Abstract:

The objective of this study was to determine the strategic responses adopted by Matatu operators to changes in the external environment. The study also seeks to identify the external environmental challenges faced by the Matatu operators within the Nairobi Central Business District. The study sought to find out therefore how the Matatu operators counter the threats in their external environment by means of appropriate strategic responses. Using the descriptive survey design 57 Matatu Saccos were targeted for the study. A structured questionnaire was administered to the Sacco managers through face to face interviews. Out of the targeted Matatu Saccos 45 responded which represents a 78% response rate. The response rate was mainly affected by limited time respondents had for the face to face interviews. The questionnaire was structured in three parts. Part A was used to gather information on the Saccos profiles, Part B was to obtain data on the extent to which Matatu operators have adopted strategic responses to the dynamic environment and Part C was to obtain data on the impact of the industry environment on the Matatu operators. The data collected was analyzed for completeness and validity and the findings analyzed by using descriptive statistics. The study found out that Matatu Saccos just like other players are affected to a varying degree by both micro and macro turbulent environment. The legal, economic and technological environments in descending order of importance were found rank highest. In determining the extent to which Matatu operators have adopted strategic responses to counter the changes in the external environment the study found out that the operators through the Saccos have formulated response strategies for the macro turbulent environment and that seeking additional transport routes, unique customer service, carrying out other business related to the transport business, providing services at lowest possible price are the four leading strategies. The other strategic responses adopted included developing organizational brand, developing services according to the needs of customers and developing different service quality levels that suit customers pockets.