

**ADOPTION OF SWOT ANALYSIS TO GENERATE COMPETITIVE
ADVANTAGE IN TRANSPORT INDUSTRY. A CASE STUDY OF
TRANSLINE SACCO LIMITED**

**By
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DECLARATION

This research project is my original work and has not been submitted for a degree course in this, or any other university.

Signature.....

Date.....

Otieno Basil Odhiambo

This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

This research project is a special dedication to my Dad Robinson Onunda and mom Emmaculate Anyango, my wife Saphina Labee and my son Curtis Robbins, my cousin Chriss Shimba who gave me the necessary support and encouragement to complete this research project without so much strain.

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LIST OF ABBREVIATION

CEO	Chief Executive Officers
P.S.V	Public Service Vehicles
PEST	Political, Economical, Social, and Technical factors
RBV	Resource-Based View
SWOT	Strengths Weaknesses Opportunities and Threats

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In any natural setting, organizations exist within an external environment, filled with conditions and faces that affect their strategic options and define their competitive situation. A dynamic environment therefore means that firms have to compete intensively (Pearce and Robinson, 1997). The way in which organizations interact with the environment is therefore crucial for their survival and growth. Subsequently, associations need to continually adjust and realign their systems keeping in mind the end goal to stay aggressive. As indicated by Asnoff and McDonnell (1990) inability to viably adjust the association to its condition prompts a key issue in this way debilitating its reality. The dynamism of the earth infers that associations need to continually update their methodologies keeping in mind the end goal to stay aggressive. Inability to successfully adjust the association to its condition prompts vital confound between what the association offers and what markets request. Administrators need to settle on key decisions that are worried with choices around an association's future and the route in which it needs to react to these ecological weights and impacts. Designers of planning systems have agreed on the critical role of grand strategies in achieving a lasting competitive advantage.

This study will be based on the resource based view theory and the game theory that are used by organizations to generate the strategic inputs needed to successfully formulate and implement strategies and to maintain strategic flexibility (Hitt, Ireland and Hoskisson, 2005). According to resource-based view, Barney (1991) argues that by identifying their core competencies firms are able to focus on areas that give them an advantage over their competitors. Core competences are more robust and difficult to imitate because they relate to the management of

linkages within the organizations value chain and to linkages into the supply and distribution chains. With regard to game theory, firms have to take consideration of the resources available, their capacity and capability to make maximum use of available resources to ensure that they align their strategic goals with the external environment. Game theory has been applied in the way organisations compete in a particular industry, their relationship and interactions in situations of cut-throat competition, whereby one organisations gains while another one loses within an unchanging total of market share and characteristics.

SWOT analysis (Strength, Weakness, Opportunity, and Threat) has been being used since the 1960s as an instrument to help key arranging in different sorts of ventures incorporating those in the vehicle business. While still broadly utilized, the approach has called for changes to make it more accommodating in key administration. Vehicles that have a (P.S.V) inscription participate in public transport as Public Service Vehicles. Public transport refers to the facilities and services that are prepared for the user by a third party and are intended for use by a large number of clients. Public transport has faced deepening competition from companies and organizations since the enforcement of the traffic act in early 2004. This has brought in competition from new transport operators from all sizes and shapes offering a similar service. In addition the level of taxation has increased from levies by Local authorities and advance tax by central government to illegal extortions by traffic police and outlaws. It is no secret operators must form come up with a strategy that will help to help them face these challenges and redefine themselves better in the market place in order for them to operate profitably.

1.1.1 The Concept of Strategy

Strategy is a multi-dimensional idea and different creators have characterized methodology in various ways. It is the match between an association's assets, aptitudes and the ecological open doors and in addition the dangers it faces and the reasons it wishes to finish (Thompson and Strickland, 2008). It is intended to give direction and bearing to the exercises of the association. Since key choices impact the way associations react to their condition, it is essential for a firm to make vital arrangements and characterize methodology as far as its capacity to nature. The motivation behind technique is to give directional signs to the association that allow it to accomplish its goals while reacting to the open doors and dangers in the earth (Pearce and Robinson, 2007).

Ansoff (2007) sees procedure regarding business sector and item decisions. As per his view, methodology is the "consistent idea" among an association's exercises and the market. Johnson and Scholes (2002) characterize technique as the bearing and extent of an association that in a perfect world matches the aftereffects of its changing condition and specifically its business sectors and clients to meet partner desire. As indicated by Thompson and Strickland (2008), system is a brought together and coordinated arrangement that relates the vital points of interest of the firm to the difficulties of the earth and that is intended to guarantee that the fundamental goals of the venture are accomplished through appropriate execution by the association.

Strategy aims to achieve advantages for the organisation by using accessible assets to address the issues of the market and satisfy partners' desires (Johnson and Scholes 2014). Business level

methodology characterizes an association's way to deal with development and rivalry in its picked business portions (Harrison and St. John, 2010). Business systems are likewise now and then alluded to as upper hand. The procedures portray how organizations contend in territories they have chosen. The systems may differ broadly from business to business since they are formed by aggressive strengths and the assets controlled by each of the unit of the firm. On the off chance that an association is just required in one region of business, at that point business methodology choices have a tendency to be made by similar individuals. Such procedures are actualized through everyday choices made at the working level of a firm (Hrebiniak and Joyce, 2014). The business techniques be that as it may, rely on upon the capacities the firm is embraced.

1.1.2 Swot analysis

One of the strategies used in the transport industry is SWOT analysis. Jobber (2015) stated that SWOT (strengths, weaknesses, opportunities and threats) investigation is an examination of an organization's points of interest, deficiencies, great elements and clubs outside. It is the most widely recognized routes in the vital administration. A decent SWOT examination can enable an organization to comprehend itself to better and it is an essential rule for making an appropriate advertising technique arrange. Regularly seen as a key stride identified with arranging, SWOT examination is misleadingly straightforward in spite of the enormous esteem it conveys. The framework consolidates data from the ecological examination and isolates it into two parts: inward issues (qualities and shortcomings) and outer issues (openings and dangers).

This level of investigation empowers an association to decide if there are variables exhibit that will help in the accomplishment of particular targets (because of a current quality or opportunity) or if

there are hindrances that must be overcome before the coveted result can be acknowledged (because of shortcomings or dangers). SWOT is exceedingly helpful for creating and affirming the authoritative objectives, each of the four classes gives particular experiences that can be utilized to develop a fruitful showcasing system, including:

Strengths are the positive ascribes inside to your association and inside your control. Qualities regularly envelop assets, upper hands, the positive parts of those inside your workforce and the perspectives identified with your business that you do especially well, concentrating on all the inner segments that include esteem or offer you an upper hand.

Weaknesses: these are variables that are inside control yet take away from the capacity to get or keep up a focused edge, for example, constrained mastery, absence of assets, restricted access to abilities or innovation, substandard administrations or poor physical area. Shortcomings typify the negative inner angles to the business that lessen the general estimation of items or administrations given. This classification can be greatly useful in giving an authoritative evaluation, if one concentrate on a precise distinguishing proof of the organization's shortcomings.

Opportunities: these is an outline of the outer elements that speak to the inspiration for the business to exist and thrive inside the commercial center. These components incorporate the particular open doors existing inside the market that give an advantage, including market development, way of life changes, determination of current issues or the fundamental capacity to offer a higher level of significant worth in connection to the contenders to advance an expansion sought after for the items or administrations. One component to know about is timing

Threats: these are outer components outside the ability to control of your association that can possibly put the showcasing technique, or the whole business, at hazard. The essential and ever-introduce danger is rivalry. In any case, different dangers can incorporate unsustainable cost increments by providers, expanded government control, monetary downturns, negative press scope, moves in shopper conduct or the presentation of jump frog innovation that leaves the items or administrations outdated. In spite of the fact that these strengths are outside and accordingly outside ones ability to control, SWOT examination may likewise help in the making of an alternate course of action that will empower an association to rapidly and successfully address these issues should they emerge.

1.1.3 The Concept of Competitive Advantage

Competitive advantage refers to the superiority gained by an organization by providing the same value as its competitors at a lower price, or at higher prices by providing greater values through differentiation. At the point when a firm supports benefits that surpass the normal for its industry, the firm is said to have an upper hand over its adversaries (Porter, 1996). Rivalry in any given industry depends on three non-specific methodologies in particular, cost initiative, separation and center methodology. What develops however is that procedure needs to do with how a firm identifies with its condition. This needs to consider the inward capacities of the firm in connection to outside circumstances and dangers. Regardless of whether at war or in business; technique is about winning against the adversary (rivalry). The achievement or disappointment of a system will rely on upon skillful definition and powerful usage. All effective techniques have some regular components. They depend on straightforward reliable and long haul targets. The matatu industry is much updated on the changes in the environment that's why when Koffi Anan came to Kenya

in 2008; most of the matatus had his picture on the back window. Thus, the prediction it's one of the means of transport that is very environment dependent and environment serving

1.1.4 Transport Industry in Kenya

The development of the matatu, from a fast and simple reaction to neglected travel request, to the predominant method of transport in Kenya, started in the late 1950s. After Kenya's autonomy in 1963, Africans relocated to Nairobi looking for work openings. Casual settlements started to extend around the city and in zones where there was constrained open transport benefit. Perceiving the open door for monetary profits while giving a truly necessary administration, smaller than expected transport privateer taxis, which were to a great extent claimed by center pay individuals, started offering a vehicle benefit from provincial territories and from casual settlements around the city. Because of appeal, the quantity of matatus, expanded. The matatu business has assumed a focal part in versatility, governmental issues and financial aspects, cementing its part and significance in Kenya's social texture. As Nairobi wound up plainly subordinate upon matatus to transport individuals to and from different goals situated in the metropolitan range, there were more than 20,000 in the Nairobi Metropolitan Area today (Mutongi 2011).

Nzuve 2012, documents that vehicle business could be portrayed as sorted out turmoil. The absence of a political champion is accepted to be a noteworthy impediment in building up a dynamic arrangement for matatus, subsequently prompting a scattered industry. Despite the fact that the group has been vocal by composing articles in every day daily papers and posting reactions on sites with respect to the requirement for a champion, the administration keeps on overlooking

open request. An additional conceivable hindrance to change is likewise that professedly numerous government officials are as of now non-attendant proprietors and benefit from matatus.

Poor driving appears to affect every one of the partners in the matatu business. Matatu drivers tend to drive rashly, as their wage and professional stability is reliant upon every day traveler loads returning the day by day benefit check set by the matatu proprietors. To finish this, they infringe upon activity laws, weave all through movement, cut off different vehicles, utilize walkways to sidestep car influxes, putting people on foot at hazard and speed when conceivable.

Identifying with security issues, as the clog compounds, individuals invest more energy in the street however at a halt, making open doors for wrongdoings to be conferred. This is on the grounds that, matatu industry is viewed as an "open" division and thusly, there are numerous unemployed youth who dillydally, making safe houses for hostile to social exercises, for example, medicate utilize, trivial burglary, prostitution and viciousness (Khayesi 2009). Other key issue in the matatus business is that the police badger them and draw them over despite the fact that they have not done anything unlawful. Further, Purchasing a matatu and recuperating introductory expenses is a worry for proprietors. This can be at first troublesome yet broad desire is that a sizable benefit can be acknowledged in a generally brief day and age.

1.1.5 Transline sacco Limited

Transline sacco Ltd is a bus company in Kenya, located in Kenya's capital Nairobi. Transline sacco Ltd is currently operating with over 200 buses and 200 voyaging roughly 4,2 mil km for every

year and conveying 720 000 travelers since being set up as per the data from Nairobi Metropolitan authority records.

With the head office in Nairobi and different workplaces all over Kenya, transline sacco ltd gets 45 000 calls for every month. Comprising of new appointments, inquiries in regards to courses and goal focuses. With the a wide range of goal focuses in Kenya and neighboring nations, we will have the capacity to oblige gatherings of travelers with our semi extravagance cooled transports.

The Sacco gives the most practical approach to oversee substantial open transport fleets. They have additionally been pioneers in changing the picture of open transport, which was commanded by rebel drivers and touts without respect for movement rules. With the normal eliminating of the 14-seater vans, the sacco is ready to assume a much greater part in supporting the administration's drive.

1.2 Research Problem

According to Porter (1990) all organizations serve in the environment and depend on the environment for their input and outputs. The fact that the environment is very dynamic makes it to have impact on all industries within the country. The Matatu Industry has been subjected to these changes. Firms in the Matatu Industry have therefore been forced to respond to the changing competitive situation in the environment by using SWOT analysis strategies to ensure they maintain a competitive edge over their competitors.

The Matatu subsector in the public transport industry in Nairobi has and is still facing various challenges. The famous „michuki rules“ introduced in 2004, directly affected Matatu operations; bans imposed by organizations such as Nema (National Environmental Management Authority) in an effort to reduce noise pollution also affects the Matatu operations, who are often shouting in a bid to get commuters. Maranga (2009) notes that Matatu operation costs are quite high. Illegal cartels that extort money from the Matatu operators affect the profitability of this business. The existence of strong interest groups in Matatu means of transport partly explains the regular violence and conflicts that occur in the industry (Muune 2008).

Competitive strategies have been a subject for calculated discourse and observational examination for quite a long time. Despite the fact that reviews have been done in connection to; aggressive systems none has been done on SWOT investigation as a methodology for intensity: Hall and Saias (1998) concentrated focused methodologies by sixty-four American organizations; the review found that organizations taking after a separation technique had a huge piece of the overall industry than the individuals who were hesitant to adjust separation procedures. Chan and Jamison (2001) concentrated aggressive procedures embraced by banks in China. The discoveries uncovered that most banks that received focused systems had an unrivaled execution.

(Nzuve and Mbugua, 2012; Kamau, 2006) suggested that the traveler transport part increment creative utilization of option methods for transport. Kamau (2000) in his study of operations procedures sought after by interurban Passenger Service Vehicle transport organizations in Kenya built up the accompanying techniques on which transport organizations contend on: opportuneness, cost, unwavering quality, quality, client mind, benefit quality, adaptability and

admission Incentives. The majority of research has been on generic competitive business strategy. None of the studies conducted has been done on adoption of SWOT analysis in transport sector and therefore the study will be based on the following questions: how has the transport industry applied SWOT analysis to generate competitive edge? Is SWOT analysis an effective strategy for bringing in a competitive edge?

1.3 Objective of the Study

1. To identify whether the transport industry has adopted SWOT analysis to generate a competitive edge
2. To examine the effectiveness of SWOT analysis for competitive edge in transport industry in Kenya

1.4 Value of the Study

To the government the study will be used to highlight role played by Matatu industry in national development and help it in formulation of policies that will create a conducive environment for Matatu transport business. Further aspiring entrepreneurs: the study will give them important insights on potential opportunities available in the market and strategies required for survival.

The findings of this study would provide a theoretical view showing the relationship that exists between rigorous implementation of strategic management practices and competitive advantage. In this, the research would contribute to the implementation of SWOT analysis model that could help Matatus in the transport industry gain and sustain competitive advantage.

To researchers and academicians this study will add to the existing pool of knowledge on competitive strategies adopted by different industries. It will also help them in understanding the nature of Matatu industry in Kenya and build on it for further research.

Matatu owners: the study will provide owners of the matatus with information on general state of competition in the industry and strategies being adopted to overcome competition in the industry.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section covers the theoretical framework for the study, review of the literature on variables, empirical review, research gaps and the summary.

2.2 Theoretical Foundation of the Study

This study will be founded on two theories that are related to the topic of the study that is the resource based view and game theory

2.2.1 Resource-Based View

According to Thompson (2005), each firm should develop competencies from its resources and when these are developed well, they become the source of the firm's competitive advantage. A company is positioned to succeed if it has the best and most appropriate stock of the resources relevant for its business and its strategy. According to Thompson (2005), each firm should develop competencies from its resources and when these are developed well, they become the source of the firm's competitive advantage. Hamel & Prahalad (1994) agreed that the distinctive competences of a firm must have customer value, extendibility, and must be competitor unique for them to attain maximum benefits for the firm. Availability of resources however is not enough. A company's competitive advantage is derived from its ability to assemble and exploit its resources and capabilities in synergistic combination.

There is therefore need for a good fit between the external market and the firm's internal capabilities. The real suppositions of the asset based view are asset heterogeneity, which accept

that associations are groups of items and administrations with associations having diverse packs of these assets, and asset stability, which expect that some of these assets are either expensive to duplicate or mirror or either inelastic in supply (Barney, 2007). These assets can either be unmistakable or immaterial and they incorporate all benefits, abilities, skills, association forms, association qualities, data, learning that are controlled by an association and that empower it to think about and execute methodologies intended to enhance its proficiency and viability (Pearce and Robinson, 1997; Barney, 2007).

The accentuation of the RBV way to deal with vital administration basic leadership is on the key capacities as reason for prevalence of the firm as opposed to endeavoring to always guarantee an immaculate natural fit. Assets are the particular physical, human, and authoritative resources that can be utilized to actualize esteem making systems. Abilities introduce the limit with regards to a group of assets to play out an undertaking or action (Grant, 1991). At the end of the day, capacities introduce complex packs of collected information and aptitudes that are practiced through hierarchical procedures, which empower organizations to arrange their exercises and make utilization of their benefits..

2.2.2 Game Theory

This theory, likewise alluded to as the zero-whole hypothesis, has been a creating branch of financial matters in years. It traverses diversions of static and dynamic nature under immaculate or blemished data. This hypothesis is very valuable in examining consecutive and exceptionally powerful choices at the strategic level. It puts much accentuation on the significance of being professional dynamic or thinking ahead, considering options and foreseeing the response of

contenders and different players in the diversion, which is the business or focused condition (Brandenburger and Nalebuff, 1995).

The game theory has been connected in the way associations contend in a specific industry, their relationship and communications in circumstances of merciless rivalry, whereby one association picks up while another loses inside a perpetual aggregate of piece of the overall industry and attributes. The decision of system depends exceptionally on the data that each gathering has. This could either be immaculate or flawed data and the vital activities are concurrent for the players, for this situation contending associations in a similar industry. The associations can't connive into a specific choice since they settle on decisions all the while. The zero-total amusement includes only two players in which one player must be improved off by exacerbating the other off (Brandenburger and Nalebuff, 1995).

The game theory' application zones in aggressive methodology are in valuing, innovative work, new item presentation, promoting, control and in decision of either to embrace authorizing or deliver. Understanding the game well can empower associations to make a win-win circumstance to make the association to be in a superior position than different players. Understanding the diversion well will likewise roll out the association improvement the tenets, players, strategies and extent of the amusement in the association's support. The appropriateness of the diversion hypothesis in enhancing upper hand of associations can be found in association's decision of receiving another innovation, and first-mover points of interest, and cost authority or evaluating of its items and administrations. In any case, this hypothesis has not been to a great extent well

known but rather it is pertinent to oligopolistic organizations (Brandenburger and Nalebuff, 1995; Prahalad and Hamel, 1990; Murphy, 2005).

2.3 Adoption of SWOT analysis

SWOT is a broadly utilized apparatus for examining interior and outer conditions so as to accomplish an orderly comprehension of a key administration circumstance (Wheelen and Hunger, 1995). Thus, it urges strategists to embrace a technique that can best adapt to the circumstance. The logic behind the SWOT examination is that the procedures an association embraces ought to coordinate the natural dangers and openings with the association's shortcomings and particularly its qualities. It tries to set up a vital fit between an association's inward qualities and shortcomings and the open doors and dangers postured by its outer condition. This reasoning has generally been acknowledged as a crucial guideline basic current vital administration (Beer et al., 2005).

Wehrich (2002) proposed a seven-stage structure which transforms SWOT thinking into some particular strides that an investigator can genuinely take after. The center of the SWOT scientific system is 6 the TOWS framework (once in a while called a SWOT network). Not at all like different devices that turned out to be immediately obsolete with the quick advancement of administration science, SWOT investigation is as yet famous. The reasons are numerous. Right off the bat, it is comprehensive; it fits close by different hypotheses and apparatuses which developed later. For instance, a SWOT investigation may itself incorporate various distinctive types of examination, e.g. Doorman's Five Forces show, Resource-Based Approach, Scenario Analysis, and so on (Glaister and Falshaw, 1999). Besides, it is easy to utilize. It gives methodology organizers an efficient yet basic route for leading SWOT investigations (Piercy, 1991). Likewise,

it is adaptable. It can be utilized by various sorts of association, including organizations, non-benefit associations, government units, and even by people.

2.4 Competitive Advantage

According Gartner (2012) the difference between a company and its competitors that matters to the customers is what we can term as competitive advantage. The perceived difference is what forces competitors to transform their business just to compete. The competitors are forced to transform if only to maintain viability and relevance when one company introduces competitive advantage. Upper hands give an organization an edge over its adversaries and a capacity to create more noteworthy incentive for the firm and its shareholders. The more reasonable the upper hand, the more troublesome it is for contenders to kill the preferred standpoint.

As indicated by Claire (1988) to plan focused techniques that would convey upper hand is an estimated procedure in that the accomplishment of upper hand and henceforth unrivaled benefits are focal of any association. Near favorable position, or cost preferred standpoint, is a company's capacity to deliver a decent or administration at a lower taken a toll than its rivals, which gives the firm the capacity offer its products or administrations an a lower cost than its opposition or to create a bigger edge on deals. A differential preferred standpoint is made when an association's items or administrations vary from its rivals and are viewed as superior to a contender's items by clients. Separation hopes to make an item more alluring by standing out its interesting qualities from other contending items. Fruitful item separation makes an upper hand for the merchant, as clients view these items as remarkable or predominant.

According to Kotler (2001) competition incorporates all the genuine and potential adversary offering and substitutes that a purchaser should seriously mull over. Rivalry decides the propriety of a company's exercises that can add to its execution. Rivalry in this way is about esteem, making it and catching it. As indicated by Porter (1990), condition of rivalry in an industry relies on upon five fundamental powers. The aggregate quality of these decides a definitive venture capability of an industry. These strengths include: Threat of substitute items/administration and competition among existing firms. Whilst these environmental forces influence the firm, the firm must seek to manage the environment (Thompton, 1998). In addition to these competitive forces, there are other catalysts to this competition.

According to Bumes (2000), it has turned into an acknowledged view that for society everywhere the size, speed, flightiness and effect of progress are more noteworthy than some time recently. New items have come up at an expanding rate, neighborhood markets have turned out to be worldwide and secured ventures have been opened up to firm rivalry. Competition is therefore not only local and global but there is a realignment of the forces at a very fast rate. Therefore, understanding these forces will be crucial in studying the basis of competition in an industry. The forces can either be intense leading to low profit margins or build allowing for high profit margins.

According to Porter (1990), developing competitive strategies is building up an expansive recipe for how a business will contend. The reason in this way of aggressive procedure is to build up a productive economical position against powers that decide industry rivalry which is out performing rivals in an ethical manner and cultivating the loyalty of consumers. Formulation of

competitive strategies thus entails carrying out situational internal analysis of a firm. This involves analyzing the firm's strengths and weakness, opportunities and threats.

2.5 Research gaps

Notwithstanding its across the board utilize, a substantial crevice in any case exists between a SWOT examination and its taking after stride methodology plan. Typically, in view of a SWOT investigation, an assortment of vital choices will be created and a best/ideal one will at that point be chosen for usage. Be that as it may, at its present phase of advancement, the SWOT examination is inadequately useful for the formation of key alternatives. It has been accounted for that a SWOT investigation result is frequently just an agenda of inside and outside elements, or is essentially disposed of after the examination (Hill and Westbrook, 1997). The principle motivation behind this review, subsequently, is to look at one methods for filling this crevice by analyzing the selection of SWOT investigation into produce focused edge in transport industry.

Lobby and Saias (1998) done an examination of sixty-four American organizations and the discoveries of the review uncovered that organizations that did a SWOT investigation before concocting a technique had an extensive piece of the pie than the individuals who were hesitant to adjust SWOT examination. However the organizations that were analyzed did exclude those in the vehicle business.

Aduda (2012), on his review on aggressive systems embraced by Petroleum Retail Stations in Mombasa, Kenya, all stations are applying a few methodologies for rivalry yet the vast majority of them join both the cost initiative and separation procedures in the meantime, the majority of

which are the multinationals because of their good budgetary capacities. A couple of nearby organizations and the autonomous proprietors for the most part concentrate on value procedure and offer at lower costs. These reviews however did not into consideration the vehicle business.

According to Simister (2011) on SWOT analysis for competitive advantage in service industry found out that upper hand is favorable position over contenders picked up by offering customers more prominent esteem, either by methods for lower costs or by giving more prominent advantages and administration that legitimizes higher costs. An investigation of wellsprings of upper hand for little free neighborhood drugstore retailers was finished by McGee and Love, (1999) and lessons inferred. The retailers in this gathering concentrated fundamentally on creating and keeping up abilities in cost control and tight control over evaluating. These studies only concentrated on the competitive edge and did not look at the SWOT analysis, also the studies did not look at the transport industry. Plainly the focused condition is persistently evolving. Such changes have prompted increment in rivalry constraining firms to react by adjusting methodologies to guarantee they accomplish practical upper hand. Sustaining competitive advantage leads to long term success of the firm. This study therefore seeks to identify the adoption of SWOT analysis to generate competitive edge in transport industry in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter comprises of the examination methodology utilized as a part of the review. This incorporates the exploration plan, information accumulation strategy, and research instruments and information examination. This part will at last take a gander at the information examination strategy that will be connected.

3.2 Research Design

Glass and Hopkins (1984), an engaging examination includes gathering information that portrays occasions and afterward sorts out, classifies, delineates and depicts the information accumulation. Bordens and Abbott (1988) characterizes a review as an endeavor to gather information from individuals from a populace as for at least one factors. The descriptive survey design is chosen because the objective of the study is to describe, explain and validate generalizable findings about the adoption of SWOT analysis to generate competitive edge in transport industry in Nairobi Sacco transport industry.

3.3 Population of the Study

The target population for this study will be staffs in transline sacco limited. The Sacco is made up of individual operators who are duly registered by Transline Sacco limited. The Sacco has about 200 registered members.

3.4 Sample Design

The study will adopt a stratified random sampling to select individual matatu owners registered in the Tranline sacco limited. Gay (1992) recommends that when the target population is small (less than 10000 members), a minimum sample of 20% is adequate for educational research. The researcher will use a 20% of registered Transline sacco members which is in line Gay's (1992) recommendation. This will give a total of 40 members which will be used for this study.

3.5 Data Collection

Primary and secondary data was used in the study. Secondary data will be obtained from journals, written papers, published project reports, internet articles, magazines, annual reports and records Primary data will be collected through personal interview method. The data, which will be qualitative in nature, will be collected by interviewing the individual members registered under Trans-line Sacco limited

The data collection instrument will be a questionnaire (see appendix) because it is more flexible, provides the respondents with greater control of the interview situation and gives an opportunity to probe further. Questions will be administered and probing done in a semi- structured way. The semi-structured questionnaire is unified with foreordained inquiries with an open finished arrangement that are asked to all respondents in that same way (York. 1998). In a semi-organized meeting, open-finished inquiries gives the questioner more prominent opportunity and less limitation (Kadushin. 1990).

3.6 Data Analysis and Presentation

Data cleaning will be attempted to guarantee that all inquiries are filled and done as such effectively. It likewise incorporates consistency check to guarantee that guidelines are taken after particularly to rout questions. Content analysis technique will be used to analyze the data because this study seeks to solicit for data that is qualitative in nature. Analysis is about searching for patterns of relationships that exist among data groups. Content analysis is a research method that uses a set of categorization for making valid and replicable inference from data to their context (Rubin and Piele. 1990). Subjecting the gathered information to substance examination enables the scientist to find out about fundamental mentalities, predispositions, or rehashing topics.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1. Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The study findings are presented on adoption of SWOT analysis to generate competitive advantage. The data was gathered exclusively from the questionnaire as the research instrument. The results of the study are presented according to the objectives and research questions. The findings in this chapter were also arrived at by analyzing and interpreting the available data using SPSS software. All the responses are presented in terms of frequencies and percentages which are displayed in tables. A total of 40 questionnaires were distributed to members of Transline Sacco limited out of which 35 were returned fully filled giving a response rate of 87.5%. This response rate was sufficient to make conclusions for the study as it acted as a representative. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

4.2 Demographic and Respondents Profile

This section is necessary for providing information regarding research participants and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population and testing appropriateness of the respondent in answering the questions for generalization purposes.

4.2.1 Gender

The study sought to determine the gender of the respondent. Table 4.1 shows the findings.

Table 4.1: Gender

Gender	Frequency	Percent
Male	27	75.9
Female	8	24.1
Total	35	100.0

Table 4.1 shows majority 75.9% were male and 24.1% were female. These findings shows that both genders were involved in this study and thus the findings of the study did not suffer from gender biasness.

4.2.2 Age of Respondents

The respondents were asked to indicate their age. Table 4.2 shows the findings.

Table 4.2: Age of Respondents

Age	Frequency	Percent
25 years or less	1	3.4
26-30 years	2	5.2
31-35 years	3	8.6
36-40 years	12	34.5
41-45 years	13	36.2
over 45 years	4	12.1
Total	35	100.0

Findings on age as indicated in table 4.2 show that majority 36.2% of the respondents were aged 41-45 years. 34.5% were aged 36-40 years, 12.1% were aged over 45 years, 8.6 were aged 31-35 years, 5.2% were aged 26-30 years while 3.4% were aged 25 years or less. This implies that

majority of respondents were of considerable age and could understand the need for the study and therefore give rich information for the study.

4.2.3 Number of year they have been in the Sacco

The study requested the respondents to indicate the number of years they have been in the Sacco.

Table 4.3 shows the findings.

Table 4.3: Number of year of company existence

Number of year of company existence	Frequency	Percent
Less than 2 years	3	5.2
2 to 5 years	10	17.2
6 to 10 years	30	51.7
Over 10 years	15	25.9
Total	58	100.0

From the findings, majority 51.7% of respondents had been in the Sacco for 6 to 10 years. 25.6% had been had been in the Sacco for over 10 years, 17.2% had been in the Sacco for 2 to 5 years whereas 5.2% had been in had been in the Sacco for Less than 2 years.

4.3 SWOT strategies

The researcher sought to find out how SWOT strategies are used in the Sacco industry. The findings are presented below.

Table 4.4: SWOT strategies

Strengths	Mean	Std. Deviation
Cost effective	4.2586	.92358
Fast delivery	4.1172	.73010

Sustainable economic growth	4.5172	0.61200
Employment rates	4.6966	.91171
Minimum startup capital	4.2414	.84417
Strong platform for diversification	4.1552	.94686
Weaknesses	Mean	Std. Deviation
Transport subject to traffic delays	4.4310	.84005
Transport subject to breakdown	4.1793	.67739
Goods susceptible to damage through careless driving	3.9483	.82552
Bad weather	4.2586	.66386
Driving regulations can cause delays	3.8448	.96975
Work ethics	4.1379	.86751
Opportunities	Mean	Std. Deviation
New segments	4.1552	.58645
Increased interest in the environment	4.2069	.55436
Potential for innovations and entrepreneurship	4.3793	.55654
Diversification	4.5862	.59337
Construction of highways	4.6552	.57892
Threats	Mean	Std. Deviation
Difficulties in changing routes	4.0862	.68273
Rising overhead costs	4.1379	.71201
Double standards in regulations	4.2241	.49712

From findings in table 4.4, the study found that the Sacco industry looks at its strengths as strategies for competitive industry. The respondents agreed strongly that the Sacco industry has high employment rates as rated with a mean of 4.6966 and it has sustainable economic growth as rated with a mean of 4.5172. The respondents agreed that the industry is Cost effective with a mean of 4.2586, there is Minimum startup capital rated with a mean of 4.2414. The industry

provides a Strong platform for diversification was rated with a mean of 4.1552 while there is fast delivery was rated with a mean of 4.1172.

The study findings indicate that the industry has got some weaknesses that are evaluated during strategy. Some of the weaknesses highlighted include; Transport subject to traffic delays rated with a mean of 4.4310, Bad weather rated with a mean of 4.2586. it was found that work ethics do affect the industry as rated with a mean of 4.1379 and transport subject to breakdown as rated with a mean of 4.1793. The study found that during transportation, Goods susceptible to damage through careless driving as rated with a mean of 3.9483 and also driving regulations can cause delays was rated with a mean of 3.8448.

The study findings show that the industry looks at the opportunities available to use in strategy inorder to gain competitive advantage. Some of the opportunities available that were agreed on strongly include Construction of highways as rated with a mean of 4.6552 and Diversification as rated with a mean of 4.5862. The respondents agreed that there is Potential for innovations and entrepreneurship as rated with a mean of 4.3793, there is increased interest in the environment rated with a mean of 4.2069 and there were new segments was rated with a mean of 4.1552.

The findings indicated that threats are considered when developing strategies for competitive advantages. The main threats facing the industry were double standards in regulations as rated with a mean of 4.2241, rising overhead costs as rated with a mean of 4.1379 and Difficulties in changing routes as rated with a mean of 4.0862.

4.4 Competitive edge

In order to stay at the competitive edge the researcher sought to find out the strategies applied by the Sacco. The findings are in table 4.5

Table 4.5: Competitive edge

Competitive edge	Mean	Std. Deviation
Staff competence	4.4310	.59566
Handling of complaints about the services	4.2379	.57578
Flexibility and easily adopts to changes in the environment	4.1724	.62514
Always pro-active and take the 1st step	4.3621	.78803
Have short term (5years) strategic goals	4.2241	.56330
Encourage and reward innovative behavior	4.0690	.59566
Market share	4.0621	.55245

The study findings in table 4.5 shows that the respondents agreed that there is staff competence as rated with a mean of 4.4310. The respondents indicated that they are always pro-active and take the 1st step as rated with a mean of 4.3621 and they are efficient in dandling of complaints about the services was rated with a mean of 4.2379. The company has short term (5years) strategic goals was rated with a mean of 4.2241, Flexibility and easily adopts to changes in the environment was rated with a mean of 4.1724. The Sacco does encourage and reward innovative behavior as rated with a mean of 4.0690 and the company has captured its market share was rated with a mean of 4.0621.

The researcher sought to find out the how the Matatu industry is affected by the factors provided.

The findings are in table 4.6

Table 4.6: Factors affecting Matatu industry

Factors affecting Matatu industry	Mean	Std. Deviation
Traffic Police	4.4241	.67650

City Council	4.4655	.62732
Regulations	4.2241	.85928
Road status	4.2241	.62248
New Matatu (decorated)	4.4138	.67628
Old/plain Matatu	4.1345	.56864
Music /radio in the Matatu	4.2241	.70195

The study found that city council affects their operations as rated with a mean of 4.4655, the industry is also affected by the traffic Police as rated with a mean of 4.4241, New Matatu (decorated) was rated with a mean of 4.4138. Other factors that affected the Matatu industry includes; Regulations rated with a mean of 4.2241, Road status rated with a mean of 4.2241, Music /radio in the Matatu rated with a mean of 4.2241 and Old/plain Matatu was rated with a mean of 4.1345.

4.5 Regression Analysis

The regression analysis is concerned with the distribution of the average value of one random variable as the other variables which need not be random are allowed to take different values. The regression model specifically connects the average values of y for various values of the x-variables.

The regression model was as follows:

$$y = \beta_0 + \beta_1 X_1 + e$$

Where:

y = Competitive advantage

β_0 = Constant Term

β_1 = Beta coefficients

X_1 = SWOT strategies

Table 4.7: Strength of the model

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0_1	.796 ^a	0.633	0.594	0.30202

a. Predictors: (Constant), SWOT strategies

Source: Reseacher (2017)

Analysis in table 4.7 shows that the coefficient of determination (the percentage variation in the dependent variable being explained by the changes in the independent variable) R² equals 0.633 that is, SWOT strategies leaving only 33.6 percent unexplained. The P- value of 0.000 (Less than 0.05) implies that SWOT strategies influence competitive advantage, therefore it is significant at the 5 percent significance.

Table 4.8: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.976	4	1.494	16.377	.000 ^a
	Residual	3.466	38	.091		
	Total	9.442	42			

a. Predictors: (Constant), SWOT strategies

b. Dependent Variable: Competitive advantage

ANOVA findings (P- value of 0.00) in table 4.8 show that there is correlation between the predictor's variable (SWOT strategies) and response variable (Competitive advantage.). A F proportion is figured which speaks to the fluctuation between the groups, separated by the

difference inside the groups. An expansive F proportion demonstrates that there is more changeability between the groups (brought on by the free factor) than there is inside every groups, alluded to as the error term. A significant F test indicates that we can reject the null hypothesis which states that the population means are equal. The P value is 0.000 which is less than 0.005 significance level.

Table 4.9: Coefficients of Determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.165	.705		8.746	.000
	SWOT strategies	.348	.081	.489	4.289	.000

a. Dependent Variable: Competitive advantage

The established multiple linear regression equation becomes:

$$Y = 6.165 + 0.348X_1$$

The study found that SWOT strategies have significant influence on Competitive advantage. The findings in Table 4.9 indicated that performance would be at 6.165 holding SWOT strategies constant at zero. The study established that there is effort by the matatu industry to ensure it is placed in a good competitive edge and hence improve performance ($r = .348, p = 0.000 < 0.05$).

4.6 Discussion of findings

The study found that the company works operates in a highly competitive environment. Findings from this study have confirmed the observation by (Johnson et al 2005) that all companies operate in a dynamic and turbulent environment where external forces beyond their control are at play.

Macro and micro turbulent environment has impacted negatively on the Matatu subsector in various degrees. The findings have also established that strategic responses.

The findings have also established that strategic responses to the dynamic environment have been formulated by the company to ensure that they survive and thrive in the market place. This is in line with studies by Ansoff and McDonnell (1990), who indicated that strategic responses involve changes in the firm's strategic behavior to assure success in transforming future environment. Pearce and Robinson (1997) indicated that strategic responses as the set of decisions and actions that result in the formalization and implementation of plans designed to achieve a firm's objectives. Therefore it is a reaction to what is happening in the economic environment of organizations. Porter (1998), views operational responses as part of a planning process that coordinates operational goals with those of the larger organization. Hence operational issues are mostly concerned with certain broad policies for utilizing the resources of a firm to best support its long term competitive strategy.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter outlines the summary and conclusions from the research findings, highlights the limitation of the study as they relate to the objective of the study and includes suggestions for further research in the area of adoption of SWOT analysis in transport sector.

5.2 Summary of Findings

The results of the study reveal that the Matatu operators just like other players operating in a dynamic environment have not escaped the impact of environmental turbulence. The findings indicate that some of the strengths identified in the Matatu sector is the high employment rates.

The sector also has sustainable economic growth and the operation are cost effective. The sector does not require high startup capital and the industry provides a Strong platform for diversification

The findings show that some of the weaknesses identified in the industry include being subjected to traffic delays, poor weather also affects the industry negatively. The code of ethics are strict which weakens the industry and transport subject to breakdown. Other weaknesses highlighted include goods being susceptible to damage through careless driving and also driving regulations can cause delays

The findings indicate that some of the opportunities available include; construction of highways as and diversification. It was found that there is potential for innovations and entrepreneurship, there is increased interest in the environment and there were new segments available.

The study found that threats are considered when developing strategies for competitive advantages.

The main threats facing the industry were double standards in, rising overhead costs and difficulties in changing routes.

The Sacco keeps itself in a competitive edge by employing competent staff. It was found that the company staff are always pro-active and take the 1st step and they are efficient in dandling of complaints about the services. The company has short term (5years) strategic goals. Its operations are flexible and they easily adopts to changes in the environment. The Sacco does encourage and reward innovative behavior and the company has captured its market share.

5.3 Conclusions

The study concludes that Transport industry do employ SWOT strategies to keep up with the competitive environment they face. The strengths and opportunities of the industry have helped in coming up with great strategies employed for a competitive edge. The weaknesses and threats as well helps the sector in formulating strategies for their improvement. A firm is able to establish itself in the market by formulating good strategies. A firm also has to adapt to the ever-changing needs of its customers to enable it to outperform its competitors and ensure its survival and sustainability in the market place.

5.4 Recommendations

Transport industry is a very competitive industry. In order for one to be successful and sustainable there is need to develop a strong competitive edge. This competitive edge can be achieved by effectively adopting SWOT strategies. The environment in which the matatus operate is dynamic and changes from time to time. This study therefore recommends that matatu operators should come up with strategies to adapt to changing environment that will ensure their survival and success. Matatu owners should on a continuous basis conduct environmental analysis so as to detect any change that would affect them on time and come up with strategies that would shield them.

The information from the study will help the policy makers in understanding the industry and aid in the formulation and enforcement of legislation that would facilitate learning of the industry. The study forms bases for academic and for further research and knowledge on the transport industry. The recommendations of this study are expected to enhance management and general performance of the industry and accurate communication and implementation of plans. The study will serve as a source of information to the public who would like to know more about the matatu industry. It will help fill the gap between theory and practice as applied in the management of the industry

Though facing various challenges, the matatu industry is evolving fast and new strategies are being formulated by the market players to ensure that they stay in business. As a growing sector, this industry should be attended to and given proper attention by not only the private investor but also the government as the industry generates considerable revenue for both central and local governments in the form of taxes as well as for insurance firms, spare parts dealers, mechanics and many other parties

5.4 Limitations to Study

Time was a limiting factor. The researcher is in full time employment and therefore did not have adequate time for data collection. Equally, most Matatu owners were busy in their business and most struggled to get time to fill in the questionnaire. It also took long collecting questionnaire because some of the respondents kept them and never bothered to answer.

The study focused on SWOT strategies for competitive edge in the transport sector by using a case of transline Sacco limited. This study was limited to the members of the Transline Sacco and therefore results cannot be generalized for the whole transport sector.

5.5 Suggestions for Further Research

This study was aimed at finding the adoption of SWOT analysis for competitive edge in the transport sector. The study therefore suggest a further study to be done on other areas relating to strategic management and further research to be conducted on strategy formulation and implementation processes adopted by in the transport industry.

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APPENDICES

Appendix I: Questionnaire

This questionnaire is to collect data for purely academic purposes. All information will be treated with strict confidence. Do not put any name or identification on this questionnaire. *Answer all questions as indicated by either filling in the blank or ticking the option that applies.*

Demographic information

1) What is your gender? (tick one)

Male Female

2) Age(tick one)

20 -30 () 31 -35 () 36- 40 () 41-45 () 46-50 ()

3) How long has your Sacco operated?

Less than 1 Year []

3 Years []

4- 5 Years []

6-10 Years []

4) How many branches does your sacco have?

Less than 1 Branch []

1-3 Branches []

4-5 Branches []

6-10 Branches []

Above 10 Branches

PART B SWOT strategies

5) Rate how SWOT strategies as applied in your organisation using a five point scale of 1-5 with

Very low =1, Low =2, Moderate

=3, High= 4, Very high =5.

Strengths	1	2	3	4	5
Cost effective					
Fast delivery					
Sustainable economic growth					
Employment rates					
Minimum startup capital					
Strong platform for diversification					
Weaknesses	1	2	3	4	5
Transport subject to traffic delays					
Transport subject to breakdown					
Goods susceptible to damage through careless driving					
Bad weather					
Driving regulations can cause delays					
Work ethics					
Opportunities	1	2	3	4	5
New segments					
Increased interest in the environment					
Potential for innovations and entrepreneurship					
Diversification					
Construction of highways					
Threats	1	2	3	4	5
Difficulties in changing routes					
Rising overhead costs					
Double standards in regulations					

Competitive edge

- 6) Rate how competitive your organisation is compared to the competitors in the following aspects using a five point scale of 1-5 with Very low =1, Low =2, Moderate =3, High= 4, Very high =5.

	1	2	3	4	5
Staff competence					
Handling of complaints about the services					
Flexibility and easily adopts to changes in the environment					
Always pro-active and take the 1st step					
Have short term (5years) strategic goals					
Encourage and reward innovative behavior					
Market share					

7) Based on your experience in the Matatu industry, to what extent do the following affect the matatu industry

	1	2	3	4	5
Traffic Police					
City Council					
Regulations					
Road status					
New Matatu (decorated)					
Old/plain Matatu					
Music /radio in the Matatu					