Effect of Sales Approaches on the Growth of Women Street Vending in Kenya

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Abstract

Entrepreneurship is perceived as one of the substantial aspects that lead to development, where entrepreneurs are faced with the task of organizing and managing businesses and in the process assuming all risks of their entrepreneurial ventures. Women entrepreneurs all over the world are contributing numerous ideas, energy and capital resources and making a difference in the business world. This study examined the response that poses as an important factor for growth in the entrepreneurial world. The study provides insight into the role of sales approaches on the growth of Women Street vending in Kenya. The specific objective of this study was to determine the effect of sales approaches on the growth of Women Street vending in Kenya. The target population of the study consisted of 384 women street vendors in Nairobi who were selected through probability sampling using the systematic sampling technique. The method used for primary data collection was questionnaires that were prepared and administered to women street vendors in the streets of three of Nairobi’s markets. Data analysis employed quantitative techniques on the questionnaires and hypothesis testing and qualitative methods for content analysis. Both descriptive and inferential statistics were used to analyse the data collected where the descriptive statistics involved frequencies and percentages and the inferential statistics involved correlation.
analysis and regression to test for the relationship of the variables. Various tests like sampling adequacy test, normality and multicollinearity were carried out during data analysis and the study presents the findings using tables and charts. The response rate of the study was 315 respondents out of the possible 384 a majority of who ranged from 18 to 36 years of age. The correlation results showed that sales approaches were strongly associated to growth of women street vendors in Kenya. Logistic Regression results showed a statistically significant relationship between sales approaches and growth of women street vending. The study concluded that sales approaches have a positive and significant effect on the growth of Women Street vending in Kenya. Based on the findings it was recommended that women engaging in street vending should come up with strategic sales approaches which will ensure they remain relevant in the market.

Key words: Sales approaches, Women Street Vending, Growth

1.0 Introduction

1.1 Background to the Study

Entrepreneurship plays a key role in economic development and it is characterized as a source of jobs, innovation and competition (Simpson, Taylor & Padmore, 2011). It has been proven that market concepts, techniques and principles ensure the success of Micro, Small and Medium-sized businesses and as environmental circumstances keep on changing, entrepreneurs face a number of choices in their business endeavors (Jasemi, Moradnezhadi & Salavarz, 2016). These choices lead entrepreneurs to come up with entrepreneurial responses that would provide efficiency and effectiveness in their businesses.

Welter and Smallbone (2011) found that lawmakers, tax collection agencies and regional authorities issuing various business permits and licenses are among the key institutional players in the business world. They cause the institutional environment to be unpredictable, corrupt, hostile and detrimental to the growth of private entrepreneurial firms and as a result entrepreneurs have to come up with entrepreneurial responses. Businesses therefore need to be aligned to the environment in which they operate for their survival and subsequent growth by dealing with the institutional players. Unlike firms in well established markets, entrepreneurial firms tend to operate in ambiguous contexts which are marked by fast moving flows of opportunities. They face uncertain technologies, unclear products and features and extreme ambiguity about opportunities and customer demands (Benner & Tripas, 2012).

Entrepreneurial responses are therefore focused on learning and adjusting to the uncertain environments so that entrepreneurs can select and exploit the most valuable opportunities. Entrepreneurs are known to display high levels of entrepreneurial agency as they try to transform negative mental stress in order to persist with their ventures (Haines & Townsend, 2014). For the realization of possible benefits of entrepreneurship, it is important that a noteworthy number of businesses that are established succeed. The success of businesses can
come up due to many factors, but the main element for the growth in the business is the entrepreneur, it depends on the actions that the entrepreneur takes to overcome uncertainty and ambiguity in the business environment.

According to Krlev (2012) the entrepreneurship process is based on identifying and exploiting needs and problems well ahead of potential competitors and through the use of unique and creative approaches, entrepreneurship occurs when an action takes place and the entrepreneurial act is used to define the group to study. Entrepreneurs have a favorable disposition to risk and it is important for them to plan, develop and implement strategies that help them in achieving market presence, growth and development (Jovanović, Nikolić, & Daković, 2010). Businesses which engage in innovativeness, taking of risks, competitive aggressiveness and sales approaches are considered as entrepreneurial, they are known to use creativity and uniqueness to keep ahead of the rest.

Sales approaches focus on the practical application of sales techniques and the management of a firm’s sales operations. It is an important business function as it presents net sales for the business through the sale of goods and services and results in profit drive. A sales management strategy or system assists sales people organize themselves, manage their contacts, track their sales deals efficiently and save time. In short, it helps sales people sell more. For business to survive and be successful they have to generate sufficient sales volumes that contribute towards profit of the business. Success in sales management, provides the goods in the right quantity, at the right place and at the right time (Cron, DeCarlo, & Dalrymple, 2010). According to Hinterhuber and Liozu (2014) a diagnostics analysis of growth of any business may be impeded by the kind of marketing and sales approaches adopted which are influenced by the forces of pricing and sales approaches.

According to Hoelscher and Elango (2012) small businesses and new ventures have long been considered economic indicators of a nation’s economic health and prosperity. External contacts are relied upon for the access of scarce and specialized resources that are needed by businesses for them to establish themselves and to grow. This is because, it is time-consuming and demanding for businesses to attain all the resources necessary to effectively commercialize a business idea alone (Giudici, 2013). In Kenya, street vendors are a vital part of the Micro and Small Enterprises Sector (MSE) involved in trade and service provision. However, street vending in Kenya is a survivalist activity which faces a lot of challenges despite being one of the largest contributors to employment (KNBS, 2016).

Street vending is a business activity which offers goods for sale to the public without having a permanent built-up structure from which to sell (Hansen, Little, Milgram, Babb, Bromley, & Clark, 2014). The contribution of the vendors to urban lives goes past their own self-employment and is an important livelihood for the urban poor in developing countries. They generate demand for a wide range of services provided by other informal workers, including transport workers, tea sellers, market porters, security guards, recyclers and others.
They also generate demand for services provided by formal sector public and private actors, including transportation, and formal shops and suppliers from whom they source their goods (Roever, 2014). In African cities street vendors are portrayed to be sources of congestion and poor environmental hygiene by city authorities, where their structures are seen as destroying the aesthetic worth of urban settlements (Solomon-Ayeh, Sylvana & Decardi-Nelson, 2011). Even the perceptions of contemporary and international towns cause evictions and relocation campaigns which are undertaken by city authorities to “clean up” the city and make it more “attractive” (Anjaria, 2006; Donovan, 2008; Milgram, 2011).

Street vending accounts for a significant share of women’s informal employment in Sub-Saharan Africa and the proportion of women street traders is higher than that of men in most cities where street trade is an important economic activity that sustains a significant percentage of rural and urban dwellers especially the developing countries. The activity falls among the micro and small enterprises that form a main thrust for economic development in developing countries (Mitullah, 2010). Women dominate street vending in East and Southeast Asia, and it is one of the most important avenues for poor women to support their families. Although street vending is seen as an option for the poor, their legal and social status and business prospects differ domestically as well as regionally.

Official statistics indicate that informal employment accounts for more than one half of total nonagricultural employment in most developing regions; as much as 82 percent in South Asia and 66 percent in sub-Saharan Africa, the International Labor Organization (ILO) shows that except in societies that restrict their mobility, women comprise 30-90 per cent of street vendors in developing countries and as much as the income is low and no particular special skills are required many people who migrate to the urban cities in search of employment end up engaging in street vending (ILO & WIEGO, 2013). Street vending signifies an important share of the urban informal economy where poverty and high intensities of unemployment in Kenya has seen an upsurge in the number of women street vendors as they take up street trading as a means of growth and a livelihood strategy (Muiruri, 2010).

Women entrepreneurs come into venture creation with different endowments of human and social capital than their male counterparts. These differences are explained generally by the pervasive influence of similar social structures such as work, family and organized social life. Social structures differently affect women’s human and social capital endowments, leading to unique combinations of organizational resources in their businesses (Brush, Bruin & Welter, 2009). According to a study carried out by Marlow and McAdam (2013), women-owned businesses exhibit constrained performance but as much as the majority of their businesses remain small and marginal this are not synonymous with underperformance. As much as female owned businesses differ from male owned businesses in terms of industry, previous experience and hours worked, they are no less successful (Zolin, Stuetzer & Watson, 2013). In a bid to find out whether female-owned small businesses differ from their male counterparts in terms of success and performance, a study was carried out by Mijid (2017)
where the study found that, female owned small firms have a significantly lower rate of loan approval and that married women have a significantly higher probability of loan approval.

Koster, Stel and Folkeringa (2012) opined that mobility of a firm results in changes in the arrangement of the population of incumbent firms. The most competitive competitors and incumbents survive and these businesses grow while the least competitive firms exit the market or are forced to downsize. The result of a creative destruction process is an ever ending changing composition of the firm population in an economy where the average quality of the firms continuously increases as the high quality firms survive and grow and the low quality firms decline or exit. Previous literature has indicated that there are indeed different factors affecting the growth ability of business ventures. It has been acknowledged that sustainability practices are fundamental and can contribute to the success of business in the long term (Perrini & Tenacati, 2006).

According to Chen (2012) informal entrepreneurs choose to work informally yet this kind of employment tends to expand during economic crises or downturns. In many developing countries, the vast majority of the workforce has never had a formal job and continues to engage in traditional or growth activities. The average Kenyan MSE employs 1 – 2 workers while over 70 percent employ only one person. The lower end of these MSEs is often confined to subsistence and low value adding activities, both in urban and rural areas. Only a few MSEs grow to employ 6 or more workers.

It is common practice to find that local bylaws contain provisions granting authorities to seize vendor’s goods as a sanction against unauthorized use of public space (Skinner, 2008). Provisions of the bylaws are in most cases not accompanied by limitations on what the authorities should do with the confiscated goods after seizing them, and where the limitations exist, vendors have little recourse if the goods are never returned (Roever, 2014). Bellagio declaration identified six problems of street traders around the world, cost of regulation, harassment, bribes, confiscation and evictions, lack of services, and infrastructure and lack of representation (Mcgranahan, 2009).

Street vending is a global practice found both in the northern and the southern hemispheres of the world major cities of Berlin, Dhaka, New York City, Los Angeles, Calcutta, Rio de Janeiro, and Mexico City (Graaff & Ha, 2015). As the case studies on Berlin, Los Angeles, and Mexico City in this book reveal, vendors are deeply affected by the growing commodification, touristification, and (semi) privatization of urban space that result from global competition between different cities. In order to realize and maintain this usage and appearance of public space, many local governments engage in public-private partnerships and extensively implement mechanisms of surveillance, policing, and control (Eick, Sambale, & Töpfer 2007; Graham, 2011). These mechanisms of exclusion not only govern and push out local dwellers but also have tremendous impact on vendors for whom public space represents an indispensable resource of income.
In many countries, urban space tends to be a highly political issue, involving many interests. Partiality towards modern infrastructure results in a rejection of traditional livelihoods conducted on sidewalks and shop houses. Some large retail stores, fearing competition from informal traders, may lobby for the latter’s suppression. Where street vendors are allowed to ply their trade whether legitimately or not they do so under inhospitable conditions, with no basic facilities, and under constant fear of harassment and damage to their goods (Kusakabe, 2006). Women dominate street vending in East and South-east Asia, and it is one of the most important avenues for poor women to support their families. Although street vending is seen as an option for the poor, their legal and social status and business prospects differ domestically as well as regionally. In addition to various policies on urban development and street vending, macroeconomic conditions in each country have different impacts on street vendors (Bhowmik, 2012).

A critical look at street vending activities begun in 1995 with the Bellagio International Declaration of street hawkers which brought forth a plan to create national policies in order to promote and protect the rights of street vendors in urban settings. This declaration also calls for action at four other levels namely action by individual traders, traders’ associations, city governments, and international organizations including the United Nations (UN), the ILO and the World Bank (Srivastava, Ram, Kurpad & Chatterjee, 2012).

In Kenya about 48 percent of micro, small- and-medium sized businesses are run by women (Matende, 2013). The women owned businesses make a significant contribution to the Kenyan economy contributing around 20 per cent to Kenya’s Growth Domestic Product. The Kenyan government recognizes that women entrepreneurs have not been on an equal footing when it comes to their access to opportunities and assets but it has yet to effectively address the barriers facing women in business (Athanne, 2011). The informal sector is more lucrative to women because less intensive capital is needed to establish the enterprises and no special skills are required (Gichuki, Mutuku & Kinuthia, 2014). However, the women entrepreneurs need to come up with strategies for them to grow in the business environment.

Many sub-Saharan African countries have been experiencing rapid population growth and urbanization from both natural increase and high rates of migration into the cities and large towns. The contemporary situation in Kenya is that of the migration of young people from the hinterland into the main centres of commercial activity. In the cities and towns, most of these young persons have difficulty in finding jobs in the formal economic sectors due to their often-limited education and lack of skills for formal employment (Hussein, 2014).

Hawking in Nairobi dates back to the coming of the railway in 1899 when Nairobi was founded and settlement started (Macharia, 2010). Nairobi owes its origin to being a construction camp for the railway being built between Mombasa and Uganda. A number of Indian employees began the process by planting fruits and vegetables along Nairobi River. Some of this was sold to Europeans. African employees realized the gains inherent in
vending and started their own vending businesses in urban spaces. As more Africans opted for vending instead of wage labour, the number kept on growing as the activity started to be controlled and restrictions were in place especially on fruits and vegetables (Space, 2014).

By 1914 there were an estimated 2000 vendors and by 1920s the municipal council had to include a special provision in the by-laws granting free vending licenses to cultivators selling their own produce. By 1941, 41 per cent of vendor’s licenses were for fruit and vegetables and when the state of emergency began in 1952, the number of vendor’s licenses issued to Africans was reduced from 732 to 594, in 1953 the vending of charcoal and tea was completely abolished then in 1954 the only street traders permitted in the commercial and residential areas of Nairobi were those selling newspapers, and even this was restricted (GOK, 2009).

When the state of emergency was lifted in 1961, the number of hawkers increased with population growth. Many people especially those coming from Kikuyu areas near Nairobi, opted for vending after failing to find employment (Space, 2014). At this time, the issue was not whether they should be allowed to hawk but how vending could be organized and how many to be licensed. This led to the building of new markets on the eve of independence and thereafter. Since then the number of hawkers has constantly increased.

According to Nairobi city council licensing superintendent, there were about 30,000 hawkers in the urban city space in 1984, but the press maintained it was 45,000 or more despite these enormous numbers the city council issue only 5,000 licenses a year. The negligence of the street vending activities has resulted in the lack of accurate estimates of the numbers of street traders. In 1999, street based workers in Kenya were estimated to number 416,294. This accounted for 5.2 per cent of the non-agricultural labour force of which women were 3.9 per cent (Mitullah, 2003).

An umbrella alliance of seven core urban alliances in Kenya, namely: Nairobi, Mombasa, Kisumu, Nakuru, Eldoret, Machakos and Migori for street vendors known as Kenya National Alliance of Street Vendors and Informal Traders (KENASVIT) was formed as a product of a research carried out by the Institute for Development Studies (IDS) of the University of Nairobi between 1999 and 2000. Its vision is to transform street vending and informal businesses into corporate establishments. The mission is to organise and empower street vendors and informal traders, in order to improve their businesses through training, access to credit, dialogue with local authorities and other relevant organizations on appropriate by-laws and policies that give recognition to, and bring to an end harassment and discrimination against these traders. The Alliance has over 3,000 members drawn from 140 local associations that form the seven urban alliances (Mitullah, 2007).

According to Kamunyori (2007), The Nairobi Informal Sector Confederation (NISCOF) which is an umbrella body of informal traders’ and service providers’ associations in Nairobi, has been striking because despite representing a marginalized population, NISCOF has
contributed significantly to the altering discourse. Registered in 2005, NISCOF has 23 member associations representing approximately 15,000 individual traders. An estimated 70 per cent of NISCOF’s members are street vendors, with the remaining percent made up by newspaper vendors, rubber stamp makers, watch repairers and other service providers that operate on the street. NISCOF’s member associations are primarily locational, rather than sectorial, meaning that traders join based on the geographic proximity to their trading spaces. Its 23 member associations consist of members who operate in the same lanes. The associations, therefore, represent diverse trades, including retail clothing and accessories and food/catering.

Vending as a mode of trade initiated in the African indigenous market concept where African traders, especially women, were attracted into new settlement to provide foodstuffs and since no spaces were assigned to the traders, they would move with their goods from one household to the next. As more people were attracted to the trade, household utensils, soap, sweets, cigarettes and clothing were introduced. As the residents of the city increased, the demand for the goods also increased. The hawkers’ goods were cheaper than those in the shops because they were not subjected to taxes or rent and this made vending a worthwhile trade (Kinyanjui, 2013).

The greatest challenge facing street vendors is with regard to site of operation and right to trading space. Traders settle in streets spontaneously without any official allocation. Most of the spaces the traders occupy have no tenure, and are not allocated and sanctioned by urban authorities, hence they are considered illegal. Street vendors are seen to occupy public spaces, and disturb order in public spaces. In most cases street vendors jostle for sites close to transport and commuter nodes. The response of city authorities may range from outright prohibition of street vending to regulated and negotiated use (Onyango, Olima & Onyango, 2012). Harassment, confiscation of goods, imposition of fines, physical assault and time spent in court are some of the problems street vendors face in the process of their operations. In cases where they are allowed to operate, the spaces are considered temporary and eviction occurs at the will of urban authorities.

Nairobi, Kenya’s capital city is expanding rapidly both in human population, buildings and infrastructure. In Kenya, street vending falls with the Micro and Small Enterprises (MSEs) which provides employment and income to about 70 per cent of Kenya’s population, especially in urban areas. Muiruri (2010) revealed that 68 per cent of the women street vendors trade in perishables, they possess low skills and lack the level of education required for better paying jobs; 97 percent have no other sources of income apart from vending and 87 per cent joined the activity due to poverty and unemployment. As a result of inadequate opportunities in acquiring formal employment, many people set up informal enterprises such as vending to earn a living.
The economic survey of the Kenya National Bureau of Statistics (KNBS) (2011) indicated that in Nairobi, 2.7 million people are engaged in the informal economy. In the Kenyan capital city, serious focus on the street vending began with the Bellagio declaration of street hawkers which called for the national policies for the street vendors and follow up action by individual vendors, vendors’ associations, city government and international organization (Mutisya & Yarime, 2011). Most street traders have no tenure for the sites they use, and hence the temporary nature of the structures and display tools they use. The numbers that have occupancy are negligible as compared to the total numbers that are engaged in street vending activities. This gap can be captured by looking at the numbers of street vendors licensed to trade, compared to the numbers that trade. For example, within the city of Nairobi, where there are over 100,000 street and roadside traders, at no point have the authorities’ licensed more than 10,000 traders (Mitullah, 2003).

Urban markets in Nairobi, Lagos and Accra are dominated by women who are responsible for massive trade in food and clothes and Kinyanjui (2013) has demonstrated how women in economic informality have navigated the journey from the margins to the city centre in Nairobi. The Kenyan government recognizes that women entrepreneurs have not been on equal footing when it comes to their access to opportunities and assets but it has yet to effectively address barriers facing women in business (Athame, 2011). Urban space has not been designed to empower people or provide vibrant places for small entrepreneurs and informal activities can trade and manufacture at viable location (Jacob, 2010). The lack of security for street vendors is obvious in circumstances where women vendors are targeted for harassment or asked to exchange sex for permits (Lubaale & Nyangoro, 2013).

In their quest to make a living, many of these persons, have no other choice than to take to the streets to fashion out a living. They live on the streets and are exposed to the vagaries of street life, including rape, commercial sex work and crime. This growing segment of the vulnerable urban poor population is often overlooked mainly because they have no recognized addresses and are usually seen more as a liability rather than a potential labour force that could contribute to the national income if their interests are properly taken care of. The huge number of people on the street that have often fuelled successive governments promises of job creation (Hussein, 2014; Brown, 2006).

In Kenya as in Brazil, street vendors earn more than domestic workers but their earnings are only a little over three quarters that of the average for all non-agricultural, urban informal workers (WIEGO, 2013). Street vendors have long existed as purveyors of goods and services to a large public that spans class and income. The integral role played by street vendors in the daily lives of most of Kenya’s – and the worlds – population stands in sharp contrast to the precariousness of their own lives. Gender inequality in African cities is a key concern and according to reports from the United Nations Human Settlements Programme (UN-HABITAT), women in Africa’s urban settings are marginalized because of their gender as well as because of physical and social conditions (UN-HABITAT, 2006), thus this study
seeks to establish the role of Sales Approaches on the growth of women street vending in Kenya.

1.2 Statement of the Problem

Street vending in Kenya faces a lot of challenges such as police harassment and lack of designated areas for trading despite being one of the largest contributors to employment (KNBS, 2016). Similarly, there is no proper legislation in Kenya to protect the interest of street vending which creates loopholes for police harassment that hinders their growth from informal micro enterprises to formally registered enterprises that can be taxed contributing to revenue generation. According to KNBS (2016) report, 78.90% of micro enterprises are unlicensed contributing to over 64.71% of the total employment in Kenya. Therefore, high growth of street vending implies more contribution to the economy, and holds the potential to increase government revenue because street vending eventually grows into sustainable SMEs in the long run (Kamunge, Njeru & Tirimba, 2014). Benjamin, Beegle, Recanatini, and Santini (2014) further showed that 84% of the employed women in this region are employed in the informal sector. Similarly, Chen, Roever and Skinner (2016) also argues that despite its scale and role in reducing economic and social exclusion, local authorities still refuse to recognize street vending.

This field has received attention of various authors which include Berrou and Combarnous (2012) that have shown that growth in sales has a significant effect on profitability of firms. Mramba, Apiola, Sutinen, Haule, Klomsri, and Msami (2015) on the other hand, state that approaches practiced during street vending are not strong enough to realize competitive advantages. Racaud (2018) and Steiler (2018) also reveal that the institutional environment in Kenya prevents street traders from being licensed and therefore restricts them to the informal economy. According to Wongtada (2014), street vending is universal across the universe and it provides a source of earnings for the unemployed in urban areas as well as providing inexpensive goods and services for the city residence.

The studies mentioned demonstrate that scholars and researchers have focused on street vending with the attention of addressing the problem. However, there are scarce empirical studies that have focused on the role of sales approaches on the growth of Women Street vending in Kenya. For instance, Racaud (2018) and Steiler (2018) focused on institutional framework and how they affect street vending. This study therefore, addressed conceptual gap that exists among studies on growth of street vending. Similarly, this study focused on Women Street vending while existing studies focused on street vending in general hence bridging the methodological gaps by focusing on specific target population. The increase in street vending and slow of graduation of this street vending from informal enterprises to formal enterprises points to the fact that street vending lack of knowledge to support their growth. This study addressed the knowledge gap by focusing on establishing the role of sales approaches on the growth of Women Street vending in Kenya. Therefore, the study
proceeded with the intention of addressing the existing; conceptual gap, contextual gap, methodological gap and knowledge gaps on the effect of sales approaches on the growth of Women Street vending in Kenya.

1.3 Research Objective

1. To determine the effect of sales approaches on the growth of women street vending in Kenya.

1.4 Research Hypotheses

H₀: There are no significant effects of sales approaches on the growth of Women Street vending in Kenya.

2.0 Literature Review

2.1 Theoretical Framework

2.1.1 Resource Dependency Theory

This theory is attributed to the work of Pfeffer and Salancik’s (1978) in the famous publication “The External Control of Organizations: A Resource Dependence Perspective”. Since its publication, resource dependence theory (RDT) has become one of the most influential theories in organizational theory and strategic management. RDT characterizes the corporation as an open system, dependent on contingencies in the external environment (Pfeffer & Salancik, 1978).

As Pfeffer and Salancik (1978) state, “to understand the behavior of an organization you must understand the context of that behavior that is, the ecology of the organization.” RDT recognizes the influence of external factors on organizational behavior and, although constrained by their context, managers can act to reduce environmental uncertainty and dependence. Central to these actions is the concept of power, which is the control over vital resources (Ulrich & Barney, 1984). Organizations attempt to reduce others’ power over them, often attempting to increase their own power over others.

Firms might invite executives of constraining suppliers or major customers onto their board to gain their support, or startups might add a venture capitalist to the board to maintain sources of funding, or corporations reliant on government contracts might invite former senators and cabinet members to join the board to gain contacts and signal legitimacy (Davis & Adam Cobb, 2010). The expectation is that having a representative serving on the board provides the source of constraint with a vested interest in the dependent organization’s survival. According to this theory the most constraining method of managing dependence is to incorporate it within the organization’s boundary through mergers and acquisition (Malatesta & Smith, 2014).
This theory is applicable to the current study, since it explains the role of customers in growth of street vending. This theory links sales approaches by street vending to customer demands since these business owners are dependent on customers who are their main source of resources (profits). This theory explains why law enforcers have been unable to move street vendors from certain areas in Nairobi CBD because street vendors can only trade in areas that are convenient to their customers. According to RDT customers dictate the sales approaches adopted by Women Street vending who seek to grow their informal micro enterprises.

2.3 Conceptual Framework

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Approaches</td>
<td>Growth of Women Street Vending</td>
</tr>
<tr>
<td>• Financial information</td>
<td>• Profitability</td>
</tr>
<tr>
<td>• Customer acquisition</td>
<td>• Number of Businesses</td>
</tr>
<tr>
<td>• Customer Knowledge</td>
<td>• Business environment stability</td>
</tr>
</tbody>
</table>

Figure 1: Conceptual Framework

2.4 Empirical Literature Review

2.4.1 Sales Approaches and Growth

In a research carried out by Moghareh and Haghighi (2009) on the effect of selling strategies on sales performance which focused on how selling behavior of medical representatives lead to sales performance of prescription drugs. The analysis was based on a sample of 650 medical representatives from India’s top pharmaceutical companies to whom a 78 item structured questionnaire was distributed; however, the response was 536 due to incomplete responses. The findings of this study clearly show that managers’ perception of the adoption of strategies on the part of the selling firm is associated with the adoption of some specific classes of behaviors (i.e. customer-oriented selling, adaptive selling, and relational strategy) which can contribute to the creation of strong and long-lasting positive relationships with customers. The findings emphasize the role of developing effective selling strategies to improve sales performance. Thus, recognizing these factors and the rate of their influence will enable the top managers of companies to use effective and suitable strategies for preserving and retaining customers.

According to a study by Kathuni and Mugenda (2012) on direct sales strategy applied by commercial banks in Kenya, direct selling stands out among all other approaches for
competitive advantage. The study which conducted a census survey design on commercial banks registered by the Central Bank of Kenya which comprised of 42 commercial banks and 2 mortgage finance companies collected primary data by the use of semi-structured questionnaires. The questionnaires targeted one respondent per bank preferably the sales manager or the equivalent. Content analysis of the commercial banks served to enhance reliability, representativeness and validity of the information collected. Results indicated that many banks in Kenya have embraced the direct sales strategy indicating that the tactic stands out as the strategy that contributes most towards the attainment of competitive advantage. The study concluded that direct sales boosts growth, supports customer awareness and is an important tool for competitive advantage.

Muriithi (2015) undertook a study on the effects of personal selling on sales with a case of women groups in Imenti North, Meru in Kenya. The study employed a descriptive survey design and targeted population of the study was 100 registered women groups by 2012 who engaged in agricultural activities for income generation. Simple random sampling was used to determine the sample size of 79 respondents where one official from each of the groups was selected. Primary data was collected by the use of structured questionnaires that were administered personally by the researcher. The findings of the study indicated that personal selling was a widely used promotion method by women groups where they largely target women customers. Personal selling was found to have an influence on sales of the agricultural products produced by women groups. Kotler (2012) noted that personal selling is a useful vehicle for communicating with present and potential buyers.

A study carried out by Javalgi, Hall and Cavusgil (2014) focused on the intelligence role of sales people. They stated that the sales function is characterized as an inherently entrepreneurial activity and the sales force is an important source of knowledge about a firm’s customers and environment. The study proposed that sales performance can be enhanced when the sales people practice customer-oriented selling. McKenzie and Woodruff (2015) studied business practices in small firms in developing countries. They developed 26 questions which they administered in surveys in Bangladesh, Chile, Ghana, Kenya, Mexico Nigeria and Sri Lanka. The results indicated a variation in business practices explains the variation in outcomes of sales and profits in microenterprises. Panel data from three countries indicated that better business practices predict higher growth rates and faster sales growth.

Sales performance is enhanced depending on the selling strategies that entrepreneurs perceive to be best for them for their competitive advantage. Women street vendors are the direct link to their customers hence a direct sales strategy is employed from which the sellers have a direct and personal association with the customers where they are able to understand the needs and wants of their customers from a firsthand approach. When sales are sufficient for any business the results are indicated by profits in the business.
3.0 Methodology

This study adopted and relied on a positivist philosophy which is based on theories that are used to generate hypothesis that are tested to give statistical justification of conclusions from the empirically testable hypothesis. The study adopted a descriptive approach so as to be able to obtain information concerning the growth of women street vending and went ahead to determine the role that sales approaches play on the growth of women street vending in Kenya. The study targeted women street vendors in Kenya. The target population of the study was composed of 10000 women street vendors in Nairobi City. The used a sample size of 384 street vendors in Nairobi City. The sample size of the study was determined using the formula:

\[ n = \frac{Z^2 \times p \times (1-p)}{d^2} \]

Where:
- \( n \) = Sample size for large population (if the target population is greater than 10,000)
- \( Z \) = Normal distribution Z value score, (1.96)
- \( p \) = Proportion of units in the sample size possessing the variables under study, where for this study it is set at 50% (0.5)
- \( d \) = Precision level desired or the significance level which is 0.05 for the study

4.0 Research Findings and Discussions

4.1 Descriptive Analysis

Table 1: Sales Tactics Employed while Vending

<table>
<thead>
<tr>
<th>Statement</th>
<th>Yes Frequency</th>
<th>Yes Percentage</th>
<th>No Frequency</th>
<th>No Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sell Multiple items</td>
<td>216</td>
<td>68.6</td>
<td>99</td>
<td>31.4</td>
</tr>
<tr>
<td>Sell commodities at the same spot.</td>
<td>202</td>
<td>64.1</td>
<td>113</td>
<td>35.9</td>
</tr>
<tr>
<td>Have people to inform you of any challenges that may arise during business activities.</td>
<td>149</td>
<td>47.3</td>
<td>166</td>
<td>52.7</td>
</tr>
<tr>
<td>Engage in electronic or mobile payments during business activities</td>
<td>242</td>
<td>76.8</td>
<td>73</td>
<td>23.2</td>
</tr>
</tbody>
</table>
The results in Table 1 show that, 68.6% of the respondents indicated that they sold multiple items while 31.4% sold only one item. The respondents were also required to state whether they sold their items at different spots in the streets where a majority (64.1%) of them revealed that they actually have a certain spot from where they sell the items. The other 35.9% indicated that they move from place to place selling their items.

Due to the instability of their businesses the respondents were asked if they have people who inform them of any challenges that may arise during business activities and 47.3% stated that they actually had people on the ground who would alert them in case of any challenge that would come their way. In relation to this and according to Steel (2012), the street vendors have a form of social security network for each other which is important an important network for their well-being and for continued growth on the streets.

Bénit-Gbaffou (2016) termed this form of networking as “quick response teams” which act as a form of early warning systems who warn colleague vendors of the presence of city authorities or ingoing eviction operations. However, 52.7% stated that they did not have any informants on the ground meaning that if a situation would arise it would find them unaware. Due to continuous hostile regulatory circumstances, street vendors have had to modify their mode of operation to sustain their economic ventures by employing strategies such as becoming more mobile by carrying few goods with them to sell at any point in time. This strategy enhances easy get away in case the city authorities approach and also minimizes losses in case of confiscation of goods (Forkuor, Akuoko & Yeboah, 2017).

Another tactic that was of importance to the study was that of engaging in electronic or mobile payments during the business transactions. When asked about engaging in same, 76.8% revealed that they actually engage in mobile payments while 23.3% did not entertain the transaction. This relates with a study by Kirui and Onyuma (2015) which indicated that mobile money transactions have a positive significant relationship with MSE turnover. Some of the reasons given for not encouraging mobile or electronic payments were lack of time to transact, delays in transactions, expenses involved in the transactions, small amounts of money to be transacted and untrustworthy customers. Those who preferred to transact electronically indicated that it was a safe way of carrying money. This is affirmed by Kirui (2016) who stated that there is a significant positive effect between mobile money services and MSE sales.

The average sales made in a day was another way of identifying the role that sales approaches played in the growth of the vending activity carried out by women in Kenya. The respondents were asked to indicate the approximate sales they made per day and the results indicated in Table 2.
Table 2: Approximate Sales per Day

<table>
<thead>
<tr>
<th>Average Sales in a day</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Kshs 2000</td>
<td>137</td>
<td>43.5</td>
</tr>
<tr>
<td>Between Kshs 2001-4000</td>
<td>107</td>
<td>34.0</td>
</tr>
<tr>
<td>Between Kshs 4001-6000</td>
<td>48</td>
<td>15.2</td>
</tr>
<tr>
<td>Above Kshs 6000</td>
<td>23</td>
<td>7.3</td>
</tr>
<tr>
<td>Total</td>
<td>315</td>
<td>100</td>
</tr>
</tbody>
</table>

The results in Table 2 show that the majority (43.5%) of sales per day were the sales below Kshs 2000. Sales above Kshs 6000/- were only 7.3% while the sales per day of between Kshs 2000 to 4000/- were 34%. This information relates closely with that of Carriari and Murta (2011) who established that street vendors carry with them a minimal number of supplies to allow for a fast escape as soon as inspectors are spotted so as to diminish possible losses. The fewer the items the less the average sales. The sales of Kshs 4000 to Kshs 6000 were those of 15.2% this is in line with the items being sold as the clothes and perishables are low value items which were most popular with the vendors and the customers. The high value items which would increase sales like the electronics were not very popular in the streets.

4.2 Correlation Analysis

Table 3: Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Growth</th>
<th>Sales Approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>Pearson Correlation</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>Sales Approaches</td>
<td>Pearson Correlation</td>
<td>0.642**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>** Correlation is significant at the 0.01 level (2-tailed).</td>
<td></td>
</tr>
</tbody>
</table>

Results in table 3 revealed that there was a strong positive association between Sales Approaches and Growth of women street vending (r=0.642, P-value=0.00). The results are consistent with the findings of Cron, et al, (2010) who indicated that, sales approach is an important business function as it presents net sales for the business through the sale of goods and services and results in profit drive. A sales management strategy or system assists sales people organize themselves, manage their contacts and track their sales deals efficiently and save time. In short, it helps sales people sell more. For business to survive and be successful they have to generate sufficient sales volumes that contribute towards the profit of the business.
4.3: Logistic Regression Analysis

**Table 4: Logit Regression between Sales Approaches and Growth**

| Growth            | Coef.  | Std. Err. | z     | P>|z| |
|-------------------|--------|-----------|-------|-----|
| Sales Approaches  | 0.652723 | 0.060549  | 10.78 | 0.000 |
| _cons             | 0.867834  | 0.111547  | 7.78  | 0.000 |

Number of Observations = 315  
Wald Chi(1) = 341.34  
Prob > chi² = 0.0000  
Pseudo R² = 0.7817

The results in Table 4 indicate that the overall model was statistically significant. This was supported by a Wald Chi/ F statistic value of 341.34 which was greater than F 0.05 critical of 3.84 and the reported p value (0.000) which was less than the probability that 2P(Z > z*) = α, so the critical value z* corresponds to the = α/2 significance level. To achieve a significance level of 0.05 for a two-sided test, the absolute value of the test statistic (|z|) must be greater than or equal to the critical value 1.96 (which corresponds to the level 0.025 for a one-sided test).

The coefficient of sales approaches was at (β=0.652723, p=0.000, <0.05) and also showed a statistically significant relationship between sales approaches and growth of women street vending. The coefficient findings implied that one unit increase in sales approaches would increase growth of Women Street vending by 0.652723. Based on these findings, the study rejected H₀: that there are no significant effects of sales approaches on the growth of Women Street vending in Kenya and adopted the alternative hypothesis that Sales Aproaches has a significant effect on the Growth of Women Street vending in Kenya. The findings are in agreement with Kathuni and Mugenda (2012) who indicated that direct sales boost growth, support customer awareness and is an important tool for competitive advantage.

**Table 5: Odds Ratio for Sales Approaches and Growth of Women Street Vending**

| Growth            | Odds Ratio | Std. Err. | z     | P>|z| |
|-------------------|------------|-----------|-------|-----|
| Sales Approaches  | 0.765234   | 0.070986  | 10.78 | 0.000 |
| _cons             | 0.039216   | 0.016321  | 7.78  | 0.000 |

Similarly, Table 5 shows that odds ratio of sales approaches leading to high growth of women street vending were 0.765234. The findings implied that appropriate sales approaches were 0.765234 times more likely to increase growth of women street vending. The finding further
confirmed that the growth of women street vending is significantly influenced by sales approaches. The results are in agreement with the findings of Murithi (2015) who also found that personal selling was a widely used promotion method by women groups where they largely target women customers.

**H0: There are no significant effects of sales approaches on the growth of Women Street Vending in Kenya**

The hypothesis of the study sought to test the effect of sales approaches on the growth of Women Street vending in Kenya. The coefficient of sales approaches was at $(\beta=0.652723, p=0.000, <0.05)$ indicating a statistically significant relationship between sales approaches and growth of women street vending. Based on these findings, the study rejected $H_0$: that there are no significant effects of sales approaches on the growth of Women Street vending in Kenya. The study also established that sale approaches were 0.7652 times more likely to lead to high growth of Women Street vending than low growth of Women Street vending in Kenya. Based on this finding the study established that sales approaches used by women street vending led to high growth.

The results are in agreement with the findings of Kathuni and Mugenda (2012) which indicated that direct sales boosts growth, supports customer awareness and is an important tool for competitive advantage. The results are also in agreement with the findings of Murithi (2015) who undertook a study on the effects of personal selling on sales with a case of women groups in Imenti North, Meru in Kenya and found that personal selling was a widely used promotion method by women groups where they largely target women customers. According to Kotler *et al*., (2015), personal selling has an effect on sales of agricultural products produced by women in groups is also a useful tool for communicating with present and potential buyers.

**Table 6: Summary of Hypothesis**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Hypothesis</th>
<th>Rule</th>
<th>p-value</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>To determine the effect of sales approaches on the growth of women street vending in Kenya</td>
<td>$H_0$: There is no significant effects of Sales Approaches on the Growth of women street vending in Kenya.</td>
<td>Reject</td>
<td>$p&lt;0.05$</td>
<td>The null hypothesis was rejected; therefore, Sales Approaches have significant effect on the Growth of women street vending in Kenya.</td>
</tr>
</tbody>
</table>

**5.0 Conclusion**

Based on the findings, the study concludes that Sales Approaches and Growth of Women Street vending in Kenya are positively and significantly related. The study also concludes that
Sales Approaches have a positive and significant effect on the growth of Women Street vending in Kenya. The women street vendors are the direct contact link to the customers and are responsible for organizing sales efforts for the business. Due to globalization and liberalization, competition in the business world has grown and thus the women engaging in street vending need to be more aggressive in issues of customer satisfaction. For them to achieve customer loyalty, they need to emphasize on solving their customer’s problem and identifying the customers’ needs and wants.

6.0 Recommendations

The study recommends that the women who involve themselves in street vending should come up with strategic sales approaches which will ensure they remain relevant in the market. To the policy makers, the study recommends that policies should be put in place to ensure that the women have a safe, secure and stable environment where they can carry out their businesses. The policy makers should also deliberate and set aside certain conducive areas for street vending to enable the women to operate their businesses where environmental factors will not interfere with the day to day running of their businesses.

7.0 References


Ujang, N. (2010). Place attachment and continuity of urban place identity.


