

The role of mobile telephony on creating competitive advantage in the informal sector business in Kenya: a survey of Muthurwa Open Market

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Abstract:

The purpose of this study was to examine the role of mobile phones on creating competitive advantage in the informal sector businesses in Kenya. The study employed a descriptive research design to explore the impact of mobile phones on the growth and survival of informal sectors business in Kenya. In particular, the current study searched to answer the question "What is the role of mobile phones on creating competitive advantage by the informal sector businesses in Kenya?" The study also sought to determine whether the use of mobile phones reduces the costs of operation, increase sales, improve business growth and meet customers' needs. The scope of the study was limited to the informal sector businesses within Nairobi county particularly Muthurwa open market. The population of interest consisted of all the operators at Muthurwa open-market.

The target population composed of 1200 operators. From the sampling frame, 150 respondents from the various categories were be involved. The respondents were selected using stratified random sampling. The population was stratified on the basis of category of informal sector business operated. The data collection method for this research was a questionnaire. A draft questionnaire was presented to ten respondents from two informal business categories after which it was redesigned based on the feedback. The questionnaire was administered through drop and pick method. A interview was administered to respondents who would not read and write.

The collected data was edited, coded and tabulated then entered into a personal computer for analysis using the statistical packages, SPSS and Microsoft Excel. The collected data was the analyzed based on the objective of the study. A systematic presentation of both quantitative and qualitative was done using graphs and pie charts. Challenges facing informal sector businesses were identified and how the use of mobile phones have tried to solve the identified challenges. From the analysis of the data collected, the researcher summarizes the various findings from the study on how mobile telephony had impacted on the informal sector businesses. The researcher further suggest in depth study to be carried out on how the use of mobile telephony can enhance survival of informal sector businesses in a dynamic competitive environment.