Influence of Customer Capital on Growth of Women-Owned Micro and Small Enterprises in Central Kenya Counties

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Abstract

Customer capital is an important entrepreneurial intangible resource that is crucial in driving growth of women-owned enterprises. Women-owned enterprises in Kenya face a number of challenges. They are less likely to grow, are smaller, and are twice as likely to be operating from home compared to male-owned ones. They also lack the necessary entrepreneurial intangible resources critical for success. Due to these challenges, the Government of Kenya established the Uwezo Fund in 2014, for youth women empowerment in entrepreneurship. Women-owned micro and small enterprises supported by Uwezo fund have shown phenomenon growth in Central Kenya counties. However, the casualty level is still high like in rest of the country. Counties like Kiambaa, Tetu and Gatundu North have been performing dismally with some of the least growth in women enterprises. Despite the increasingly importance of customer capital in supporting growth of women enterprises, few studies have given a considerable attention to this area. The specific objective was to assess the influence of customer capital on growth of women-owned MSEs in Central Kenya counties. The target population was 1228 women entrepreneurs registered and recipients of Uwezo Fund. Sample size was 399 respondents. Data was collected through questionnaires. Descriptive and inferential statistics were used in data

analysis. Findings showed that customer capital had the most significant positive contribution to the growth of women enterprises. For the women entrepreneurs, customers were the most important aspect of their enterprises. Based on the findings, the study concluded that customer capital through customer loyalty; knowledge and marketing capabilities had the most significant influence on growth of women-owned MSEs. Customers were important attributes to the growth of women enterprises and the women entrepreneurs therefore need to invest more in harnessing the loyalty of the customers in terms of availing new markets and products. Recommendations were that women entrepreneurs should invest on self-knowledge in order to sustain the customers and even attract new ones to their enterprises.

Keywords: *Customer Capital, Growth of Women-Owned Micro and Small Enterprises.*

1.1 Introduction

Women enterprises are important drivers of the economic empowerment of women throughout the world. For many women in the world, entrepreneurship is a crucial source of personal employment as the sizes, number and types of female-owned enterprises has been going through significant changes in various parts of our economy (Ewoh, 2014). Globally, women enterprises are on the rise with women embracing the spirit of entrepreneurship. Indeed, women entrepreneurship development has become essential component to any economy which strives to achieve growth in its economic development (Balogun, Bustamam & Johari, 2016).

Within the context of Micro and Small Enterprises (MSEs), intangible entrepreneurial resources are seen as entrepreneurial assets that are not physical in nature and which affect the success of enterprise. Resources available in an enterprise may be grouped into tangible and intangible ones. Abiola (2013), state that intangible resources are assets that enterprises possess which include entrepreneurial capital, organizational resources/structural capital and customer capital. Ng and Kee (2014) revealed that customer capital have so much important due to the increase in the knowledge-based economy.

Customer capital comprise of the external entrepreneurial intangible resources of an organization. Thus, the importance of customer capital is witnessed in an enterprise by the relationship with customers who are very important for organizations because customers buy products or services from the enterprises. Therefore, customers are the main source for revenue generation of small enterprises. It also includes the customer satisfaction, loyalty and network (Khalique, Bontis, Shaari & Isa, 2011).

In Kenya, Micro and Small Enterprises (MSEs) face unique challenges, which affect their growth and profitability and hence, diminish their ability to contribute effectively to sustainable development (Koech & Namusonge, 2015). In Kenya, the government has attempted to get solutions to some of these challenges by introducing opportunities for access to entrepreneurial finance through establishment of Women Enterprise Fund (WEF) in 2007 (Republic of Kenya, 2017). The government further established the Uwezo Fund in 2014, a specific intervention under the youth skills development and women empowerment flagship project. The major projection was to enable the women, youths and persons with disabilities to have access to financial support to fund their enterprises.

Despite the fact that women enterprises in Central Kenya counties seems to be growing at a slightly higher pace in the uptake and repayment of the Women Enterprise Fund in Kiharu (position one), Gichugu (position three), Ol Kalou (position four), some constituencies like Kiambaa, Tetu and Gatundu North have been performing dismally. Indeed, the Status of Implementation of Uwezo Funds (2017) indicates that Kiambaa was at position 275, Tetu at position 234 and Gatundu North at position 229 out of 290 in terms of uptake, repayment and growth of women enterprises (Republic of Kenya, 2017). Similarly, though women entrepreneurs significantly contributed to the success of an economy in this region, there is need to examine whether non embracing of customer capital has led to dismal growth in women-owned MSEs in Kiambaa and Tetu constituencies.

1.2 Statement of the Problem

In Kenya, over 30% of all small businesses in Kenya are owned by women, and they contribute significantly to the 55% small business failure rate (Foster, 2016). Additionally, 60% of women-owned MSEs remain among the smallest and informal enterprises, with slow growth (Ongachi & Bwisa, 2013). Women-owned MSEs in Kenya are also less likely to grow, are smaller, and are twice as likely to be operating from home compared to male-owned businesses (World Bank, 2010). They also lack the necessary entrepreneurial intangible resources critical for success (Tubey, 2014). Women-owned micro and small enterprises supported by Uwezo fund have shown phenomenon growth in Central Kenya counties. Indeed, Kiharu, Gichugu, Ol Kalou, Kabete and Kipipiri were the leading constituencies in Kenya. Despite this phenomenon growth, the casualty level of women-owned micro and small enterprises in Central Kenya counties is not faring better from the rest of the country. Counties like Kiambaa, Tetu and Gatundu North have been performing dismally with some of the least growing women-owned micro and small enterprises.

The Status of Implementation of Uwezo Funds (2016) indicates that Kiambaa constituency is at position 275, Tetu at position 234 and Gatundu North at position 229 out of 290 constituencies in Kenya (Republic of Kenya, 2017). One of the strategic plans for Kenya to achieve Vision 2030 is to increase opportunities for women to participate in entrepreneurship and ensure growth of their enterprises. Embracing of entrepreneurial intangible resources such as customer capital may be the key to realizing the intended growth. Failure to enhance the growth power of women-owned MSEs may curtail the general economic growth of the country. A report by World Bank (2010) stated that women enterprises in Kenya have a poor record of utilization of intangible resources leading to poor growth.

Recommendation by Ndirangu (2016) indicates that improvement of entrepreneurial intangible resources such as customer capital by the enterprise owners enhances growth. Despite the increasingly importance of entrepreneurial intangible resources such as customer capital in the recent times in determining enterprise success, few studies have given a considerable attention. The majority of the studies on entrepreneurial intangible resources have focused on youth entrepreneurs (Ndirangu, 2016; Wekesa, 2015). This study sought to narrow this knowledge gap by examining the influence of customer capital on the growth of women-owned MSEs.

1.3 Objective of the Study

To assess the influence of customer capital on growth of women-owned Micro and Small Enterprises in Central Kenya counties

1.4 Research Hypotheses

H_0: Customer capital has no significant influence on growth of women-owned MSEs in Central Kenya counties.

2.0 Literature Review

2.1 Theoretical Framework

2.1.1. Social Network Theory

The theory that emerged from Mitchell in the late 19th century attempts to find the connection people in their group or communities possess. The Social Network Theory explains that networks are presented as a series of direct and indirect ties from one actor to a group of actors. A social network is described as a set of morphological dimensions, explaining the structure of network and interaction dimensions (Mitchell, 1969). The structural dimensions include the focus of network inquiry and relationships between personal relations and inter-organizational relations. Social Network theory explains the connection and relationship in a social structure (Kadushin, 2004).

The use of social network theory in entrepreneurship attempts to explain the importance of the customers and the relations in an enterprise through the existing social network in a given enterprise. According to Salaff, Greve, Wong and Ping (2003), a social network is a generic way a set of nodes or customers are connected by a set of social relationships, ties, or a specified type of ties. The term network is generally used for the structure of ties among the actors/customers in a social system. These actors/customers could be roles, individual persons, organizations, industries, or even nation states. Their ties may be based on conversation, affection, friendship, kinship, authority, economic exchange, information exchange, or anything else that forms the basis of a relationship. In a network, flows between objects and actors/customers and exchanges, which might contain an advice, information, friendship, career or emotional support, motivation, and cooperation, can lead to very important ties (Kadushin, 2004).

Strong ties facilitate the flow of richer, detailed, and redundant information and knowledge resources between individual entrepreneur and their respective groups of customers. Strong ties can be defined as the relationship between an individual woman entrepreneur and other women entrepreneurs, close friends, and family. Interaction with strong ties gives the women entrepreneurs a stronger relation to the others. The linkage among the women entrepreneurs is strong and they always get connected with each other.

Granovetter (1985) mentioned that strong ties show some key characteristics between the parties of the relationship, such as frequent interaction, extended history, intimacy and sharing, reciprocity in exchanges that allow for mutual confiding, and trust-based interactions. Thus network relationship refers to a strategy that focuses on creating and maintaining a lasting

relationship between entrepreneurs and their network of customers that may enhance the growth of enterprises (Premaratne, 2002).

The theory is deemed relevant in this study. This is due to the fact that the social network theory assisted in providing knowledge on the necessity for women entrepreneurs to build reputation-enhancing relationships with (customers) and other outside resource providers who are willing to share valuable information, technology, and finance. This is due to the fact that, women entrepreneurs need to utilize their own informal and personal networks to establish new enterprises and customers. The social network theory informed the need for women entrepreneurs to have social network contacts that are needed by women in small enterprises to overcome their difficulties of growth that face start-ups at the early stage of business formation. Therefore, the social network anchored the customer capital as an important entrepreneurial intangible resource that can explain the growth of women enterprises in Central Kenya counties.

2.2 Empirical Review

2.1.2.   Customer capital and Growth of Women-Owned MSEs

Customer capital refers to the value of the relationship that an enterprise possesses with its customers, suppliers and the rest of the society. In addition to that, any enterprise with a customer has a customer capital. Among all entrepreneurial intangible resources, customer capital has the most outstanding value. Zerenler, Hasiloglu and Mouritsen (2008) also define customer capital as the title value of an enterprise, continuing relationships with its buyers and other related organizations.

It also considers the states of the loyalty of the stakeholders to the enterprise (Irtaimeh, Al-Azzam & Al-Quraan, 2016). Khan (2014) argued that customer capital is the main component of entrepreneurial intangible resources and it is mainly based on the relationships between the enterprise and its customers. For organizations having good relations with its customers is very important, to enjoy competitive advantage. Khalique, Bontis, Shaari and Isa (2011) illustrated that customer capital comprises customer satisfaction, loyalty and network. Regarding the importance of customer capital, they stipulated that the relationship with customers is very important for organizations because customers buy products or services from the enterprises. Therefore, customers are the main source for revenue generation of small enterprises.

Indeed, Ngugi, Gakure and Kahiri (2013) noted that there is a positive and significant relationship between customer capital and growth of enterprises. Small enterprises have the added advantage of acquisition of customers since the owners have direct contact and knowledge of their potential customers. They also have physical and emotional connection with their customers. This advantage should be packaged to lead to growth of women enterprises.

On the relationship between customer capital and enterprise growth, Uadiale and Uwuigbe (2011) assessed the impact of intellectual capital (IC) on the general performance of the quoted companies in Nigeria. They examined the impact of intangible resources components on business performance measured with return on equity (ROE) and return on assets (ROA). Their results showed that customer capital has are positively related with the growth of enterprises organizations in Nigeria. Their findings reinforce the accumulating body of empirical support for

the positive impact of customer capital on business performance. Unfortunately, the impact of customer capital, though a component of intangible resources, and growth of enterprises is not isolated in the final analysis.

However, Okafor (2012) used data collected from 20 SMEs operating in Anambra and Enugu States of Nigeria to evaluate relationship between customer capital and the growth of enterprises. The multiple regression analysis was the main statistical tool used to test the relationship between a dependent variable (success) and a set of five independent variables (relations with customers and suppliers, informal relations, reputation, location and ties with external bodies including government). The results indicated that only the variables concerned with relationship with customers and suppliers and those relating to ties with external bodies made significant contributions to numerical vastness of the SMEs in a transitional country like Nigeria. This study was based in Nigeria and the current study made an attempt of replicating the study in the Kenyan set-up.

The effect of relational capital components on firms' performance of selected small scale enterprises clusters in south western geo-political zone of Nigeria was examined by Ogundipe (2012). The study focused on the firms within two clusters, Abeokuta and Osogbo located in Ogun and Osun State respectively. The uniqueness of this study is that it focused on female-owned SSEs in Nigeria. This assertion is not farfetched as women's role as the cartelist in the economic development of the nation is increasingly been recognized.

In a similar study in Nigeria, Abiola (2013) revealed that female-owners SSEs business performance is strongly influenced by relational capital. Women should be encouraged to seek increased performance in business by placing adequate premium on the relational capital components (customer, supplier and networks among employees). This study was also based in Nigeria hence the need to compare the findings in the Kenyan situation.
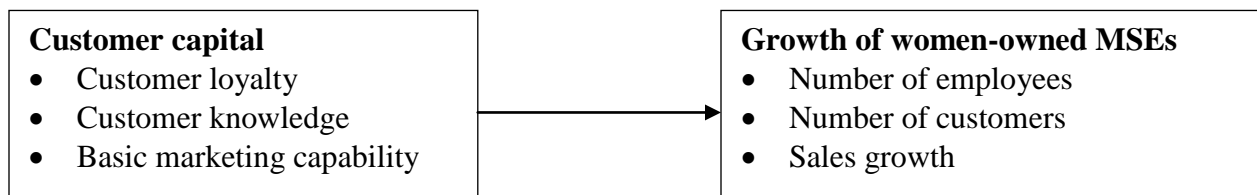
An assessment of the major factors affecting the performance of women entrepreneurs in MSES in Ethiopia was reviewed by Girma (2015). A sample of 181 women entrepreneurs engaged in 5 sectors was taken for the study using stratified and simple random sampling. The results of the study indicate the customer loyalty and the ability of women entrepreneurs to invest in customers welfare contributed to enhanced performance of the women MSES. It also showed that lack of their own premises (land) to run their business, financial access given by micro finances or other lending institutions, inadequate access to business training, stiff competition in the market place, access to technology and access to raw materials were the key economic factors that affected the performance of women entrepreneurs. This study was based in Ethiopia, a developing economy like Kenya. The current study highlighted the relationship between customer, structural, innovation capitals, entrepreneurial skills and entrepreneurial capital on growth of women enterprises.

Kalkana, Bozkurtb and Arman (2014) studied on the influence of entrepreneur's intellectual capital on the innovation performance of automotive supply industry in Turkey. Field surveys of the automotive supply industries were used in collecting data. The findings of this study showed customer capital had the greatest significant influence with innovation performance, followed by employee capital and finally structural capital. This study is in automotive suppliers industry in

Turkey involving large enterprises while the current study focused on women owned MSEs in Kenya. Similarly, the study is using surveys in collecting data with the current study employing the use of questionnaires to collect data.

2.3 Conceptual Framework

The goal of a conceptual framework is to categorize and describe concepts relevant to the study and map relationships among them. Such a framework would help researchers define the concept, map the research terrain or conceptual scope, systematize relations among concepts, and identify gaps in literature (Creswell, 2009). Below is a figurative representation of the variables to be explored by this study.

Customer capital	**Growth of women-owned MSEs**
• Customer loyalty • Customer knowledge • Basic marketing capability	• Number of employees • Number of customers • Sales growth

Figure 1: Conceptual Framework

3.0 Research Methodology

The study adopted interpretivist philosophy. Descriptive survey research design was adopted in this study. The design was useful for the researcher to comprehend more about opinions, and attitudes of the respondents on entrepreneurial intangible resources and growth of women-owned enterprises. The population of this study comprised of the women-owned MSEs and recipients of Uwezo Fund in four constituencies in Central Kenya counties. The target population comprised of 1228 women groups with a total population of 2472 women entrepreneurs were registered and recipients of Uwezo Fund in Kiharu, Gichugu, Tetu and Kiambaa constituencies. The sample comprised of 399 respondents. Data was collected through questionnaires. Descriptive and inferential statistics were used in the analysis of quantitative data generated. Pearson product moment correlation was applied to determine the relationship between independent and dependent variables. Linear regression analysis was used to explain the extent independent variables (customer capital) explained variations in dependent variable (growth of women-owned MSEs). The study conducted diagnostic tests that included standard F-test, T-test, Analysis of Variance (ANOVA) test, factor analysis, Multicollinearity analysis, Heteroscedasticity test and normality test.

A multiple regression model was used in this study as shown below: It was intended to answer the qualitative attributes in the variables. This is denoted by:

$Y = \beta o + \beta_1 X_{1+} \varepsilon$

Where:

Y= Represents the growth of women-owned MSEs

β_0= Constant

β_1=Represents the coefficients of the variables

X_1= Customer capital

ε = Represents the error term

4.0 Results and Discussion

4.1 Correlation Analysis

4.1.1. Bi-variate Linear Relationship between Study Variables

Before regression analysis, researcher tested correlational matrix to establish whether association existed between customer capital and growth of women-owned MSEs. To establish correlation, Pearson Product, Moment Correlational Coefficient (r) was used as shown in Table 1.

Table 1: Linear relationships of variables

		Growth	Customer Capital
Growth	Pearson Correlation	1	.551[**]
	Sig. (2-tailed)		.000
	N	293	293
Customer Capital	Pearson Correlation	.551[**]	1
	Sig. (2-tailed)	.000	
	N	293	293

Findings of correlation analysis showed that customer capital had a strong positive correlation with growth of women-owned MSEs (r=0.551, p-value=0.003). This implies that an increase in use of customer capital led to an increase in growth of women-owned MSEs.4.2 Diagnostic Tests

4.2.1. Multicollinearity

Multicollinearity exists when more than one variable is measuring the same value (Hair et al., 2007). Multicollinearity is the undesirable situation where the correlations among the independent variables are strong. In other words, multicollinearity misleadingly bloats the standard errors. Table 2 indicated the test results for multicollinearity, using both the VIF and tolerance. With VIF values being less than 5, it was concluded that there was no presence of multicollinearity in this study. The VIF in Table 2 showed how much the variance of the coefficient estimate is being inflated by multicollinearity.

Table 2: Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
Customer capital	0.831	1.203

a. Dependent Variable: Growth of Women-Owned MSEs

4.2.   Factor Analysis

Factor analysis was carried out before analysis of the results to describe variability among the observed and check for any correlated variables with the aim of reducing data that was found redundant. Factor analysis was tested in customer capital.

4.2.1.   Factor Analysis on Customer capital

Factor analysis was carried out on customer capital as indicated in table below. Statements of customer capital scoring factor loading of less than 0.5 were removed. Reliability test was then carried on the statements of retained. As indicated in Table 3, Cronbach's Alpha test attained a value of 0.727 which was greater than the threshold 0.7 indicating that satisfactory reliability was achieved.

Table 1: Reliability and factor analysis of customer capital

Item	Description	Loading
CC1	There are good network systems with customers in my enterprise	0.823
CC2	I deliver goods and services to customers	0.816
CC3	My enterprise is highly royal to the customers	0.614
CC5	Networks with customers have made the enterprise grow	0.611
CC6	Existing customers help the factory to enroll or get new customers	0.771
CC7	Customer's complaints are handled on time	0.779
CC8	I have good network systems with suppliers	0.700
CC9	I pays my suppliers promptly on time	0.691
CC10	I have good relationship with suppliers	0.751
CC12	The enterprise networks with suppliers have made it grow	0.599
CC15	The county government has helped our firm to be where it is	0.627
CC16	Our relationship with the county government is good	0.784
CC18	The county government regulates our market	0.656
CC19	Taxes we pay to county government are commensurate to our revenues	0.747
Cronbachs Alpha =0.727 , KMO =0.703		

4.2.2.   Heteroscedasticity Test

Breusch-Pagan and Koenker was used to test the null hypothesis that the error variances are all equal versus the alternative that the error variances are a multiplicative function of one or more variables. Breusch-Pagan and Koenker test the null hypothesis that heteroscedasticity not present (homoscedasticity) if sig-value is less than 0.05, reject the null hypothesis. A large chi-square value greater than 9.22 would indicate the presence of heteroscedasticity. As indicated in Table 4, the chi-square value was 6.745 indicating that heteroscedasticity was not a concern.

Table 4: Heteroscedasticity

Test	Test value	Sig
Breusch-Pagan	**6.745**	**.240**
Koenker test	9.796	.081

4.2.3. Normality Test

The normality of data distribution was assessed by examining its skewness and kurtosis (Kline, 2005). Creswell (2009) stated that an index smaller than an absolute value of 2.0 for skewness and an absolute value of 7.0 is the least violation of the assumption of normality. The results of the normality test of the dependent variable as shown in Table 5 indicated skewness and kurtosis in the range of -1 and +1 as shown in table below. This implies that the assumption of normality was satisfied.

Table 5: Normality Test

Descriptive Statistics

	N Statistic	Skewness Statistic	Std. Error	Kurtosis Statistic	Std. Error
Growth	293	.640	.142	.719	.284
Customer capital	293	.028	.142	.008	.284
Valid N (listwise)	293				

4.2.4. Normality test using Kolmogorov-Smirnov and Shapiro-Wilk test

Normality was tested by use of Kolmogorov-Smirnov and Shapiro-Wilk test. The tests results indicated that the p-value > 0.05 as shown in Table 6. The tests reject the hypothesis of normality when the p-value is less than or equal to 0.05 (Sharpiro & Wilk, 1965) illustrating that the standardized residuals was significantly normally distributed.

Table 6: Normality Test

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Growth	.018	293	.200[*]	.997	293	.864
Customer capital	.036	293	.200[*]	.995	293	.461

4.2.1 Test for Multicollinearity

Multicollinearity was assessed in this study using the variance inflation factors (VIF). According to Hair et al. (2007) VIF values in excess of 10 is an indication of the presence of Multicollinearity as shown in Table 7.

Table 7: Multicollinearity Results

	Collinearity Statistics	
Model	**Tolerance**	**VIF**
Customer Capital	0.831	1.203

a. Dependent Variable: Growth of Women-Owned MSEs

4.3. Influence of Customer capital on Growth of Women-Owned Enterprises

In order to determine the relationships proposed in the research model, linear regression analysis was used. Linear regression analysis is applicable in modeling the relationship between customer capital and growth of women-owned MSEs..

4.3.1. Hypothesis One: There is no significant influence between customer capital and growth of women-owned MSEs.

a) Customer Capital and Growth of Women-Owned MSEs Model Summary

The result shows that the coefficient of determination (R-squared) was 0.303. This indicated that 30.3% of growth of women-owned MSEs is explained by customer capital. The adjusted R-square (0.301) depicted that customer capital in exclusion of the constant variable explained the change in growth of women-owned MSEs by 30.1% with the remainder of the percentage explained by other factors outside the stated study model. Further, R of 0.551 meant that a positive relationship existed between customer capital and growth of women-owned MSEs. The results are shown on Table 8.

Table 8: Customer capital and growth model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.551[a]	.303	.301	.91030

a. Predictors: (Constant), Customer Capital

b) Customer Capital and Growth of Women-Owned MSEs ANOVA

From the results, it is imperative that customer capital is statistically significant in explaining growth of women-owned MSEs in Central Kenya counties. The F-statistics of 126.720 shows that the model is significant since it is supported by a probability value of (0.000). The reported probability of 0.000 is less than the conventional probability of 0.005 hence the significance. The results are shown on Table 9.

Table 9: Customer capital and growth of women-owned MSEs ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	105.005	1	105.005	126.720	.000[b]
	Residual	241.134	291	.829		
	Total	346.139	292			

a. Dependent Variable: Growth

b. Predictors: (Constant), Customer Capital

c) Customer Capital and Growth of Women-Owned MSEs Regression Weights

The hypothesis of the study was that customer capital has no significant influence on growth of women-owned MSEs. However, from the findings, a positive significant relationship existed between customer capital and growth of women-owned MSEs (β=0.517 and p-value<0.001). The implication is that a unit increase in customer capital led to an increase in growth of women-owned MSEs by 0.48. Since the p-value is less than 0.05 as shown in Table 10, the null hypothesis was rejected and alternate hypothesis accepted. The conclusion therefore was that customer capital had a significant influence on growth of women-owned MSEs.

Table 10: Customer capital and growth regression weights

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.117	.053		-2.208	.028
	Customer Capital	.517	.046	.551	11.257	.000

a. Dependent Variable: Growth

d) Discussion of Findings on the Relationship between Customer Capital and Growth of Women-Owned MSEs

From the findings it can be deduced that customer capital positively and significantly influence growth of women-owned MSEs in Central Kenya Counties (β=0.517 and p-value<0.001). Pearson product moment correlation coefficient (R=0.551, p-value=0.003) in Table 1 showed that there was a positive significant correlation between customer capital and growth of women-owned MSEs. The result showed that the coefficient of determination (R-squared) was 0.303. This indicated that 30.3% of growth of women-owned MSEs is explained by customer capital.

These findings are consistent with previous results. For instance Khan (2014) found a significant and positive relationship between customer capital and growth of enterprises and added that the relationship between an enterprise and the customers in terms of customer loyalty is the main component of entrepreneurial intangible resources. Therefore, women entrepreneurs should have social network needed in small enterprises to overcome the difficulties of growth that face start-

ups at the early stage of business formation. The study findings thus led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that customer capital has significant influence on growth of women-owned MSEs in Central Kenya counties.

4.4 Hypotheses Testing

Hypotheses were tested using simple linear regression analysis as represented in Table 8, 9 and 10.

H_0: **There is no significant influence between customer capital and growth of women-owned MSEs.**

The hypothesis was tested by using simple linear regression and determined using p-value. The acceptance/rejection criterion was that, if the p value is less than 0.05, we reject the H_0 but if it is more than 0.05, the Ho is not rejected. The results in Table 8, 9 and 10 for customer capital and growth of women-owned MSEs indicate that customer capital had a positive and significant relationship with growth of women-owned MSEs ($\beta = 294$, t = 8.206, p-value 0.000). The null hypothesis was therefore rejected. The study therefore adopted the alternative hypothesis that there is significant influence between customer capital and growth of women-owned MSEs.

5.0 Conclusions

Based on the findings, the study concluded that customer capital through customer loyalty, knowledge and marketing capabilities had positive and significant influence on growth of women-owned MSEs. The study established that customers were important attributes to the growth women enterprises and the women entrepreneurs therefore need to invest more in harnessing the loyalty of the customers in terms of availing new markets and products. Women entrepreneurs need more investment on self-knowledge on sustenance of regular customers and new referrals to enhance enterprise growth.

6.0 Recommendations

The study recommended that women entrepreneurs should invest on self-knowledge in order to sustain the customers and even attract new ones to their enterprises. Since women entrepreneurs are in small enterprises like agricultural and general trade, they seemed to have awareness of the importance of customer capital; they should put effort to enhance sustenance of customer loyalty through venturing into new markets and products to realize growth of enterprises.

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