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Optimization of Marketing Opportunities as Predictor of Growth of Metal Fabrication Microenterprises in Kisii County

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ABSTRACT

This study sought to determine the influence of optimization of market opportunities on the growth of metal fabrication microenterprises (MEs). Optimizing of market opportunities is a prerequisite for successful growth of microenterprises (MEs). New metal fabrication MEs created every year in Kenya are either static or in the decline. Despite the challenges of growth, metal fabrication MEs is the leading informal manufacturing subsector in Kenya, contributing 0.03% to GDP, and 80% of employment. The specific objectives of the study were, to examine the effect of market opportunities on the growth of metal fabrication MEs, and to investigate the relationship between the level of education and the optimization of business opportunities for the growth of metal fabrication MEs. This study is anchored in Senge's theory of learning organization which states that organizations can recognize and take advantage of opportunities in their business environment for competitiveness and growth. Data was collected from 155 Jua kali metal fabrication MEs. Multiple linear regression analysis was used to establish the effect of market opportunities on the growth of metal fabrications MEs. Moderated regression analysis was used to establish the moderating effect of education on market opportunities on the growth of the MEs. The findings showed that marketing opportunities with a coefficient of 0.741 unit increase results to a 74.1% growth of the MEs. The level of education is a significant moderator of the relationship between market opportunities and growth of MEs. With the introduction of education as a moderator, growth improved from significant 40.2% to 45.7%. Key conclusion denotes that marketing opportunities are significant contributor to growth of the MEs.

Key Words (*Business Opportunity, Growth, Jua Kali, Metal fabrication and Microenterprise*)

1. INTRODUCTION

1.1 Background of the Study

The growth of microenterprises is gaining significance in academic and business world given the MEs' vital input in economic growth and poverty reduction (Liedholm and Mead, 2013). Microenterprises are recognized as engines of growth and development as well as source of employment and income (Felsenstein, 1996). Microenterprises are breeding ground for medium and large enterprises. Microenterprises' potential for innovation puts them in a significant position to engineer technological breakthrough to spur economic growth. It is widely recognized that metal industries have great input in industrial development through inter-industry linkages by supplying capital goods and providing ready market for materials (Mikkelsen, 1987). Despite the pivotal role of microenterprises in development, their growth has been suspect, given that majority of them fail to graduate into formal businesses. Microenterprises start, live and die small with only one out three living to see the third year. Microenterprises grow horizontally as opposed to vertical growth denying innovation and differentiation. Growth, an important variable in a microenterprise life cycle is measured in sales, profits and equity, and number of workers (Kahando and Kyalo, 2014). However, given the challenges in the business environment, growth of microenterprises is not linear. Microenterprises can adapt and grow or fail. One of the single most causes of this scenario is the lack of capacity by microenterprises to leverage opportunities leading to failure and closing down within short time (Valsamakis and Sprague, 2001).

Haynes (2017) study on strategies for successful MEs in USA shows that 70% of MEs failed after 2 years compared to 50% of SMEs which survived beyond the first 5 years. Studies indicate above average graduation of microenterprises to small, medium and large enterprises in Europe, Americas and Asia. They are UK (60%), Asia (50%) and Latin America (60%) (Gudda, 2003). Abdhulla, Moten and Azam's (2016) examination of performance of Malaysian MEs indicated growth being accelerated by opportunities in finance and marketing. In Sub-Saharan Africa the performance of microenterprises is below average as reflected in Nigeria at 43%, Rwanda 10.75% and Botswana 20.7% (Gudda, 2003). The scenario is replicated in Kenya, Swaziland, Malawi and Zimbabwe where only 1% of the MEs graduated from category of 1 to 4 workers to that of more than 10 workers (Mead, 1994). In developing economies like Kenya the mortality rate of MEs is also high with most of them never surviving to see the second year (Bowen, Morara and Mureithi, 2009). A survey by the Kenya National Bureau of Statistics (2017) indicates that approximately 400,000 micro, small and medium enterprises do not celebrate their second birthday. Few MEs reach their fifth birthday. This has led to concerns of sustainability of this critical sector. The Micro, Small and

Medium Enterprises (MSMEs) survey of 2016 revealed an increasing failure rate of MSMEs with a total of 2.2 million businesses closing within three years (Kenya National Bureau of Statistics (KNBS), 2016).

This study seeks to analyze optimization of marketing opportunities and growth of metal fabrication MEs in Kisii County. The literature identifies market opportunity optimization as an appropriate strategic orientation for growth of MEs. According to Lumpkin and Dess (2001) opportunity optimization in strategic management fosters both opportunity seeking and advantage seeking trends geared toward continuous exploration and exploitation of opportunities while sustaining competitive advantage.

1.2 Statement of the Problem

The growth of MEs is significant toward achieving Vision 2030 goal of making Kenya an industrialised economy by 2030 (GoK, 2007). Despite their pivotal role, the viability of MEs is endangered by the high mortality rate with most of them in Kenya dying within one and half years' operation barely allowing them to graduate into medium or large size enterprises (Oroko, 2012). The MEs experience numerical growth (horizontally), that is being replicated in numbers as opposed to vertical growth which favours diversity and departmentalization. Very few MEs register success in employment creation and growth in assets and profits. The life of MEs fall between 3 and 10 years (GoK, 2016), with at least three among five MEs (60%) dying in the first few months of operation. A survey by Kenya Bureau of Statistics (October 2016) indicates that within five years up to 400,000 MSMEs never celebrated their second anniversary with 2.2 million enterprises closing within five years and 46% dying in the first year of operation (GoK, 2016). Successful growth of MEs hinge on management strategies geared toward optimizing business opportunities, among them marketing for growth. In Kenya, The SMEs Act, No. 55 of 2012 enumerates the opportunities availed through Micro and Small Enterprises Authority (MSEA). These include capacity building, technical assistance, and national, regional and global markets, market research, standardization and product development, acquisition and adaptation of new technologies, supporting invention and innovation, mobilization of funds and resources, facilitation of registration and protection of intellectual property rights. The specific challenge for MEs is lack of incentives to optimize opportunities for growth. In view of this setting, this study seeks to analyze the optimization of market opportunities and growth of metal fabrication microenterprises in Kisii County.

1.3 The General Objective of the Study

The purpose of this study is to analyze the optimization of market opportunities and growth of metal fabrication microenterprises (MEs) in Kisii County.

1.3.1 The Specific Objectives of the Study

   i)   To examine the effect of market opportunities on the growth of Jua Kali metal fabrication microenterprises in Kisii County

   ii)   To analyse the moderating effect of the level of education on the relationship between optimization of market opportunities and growth of Jua Kali metal fabrication microenterprises

1.4 Justification of the Study

The sheer size of the informal sector and its contribution to the Kenyan economy makes the growth of MEs a worth topic to investigate. Microenterprise growth is significant because it is the only way the most disadvantaged or bottom of the pyramid populations can generate employment and income. Kiveu and Ofafa (2014) shows that continued poor economy, unemployment and poverty has necessitated search for strategies for growth and revival of Kenya's economy Microenterprises have been the focus given the fact that small businesses form the context within which entrepreneurial culture takes root. Nevertheless, limited access to capital, markets, technology and tough government regulations are threats to microenterprise growth and competitiveness in Kenya. Only through sensing and exploiting opportunities can MEs gain first mover advantage for growth (Fatima, Iqbal, Rehman and Ali, 2011).

This study will benefit the government policy, micro-enterprises, researchers, change agents and development partners. This is significant given that Kenya government's policy framework for microenterprises has failed to achieve sustainable growth for the sector. The results of the study is expected to inform the direction of further research into interventionist programmes for microenterprise growth and motivate stakeholders renewed support for the sector. For owners and managers of microenterprises, the study will unveil new opportunities for growth.

1.5 Scope of the Study

This study is focused on the optimization of market opportunities for the growth of Jua Kali metal fabrication sector in Kisii County, Kenya. This study's respondents are owners of 255 Jua Kali metal fabrication (wielding, key cutting, motor vehicle panel beating and general repairs) enterprises in Kisii County. The study focuses on MEs in the three townships of Kisii County: Kisii, Suneka and Ogembo towns. The study features optimization of market opportunities as an independent variable and growth of metal fabrication MEs as a dependent variable. The level of education is the moderating variable. The study employed an explanatory study design while using questionnaire, interview and observational guide for data collection.

1.6 Limitation of the Study

The study relied on information provided by Jua Kali Metal fabricators. The accuracy of data is begged on the information provided. The challenge experienced was one of limited information, given the MEs owners culture of keeping confidential information secret. The shortcoming was dealt with assurance that the information was to be kept confidential and used only for research purposes. The MEs lack of documented data delayed filling of the questionnaire. The researcher exercised patience and made follow-up calls to clarify any unclear information. Information on the prevailing economic environment and marketing opportunities will have strong effect on growth of the MEs. However, the study's reliance on scientific methods to collect and analyse data helped in generalisation of the findings.

1.7 Delimitation of the Study

This study is limited in terms of scope to optimization of market opportunities for growth of Jua Kali metal fabrication microenterprises in Kisii County. Kisii County is located in South Western Kenya in the former Nyanza Province. The study's focus is on the MEs in the three townships of Kisii County: Kisii, Suneka and Ogembo towns.

2. LITERATURE REVIEW

2.1 Introduction

This Chapter deals with the review of Literature related to the topic of study touching on theoretical and conceptual framework of the study, and factors influencing market access and penetration.as well as the research gap.

2.2 Theoretical Framework

As pertains to growth of small businesses there are multiple theories of growth (Garnsey, 1998) related to factors of small business growth. Likewise no single model alone explains phenomenon of growth (Penrose, 1959). Among the theories of small business growth are Gibrat's (1931) 'law of proportionate effect', Penrose's (1959) 'resource based theory', Javonic's (1982) learning theory, Churchill and Lewis's (1983) enterprise life cycle model, Davidson's (1991) theory of growth, Storey's (1994) model of growth and Davidsson and Wiklund's (1999) theory of growth and Senge's (2014, 2006, 1990) learning organization model. This study is grounded in theories drawn from strategic management literature, namely the Enterprise Life Cycle Model (Churchill and Lewis, 1993) and Senge's (2014, 2006, 1990) learning organization model.

2.2.1 Enterprise Life Cycle Model

The life cycle model of Churchill and Lewis (1993) shows growth of an enterprise through stages of birth, growth and decline (Lester and Parnell, 1996). Sometimes organizations re-awaken (renew), and sometimes they disappear (die). This results into a five stage growth curve namely existence, survival, success, renewal and death. Each stage of development is considered in terms of the following key managerial variables: managerial style, business structure, formality of systems, business objectives and level of involvement of the owner. Each stage of development features unique factors that are critical to the firm survival and success. This is illustrated in figure two below.
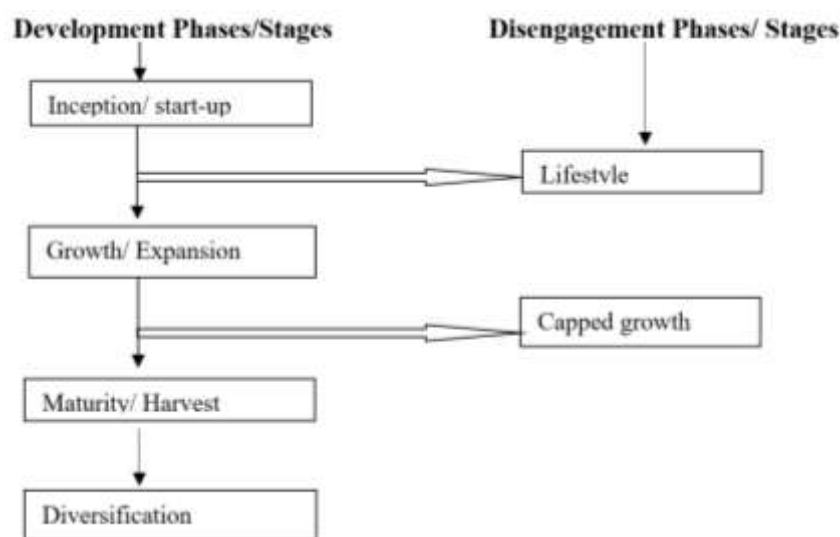

Figure 2.1 Enterprise Life-cycle Model

Source: Bordt *et al.,* 2004

2.2.2 Learning Organization Model

Senge's (1990) learning organization model illustrates how enterprises can thrive better than competitors. Enterprise survival can be predicated on a learning organization model which favours creativity and innovation through collective learning. The learning organization model postulates that business organizations can sustain growth and competitiveness by scanning the business environment, identifying and exploiting business opportunities. Given that owner-managers are usually blind of their abilities at inception of business it is through experience they learn toward growth and survival (Javanovic, 1982). Firms which are efficient in learning and leveraging opportunities in the business environment grow while inefficient firms decline and disappear.

There are five dimensions of learning organization toward successful management and development of an organization. They are originating a shared vision through employee interaction; Systems thinking embracing entire system instead of focusing on individual issues; mental models for identifying company values; team learning which helps to accomplish functional team dynamics; and Personal mastery through clear vision of a goal, combined with accurate perception of reality

2..2 Review of Market Opportunities as Predictor of Growth of Metal Fabrication Microenterprises

The marketing opportunities for MEs in Kenya are domiciled in the domestic and international markets. The opportunities include local and global logistic superstructure, advertising and promotions, market research, product innovation/differentiation and development.

Brush *et al.,* (2009) front marketing as a challenge for MEs growth due to ineffective distribution channels, limited market information, poor communication, and uncompetitive pricing, sales and product development. It is with proper market positioning that MEs will exploit opportunities availed by global market. The KNBS report of 2016 shows that among the licensed MSMEs, 58.3% did not market/advertise their products. Entry into alternative geographic markets can be probed by effective communication and logistics to spur growth.

Becchetti and Trovato (2002) supports positive correlation between firm growth and access to export markets. Wagner (2001), analysis on the impact of exports on firm growth with their results showed significant relationship between firm growth and import-export behavior.

Yeh and Chang's (2018) study on competencies start-up MEs supports market driven opportunity exploitation as the avenue for firm growth. It is through the development of the firm competencies that opportunities are recognized in the local markets and market strategies are evolved to satisfy customers. Lee (2014) study of opportunities for MEs in the Vietnam identifies marketing opportunities availed by liberalized economy and increased foreign direct investment (FDI) as major boost for apparel retail trade. Upon the liberalized and open economy in Vietnam in 1986 the vibrant middle class provided a lucrative market. Effort to enhance marketing opportunities has been through improved transport and infrastructure. E-commerce has been embraced to reduce marketing costs and access the competitive global market. There is need for further research on the effect of diversifying marketing strategies and value addition.

Iqbal's (2007) on examining communication (internet) and MEs growth among Swedish companies discovered more marketing opportunities in new markets. Using Levy and Powell (2002) model of internet adoption, the study showed how networking through the internet boosts business growth. The opportunities for growth abound in new product development, outsourcing production, internet integration in product and market development, and responding to customer behavior change. Widening product portfolio protects the existing market while segmenting market into foreign and domestic enhances focus. Internationalization helps focus on foreign markets. Outsourcing marketing services enhances efficiency.

Hajjaji (2012) survey of growth of small firms in Libya showed smaller metal enterprises pursuing only mass marketing strategies as compared to medium-small and small enterprises which go for broad strategies (mass and niche) and mass respectively. A niche market's opportunities are those of focused and targetable portion of a market while mass market opportunities lie in a substantial customer population. Smaller firms target niche markets because of limited potential mass markets.

Wijewardena and Tibbits (1999) also noted that niche market positioning is a key contributory factor to small business growth. High growth firms are evenly divided on market orientation, with 50% attributing growth to high market orientation. High or low market orientation refers to owner-manager's perception of the significance of market as an in growth. Results indicated 10 out of 28 of the firms (36%) exhibiting high degree of market orientation. Among the small firms 7 out of 9 firms (78%) low level of activities compared to 5 out of 10 large firms (50%) which were more market oriented. The study reported market opportunities in advertisement, product quality improvement, and packaging and customer incentives. The study further shows that African countries put less emphasis on marketing.

Obi's (2011) on export behavior of small Ghanaian manufacturing enterprises (garment & textile industry) showed the influence of market information on marketing decisions. Using multiple theories, the resource based view, stage theory, network theory, international entrepreneurship and contingency theory the results showed export trade benefitting firms through benchmarking and technology transfer. Market internationalization is a prime opportunity because the domestic market is too small to propel growth of local firms. Globalization has liberalized international markets giving small firms opportunity to overcome trade barriers. This is however predicated on availability of market information to firms. The challenge for the authorities is to avail appropriate market information to small firms.

Dumbu's (2014) examination of management practices of Micro and Small Enterprises (MSEs) in Zimbabwe showed rudimentary marketing (90%) dominating practices of the firms with little regard for high tech practices like on-line marketing and trade exhibitions. In the same note 90% of the MSEs

never engaged marketing personnel. Marketing was performed by the managers who exhibited limited knowledge of the same. The sought after opportunities are in market management training, market research, promotions and relationship marketing.

Nuwagabal and Nzewi (2013) study on growth constraints for MSEs in Mbarara, Uganda showed limited marketing opportunities for the MSE sector with 92% of the respondents highlighting marketing as a significant constraint to growth. Competitive marketing strategies such as promotions, affordable pricing, packaging, branding and value addition are lacking. The findings indicated that lack of marketing management practices hampered the optimization of the inherent opportunities. The study recommended quality products, relationship marketing and joint marketing strategies as key to penetrating market niches.

Bunyasi's (2015) study of growth of small firms in Thika showed marketing opportunities in new distribution channels. Appling the resource based view theory, the study showed that sustainable competitive advantage lies in unique resources (Barney and Clarks, 2007). The findings indicated that majority of the firms are not keen in with new distribution channels due to high costs. The study recommends new distribution channels supported by E-Commerce.

In order to expand markets the government of Kenya has formed export agencies such as KETA (Kenya Export Trade Authority), KEDS (Kenya Export Development Scheme, EPPO (Export Promotion Programs Office, Kenya National Chamber of Commerce and Industry and National Trade Shows. The government has opened inter-industrial linkages while opening opportunities in the public sector procurement (30% of public procurement) for youths and women through Access to Government Procurement Opportunities (AGPO) program.

There is need for Kenyan to continue pursuing a global marketing strategy and market research to avail enough foreign market intelligence to enhance innovation, technology, product adaptation, service orientation and collaborative ventures.

2.3 Research Gap

The empirical literature shows that studies in both developed and developing countries focus mostly on small and medium enterprises. Few if any of the studies have focused on opportunities for growth of microenterprises. Furthermore, most if not all of the few studies on microenterprises have majorly analysed factors for growth and not opportunities for growth of microenterprises. There is no study specifically focusing on the optimization of business opportunities for growth of Jua kali metal fabrication microenterprises.

Previous studies focus on volume marketing to the disregard of opportunities lying in efficient marketing practices. This study seeks to identify market opportunities for growth of Metal fabrications MEs
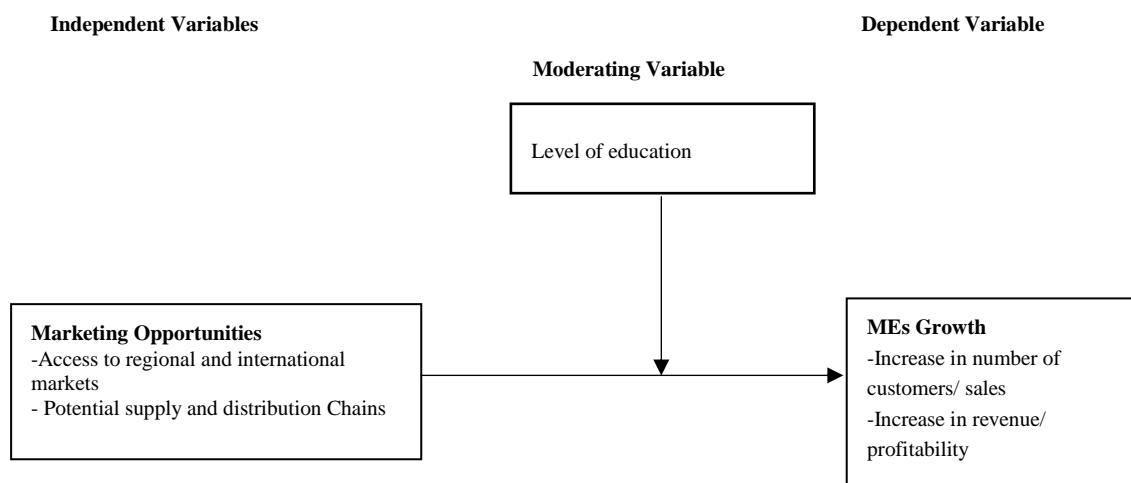
2.4 Conceptual Framework

Independent Variables   **Dependent Variable**

Moderating Variable

| Level of education |

Marketing Opportunities
-Access to regional and international markets
- Potential supply and distribution Chains

MEs Growth
-Increase in number of customers/ sales
-Increase in revenue/ profitability

Fig 2.2 Conceptual Framework

(Source: Author's own, 2022)

Kothari (2014) views a conceptual framework as a hypothesized model for identifying the model under study and the relationship between dependent and independent variables. Its purpose is to categorize and describe concepts relevant to the study and map relationships among them. As shown in figure above the independent variable is marketing opportunities. The dependent variable is growth of metal fabrication microenterprises and the moderating variable is level of education

3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter examines the research design, target population, the sample and sample design, data collection methods and data analysis techniques

3.2 Research Design

This study uses constructivist (interpretivist) paradigm which suggests that reality is socially constructed (Morgan, 2007 & Moller, 2011). It focuses one's ability to construct meaning from phenomena (Simon, 2010). This study employs explanatory design to show the relationship between the independent and dependent variables. Explanatory research design allows for testing of hypothesis and also provides better understanding of the research problem through integrated qualitative and quantitative analyses (Creswell and Plano-Clark, 2007; Ivankova, Creswell and Stick, 2006). Structured questionnaire consisting open and close ended questions was used to obtain information from respondents.

3.3 Target Population and Sample Size

The research was carried in Kisii County targeting the townships of Kisii, Ogembo and Suneka in Kenya. With focus on 255 metal fabricators (wielding, motor vehicle panel beating, auto and industrial spare parts, key cutting and blacksmith) MEs. Using stratified sample a population of 155 Jua Kali metal fabricators was subject to a study. Data from the questionnaire was checked for incompleteness, inconsistencies and mistakes. The data from the questionnaire and interview schedule was coded and the responses itemized according to the objectives.

Table 3.1: Target Population

Category	Population (N)			
	Kisii	Ogembo	Suneka	**TOTAL**
Welding	113	20	18	151
Motor vehicle and panel beating	31	3	4	38
Auto and industrial spare parts	13	1	2	16
Key cutting and padlocks	10	3	3	16
Blacksmith	28	3	3	34
TOTAL	195	30	30	255

Source: Ministry of Trade, Kisii County (2018)

3.4 Sampling Technique and Procedure

The sampling unit is a metal fabrication microenterprise. According to Yamane's model (1967);

$$n_s = \left\{ \frac{N}{1+N(e^2)} \right\}$$

Where; n_s -sample size; N –population size; e-precision level (at 0.95 confidence interval), e = 0.05

Given N = 255, then

$$n_s = \left\{ \frac{255}{1+255(0.05^2)} \right\}$$

=155

The study used stratified sample drawn from the population of Jua Kali metal fabricators in the different sub sectors of metal fabrication in Kisii County. The list was stratified into five sectors namely; wielding, motor vehicle panel beating, auto and industrial spare parts, key cutting, and blacksmith. A simple random sampling was used to ensure that the defined population of each sector has an equal and independent chance of being selected as a sample. The sample of each subsector was calculated using formula provided by Kothari's (2004) as follows;

n (Subsector) = $\frac{N (subsector) * n (all subsector)}{N (all subsectors)}$

Where:

n (subsector) is the sample size at the subsector level

N (subsector) is the population of a subsector

n (all subsectors) is sample size of all the subsector combined

N (all subsectors) is the population of all the subsectors

3.5 Data Collection Instruments and Procedure

Primary data was collected from respondents using self-administered questionnaire. According to Gall and Borg (1996) a questionnaire is suitable for the study as it helps to collect information that is not directly observable through inquiry of feelings, motivations, attitudes, accomplishments and experiences. Close-ended questionnaires was used to generate statistics. Open-ended questionnaires having blank spaces for respondents answer was used for qualitative data collection.

Table 3.2: Sample of Different Categories of Metal Fabrication Activities

Category	Population (N)			Sample Size (n)		
	Kisii	Ogembo	Suneka	Kisii	Ogembo	Suneka
Wielding	113	20	18	68	12	9
Motor vehicle panel beating	31	3	4	20	2	2
Auto and industrial spare parts	13	1	2	7	1	1
Key cutting and padlocks	10	3	3	6	2	2
Blacksmith	28	3	3	19	2	2
Total	196	30	30	120	19	16

Source: Researcher (2022)

3.6 Reliability and Validity of the Research Instrument

This refers to the extent to which the instruments adequately or appropriately reflect the situation. To what extent does the instrument measure what it is designed to measure is known as the accuracy of the measurement (Holloway & Wheeler, 1997).

The degree to which the instrument maintains its original state over time is referred to as the instrument's reliability (Best, 1998). It refers to the degree to which the instrument, when used multiple times, would provide the same findings in the research (Holloway and Wheeler, 1997). Cronbach's alpha is a statistical measure of reliability that is recommended by Cohen et al. (2013). For social-sciences values above 0.7 are acceptable (Kline, 1999). A Cronbach's alpha (α) > 0.7 implies the instrument provides a relatively good measurement tool, hence reliable. Pre-testing enhances consistency and dependence, accuracy and adequacy of the instruments. This was done through test-retest run so as to bring out weakness if any. The questionnaire was administered to eight respondents in neighboring town. After the test-retest run, the researcher will if necessary make final adjustment to the final questionnaire.

Validity requires that the questionnaire measures exactly what it is tailored to measure. The concept, internal, and external validity tests, as well as the reliability tests, are the four criteria that Yin (1984) suggests should be used to evaluate the quality of any social scientific research. Establishing the appropriate operational measures for the construct being investigated is a necessary step in achieving construct validity. The research instrument will be validated through research project supervisor and peer review. The construct validity was preserved with limiting the questions to the conceptualizations of the variables and check to see that we are measuring the appropriate constructs. The study's material was considered valid given the fact that it was suitable, thorough, and adequate, as determined by the content validity of the study. The process of peer review guaranteed this outcome. Criterion and external validity ensured that the results of the study correlated with other studies that have been conducted in a similar manner and that comparable findings can be predicted for studies that will be conducted in the future.

3.7 Pilot Study

In the context of scientific research, the phrase "pilot study" refers to feasibility studies, often known as test runs or versions performed on a smaller size and carried out in advance of the main study (Politand Beck, 2010). According to Mugenda & Mugenda (2008), a pilot test sample could consist of anything between 1 and 10 percent of the total population. In Nyamache Town, which is located in Kisii county, a pilot survey was conducted on 5% (ten businesses chosen at random) of the metal fabricator microenterprises. It was requested of the respondents that they provide feedback regarding how simple it was to finish the questionnaire and how clear the questions were. The reliability and validity of the instruments were determined with the help of the pilot study. Discussion with the participants resulted in the generation of useful ideas that improved the study instruments in terms of both their content and their validity.

3.8 Data Processing and Analysis

It was determined whether the data obtained from the questionnaire contained any errors, omissions, or discrepancies. The responses to the questionnaire were itemized, and the data from the questionnaire were coded, all in accordance with the objectives. The statistical methods of descriptive statistics and inferential statistics were utilized in order to analyze the quantitative data. Tables were used to provide descriptive data, including frequency distributions, mean values, and standard deviations.

The analysis utilized a Likert scale with points ranging from 1 to 5. The decision rule for the Likert questions is based on the measurement of the respondents' perceptions of the situation. On the Likert scale, which ranges from 1 to 5, the following responses are possible for each characteristic being

measured: 5-strongly agree, 4-agree, 3-neutral, 2-disagree, and 1-strongly disagree. Means that were lower than 3 suggested that there was considerable disagreement, while means that were higher than 3 indicated that there was strong agreement.

3.9 Correlational Analysis

Inferential statistics techniques was used to test the hypotheses. Pearson Product's Moment correlation and simple regression analysis was used to test hypotheses for the variable. A p value less than 0.05 implied rejection of the hypotheses. A p value greater than 0.05 implied acceptance of the hypotheses.

The Product Moment Correlation Coefficient helped ascertain the relationship between opportunity optimization in marketing and MEs growth. The correlation coefficient might have values that range from minus one to plus one. A value of 0 indicates that there is no relationship between the two variables, a value of +1 indicates that there is a perfect correlation between the two variables in a linear sense that is positive, and a value of -1 indicates that there is a perfect correlation between the two variables in a linear sense that is negative (Kothari, 2012).

3.10 Regression Model

In order to determine the relationship between marketing opportunities and growth of MEs, a regression model was used to express MEs growth as a function of opportunities in marketing (Y= f (marketing opportunities). The regression function is as follows:

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$--- Regression Model)

Where:

Y= Dependent variable (Growth of MEs)

β_0 = Constant

β_1 = Coefficient of independent variable

X_1 = Marketing opportunities

ε *is* the standard error term.

The moderation effects of level of education was tested using equation below where the relationship between the independent variable X1*Z and dependent variable, growth of MEs was tested following steps by (Baron & Kenny, 1986).

$Y = \beta_0 + \beta_5 X_1 * z + e$---- (Moderated Regression)

Where:

Y= Dependent variable (Growth of MEs)

β_0 = Constant

β_1 = Coefficient of regression

X_1 = -Marketing opportunities

Z = Level of education

β0 being a constant (Y- intercept) is the value of dependent valuable when the independent variable is zero

β_1 is the regression constant or the rate of change induced by X1*Z on Y.

ε is the standard error term.

3.11 Test of Normality

Tests of normality were used to determine if the data is modelled and normally distributed (Cooper & Schindler, 2012). The Shapiro-Wilk (value less than 0.05 means that the data is normally distributed), and the kolmogorov-Smirnov test (a value of less than 0.05 means that the data is not normally distributed) was used. The variables are roughly normally distributed for the findings to be generalized beyond the sample.

4. RESEARCH FINDING AND DISCUSSION

4.1 Data Analysis/Findings

The researcher prepared and issued out 255 questionnaires to the respondents and the response was as follows.

The Response Rate

Table 4.1: Response Rate

Category	Sample	Response	% response of selected sample
Welding	89	73	82
Motor vehicle panel beating	24	14	58
Auto and industrial spare parts	9	4	44
Key cutting and padlocks	10	8	80
Blacksmith	23	16	70
Total responses	**155**	**115**	**100**

Source: Researcher (2021)

Table 4.1 shows that out of the sampled categories, the respondents from the welding category formed the greatest percentage (73%), followed by that of blacksmiths (16%), the Motor vehicle panel beating (14%) and the Key cutting and padlocks (8%). The smallest percentage was that of the Auto and industrial spare parts (4%).

4.2 Level of Education

To understand the level of comprehension of the respondents on the variables under study, there was need to know their level of education. Table 4.4 shows results for the analysis.

Table 4.2.1 Respondents' Level of Education

Level of Education	Frequency	Percent
Primary Education	51	44
Secondary Education	57	50
University Education	7	6
Did not go to School	0	0
Total	115	100

Source: Researcher (2022)

Table 4.4 shows that most of the respondents have a secondary education (50%), followed by those with primary education (44%) and those with university (6%).

Table 4.2.2 Response Rate on Marketing Opportunities (%)

Marketing Opportunities	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I have taken advantage of government procurement	15	42	1	31	11
I market my products on-line	13	50	0	28	9
I do use product differentiation	1	2	0	43	60
I have taken advantage of market niches	3	15	3	32	48
I take advantage of market training programs	39	50	5	6	0

Source: Researcher (2022)

The objective of the study evaluated the effect of market opportunities on the growth of Jua Kali metal fabrication microenterprises. The respondents were asked to rate the extent of availability of market opportunities on a Likert scale from which responses were coded. The research hypothesis formulated from the specific research objective was.

H_01: Market opportunities have no significant effect on the growth of Jua Kali metal fabrication microenterprises

To test the above hypothesis, simple linear regression was used. The results are presented in Table 4.20, 4.21 and 4.22.

Table 4.2.3: Model Summary for Market Opportunities

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783[a]	.613	.604	3.2789

a. Predictors: (Constant), Market Opportunities

b. Dependent Variable: Growth

Source: Researcher (2022)

The model summary Table 4.20 above shows that the correlation (r) between market opportunities and growth of Jua Kali metal fabrication microenterprises is high ($r = 0.783$). The coefficient of determination value ($R^2 = 0.613$) shows that for the regression model connecting market opportunities and the growth of Jua Kali metal fabrication microenterprises is 0.613. This implies that availability of market opportunities explains 61.3% variation in the growth of the Jua Kali metal fabrication microenterprises while the remaining variation of 38.7% is explained by the error term.

An analysis of variance (ANOVA) was conducted to test the goodness of fit of the model to evaluate the effect of market opportunities on the growth of Jua Kali metal fabrication microenterprises. The result is shown in Table 4.21 below.

Table 4.2.4: Analysis of Variance (ANOVA) for Market Opportunities

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	21045.85	1	21045.85	701.172	.000[b]
1	Residual	3421.74	114	30.015		
	Total	24467.59	115			

a. Dependent Variable: Growth

b. Predictors: (Constant), Market Opportunities

Source: Researcher (2022)

From the ANOVA table 4.21 above it is shown that the regression model is a good fit as indicated by a significant F-statistic (F=701.172, $p<0.05$). This implies that the model for market opportunities is a good predictor of growth of Jua Kali metal fabrication microenterprises.

A simple regression was conducted to establish the magnitude of growth that is caused by market opportunities. This is shown in Table 4.22.

Table 4.2.5: Regression Coefficients for Market Opportunities

Model		Unstandardized Coefficients		Standardized Coefficients	t-stat	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.447	.334		4.332	.000
	Market Opportunities	.741	.149	.705	4.973	.000

a. Dependent Variable: Growth

Source: Researcher (2022)

The regression coefficient Table 4.22 shows that the coefficient for market opportunities is 0.741 indicating that a unit increase in the market opportunities results to a 74.1% growth of Jua Kali metal fabrication microenterprises in Kisii County. The t-statistic for the regression coefficient for financial opportunities is significant at 5% level of significance (T= 4.973, $p<0.05$). This implies that the study's hypothesis is accepted. On the basis of these statistics, the study concludes that market opportunities have a significant effect on the growth of Jua Kali metal fabrication microenterprises in Kisii County. The model that was fitted based on this result is as follows:

*Growth = 1.447 + 0.741 * Market Opportunities*

The study findings show that education level is a significant moderator of the relationship between market opportunities and the growth of Jua Kali metal fabrication microenterprises. This is shown by the increase in the regression coefficient from 40.2% to 45.7%. This implies that education level helps the Jua Kali metal fabrication microenterprise owners to access market opportunities.

5. SUMMARY AND CONCLUSION OF FINDING

5.1 Summary and Conclusion

The objective of the study was to evaluate the effect of market opportunities on the growth of Jua Kali metal fabrication microenterprises in Kisii County. Regression analysis showed that the coefficient for market opportunities is 0.741 indicating that a unit increase in the market opportunities results to a 74.1% growth of Jua Kali metal fabrication microenterprises in Kisii County. The t-statistic for the regression coefficient for financial opportunities is significant at 5% level of significance (T= 4.973, $p<0.05$). This implies that the study's hypothesis was upheld.

The study findings also showed that education level is a significant moderator of the relationship between market opportunities and the growth of Jua Kali metal fabrication microenterprises in Kisii County. This was shown by the increase in the regression coefficient from 40.2% to 45.7%

.5.2 Contribution to Knowledge

While examining the business opportunities for growth of metal fabrication MEs, the study made the following contributions to knowledge.

Table 5.1: The Study's Contribution to Knowledge

Research Objective	Contribution to Knowledge
Effect of market opportunities on the growth of metal fabrication MEs Moderating effect of level of education on the relationship between optimization of market opportunities and growth of metal fabrication MEs	Enhanced optimization of market opportunities is significant in the growth of metal fabrication MEs Poor optimization of opportunities by MEs is attributed to limited knowledge and skills among the artisans. These hiccups call for support through capacity building, improved infrastructure and increased provision of up to date information. Achieving higher level of education will enhance optimization of business opportunities

5.3 Suggestions for Further Research

This study was conducted under several limitations and assumptions. This study focused on only Kisii County. A study should be conducted to incorporate several regions to analyze the optimization of business opportunities and growth of metal fabrication microenterprises

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