ABSTRACT

An analysis of the airline industry today clearly shows that business growth and survival is mainly determined by size. Relatively big airlines dominate the international flights market with the few small airlines that have attempted to venture into the market performing decimally or closing business after just a few months in operation. In East Africa for instance, the market is dominated by Kenya Airways and quite a number of new entrants have been forced to either sell work under Kenya Airways or close shop. The only Airlines that have survived the East African competition and who seem to be succeeding include Precision Air and Rwanda Air Express. This study sought to investigate the competitive strategies adopted by the small airlines in East Africa. A Cross sectional survey was undertaken due to the fact that we intended to describe the area of research and explain the collected data in order to investigate the differences and similarities with our frame of reference within a given period of time. The population of study was the small airlines in operation within the East African Region, whose number stood at 12 as at March 31st, 2008.

Desk study was undertaken, in which a review of the relevant literature was carried out. Primary data was collected from the various airlines with the aid of a semi-structured undisguised questionnaire with both open ended and closed questions. Personal interviews were also conducted with 5 of the respondents selected at random, aided by an interview schedule. For purposes of the study, the data was analyzed by employing descriptive statistics such as percentages, frequencies and tables. Statistical Package for Social Sciences (SPSS) was used as an aid in the analysis.