

Factors influencing the business viability of local apparel trade within a liberalised market: a case of Nairobi, Kenya

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The purpose of this study was to find out the factors influencing the business viability of local apparel trade within a liberalized market in Nairobi, and to investigate how consumer preferences and buying practices have affected apparel trade. Data were collected using interview schedules and observation checklist. A random sample of 90 apparel traders was drawn from three market centres in Nairobi (Kenyatta market, Jericho market and the Central business district) for interview according to the types of apparel they sold. These types were new imported; second-hand; locally manufactured and custom-tailored apparel. Data were analyzed by use of frequencies, percentages and Chi-square tests using the Statistical Package for Social Sciences software (SPSS®). Results from the study showed that 57% of the apparel traders were female. Majority, (80%) were under the age of 40 years. All traders had received some level of formal education. Most (71%) apparel traders had 1-5 employees, an indication, an indication of small-sized businesses. More than half (64%) of the respondents owned their businesses. Notably, 57% had up to 5 years experience in selling apparel. The main types of apparel sold were New Imported (37%) and Custom-tailored (32%). Majority (89%) of the traders targeted women as their main clientele because they were considered the most willing buyers. In addition, they also stocked apparel for men and/or children in order to make more profit for their businesses. Lack of customers, stiff competition and lack of government support were reported as major problems facing over 50% of the traders. For most traders, providing high quality merchandise was the main strategy used to solve their problems. Government support by way of providing loans and making prices (license fees, taxes, custom charges) affordable were suggested as ways of creating a level trading ground for all traders. This would also increase the traders' business performance and viability. From the study, 40% of the respondents made up to Ksh.40, 000 per month during times of high sales. Chi-square analysis showed that the traders' age, position held in business and source of fabric/clothing significantly influenced the types of apparel sold by traders. Therefore, apparel traders could enhance these key factors to increase competitive edge in the market. From the analysis, it was evident that the type of apparel sold by traders was affected by consumer preferences for imported apparel because locally produced apparel did not meet consumers' needs in terms of quality and variety. The Ministry of Trade and Industry should formulate mechanisms that will enable apparel traders access information easily on existing trends and policies as they affect their businesses. Apparel producers and traders could use this information to improve the quality of local items. Lack of a level trading ground for all traders remained as the main deterrent to their success.