



Challenges facing women and youth grocery retail traders in Kenya

August 2020



AGENDA

1. Research objectives and methodology
2. Impact of Covid-19 on businesses in the retail trade
3. Wholesale and retail traders in Kenya
4. Challenges faced by food / grocery traders
5. Appendix

The main objectives of this study was to explore the challenges faced by retail traders in Kenya, specifically women and youth traders, as well as the potential barriers and opportunities for women and youth to use digital solutions in their businesses. The research methodology included both qualitative and quantitative elements including an analysis of survey data and in-depth interviews with retail traders

RESEARCH METHODOLOGY – QUANTITATIVE COMPONENT

- Two nationally representative survey data sources were analysed to size and profile the retail trade segments in Kenya – the **Financial Access (FinAccess) Household survey 2018/19** & the **Micro, small and medium establishment (MSME) survey 2016**
- Both surveys are conducted by the Kenya National Bureau of Statistics
- The FinAccess survey comprises data on a weighted sample of 5.2 million business owners in Kenya
- The MSME survey comprises two datasets – a survey of 21,164 **licensed establishments** weighted to represent **1.85 million business owners** and a household survey component which comprises data on a weighted sample of 5.85 million unlicensed businesses in the country
- A limitation of the quantitative analysis is that **only the licensed sample of the MSME survey was analysed** due to the inaccessibility of the household sample
- The MSME survey sampled the ‘licensed’ businesses from county and national government lists. Businesses included in this sample may have county permits to operate but not full registration with the national business registry
- The quantitative component was led by 71point4 Consulting

The main objectives of this study was to explore the challenges faced by retail traders in Kenya, specifically women and youth traders, as well as the potential barriers and opportunities for women and youth to use digital solutions in their businesses. The research methodology included both qualitative and quantitative elements including an analysis of survey data and in-depth interviews with retail traders

RESEARCH METHODOLOGY – QUALITATIVE COMPONENT

- **Thirty-six interviews** with food / grocery retail store owners operating in and around Nairobi were conducted in April – May 2020
- Due to Covid-19 the interviews were initially meant to be conducted telephonically, over the course of two 20 minute calls
- Retail outlets were screened and consented to the research prior to the Covid-lockdown, however during the pilot several challenges emerged including:
 - Building rapport with the target segment for a telephonic exploratory qualitative interview proved challenging
 - Business owners interviewed questioned the rationale of telephonic interviews as a precautionary measure since they were open and operating their business; they perceived the explanation as elitist
- Given these challenges, the team decided to conduct the **interviews face to face following strict Covid protocol** – interviews were conducted at a time when customer flow was minimal and all other precautions (physical distance, masks, sanitizing) were observed
- Some of the limitations of the qualitative research includes that older men aged 35+ were not interviewed, the definition of ‘youth’ as individuals aged 18 – 35 years is very broad and therefore interviewees in this segment ranged from well established business owners to new entrants. In addition, women are not a homogenous group and across the board it was noted that all the challenges were more profound amongst the younger females, especially those in single income households
- The qualitative research was led by Carol Matiko and her team at Gmaurich Insights

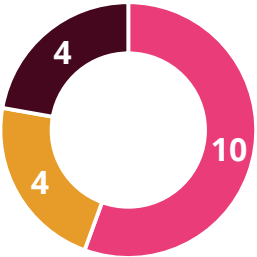
The in-depth interviews were conducted with owners of food / grocery retail stores of varying size and form. The majority of the interviews were conducted with owners of small 'Duka' stores (18) and most of the sample consisted of female retail traders aged 35 or younger (20). Almost all stores were operating from permanent structures*

TYPE OF RETAIL STORE BY GENDER OF BUSINESS OWNER

(Qualitative research, n = 36 interviews)

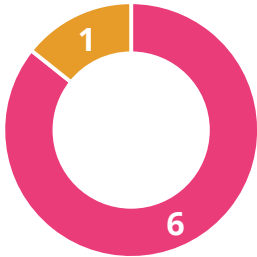
- Segment**
- Female 18 - 35
 - Female 36+
 - Male 18 - 35

Duka (18)



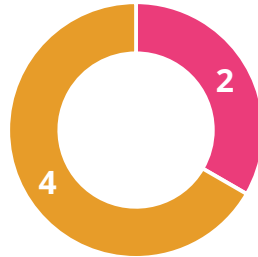
Smallest type of store, daily sales average ~Kes. 5000, limited stocks

Supa duka (7)



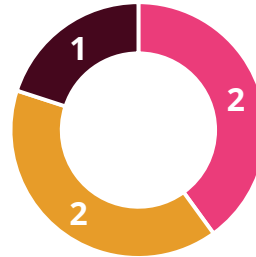
Slightly larger than a Duka store in terms of space and daily average sales ~ Kes 22 000

Mini mart (6)



Layout similar to a supermarket, customers can self-select goods

Wholesale (5)



Mainly operate at B2B level supplying the shops that retail to customers

Note: In this study, youth are defined as individuals aged 35 or younger
 *See appendix for more detail on the qualitative research sample



IMPACT OF COVID-19 ON BUSINESSES IN THE WHOLESALE AND RETAIL TRADE



Covid-19 has had a negative impact on most of the grocery traders interviewed

Covid-19 has had a negative impact on sales due to no month-end peak causing stock to expire

- Reduced foot traffic past stores, including no school children purchasing snacks
- No sales to businesses like hotels
- Customers moving to larger outlets with cheaper prices and online shopping
- Reduced trading hours due to curfew

Some traders also experienced a decrease in their margins and credit customers are slower to repay debts

- In some cases stock prices increased putting pressure on already low margins
- Customers who took goods on credit lost jobs or were experiencing a slow down in their own businesses, making it difficult for them to repay

A minority of traders said that sales stayed the same or increased

- Those serving middle-income neighbourhoods were less affected
- Some businesses were able to trade past curfew which improved their sales significantly

*In March and April, the sales were completely low, a lot of ordered goods expired forcing me to use some of the goods at home to minimize losses, I think because people had stocked enough food ..with the fear of lockdown - **Male, 40 years***

*The curfew is working against most businesses because in the normal days 7pm - 10pm I would make more money than I make all day long - **Male, 27 years***

*So many of my customers have lost their jobs. Some of them especially those in business had taken goods on credit but have not been able to pay, most of them closed and some travelled up country. I also have rental houses but the tenants are struggling to pay rent. I operate a bar but it has not been operating for the last 3 months - **Female, 32 years***

*My shop is not along the road so I can afford to close 30 -40 minutes into the curfew. Supermarkets near me have to close an hour before the curfew to allow employees to go home.. .more people are left with no option but to buy from me. Business has been good - **Female, 28 years***

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There have also been impacts on the operations of the traders

Impact on traders' ability to pay their suppliers on time

- The impact on cash flows has made payments to suppliers difficult

Increased dependency on unpaid labour

- Business owners that made use of employees previously had to rely more on unpaid labour from family members

In some cases job losses mean that there is more involvement of family members

- This can result in reduced autonomy in the business
- It also increases the number of dependents on the business

Difficulties obtaining permits

- Limited awareness that permits can be obtained online
- Creates an opportunity for harassment of business owners

*Paying suppliers is now a challenge because there is no cash flow – **Male, 30 years***

*I don't have any staff for now because of the Covid-19 situation but my father comes in – **Male, 27 years***

*I normally run the shop but now my husband helps a lot because he is at home owing to Covid-19 – **Female, 25 years***

*I have not been able to get my permit as I applied last year but due to Covid-19 I have not been able to get it – **Female, 34 years***

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Traders have implemented strategies to cope with the impacts and uncertainties of Covid-19

Increase customer engagement

- Some outlets are taking proactive measures by trying to maximise their opening hours and actively marketing their goods to customers

Rationalizing inventory

- Small retail outlets are now more likely to limit stock to fast moving essentials to avoid stock expiry

Postponement of expansion plans

- Uncertainty has forced business owners to focus on short terms activities as opposed to their longer term goals

*Just try and maximize on the working hours, aggressively call out customers to buy from your shop – **Female, 34 years***

*In this Covid-19 season I have noticed that pasta, noodles and spaghetti are moving very fast and I have stocked more of those – **Female, 34 years***

*Just being consistent on how I operate the shop.... Covid-19 has affected the business quite a lot and I cannot take a loan to expand the business as the economic situation is unstable – **Male, 30 years***

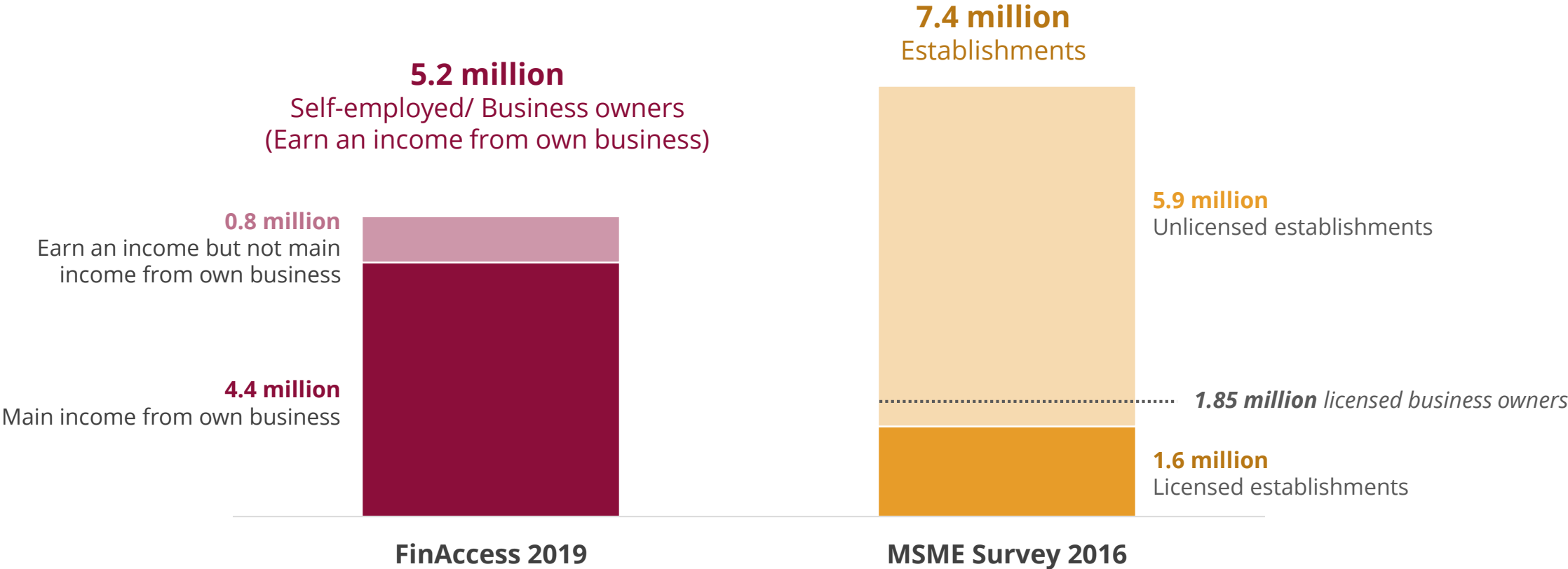


WHOLESALE & RETAIL TRADERS IN KENYA



According to the latest FinAccess Survey 2018/19 there are 5.2 million self-employed adults in Kenya. The MSME survey 2016 estimates that there are 7.4 million MSME's (businesses with less than 100 employees) in Kenya, of which only 1.6 million are considered to be licensed establishments*

COMPARISON OF DATA SOURCES



Source: Kenya FinAccess 2019; MSME 2016 (licensed establishments)

*Includes any business on a country or government list; business may have a county permit to operate but may not be registered with the national business registry

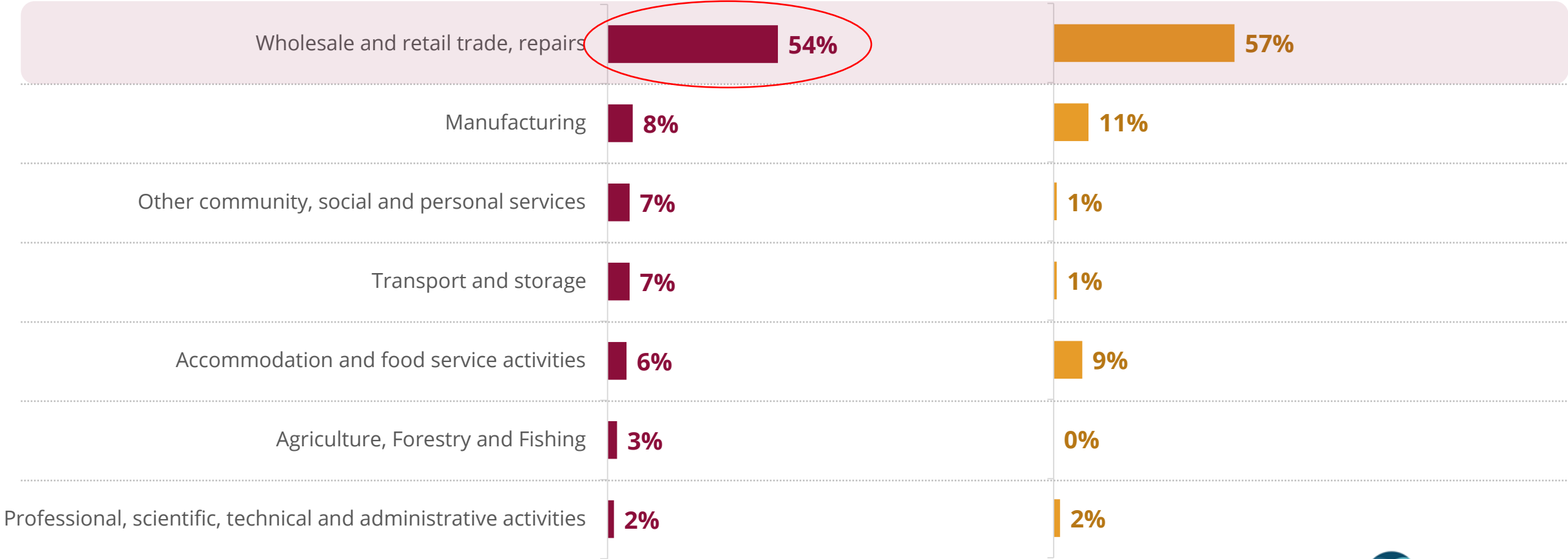


The wholesale and retail trade dominates, with over half of business owners in Kenya involved in the sector

MAIN SECTOR

FinAccess 2019
(5.2 million business owners)

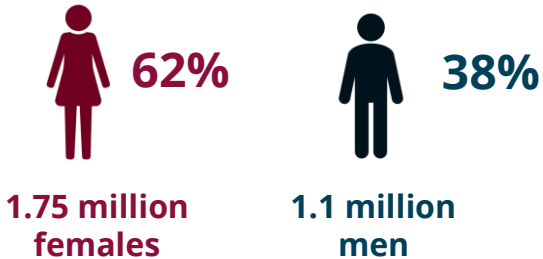
MSME Survey 2016
(1.9 million licensed business owners)



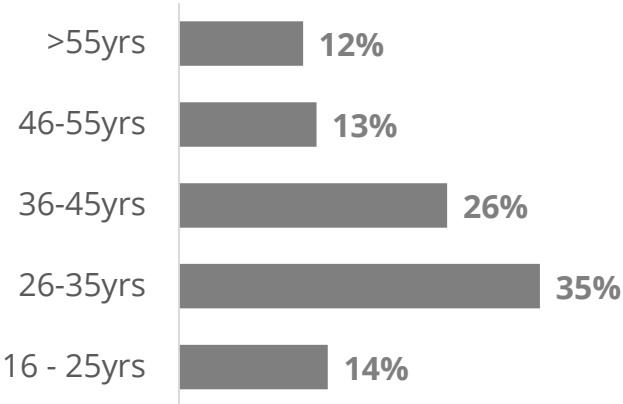
According to FinAccess, over 60% of business owners in the wholesale and retail trade sector are women, while 14% of all retail business owners (402 000 individuals) are aged between 16 and 25 years old

GENDER & AGE OF BUSINESS OWNERS
(Business owners in the wholesale and retail trade; 2.8 million)

Gender

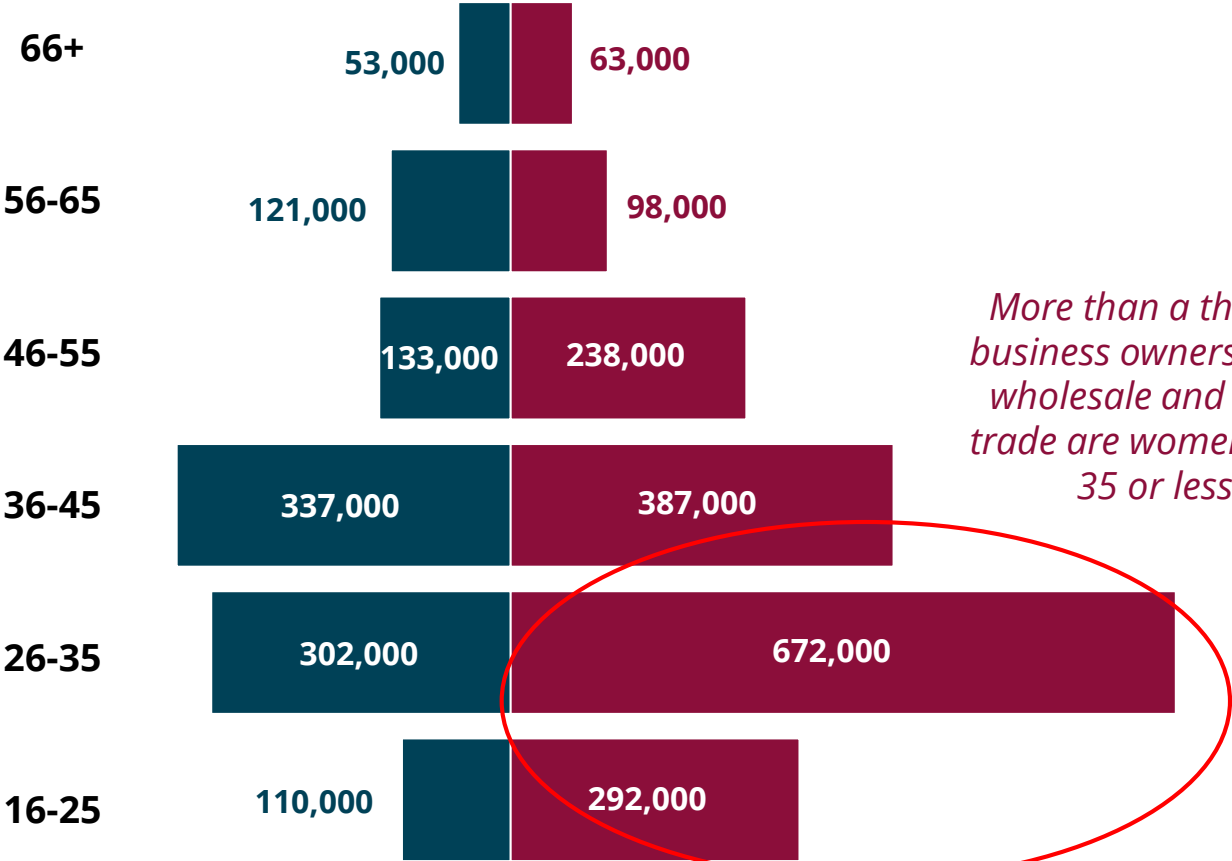


Age group



MEN

WOMEN

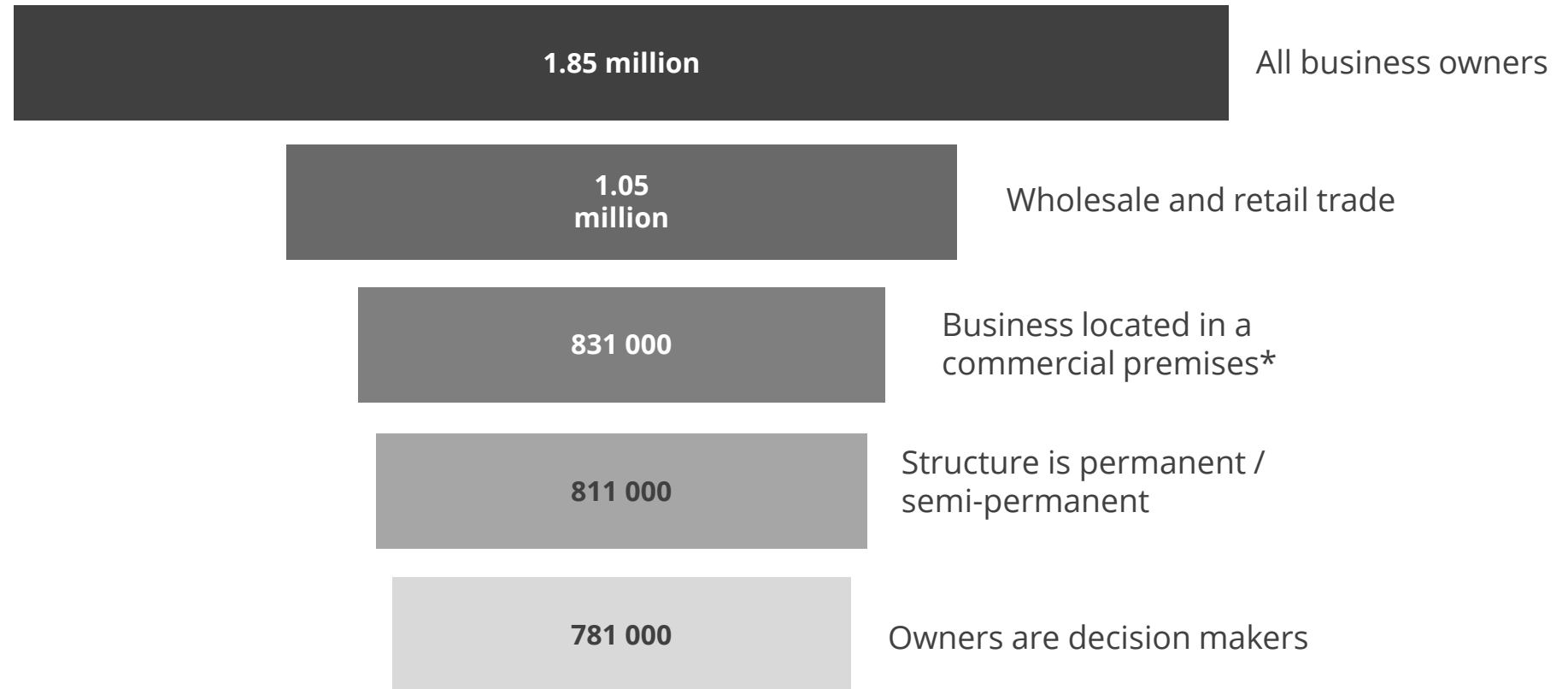


More than a third of business owners in the wholesale and retail trade are women aged 35 or less

Using the 2016 MSME survey, we can drill down further to size the market of more 'formalised' wholesale and retail trade businesses in Kenya (i.e. those operating from a dedicated commercial premises in a permanent / semi-permanent structure). This market comprises 781 000 business owners. Note that this analysis is based on the MSME 'licensed' sample only

SIZING THE WHOLESALE & RETAIL TRADER MARKET

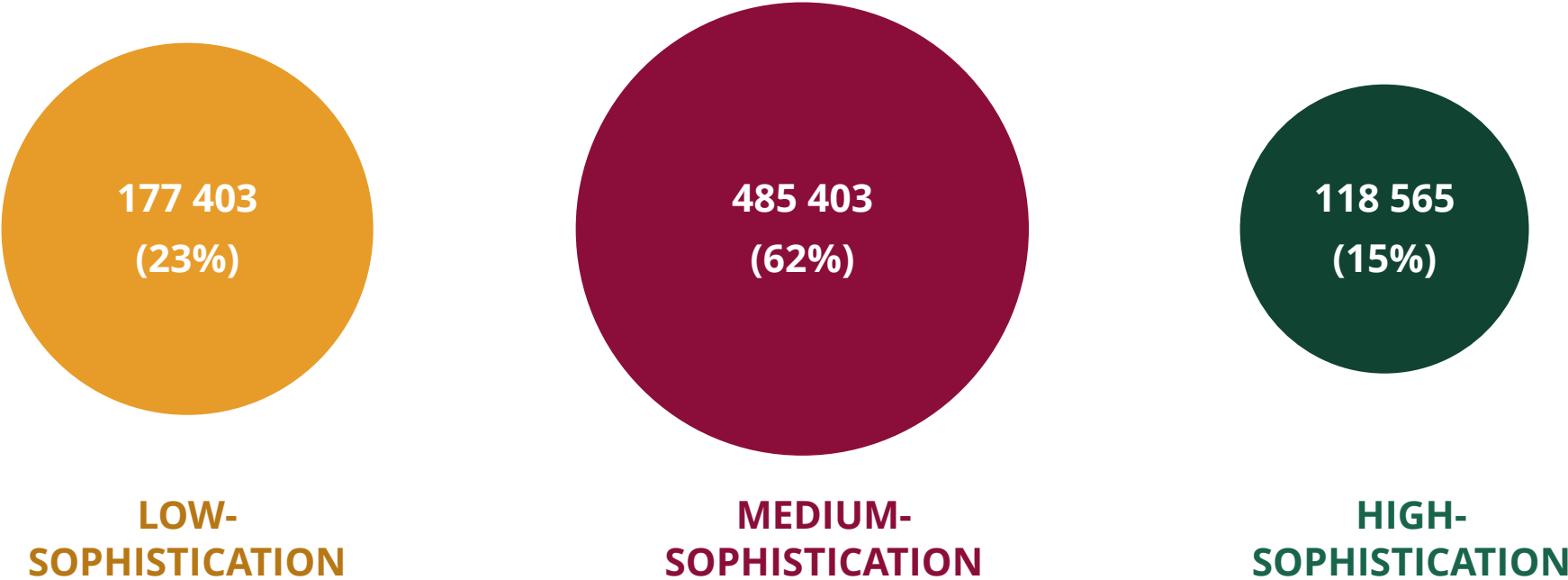
(MSME Survey 2016, Licensed sample)



A cluster analysis was run on the market of wholesale & retail traders who operate from formal premises* using a variety of business characteristics such as number of employees, usage of business financial services and business registration. Three distinct segments were identified that range in sophistication. The largest segment is made up of retail trade businesses with a medium level of sophistication

WHOLESALE & RETAIL TRADER SEGMENTS IDENTIFIED

(781 000 individuals)



Source: MSME 2016 (licensed establishments)

Note: * Formal business premises is defined as those businesses operating from a commercial premises or residential premise with special outfit, and in a permanent or semi-permanent structure

Note: Cluster fields included number of employees, usage of financial services, record keeping, access to and usage of technology and registration status

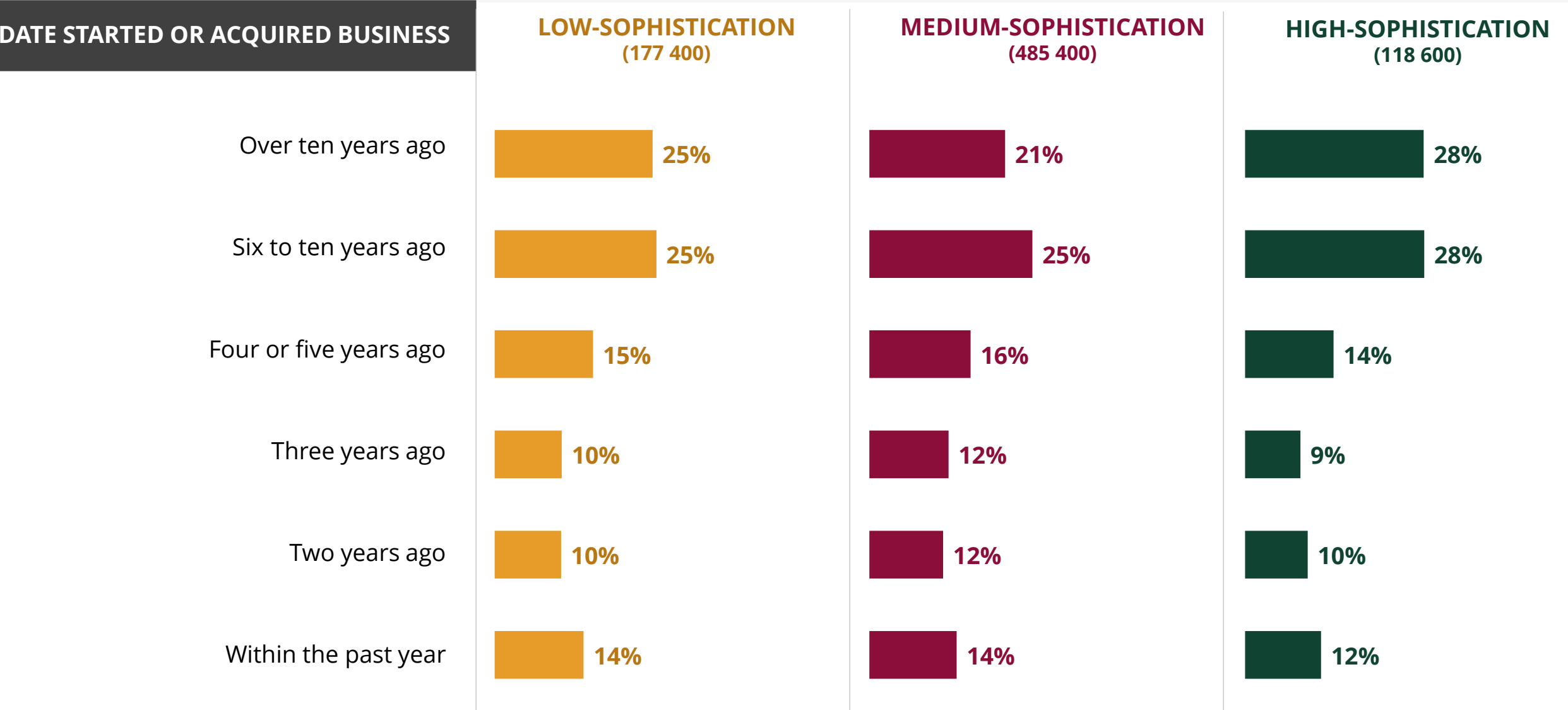
Almost all low-sophistication retail trade businesses have no employees and are unregistered, whereas high-sophistication retailers have three or more employees and almost 80% are registered at the Registrar of Companies. According to this analysis, retail traders employing their first paid employee is a good indicator that they are moving towards a higher level of sophistication

BUSINESS PROFILE		LOW-SOPHISTICATION (177 403)	MEDIUM-SOPHISTICATION (485 403)	HIGH-SOPHISTICATION (118 565)
Number of full time, regular employees	None	95%	61%	14%
	One	2%	26%	12%
	Two	1%	9%	14%
	Three or more	1%	4%	60%
Is the business registered by the Registrar of Companies?	Yes	8%	14%	77%
	No			
Business financial services	Have a bank account*	2%	63%	93%
	Use mobile money in business	25%	54%	69%
	Have a till number	1%	12%	39%
	Have business insurance	1%	3%	37%

Low-sophistication retail trade businesses tend to keep no business records, while medium-sophistication retailers keep cash and sales receipts and personal notes. High-sophistication retail trade businesses are the most likely to keep business records; they also have the highest usage of technology in their business (mobile phones and computers)

BUSINESS PROFILE		LOW-SOPHISTICATION (177 403)	MEDIUM-SOPHISTICATION (485 403)	HIGH-SOPHISTICATION (118 565)
What kind of business records do you keep?	Keep some records	13%	84%	98%
	Keep cash sales and receipts	1%	58%	85%
	Sophisticated record keeping*	1%	1%	45%
Have a dedicated mobile telephone for business	35%	50%	68%	
Use a computer for official purposes	1%	5%	59%	
Connected to electricity	74%	91%	99%	

Interestingly the age of the business has little impact on its level of sophistication. Note that this refers to the year the current establishment was started – it is unclear if the business owners have experience from running previous businesses



Over a third of low-sophistication retail trade businesses are female-owned, compared to just 15% of high-sophistication retail trade businesses. There appears to be a clear link between business sophistication and the owner's level of education with more than half of high-sophistication retail business owners having at least some tertiary education

DEMOGRAPHICS		LOW-SOPHISTICATION (177 403)	MEDIUM-SOPHISTICATION (485 403)	HIGH-SOPHISTICATION (118 565)
Gender of owners	Female only	35%	29%	15%
	Male and female co-owners	28%	23%	34%
	Male only	37%	48%	51%
Highest level of education	At least some tertiary	12%	27%	52%
	At least some secondary	41%	42%	23%
	At least some primary	35%	20%	6%
	None	6%	3%	1%
	NA/ Don't know/ refused	5%	8%	17%



SEGMENT PROFILE:
LOW-SOPHISTICATION TRADER

Name	Felicia
Gender	Female
Age	25 years
Type of retail store	Duka
Building structure	Permanent
Business registration / permit	No permit
Year opened business	2019
Location of business	Kayole
Average daily sales (Ksh)	3 000 – 4 000
Average value of stock for a given day (Ksh)	20 000

“ Personally, I was fully sponsored by my husband to start this business; it was not a loan he just wanted me to have something to keep me busy and also to be able to assist in household budgets when possible.

Starting the business

Felicia’s is a young, new business owner having opened her shop less than one year ago. Her husband provided the start up capital from his personal savings. Before starting the business, Felicia was a housewife and believes her husband helped her start the business to ‘keep her busy’. Felicia feels very fortunate that she had the financial backing from her husband.

Daily operations

On a day-to-day basis, Felicia runs the store by herself from 6am to 10pm. However, her husband is very involved in stocktaking which takes place on a Sunday, and sometimes in the ordering of supplies.

Clientele

The three fastest moving items in her store are bread, fresh milk and diapers. Felicia estimates that clients spend on average 50 – 100 shillings per visit. She gives items on credit to regular clients but to a maximum value of Kes 200.

Over the next two years Felicia plans to diversify her stock to include more sweets and snacks to attract the children in the area and boost her daily sales.

Suppliers

Felicia buys fresh milk and bread daily from suppliers that deliver directly to the shop. She supports the suppliers that deliver early and on time because if they deliver late, she misses out on the morning sales

The milk and bread suppliers deliver the goods on credit and collect payment in the evening.

On a weekly basis, Felicia buys diapers directly from a wholesaler located 1km from her shop.

Record keeping & stock taking

Felicia records her daily sales, stock purchases and customer debts in a physical notebook. She feels that because her shop is not very busy, her current method of record keeping works well for her.

Every Sunday her husband helps with stocktaking. Personally she finds this a very tedious task and is grateful that her husband assists her with it.

Business challenges

Slow sales and credit customers taking too long to pay back their debt are Felicia’s biggest business challenges.

She often feels despondent by the slow sales, especially when her daily revenue does not cover what she owes to suppliers.

Felicia’s views on her business growth are best summed up in this quote –

“I think the growth of my business is not entirely in my hands; I don’t have other money avenues that I can channel into the business...I don’t think its because I am a woman or a young person just that business is slow and there is no money.”



“ I wish to covert [this shop] it into a wholesale store, fully stocked with every kind of brands and to buy directly from the factory. [I also want to] improve my mobile money service to cover all other main banks...”

SEGMENT PROFILE:

MEDIUM-SOPHISTICATION TRADER

Name	Winnie
Gender	Female
Age	32 years
Type of retail store	Supa duka
Building structure	Permanent
Business registration / permit	Has a permit
Year opened business	2017
Location of business	Utawala
Average daily sales (Ksh)	15 000 – 25 000
Average value of stock for a given day (Ksh)	160 000

Starting the business

Winnie is an experienced retail trader having run two businesses prior to starting her Supa duka store. Her first business was selling fruits and vegetables on the side of the road. She used the savings from this business to set up a beauty store at her cousin’s hair salon. Soon after opening the beauty store she expanded the offer to include Mpesa services.

Wanting to try something different, Winnie decided to open her current store using Ksh 50 000 in personal savings and Ksh 100 000 from a Sacco loan.

Winnie believes her journey of starting small and gradually growing is the typical journey of female-owned businesses.

Daily operations

Winnie runs the store daily from 9am to 10pm. She will occasionally ask her younger brother to manage the store if she has an errand to run.

Clientele

Winnie’s store serves households living in the area and passer-by’s due to the location of the shop. On average clients spend 200 shillings per visit. Winnie believes her success in retaining customers is by being friendly to them, understanding their needs (for example by selling goods in smaller quantities) and by offering additional services like Mpesa.

The stores top three fastest moving items include milk, soda, and bread.

Suppliers

Winnie orders stock from large suppliers such as Unilever and Twiga every 2 – 3 days and gets the soda from the Coca Cola depot in the area. The fresh milk and bread she purchases daily from the local suppliers who deliver to her store every morning.

She rarely gets discounts from her suppliers, only around Christmas and other festive periods. She wishes she could get more discounts so that she could improve her profit margins.

Record keeping & stock taking

Winnie records her daily sales, stock purchases and customer debts in a physical notebook, and every second day she

does a stocktake. Some of the challenges she finds with this method of record keeping is irregular or inconsistent records and misplacing the notebook.

Business challenges

Winnie’s main business challenges include slow sales, security risks especially due to mobile money services and the cash on hand and finding trustworthy employees to assist in the store.

Winnie also believes that the lack of access to capital to expand her store, both in size and in the type of stock she sells, is a challenge not only for herself but for most retail traders.



“ I am an auditor by profession hence bookkeeping is key in my business. I have a computerised system that gives me various reports on command and that works out well for me in terms of checking business growth.

SEGMENT PROFILE:

HIGH-SOPHISTICATION TRADER

Name	Dominic
Gender	Male
Age	35 years
Type of retail store	Mini-mart
Building structure	Permanent
Business registration / permit	County permit
Year opened business	2014
Location of business	Kangemi
Average daily sales (Ksh)	100 k – 150 k
Average value of stock for a given day (Ksh)	600 k

Starting the business

Dominic bought the mini-mart store from a friend in 2014. He paid Ksh 250 000 for the business which included the rights to the business name, store shelves and two fridges. Dominic used his personal savings from his job as an auditor to pay for the store and also took a loan of Ksh 250 000 from a Sacco to cover the additional costs of renovating, painting and stocking the premises.

To quote Dominic:

“The first two years were not easy, and I had to go back to my savings a lot [to cover the] daily expenses but in time business picked [up] and currently it runs smoothly on its own.”

Daily operations

Dominic’s wife plays an active role in the business and is primarily responsible for running the day-to-day operations. This allows Dominic to run other errands or complete auditing jobs.

Clientele

The three fastest moving items in his store are milk, maize meal and bread. His clientele are primarily households living in the area who spend between 200 – 500 shs per visit.

Dominic does not offer his clients’ goods on credit but believes that knowing his customers by name, having fresh products in his store and keeping his premise clean keeps his customers coming back.

Suppliers

Dominic has six different suppliers that he orders from. These suppliers typically stock the same goods so he selects based on price and availability of goods. He does not order directly from the factory because they do not sell the smaller quantities he needs. Dominic’s favourite supplier offers him goods on credit for 14 days. All his suppliers deliver.

Record keeping & stock taking

Dominic has invested in a computer system to record daily sales.

His biggest challenge is making his wife use the system. Dominic believes that his wife, and woman in general, are less comfortable with technology than men and

prefer to use a calculator and notepad to record sales, especially when busy.

Dominic manually inputs his wife’s handwritten records into the computer system on a regular basis which he find tedious. He also conducts a thorough physical stock take on a quarterly basis with the help of two labourers.

Business challenges

Aside from getting his wife to use the computer system, Dominic notes shoplifting as a major business challenge. He has installed CCTV cameras to try prevent shoplifting but doesn’t have a full-time employee to monitor the cameras. Dominic is also concerned about the rising cost of rent.



CHALLENGES FACING WOMEN AND YOUTH GROCERY RETAIL TRADERS



During the in-depth interviews two distinct groups of retail traders emerged – the push entrepreneurs who started their business as a way to “keep busy” and were assisted in setting up their business by someone else, and the pull entrepreneurs, who purposefully established their businesses and seek to maximise their profit and growth potential

REASON FOR GETTING INTO THE RETAIL & WHOLESALE TRADE SECTOR: PUSH ENTREPRENEURS

Push entrepreneurs tended to be younger women who started their business with the financial support of their spouses or family members

- These business owners seek **profits to sustain the business** and **contribute to the household budget** where possible
- **“Keeping busy”** is also a driver of starting the business, while growing the business appears to be a secondary objective
- Push entrepreneurs tend to **refer critical or investment decisions to a third party** and have less autonomy in decision making. For example, women traders in this ‘category’ tended to have their spouses help with stock taking and spoke about their reliance on their spouse’s job for any major capital investment
- While push entrepreneurs tended to be young female traders, not all women traders can be classified as such, with some women interviewed demonstrating real ambition and purpose in their business journey

I opened the shop in September 2019, I was a housewife and my husband decided to open the shop and let me run it.

What was your source of start up capital?

My husband savings started this business, he had savings from previous employment.

I was fully sponsored by my husband. It was not a loan he just wanted me to have something to keep me busy and also to be able to assist in household budgets when possible. Not all women and youth are fortunate to have such options.

What are your business growth plans or ambitions?

I don't see any major growth in the next 2 years but I hope to stock up a bit more, maybe brand the shop to attract more customers. Am also thinking of stocking up sweets and snacks for the children because this area has so many kids and this would probably boost my daily sales

- Female, 25 years

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During the in-depth interviews two distinct groups of retail traders emerged – the push entrepreneurs who started their business as a way to “keep busy” and were assisted in setting up their business by someone else, and the pull entrepreneurs, who purposefully established their businesses and seek to maximise their profit and growth potential

REASON FOR GETTING INTO THE RETAIL & WHOLESALE TRADE SECTOR: PULL ENTREPRENEURS

Pull entrepreneurs spoke about their drive to grow their business and maximize profit potential

- These business owners, both male and female, started their stores using **personal savings** and, in some cases, **loans from Chamas or SACCOs**
- The intention to start their business was very clear and purposeful. Some respondents noted that they **left salaried jobs to start their business**, while others spoke about their **self-employment journey**
- **Growth opportunities were top of mind** for these retail traders. This included expanding their stores to bigger premises, opening more branches, and adding additional services to retain customers such as financial services (Mpesa) or delivery services for customers

What was your source of start-up capital?

I used savings from my hotel business. I closed a food hotel to start the wholesale trade

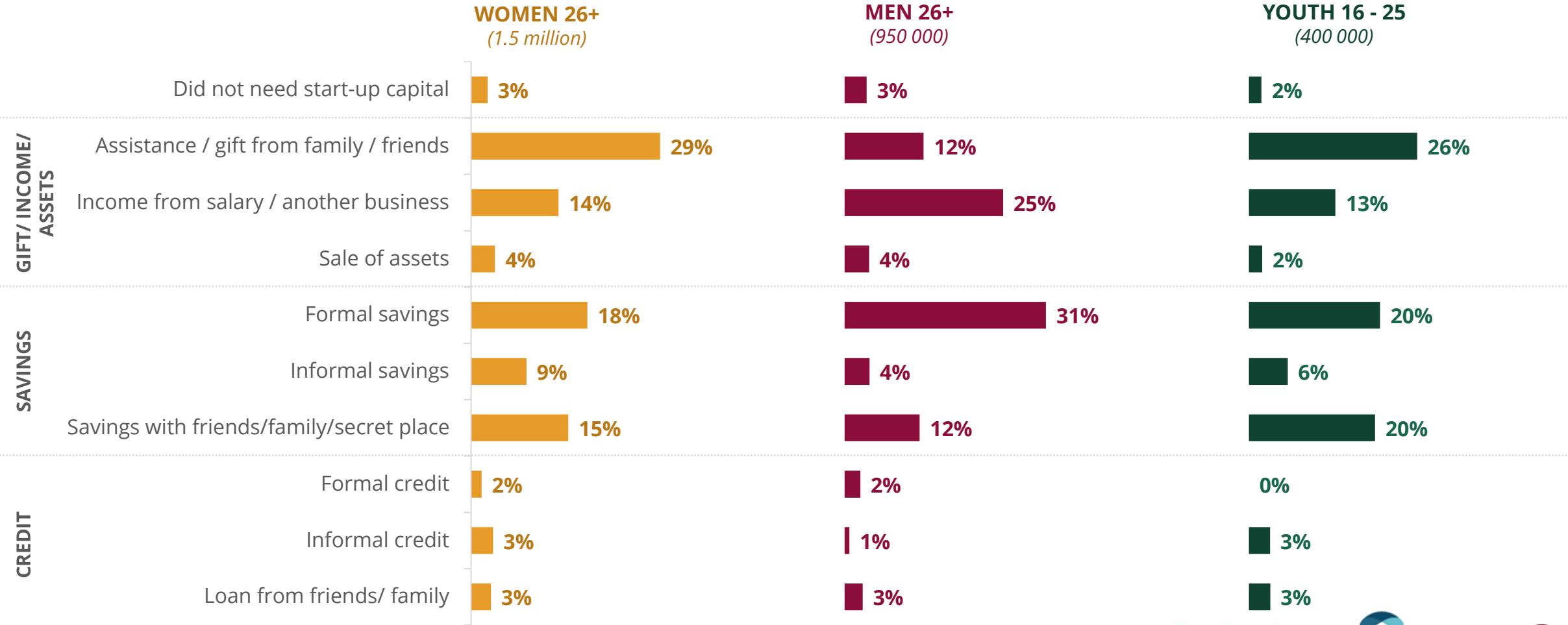
What are your business growth plans or ambitions?

*I am thinking of extending my shop, have more stores. I want to be among the main wholesaler in this area. I want to be able to market my business well enough, employ motorbike riders to do deliveries and offer credit to most of my retail clients because that is one of the ways to retain them. – **Female, 49 years***

According to FinAccess 2018/19 data, women and youth traders are significantly more likely to rely on assistance from family and friends for their start-up capital. Male traders rely largely on income from a salary or other businesses, and formal savings. The usage of credit for start-up capital is limited across all groups

MAIN SOURCE OF START-UP CAPITAL FOR BUSINESS

(Business owners in the wholesale and retail trade; 2.8 million)



In line with the survey data, interviews with retail traders indicated that family is a key source of start-up capital for women and youth



START-UP CAPITAL

Family support is key for women and youth owned retail trade businesses

- This support is provided as a loan or a gift

Male business owners were perceived to be more likely to access credit for start-up capital and women as better savers

- Respondents notes that male business owners are more likely to have assets for collateral making them more likely to access formal credit

Youth are likely to struggle the most to acquire start-up capital

- It was noted that youth are unlikely to access personal savings or credit to start their business as they have not had the time to accumulate any savings or assets

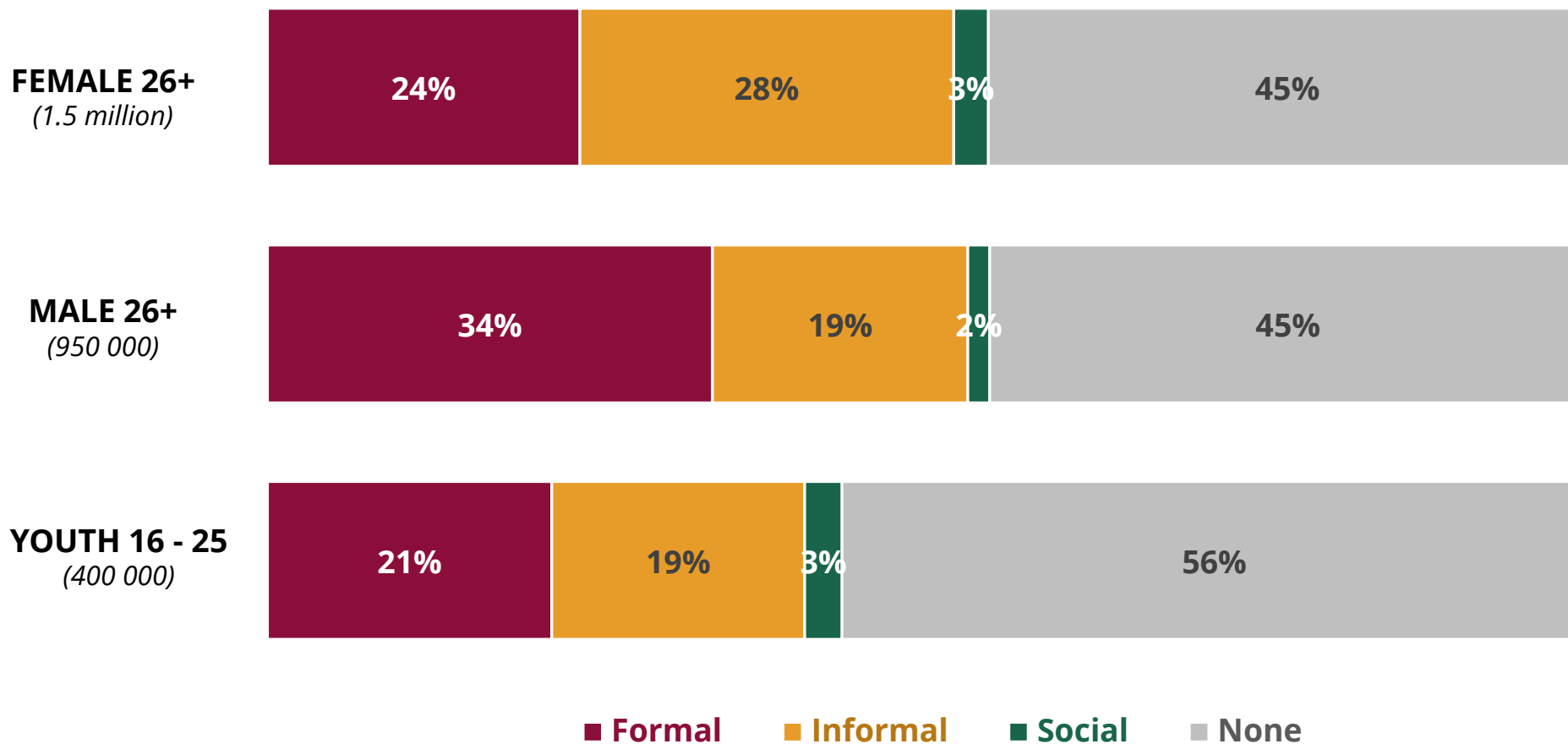
For me and many women here in business you get capital from the family member either as a loan or gift –
Female, 34 years

*For youths, it sometimes becomes a big challenge raising capital for the business. I had a dream of opening business but every time I save some money, I ended up using [it] on some pressing issue. **Older people are able to manage as they have already spread their network and have some assets which can raise capital** –*
Male, 34 years

When considering ANY credit usage (for personal, household or business reasons), around a third (34%) of male business owners are currently using formal credit, compared to 24% of female business owners and 21% of young business owners in the wholesale and retail trade sector

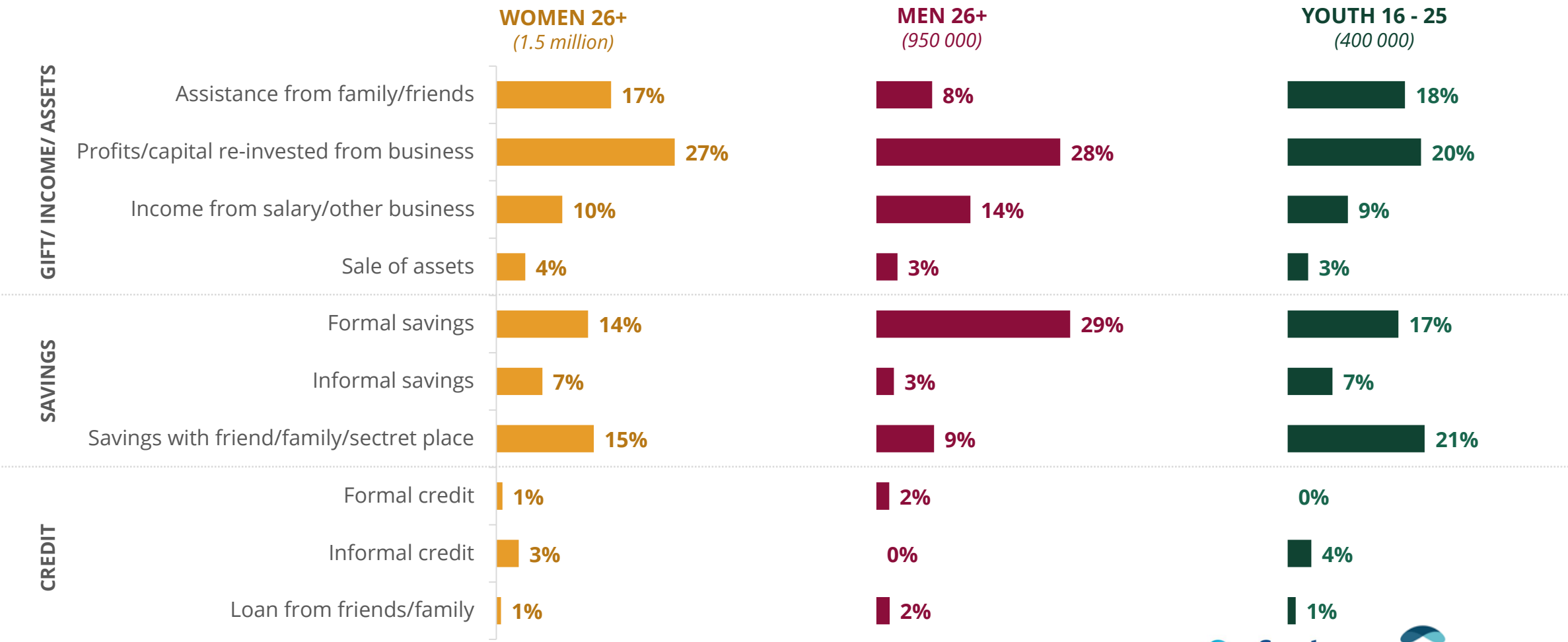
CREDIT USAGE STRAND FOR BUSINESS OWNERS IN THE WHOLESALE AND RETAIL TRADE SECTOR*

(2.8 million business owners)



A similar trend is evident when looking at general business finance. Male owned retail trade businesses are more likely to rely on formal savings and income from their business or another business, while women and youth are more likely to rely on assistance from family or friends. Very few business owners say that credit (formal or informal) is their main source of finance

MAIN SOURCE OF FINANCE USED FOR THE BUSINESS*
(Business owners in the wholesale and retail trade; 2.8 million)



Most business owners interviewed rely on their daily business revenue to fund their stock purchases and other business expenses. This was highlighted as a challenge for female and youth retail traders who tend to have less liquidity than male business owners and, in particular, female traders who do not have any spousal or family financial support



WORKING CAPITAL

Male-run businesses are perceived to have better liquidity than women and youth-run businesses

The term “the business runs itself” was often used by respondents to illustrate the point at which their business’ daily revenue was able to cover operating expenses.

Respondents noted three factors that drive the difference in operating capital between male-owned and female / youth-owned businesses:

1. Women and youth tend to operate one business at a time, while **men are perceived to run multiple businesses** which improves their liquidity
2. With limited operating capital, women and youth are likely to **miss out on volume discounts**. This affects their price competitiveness and profit margins
3. Older men are thought to have reduced operating costs as they are more likely to **own their business premises** thereby forgoing rent expense

*Men have numerous businesses and can use savings from there to here... personally I could not run two businesses at the same time - **Female, 30 years***

*Men have more chances of making it in this business because most of them have other sources of money, unlike women who start up a business with more faith than money - **Female, 30 years***

Some female-owned retail businesses have shorter operating hours than male-owned stores due to the women's domestic responsibilities and security concerns. However, some male traders also spoke of security concerns impacting on their opening hours



OPENING HOURS & SECURITY



Most retail stores are open for 15 – 18 hours a day

- Opening hours of retail outlets were similar across a locality and dependent on **security, customer flow and location of store**

Security concerns and household responsibilities impact on operating hours of women-owned businesses

- **Security concerns** are an issue for all business owners. However, some respondents noted that its impact is felt **more strongly by female business owners**
- Several respondents noted the impact **domestic responsibilities** have on female business owners, with some female-owned stores operating up to **3 hours less than their peers**
- An early start translates to **liquid cash** which has implications on float management for the rest of the day. When female-owned businesses cannot open early due to domestic responsibilities, they miss out on important sales and cash flow

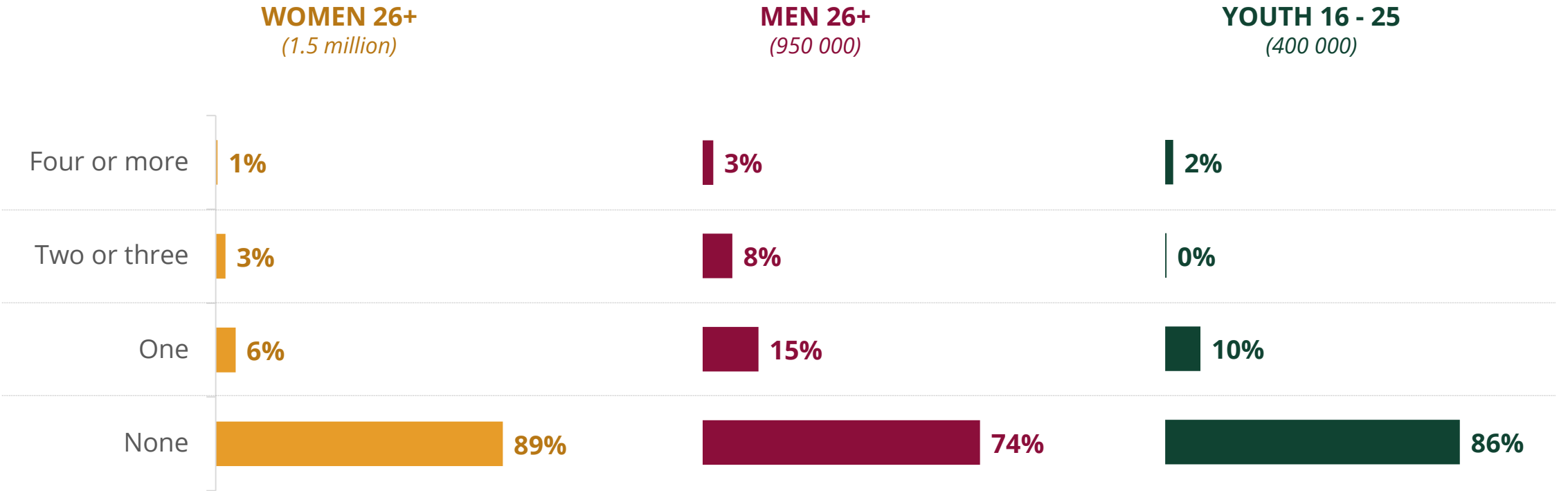
*Most shops open at 6am but I take advantage of the morning hours when kids are going to school because that is when I sell sweets and snacks...by 7am I already have like 1 000 ksh from snacks and sweets only. I close at around 10 -11pm in the night because my neighbours are men and they open till late so I take advantage of the sense of security they give. **Many women will close earlier for of fear of being robbed or even because they have to go take care of other household chores.** – Female 34 years*

*We work in an area that is not good security wise, so we open late and close early for that reason. **Security issues apply to all businesses whether run by a woman or youth.** – Male, 23 years*

According to FinAccess 2018/19, the majority of business owners in the wholesale and retail trade do not have any paid employees. Male business owners are the most likely to have paid employees; 26% have at least one paid employee compared to 11% of women owned businesses

OVER THE LAST 12 MONTHS, ON AVERAGE HOW MANY PAID WORKERS DID YOU HAVE IN YOUR BUSINESS?

(Business owners in the wholesale and retail trade; 2.8 million)



According to the qualitative research, women and youth-owned retail trade businesses typically do not have the financial resources to employ staff for their store, while male-run stores tend to get unpaid assistance from their spouses



LABOUR / STAFF

Women and youth-owned businesses are less likely to engage in paid labour

- Due to the **smaller size** of their stores and **limited financial resources**
- Female business owners' reluctance to get employees also appears to be driven by their desire to keep **tight control over their business**
- This need is apparent across many entrepreneurs but more evident in women especially after **negative experiences with employees**

Male business owners often use their spouse as unpaid labour

- Respondents noted that married male retail traders have an advantage over others as they tend to get assistance from their spouses. This **frees the men up to run errands or other business activities**

*For new business especially those run by youths, it might be a challenge if you don't have the capacity to employ others to help you out. Also I think men will be at liberty to involve other people in the running of the business as he moves around to venture into other income generating activities – **Male, 30 years***

*Most men will employ someone to work in the shop or have the wife sit in shop more so in case they have other errands. Youth and women may not have the financial ability to employ an assistant. – **Female, 32 years***

While male business owners often have their spouses sit in their shop, many married women also tend to get help from their husbands with tasks such as stock taking. Young business owners also noted involvement of family members, many felt like they were under scrutiny from family



LABOUR / STAFF

Many female business owners were also getting some form of support from their husbands

- Several female business owners mentioned spousal involvement with critical aspects of the business including stocktaking and bookkeeping
- This typically occurred on the weekend when the husband was not working

Young business owners may feel pressure to involve family members

- Some young traders noted receiving support from family members, though some youth appear to find this involvement stifling and removing some of their autonomy

*I run the shop on a daily basis apart from the weekend when I get help from my husband. During that time he will go through the sales record and see if we are making any loss of profit and also try to follow up with the suppliers and creditors. **When I am not around and my husband is at work we close the shop because at this time I can't afford to employ someone - Female, 34 years***

*I run the business on a daily basis but my father has interest in the business and he comes in from time to time to help me and to see how things are moving... **I feel like young people who get support from parents are always under scrutiny and its almost like you cant make a decision in your own business unless you consult; this makes it hard for them to put in new ideas and try out new things in the market - Male, 27 years***

The qualitative research revealed that sustainability and profitability is a key challenge for small retail trade businesses. Most retail traders interviewed described their profit margins as being low, with price fluctuations on core items, such as maize meal, putting additional pressure on margins



STOCK & PROFIT MARGINS

Traders operate on thin profit margins

- **Price fluctuations** put pressure on traders' profit margins and make it **difficult for business owners to predict future cash flows** and plan accordingly
- Often these price increases are not passed on to customers for fear of losing them to competing stores
- The **high level of competition** and limited differentiation between retail traders appears to have driven **price uniformity** across stores operating in the same area

*The only challenge is price fluctuation. Sometimes the stock price increases but you cannot increase the price for your customers so that you can retain them. This reduces your profit margins – **Male, 23 years***

The main factor driving profit margins is the ability to access bulk discounts from suppliers. Male business owners are perceived to be more likely to access bulk discounts

- Given that most of the respondents interviewed were owners of the smaller 'Duka' and 'Supa-Duka' stores, it is not surprising that **few mentioned receiving regular volume discounts** on the stocks they order
- Some respondents perceived **male traders as more likely to get volume discounts because they tend to own the larger stores** (i.e. mini-marts or wholesalers) and therefore can afford, and have the space, to buy in bulk
- The perception that **men are "more aggressive" in seeking out and negotiating deals** than female-business owners was also noted by some

While respondents do not perceive gender to play a role in a businesses' ability to generate a profit, inadvertently it does. Female retail traders mentioned that men tended to own the larger stores and have the resources to purchase stock in bulk directly from the factory or manufacturer, thereby enabling them to buy stock at lower prices and improving their businesses' ability to make a good profit



STOCK & PROFIT MARGINS

*I think most shops owned by **men buy in bulk** so they stand better chance of getting discounts hence better profit margins....they can afford to drop a shilling or 2 from an item to entice more buyers. – **Female, 34 years***

For men with well established business, they may go get their stock directly from the manufacturer**, which may be a little bit cheaper hence may make more profit but with our small kiosk you have no capacity to buy directly from the manufacturer. – **Females, 34 years

*When you are in this trade, you have to be **as aggressive as the men in order to get the best deals**. I think women depend so much on goods being delivered to them unlike men who will move around so much comparing prices. – **Female, 30 years***

Given the pressure on profit margins, all store owners conduct extensive price comparison before ordering stock. This is done either telephonically or by physically visiting the supplier. For business owners without employees, visiting a supplier may come at the expense of closing the store for a few hours



SUPPLIERS – CHOICE & ORDER METHOD

The choice of supplier is driven primarily by price and stock availability

- Almost all business owners mentioned doing a **price comparison** between suppliers. This is done either **telephonically** or **in-person**
- In person visits allow the business owners to conduct quality checks on the goods
- For businesses with no employees, in-person visits often come at the expense of closing the store for a few hours. This especially effects women and youth owned stores, which are less likely to have employees

*I go round comparing prices and also checking the market for new products that I can add on my shelves. Most women who work alone in their shops want delivery to be done on their doorstep but I prefer going round. I go during off peak hours 1pm - 2pm and do my shopping. – **Female, 30 years***

Q: How is the order placed [with suppliers]?

*I prefer going in person so that I check on the quality because at times the cereals for example are of poor quality and other times not sorted. – **Female, 34 years***

All respondents mentioned having multiple suppliers that they order from. The choice of supplier is driven primarily by price and stock availability. For fast moving goods such as fresh bread and milk, the reliability of suppliers is critical. The location of suppliers is also important for store owners who like to physically inspect stock before purchasing it



SUPPLIERS – CHOICE & ORDER METHOD

Other factors that influence choice of supplier include:

- **Free delivery** is highly value, especially for those business owners who may not be able to physically visit suppliers because they do not have employees to keep their shop open
- **Reliability of their delivery service** - stock not delivered on time equates to loss of sales and daily revenue
- **Location is important** to some business owners as they mentioned that they will physically go collect the items if the supplier is busy and cannot deliver on time
- **Loyalty** to long-standing suppliers **and credit availability** and terms also play a key role in the choice of suppliers

*For milk and bread I choose the ones who will deliver on time because those items move with time; if they deliver later than 6am it mean I will miss out on morning sales – **Female, 25 years***

*For salad and maize meal I have no specific supplier, it depends on price. But for cereals **the guy has good customer care as he makes follow ups to know if I have been able to sell**, and if I am facing any challenges with the product. **He is also able to replace any product that has issues**. He also makes frequent visits to my shop. – **Female, 34 years***

*Sammy West is my best supplier. He understands my needs and capacity, I have grown through his support and guidance – **Male, 30 years***

Inventory management is an important part of any retail business operation, yet few women and youth traders interviewed conducted regular physical stock takes. With the smaller retail stores, most owners mentioned that they know what to order by simply looking at the shelves



STOCK MANAGEMENT

Female and younger respondents (in their 20's) are less likely to conduct regular stock takes

- It is **time-consuming** and especially for woman who have other **domestic responsibilities**
- Business owners are **uncertain about the value of stock taking**, especially in small stores where most stock is visible, and owners can easily tell what needs to be reordered by simply looking at the shelves
- Female respondents who said they had regular stock taking schedules **tended to have help from their spouses**, or generally only conduct a stock take on the items that are less fast moving

*Every Sunday my husband comes in to do a stock take; make a list of items to be re-stocked and also try and estimate what that will cost us. I wouldn't know if that is a challenge for other shops; personally I say am lucky **because I think its a very tedious duty and am glad my husband can assist me on this as I take a break on Sundays and open only in the afternoon.** – **Female, 25 years***

My shop is not big so I can take a look around in a minute and quickly know what needs to be restocked.** I don't do stock taking. I don't see any challenge in this but probably it can be a challenge for women with bigger shops because you need to climb and move things around in order to get an accurate account of your stock – **Female, 34 years

The interviews revealed that most female retail traders typically track their business performance using physical notebooks, while some do not keep records at all. Some female traders perceive the task to be unnecessary and others feel that it is too time-consuming



RECORD KEEPING: MANUAL, PHYSICAL NOTEBOOKS

According to FinAccess data, male business owners in the wholesale and retail trade are more likely to keep some kind of business records

- 48% of males in the wholesale and retail trade keep records compared to 40% of female and 41% of youth business owners

Interview respondents that don't keep business records noted a number of reasons for this including:

- **Lack of perceived value** – especially in smaller stores where the owner is the only employee working in the store
- **Lack of time** – especially for female business owners who have additional pressures from domestic responsibilities
- **Replication of efforts** – activities such as keeping receipts is considered as sufficient record keeping
- **Only required if business has employees** – there appears to be a widely held assumption that employees cannot be trusted which necessitates the need for good record keeping

*Record keeping challenges could be more for the women because they have other duties to attend to after closing shop; they may not have time to do proper recordings – **Male, 25 years***

*We don't keep proper records because it's me or my husband in the shop and we trust each other; so no need to keep records – **Female 49 years***

Six of the eleven male traders interviewed use computer-based systems in their stores to track daily sales and, in some cases, also stock levels. Whereas female owners tended to rely on written records



RECORD KEEPING: COMPUTER-BASED SYSTEM

Of the interview respondents, male business owners are more likely to use computer-based systems in their stores

- Of the 25 female business owners interviewed only 2 used a computer system in their stores compared to 6 out of the 11 male business owners interviewed

Respondents perceive women to be less computer literate than men

- Both male and female respondents noted that women's level of comfort with technology and computer literacy, in general, may act as a barrier towards their usage of computer systems
- Others felt that the size of their store did not necessitate the need for a computer system

*I think women are somehow challenged when it comes to technology and are not confident using it. My wife trusts the simple **calculator** over using the system. I wish she would be confident to use it because it would make my reports much more accurate...I find it very tedious and time wasting reconciling her book records to the system and at times am not sure she recorded all items sold - **Male, 35years***

Q: Have you ever considered using a different system for record keeping?

*No, given the size of my shop I don't think its necessary to have a different system; **a book and calculator are sufficient.** - **Female, 34 years***

FinAccess data on access to technology aligns with the insights gained from the qualitative research. Male and youth business owners are significantly more likely than women to use the internet, and they tend to have a higher level of mobile capability such as greater usage of email, internet and downloading / accessing mobile apps

ACCESS TO TECHNOLOGY

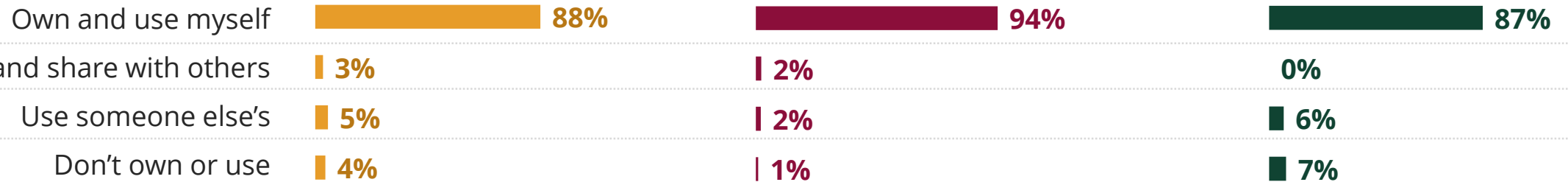
(Business owners in the wholesale and retail trade; 2.8 million)

WOMEN 26+
(1.5 million)

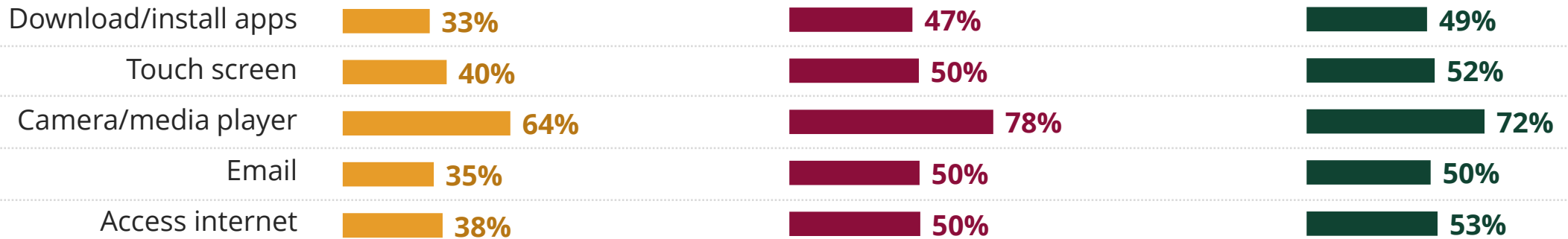
MEN 26+
(950 000)

YOUTH 16 - 25
(400 000)

MOBILE OWNERSHIP

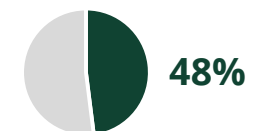
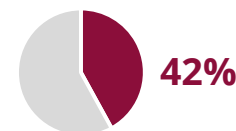
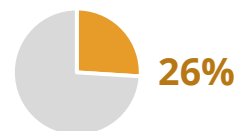


MOBILE CAPABILITY



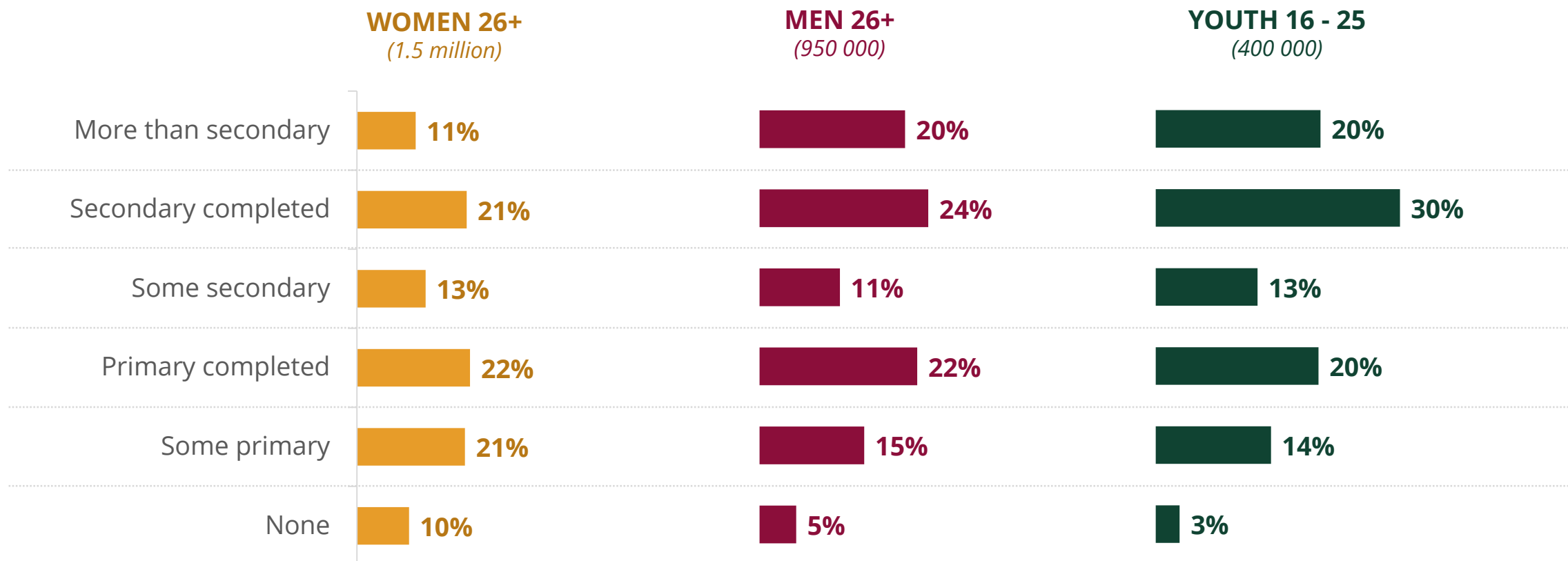
USED INTERNET IN LAST 4 WEEKS

■ Yes
■ No



Women retail traders lower levels of education may contribute to their lower usage of computer systems. According to FinAccess, female retail traders have lower levels of education than male and youth retail traders; less than one third of female retail traders have a secondary education or higher compared to 44% of male and 50% of youth retail traders

HIGHEST LEVEL OF EDUCATION
(Business owners in the wholesale and retail trade; 2.8 million)



Source: Kenya FinAccess 2019

Note: Of the total population aged 16+ (27.1 million people), 13% have more than a secondary education

In term of business ambitions, most retail traders have relatively clearly defined goals for their business, such as converting their stores to wholesalers or mini-marts. The strategies to reach their goals varied from attempts to manage business expenses to more concrete plans such as applying for loans



BUSINESS AMBITIONS AND FINANCING GROWTH

Many traders mentioned ambitions to move up the value chain and become wholesalers

- Several respondents mentioned a desire to expand their small Duka shops to mini-mart or supermarket level, or expand the reach of their business by opening up stores in different areas
- Larger business premises, a better stocked store, purchasing stock directly from farmers or factories, and diversifying their offering, primarily to include mobile money services, were also commonly mentioned growth plans
- There was **little difference in the way the female and male traders spoke about their business ambitions**

Covid has forced some traders to re-think their expansion plans

- A few traders specifically mentioned Covid as having impacted on their business plans. For example, one retailer spoke about how he started the process of applying for formal credit but he doesn't think the process will go ahead because of Covid

I am thinking of extending my shop; have more stores. I want to be among the main wholesaler in this area. I want to be able to market my business well enough, employ motorbike riders to do deliveries and offer credit to most of my retail clients because that is one of the ways to retain them.

What will help you achieve your business goals?

*Nothing is stopping me its just that time is not right to expand; especially with the current situation of Covid -19. Business is slow and we are not sure when it will pick up again – **Female, 49 years***

Female retail traders believe disciplined savings is one of the key factors that will help them achieve their business goals



BUSINESS AMBITIONS AND FINANCING GROWTH

Male business owners are perceived as having more access formal credit for business growth

- Men are perceived to be **greater risk takers** contributing to their higher usage of bank and Sacco loans
- As mentioned previously, men also tend to have **greater access to assets that can be used as collateral**

A key theme that emerged is that women business owners prefer savings to finance their business growth over credit

- The aversion to formal credit is related to the **perceived high interest rates**, ineligibility for loans due to **limited assets**, and the tendency for female business owners to be **more risk adverse** than male-business owners
- Female business owners mentioned **disciplined savings, improved credit terms from suppliers**, and **good customer service** as key factors that will help them achieve their business goals
- Whereas **male business owners tended to focus on credit and good business management** as factors that would drive their business growth

*Women are very good in saving through the chamas its almost like a requirement ...it pushes them to save regularly, for the men its hard to be disciplined to save because no one is pushing. – **Male, 27 years***

*Getting loans comes with a lot of push-push, where you strive to pay and again with a profit. – **Female, 34 years***

*Men risk a lot because most of them depend on loans from saccos and the bank while women have the more freedom to save. – **Female, 30 years***

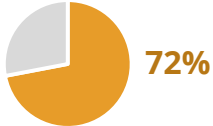
According to FinAccess, the most common goal that business owners in the wholesale and retail trade sector are currently trying to achieve is to expand their businesses. Young business owners were the most likely to be trying to expand their businesses

GOAL

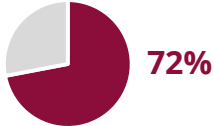
Currently trying to achieve a goal

■ Yes
■ No

WOMEN 26+
(1.5 million)



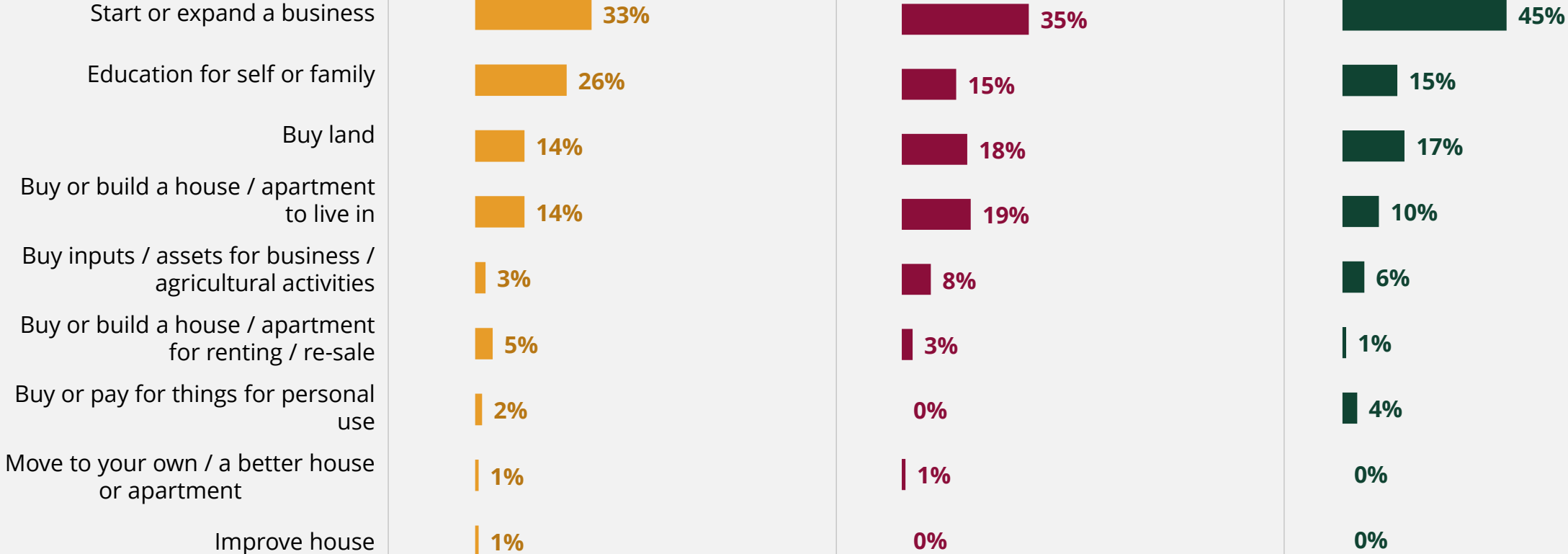
MEN 26+
(950 000)



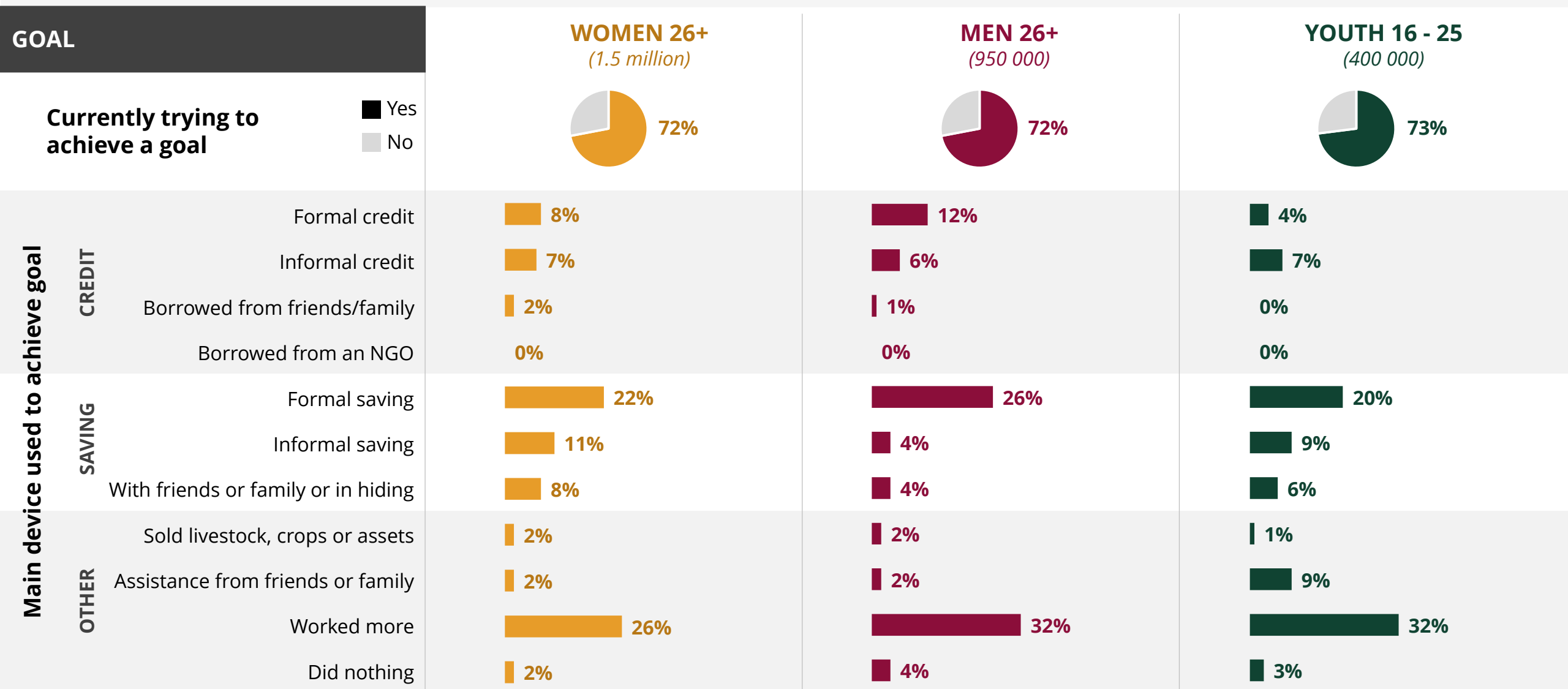
YOUTH 16 - 25
(400 000)



MAIN GOAL CURRENTLY TRYING TO ACHIEVE
Of those currently trying to achieve a goal



FinAccess data indicates that many retail traders rely on working by either working additional hours or taking on other jobs, as their main strategy to reach their goal; male business owners are the most likely to use formal credit



Interview respondents were asked if women and younger business owners face any particular difficulties, or face difficulties more so than their male / older counterparts. Half of the respondents said that the challenges they face are common to all people in the retail trade and are not specific to women or youth

MAIN CHALLENGES EXPERIENCED BY FEMALE RETAIL TRADERS

- Of the 25 women interviewed, 14 women said that they did not face greater challenges than their male counterparts

However, some female respondents did note challenges that are specific to, or felt more strongly by, women retail traders:

- Five women noted that **domestic responsibilities** impacts on the time they have to focus on their business
- Two mentioned that women are **more compelled to help out customers in need by providing credit**
- Two mentioned that women face **larger security issues** which often translates to shorter trading hours
- Two mentioned that women **do not have the same level of support in their store** as they often do not have the resources to hire employees and their husbands will not sit in the shop for them (often because they themselves are in full-time employment)

*I have house chores to take care of like cooking so I must sacrifice my time by waking up early and sleep late unlike men who believe house chores are women responsibilities – **Female, 48 years***

*As a woman, I would be compelled to give credit when my fellow woman comes and explains to me maybe that she does not have money or food for children, compared to men shop where it is a challenge to approach them for credit – **Female, 35 years***

*I think the issue of breaking into the shop was done by people who know me well and were sure as a woman I would be afraid to face them – **Female, 30 years***

Interview respondents were asked if women and younger business owners face any particular difficulties, or face difficulties more so than their male / older counterparts. Half of the respondents said that the challenges they face are common to all people in the retail trade and are not specific to women or youth

MAIN CHALLENGES EXPERIENCED BY YOUNG RETAIL TRADERS

The younger respondents mentioned that the pressure to succeed is a major challenge for them

- Three respondents mentioned the **pressure to succeed** in business, usually from family, and the perception that if they do fail this is due to “laziness”
- Two respondents mentioned that younger business owners are **not yet established and have therefore not accumulated savings** which impacts on their ability to grow their businesses
- One respondent mentioned **access to finance is more limited** for younger business owners because they do not own assets or have collateral to put up as security for loans

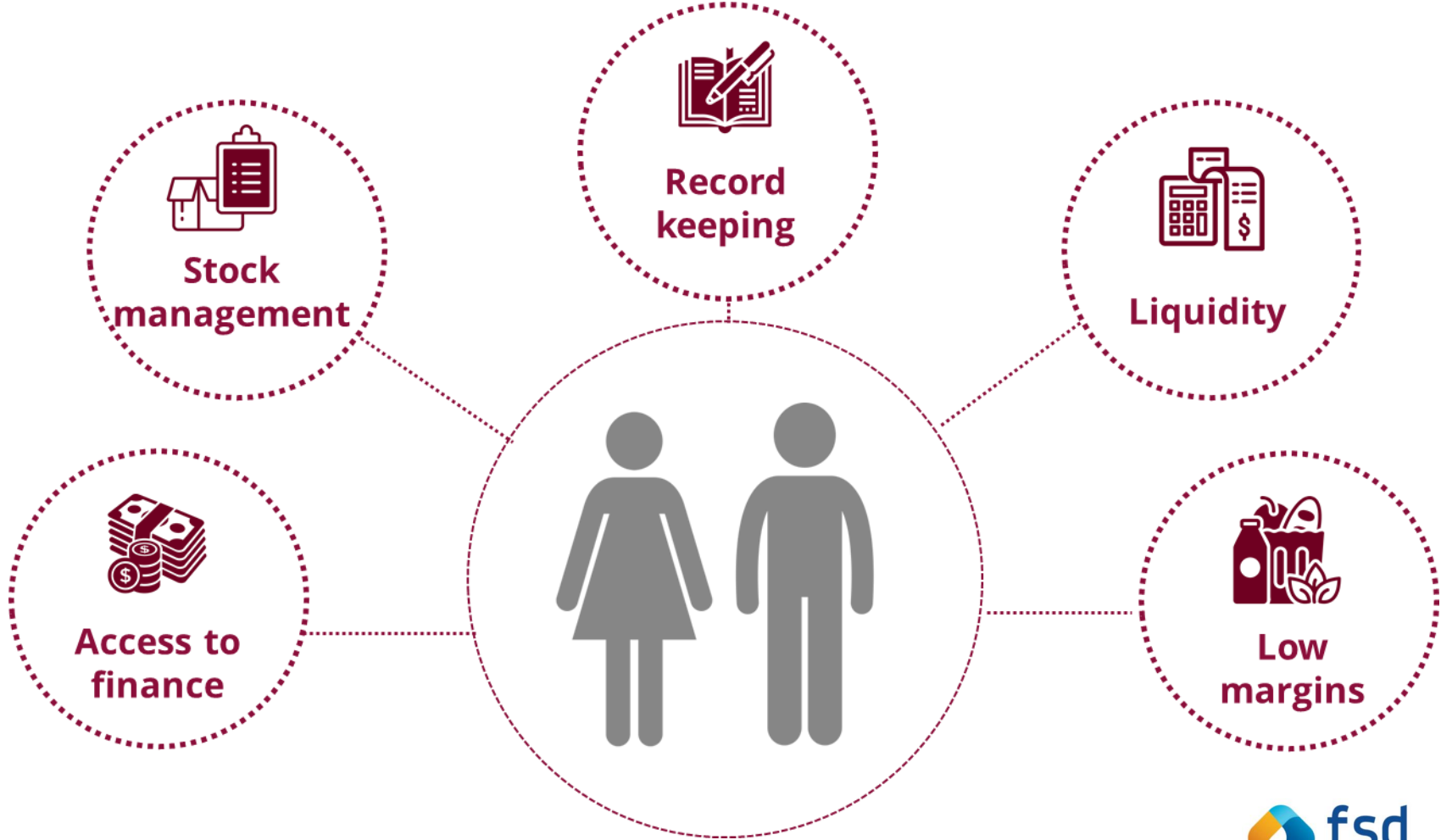
*The youth are prone to peer pressure and negative feedback from people around them. We are deemed to be lazy and any kind of set back is translated to laziness – **Male, 25 years***

*Those people who have been in business for a long time do not face the same challenge because they can use their savings to expand their business, but for a young person who relies only on one business it is a challenge – **Male, 30 years***

*Financial institution require a lot of security in order to give loans for business and as youth, we have not accumulated any property or having connection to someone who can act as guarantor – **Male, 34 years***

Many of the challenges faced by business owners in the wholesale and retail trade could be solved, or mitigated, with the use of digital solutions

DIGITAL SOLUTIONS COULD ASSIST WITH ALL OF THESE CHALLENGES





OPPORTUNITIES OFFERED BY DIGITAL SOLUTIONS



Despite their current low usage of digital solutions, respondents were aware of the benefits digital solution could bring to their businesses including better tracking of sales and improved visibility

BENEFITS NOTED BY RESPONDENTS

✓ Better tracking of sales and more accurate business reports

- Business intelligence can improve competitiveness

✓ Time saved

- Especially noted by female business owners

✓ Better control of their shop

- Allows for closer monitoring of sales in real-time

✓ Improved visibility

- Improved visibility of sales which can be used to acquire finance or used to generate better terms with suppliers

[A digital solution] will help me make accurate calculations of how the business is doing, stock taking, sales and profit. The product can make me strategise to get someone to be helping me with sales when I am not around, rather than closing the shop and losing customers. Also the product will help create a lot of confidence with my suppliers – Female, 34 years

I think not many youth or women understand what opportunities come with such kind of reports ... you can use reports to get bank loans or even get major suppliers on basis of such reports - Male 30 years

However, there are numerous challenges to incorporating digital solutions

CHALLENGES TO INCORPORATING DIGITAL SOLUTIONS

Risk aversion

- Younger business owners were noted as being risk takers
- Women business owners were perceived to be risk averse, due to limited resources, fear of failure and thoughts about the future

Openness to new technology

- Older women specifically were perceived to be the least likely to adopt new technologies

Perceived as not necessary for smaller businesses

- Some perceive digital solutions as being only necessary for larger more established businesses with employees

Ability to invest in new solutions

- Margins in the retail sector are small and liquidity is often constrained

*Women have a fear of failure and will not commit to anything unless they are sure it will work for them – **Female, 27 years***

*It would be a challenge for me **because I have no knowledge whatsoever of using a computer**; it will slow me down very much; it means I may have to employ someone to work on it. I think supermarkets use this kind of systems to reduce theft cases from employees. **The only people who are in this shop is me and my husband and we trust each other, so we probably don't need it** – **Female, 49 years***

However, there are numerous challenges to incorporating digital solutions

CHALLENGES TO INCORPORATING DIGITAL SOLUTIONS

Strong relationships and set processes

- Any solution that disrupt existing business relationships or processes are unlikely to be taken up

Visibility and data protection

- Numerous respondents worried about who would be monitoring their data

Unstable power supply

Security concerns

- Digital solutions that include expensive hardware could make shops a target for criminals. Specifically noted by women respondents

*People managing the system and viewing the data may set you up with thugs and KRA, because they are able to know how much the shop makes at any given time, and also some suppliers may be able to monitor the trend of your sales – **Male, 34 years***

*It requires computer knowledge which most of us don't have and also maintaining it **in terms of security, it will force us either to carry the system home or employ a watchman** to man the shop which is an extra cost – **Female, 35 years***

Strategies that digital solutions could employ to overcome the challenges of adoption



Clear value proposition

- Given the low margins experienced by retail traders, especially women and youth, there needs to be a clear value add before traders are willing to integrate a new system



Solutions that promote time saving efficiencies are likely to resonate with women

- Domestic responsibilities were noted as a key challenge facing female retail traders so solutions that talk to allowing more time for family would resonate with this segment



Solutions that offer liquidity and facilitate bulk discounts are likely to resonate with all business owners

- Given the low margins and high levels of competition, any opportunity to assist retail traders improve profit margins would be well received



Solutions must be affordable for small business owners

- Payments need to be linked to their cash flows in order to not create additional burden on the business owners

Strategies that digital solutions could employ to overcome the challenges of adoption



Simple to use with support to assist business owners with integration

- Certain segments are less tech savvy, simple systems with lots of support would assist with a smooth integration and ensure the solution is used correctly



Must be able to integrate into how the business owner currently runs their business

- Systems that compromise relationships with suppliers, or are not flexible to the store's current operations may not be taken up



Testimonials, referrals and face-to-face contact and allowing for test-runs could assist with uptake of digital solutions

- For those retail traders who are particularly risk-adverse, testimonials and referrals could assist with building trust

AGENDA

1. Research objectives and methodology
2. Impact of Covid-19 on businesses in the retail trade
3. Wholesale and retail traders in Kenya
4. Challenges faced by food / grocery traders
5. **Appendix**

Two data sources have been used – FinAccess 2019 and MSME licensed businesses survey 2016

OVERVIEW OF DATA SOURCES

Financial Access (FinAccess) Household Survey 2019

Publisher:

Kenya National Bureau of Statistics, Central Bank of Kenya, FSD Kenya

Sampling:

- Sampling for the 2019 Survey utilized a two-stage stratified cluster sampling design.
- The first stage entailed selecting 1000 clusters from NASSEP V. The second stage involved random selection of a uniform sample of 11 households (434 in urban and 566 in rural areas) in each cluster from a roster of households in the cluster using systematic random sampling method. The third stage involved selection of the individual at the household level using an inbuilt Computer Aided Personal Interview (CAPI) KISH grid to select one eligible individual (16+ years) from a roster of all eligible individuals in the household.
- All the selections were done without replacement.
- The data has been weighted back to the population to be representative at both the national level as well as at the regional levels.

Micro, small and medium establishment (MSME) survey 2016

Publisher:

Kenya National Bureau of Statistics

Sampling:

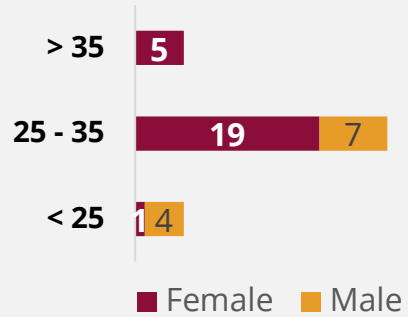
- The data set we have, contains 24,164 records and 1.85 million business owners. This data can be filtered to replicate the 1.56 million MSMEs licensed by county governments, as stated in the report
- The survey also sought to understand unlicensed businesses by conducting household surveys which identified 5.85 million unlicensed businesses.
- The following analysis was conducted using only the 1.85 million business owners, due to the inaccessibility of the household sample.

Face-to-face interviews were conducted with 36 retail store owners between April and May 2020. Of those, 20 interviews were with female store owners aged 35 or younger, and 11 interviews were conducted with male store owners in this same age group. The majority of respondents (18) owned small duka shops with average daily sales typically lower than Ksh 10 000

QUALITATIVE RESEARCH SAMPLE

(Total number of interviews = 36)

Age & gender split



Location of retail stores

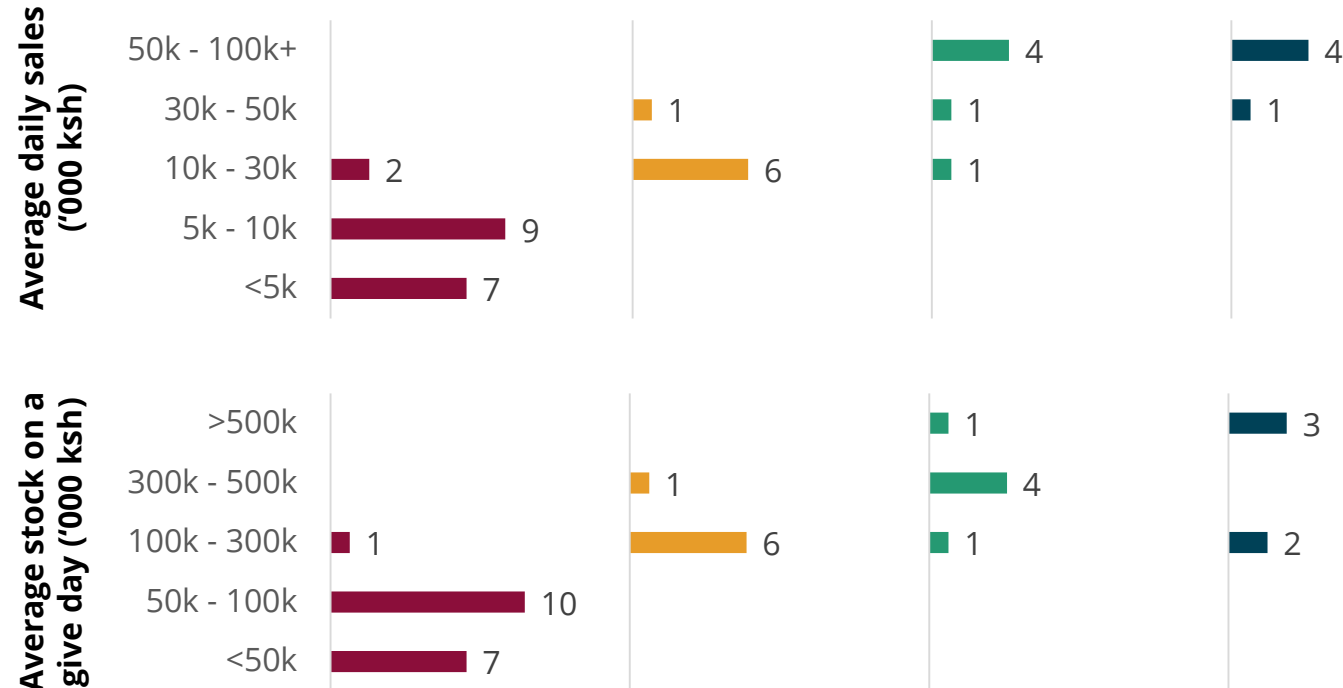
Utawala	6
Tassia	6
Kangemi	6
Kawangware	5
Kayole	5
Pipeline	4
Githurai	4

Duka (18)

Supa duka (7)

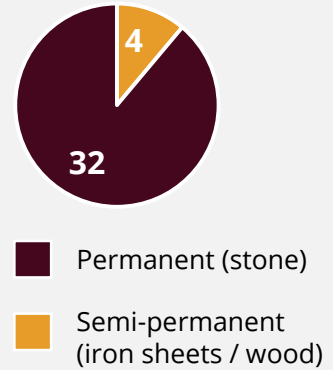
Mini mart (6)

Wholesale (5)

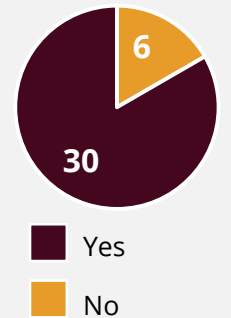


On average, the retail stores are open for 13 - 15 hours with some stores opening as early as 5am and closing as late as 11pm.

Shop structure



Owner has a business permit?*



Note: Average daily sales & stock figures are self-reported measures by respondents

*One respondent said that they have both a business registration and a permit.