Greetings! My name is . I am conducting an academic research on analyzing the factors influencing curio entrepreneurs venturing into international markets.

I shall ask you a few questions and in the course of the interview I will note down your responses on the paper. This exercise shall take approximately 30 minutes. I would like to assure you that whatever you say will be confidential. You don't have to record your name on this paper. If you have any questions about this research, you may contact Suki Nyadawa on snyadawa@yahoo.com or 0721-397144.

Can we proceed with this interview?

Yes | Continue with interview
No | Discontinue

### SECTION 1: DEMOGRAPHIC CHARACTERISTICS

<table>
<thead>
<tr>
<th>Workplace:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position:</td>
</tr>
<tr>
<td>Responsibilities:</td>
</tr>
</tbody>
</table>

### SECTION 2: EXPORT

<p>| 101 | How do you support the export of commercial crafts? |
| 102 | Which are some of the markets that Kenya exports curios/commercial crafts to? |
| 103 | How do you assist curio makers who would wish to venture into international markets? |
| 104 | Do you offer any subsidies for curio entrepreneurs wishing to venture into international markets? Yes • No • |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>If yes, Which subsidies are these?</td>
<td></td>
</tr>
<tr>
<td>What are some of the requirements they are supposed to fulfill?</td>
<td></td>
</tr>
<tr>
<td>Approximately how many curio makers export their crafts each year?</td>
<td></td>
</tr>
<tr>
<td>Does your office support local curio entrepreneur’s representation/ participation in the international markets?</td>
<td></td>
</tr>
<tr>
<td>If yes, how does your office support the curio entrepreneurs?</td>
<td></td>
</tr>
<tr>
<td>Approximately how much does the country gain in foreign income from commercial crafts?</td>
<td></td>
</tr>
<tr>
<td>Does your office offer any training/advice/recommendation for any entrepreneur aspiring to venture into the international markets? Which kind of training?</td>
<td></td>
</tr>
<tr>
<td>Have you ever had to deal with issues of illegal trade? Yes  G  No  D</td>
<td></td>
</tr>
<tr>
<td>Kindly share how you deal with such incidences</td>
<td></td>
</tr>
<tr>
<td>Would you say that illegal trade affects the national GDP? Yes  •  No  •</td>
<td></td>
</tr>
<tr>
<td>n what way?</td>
<td></td>
</tr>
</tbody>
</table>
Do you have any questions or comments? Please provide them here

Thank you very much for your time and feedback.
Appendix 4:

Map of Mombasa District

Population Density per Km2

DENSITY

- 803 - 1779
- 1780 - 3672
- 3673 - 5701
- 5702 - 10543
- 10544 - 20000
- 20001 - 52936