

Competitive Forces Influencing Business Performance of Bicycle Taxis in Kisumu City, Kenya

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Abstract

Whether domestically or globally, transport is the movement of people, goods and services from one place to another. It enables trade between people and organizations. Globally, transport is the key necessity for specialization. Domestically, not only is Kenya connected by various categories of transport infrastructure but even by different modes, each competing with the other to get the better of the market. In Kisumu City, for example, there is fierce business competition among minivans, locally known as matatus, rick – shaws, referred to in Kenya as tuk-tuks, motor cycles and bicycle taxis. Started in 1960s in Busia County along the Kenya/Uganda border, the bicycle taxis are significantly affected by the current business competition. Before this study commenced, a preliminary survey in April, 2011 indicated that the number of bicycle taxis in Kisumu City had dropped by 61%. Whereas the decline had been variously attributed to the threat of substitutes, new entrants, consumer bargaining power, supplier bargaining power and rivalry among the current competitors, it was not clear which factors influenced the decline and to what extent. Neither had there been any study done to establish the cause of the decline. This study intended to determine competitive forces influencing the business performance of bicycle taxis in Kisumu City. The study used Porter's Five Forces Framework, which analyses industry competition. Also, this study used cross sectional survey design to analyze and discover occurrences, since the researcher's intention was to describe events without manipulating variables. The study population was 632 bicycle taxi riders, 28 of whom came from the lake Market cluster, 90 in the stage market, 26 in Varsity plaza area and 77 in the Oile/Coca Cola square cluster. There were 99 in A-Z Anvi Emporium Cluster, 188 from Kibuye market cluster and 124 from Kondele cluster. A sample of 90 was obtained for analyzing bicycle taxi-riders in Kisumu City. Primary data was obtained through the administration of structured and semi structured questionnaires of the sample of 90 taxi-riders. Secondary data was obtained from journals, publications and from records of the Municipal Council of Kisumu. Quantitative data was analyzed using Chi square and Percentage techniques. The key findings of this study was that 60.97% of bicycle taxi riders in Kisumu City considered substitutes as the main competitive threat. The next most important competitive forces influencing business performance were new entrants at 57.31%, customer bargaining power at 52.43% and rivalry among current competitors at 42.68% respectively. The significance of this study is that it adds towards knowledge about the relevance of Porter's Five Forces Framework to small-scale business industries in developing countries like Kenya. Stakeholders in public transport, like the Government and researchers with an interest to improve public transport would also find this study useful. This study concludes that substitute public transport services are the major competitive threat to bicycle taxis in Kisumu City.

Key Words: public transport, Kisumu City, business performance

1. Introduction

Harvard Professor Michael E. Porter propelled the concept of industry environment into the foreground of strategic thought and business planning (Pearce & Robinson, 2007).

Industry environment is a part of a firm's wide and yet dynamic external environment, with a variety of powerful forces influencing a firm's choice of direction and action. Competition is one such force, active both in the operating and industry environments. An industry is a collection of firms that offer similar products, like the public transport in Kisumu City or the National Bicycle Industrial Company in Japan (Kotha & Fried, 1993). Bicycle taxis in Kisumu City fall under the public transport industry. As a business venture, bicycle taxis are currently struggling to survive in a fiercely competitive environment. Public transport business in Kisumu City has a long and rich history.

In Kenya, the bicycle taxis, are locally known as the 'boda – boda'. According to Big Boda Trial Market on boda – boda, the boda boda are part of the African bicycle culture, which started in the 1960s and 1970s and are still spreading from their place of origin on the Kenya – Uganda borders to other regions. The name originated from the need to transport people across the "no man's land" between the border posts, without the paper work involved with using motor vehicles across the international border. This started in the southern border crossing town of Busia (Uganda) where there is half a mile between the gates, and quickly spread to the northern border town of Malaba (Kenya). The bicycle owners would shout out 'boda boda' meaning border to border, to potential customers – not to be confused with boda boda, which is a form of shared taxi in Sierra Leone. The origin is well confirmed by Boda Boda Bicycles for Africa. (Afriwheels, 2009) pointing that boda – boda bicycle trade began in Bunyadeti village in Busia district, fuelled by coffee smuggling across the border, in the 1960s and 1970s.

Today, Indian and Chinese standard roadster bicycles are used, with locally made carriers and a cushion, to transport passengers and goods. According to the Kisumu City Development Strategies (2004 – 2008) a series of deteriorating events led to the emergence of bicycle taxis in Kisumu City. In 2005/2006, 30% of the Kisumu urban population was unemployed, skilled and unskilled, 48% living within the absolute poverty bracket. Most of the industries within and on the periphery areas closed down or were operating far below capacity. The main employing parastatal companies like the Kenya railways were down while the lake transport business from Kisumu to neighboring Uganda and Tanzania were nearly un-operational. Many of the unemployed, especially the youth, turned to the bicycle taxi business.

Today, however, the business performance of bicycle taxis in Kisumu City appears to be declining. A preliminary survey of five bicycle stages, not affected by the City Council rules introduced in April 2011 indicate that the number of bicycle taxis in Kisumu city had gone down by nearly 61% between year 2008 up to about, June, 2011. This study intended to investigate the reason or reasons why. The preliminary survey compared the number of bicycle taxis at five different bicycle stages, in the years 2008 and 2011. In 2008, there were 15 bicycles at Kisumu polytechnic bicycle stage; by April 2011, there was only one, indicating a 93% decrease in numbers. Patel flats had 95 bicycle taxis in 2008 compared to 35 in 2011, indicating a 63.16% decrease. Kisumu day primary school stage had 20 bicycle taxis in year 2008 and by 2011, the number had dropped by half, indicating a 50% decrease. The fourth stage in the survey was at Nyalenda IIEC junction, indicated 100 bicycle taxis in 2008; by April 2011, the number had decreased to 20, meaning an 80% decrease. A unique result came from the Municipal Court (Judiciary) junction stage. In the year 2008, the stage had 40 bicycle taxis but in 2011 only 4 riders had left, leaving 36 in business. The Judiciary stage gave the lowest percentage decline of 18%. The stage is one of the direct routes connecting the city centre to the large informal settlement of Nyalenda. The riders reported that the commuters on Nyalenda route are very sensitive to new entrants who might charge fare above the normal, charged by the incumbent bicycle taxis. On average, the preliminary survey indicated a 61% decrease in number from 2008 to 2011.

The business performance of bicycle taxis in Kisumu City was found to be declining. A preliminary survey of five bicycle taxi stages, unaffected by the new Municipality parking regulations for public transport effective from April, 2011, indicated that the number of bicycle taxis had gone down by about 61% between year 2008, June, 2011. The drop, it was thought, would translate into a loss of livelihood unless the affected bicycle taxi riders get an alternative source of daily earnings. Such a loss would be detrimental not just to the bicycle taxi rider alone, but also to his family. The consequent unemployment is a big concern both to the county and the central governments. For example, an unemployed person tends to engage in socially unbecoming behaviour, like crime. Accumulated, a country ends up counting huge social costs. The drop of 61% had been variously attributed to threat of substitutes, threat of new entrants, bargaining power of customers, and jockeying for position by current competitors within the industry. However, it was not exactly clear which one or combination of the competitive forces might be responsible for the decline in numbers and to what extent the competitive forces or combination might have been responsible for the drop. In view of the uncertainty,

four of Porter's five-forces model were used as a tool of analysis to find out which force or combination of forces, was responsible for the decline in business performance of bicycle taxis in Kisumu City, and to what extent the force influenced performance.

2. Research questions

This research sought to answer the following questions;

1. How do substitute public transport services influence the number of bicycle taxis, the number of customers served and the daily earnings of each taxi rider?
2. How do new entrant boda – boda taxis influence the number of bicycle taxis, the number of customers served, and the daily earnings of each taxi rider?
3. What influence do customers' bargaining power have on the number of bicycle taxis, the number of customers served and the daily earnings of each taxi rider?
4. How does jockeying for position or rivalry by current competitors influence the number of bicycle taxis, the number of customers served and the daily earnings of each taxi rider?

3. Research Methodology

This study used cross sectional survey design. A survey generally explains events as they are, as they were, or as they will be (Cohen, 1988). Cohen explains that when a researcher wants to simply describe events or opinions without manipulating variables, then survey is the best design. The researcher in this study just wants to describe the factors affecting the business performance of bicycle taxi riders in Kisumu City, without manipulating variables. The fact that there will be no manipulation makes survey the ideal design.

This study intended to study the competitive forces influencing business performance of bicycle taxis in Kisumu City.

The target population comprised 632 bicycle taxi riders in the City's Central Business District (Kisumu Municipal Office, 2009). The population was distributed in Kisumu City in such a way that there were 28 boda boda taxi-riders in the lake market cluster, 90 in the stage market, 26 in Varsity plaza area and 77 in the Oile/coca cola square cluster. There are 99 in A-Z Anvi Emporium cluster, 188 in the Kibuye market cluster and 124 in the Kondele cluster (Kisumu Municipal Office, 2009). The Key characteristic was that the population elements presented a more homogenous pattern across the city. The study used a sample size of 90 comprised of 4 from the lake market cluster, 13 from the stage cluster, 3 from varsity plaza, 11 from the Oile /Coke Zone, 14 from A-Z/Anvi Emporium cluster, 27 from Kibuye and 18 from Kondele cluster. The sample size was determined based on the recommendations of Gay (1987), Kathuri and Palls (1993), as elaborated both under sample size and sampling procedure respectively. Based on that, the sample size was considered as fairly representative.

Table 3.1: Sample distribution

Cluster	Lake	Stage	Varsity plaza area	Oile/Coke zone	A-Z/ Anvi Emporium	Kibuye	Kondele	Total
Population of bicycle taxi riders	28	90	26	77	99	188	124	632
Sample size	4	13	3	11	14	27	18	90
Respondents	4	13	3	11	14	27	18	90

Source: Kisumu Municipal Office (2009).

The study used semi-structured questionnaire to collect data. Oso and Onen (2008) advise that the selection of an instrument must be guided by the nature of the data to be collected, the time available and by the objective of the study. For this study, these factors pointed to a questionnaire. A questionnaire was a carefully designed instrument consisting of a set of items to which the respondents were expected to react, usually in writing (Oso & Onen, 2009, 84). It is a self reported instrument used for gathering information about a variable of interest in an investigation (Kothari, 1990). Semi-structured questionnaires enabled the researcher to collect both qualitative and quantitative data for a fuller explanations of factors influencing the performance of bicycle taxi riders.

The instruments were piloted among the bicycle taxi riders in Kisumu City, which were not included in the study sample and then modified to improve their validity. The questionnaire instruments were pre-surveyed to test and help in data collection and other pre-survey to ascertain the information required. The questionnaires used in the study were subjected to validity tests before use. For face validity, three bicycle taxi riders at Aga Khan Primary School in Kisumu City were used. In order to test for content validity, three different lecturers from the then Department of Economics and Business Studies in the Faculty of Arts and Social Sciences looked at the questionnaire and found it appropriate for this study.

This study collected both qualitative and quantitative data. Quantitative data was collected through questionnaires while qualitative data was collected through the open ended sections of the questionnaires and through interviews. The data was on ordinal scale and was coded 1 for a negative reaction and 2 for a positive reaction. For each objective, there were four alternatives which would make a maximum score of 12 and a minimum score of 4. but each variable had 8 responses. This means that for variable school, the cumulative possible minimum score on each variable was 32 and the maximum was 96. The scores were on an ordinal scale such that the responses with scores of between 32 - 55 were rated poor and coded 3, between 56 - 72 were rated as moderate and coded 2, and those who scored 73 -96 were rated as good and coded 1.

In this study, the independent variable, factors, was categorical, while the dependent variable, *business performance*, was continuous. It was therefore suitable to analyze data using the Chi Square and percentage techniques. This was in view of the fact that the dependent variable was made up of individual scores and because the researcher wanted to estimate the individual as well as the group differences in the business performance as a result of each categorical factor, in order to determine if one variance was bigger than the other. All data was analyzed at a level of significance at 95% (or $\alpha= 0.05$). This value of α had been chosen because it was the most popular and acceptable level of significance test. By this testing level, the researcher allowed 5% percent error margin. This meant that the results were 95% true as was found.

4. Results

Distribution of Respondents of bicycles

The first research question in 1.4 sought to determine how substitute public transport services influence business performance in Kisumu City. The study defined business performance in terms of the number of bicycles taxis as a first example the respondents were asked to indicate whether they own the bicycles they are riding. They responded as summarized in Table 4.1.

Table 4.1: Distribution of Respondents by Ownership of Bicycles

Ownership of Bicycles	Hire	Self-Owned	Co-Owned	Employee	Other	Total
Frequency	23	9	21	29	0	82
Percent	28.04	10.97	25.61	35.36	0.00	100.00

Source: Survey Data (2011)

Table 4.1 summarizes the responses of the bicycle taxi riders on ownership of bicycles. The table shows that most of bicycle taxi riders are employed 29 (35.36%) while another high proportion 23 (28.04%) use bicycles on hire. Only 9 (10.97%) of bicycle taxi riders own these bicycles. The rest 21 (25.61%) are co-owned, either by groups or with the financiers. The results findings indicate that only 10.97% of riders have control of their bicycles while the rest (89.03%) do not have control of their bicycles. This indicates that they cannot make investment decisions based on these bicycles. This has two critical implication. If bicycle taxis are substituted by another means of public transport in Kisumu City, there is likely to be unemployment and subsequent loss of daily revenue, as the numbers of bicycle taxi riders deserve unless the affected rider or riders are employed by the owners of the new modes of public transport. Loss of means of livelihood would affect other people like the immediate family members of the bicycle taxi riders.

Distribution of Respondents District of Origin

The respondents were asked to indicate their home district to enable the researcher determine whether there is a

particular group or community that is popular with bicycle taxis riders in Kisumu City. The results are summarized in Table 4.2.

Table 4.2: Distribution of Respondents by District of Origin

District of Origin	Kisumu East	Kisumu West	Kisumu North	Other	Total
Frequency	19	22	21	20	82
Percent	23.17	26.82	25.61	24.39	100.00

Source: Survey Data (2011)

Table 4.2 summarizes the responses of the bicycle taxi riders on their district of origin. The table does not indicate that any district has significantly more bicycle taxi riders. It was expected that majority should come from the larger Kisumu District since Kisumu City is within Kisumu district, but this is not the case. This means that bicycle taxi is a trade like another trade in Kenya and it is done by all people from all regions. It means that new entrants into bicycle taxi business in Kisumu City are mainly youth from different parts of Kenya. Should another means of public transport substitute bicycle taxis without absorbing the affected riders, the subsequent unemployment and loss of revenue would be felt widely in Kenya.

Factors Influencing the Performance of Bicycle Taxi Riders on:

Substitutes

As a second example of defining business performance, the first research question sought to determine how substitute public transport services influence the earnings of bicycle taxi riders in Kisumu City. The bicycle taxi riders were asked to give their opinion on whether matatus, motor cycles, and tuk-tuks interfere with their year capacity to make profits, and prevents them from buying other bicycles, or by reducing their daily earnings. Their responses are summarized in table 4.3.

Table 4.3: Views on Influence of Substitutes

The presence of substitutes affect the performance of my business	Very Much	A lot	Not Sure	Not so Much	Not at All	Total
Frequency	22	28	14	12	6	82
Percent	26.8	34.2	17.08	14.64	7.32	100.0

Source: Survey Data (2011)

Table 4.5 summarizes the views of bicycle taxi riders on the influences of presence of substitutes on the performances of their businesses. The results show that most respondents, 28 (34.2%) indicate that presence of substitutes influence their performances in business a lot. Another 22 (26.8%) indicates that the presence of substitutes affect their performances very much. Some 14 (17.08%) are not sure while 12 (14.64%) indicates that the presence of substitutes just somehow affect the performances of their business but not so much. But only 6 (7.32%) feel that the presence of substitutes does not affect their businesses. In the overall analysis, it can be seen that majority of the bicycle taxi riders 50 (60.97%) indicate that the presence of substitutes affect their performance while only 32 (39.02%) feel that they are not affected by the presence of substitutes.

Further, the study determined whether the results indicated in Table 4.5 are statistically different. This was achieved through chi square test under the hypothesis that “there is no significant difference in the views of bicycle taxi riders on the effect of substitutes on performance of bicycle taxis in Kisumu City”. The results of chi square analysis are summarized in Table 4.4.

Table 4.4: Summary of Chi Square on the Influence of Substitutes on the Performance of Bicycle Taxi

Variable	N	df	χ_o^2	χ_c^2	α	Decision
Substitutes influence performance of bicycle taxi riders	82	4	11.052	10.165	.05	Reject H ₀

Source: Survey Data (2011)

Tale 4.4 summarizes the results of chi square test on the views of bicycle taxi riders on the influence substitutes on the performance of bicycle taxis. The results indicate that there is a significant difference in the views of respondents on the influence of presence of substitutes on the performance of bicycle taxis in Kisumu City. This is because $\chi_o^2 = 11.052$ is greater than the $\chi_c^2 = 10.165$ at $\alpha = .05$, $df = 4$. The hypothesis that there is no significant difference in the views of bicycle taxi riders on the effect of substitutes on performance of bicycle taxis in Kisumu municipality was therefore rejected. This indicates there are more taxi riders who regard presence of substitutes as a threat than those who do not. This means that the presence of substitutes influences the performance of bicycle taxis in Kisumu municipality. The study therefore established that the presence of substitutes reduce the number of bicycle the riders own, the number of customers they serve, and their daily earnings as well as their profits.

New Entrants

The second research questions of this study in 1.4 was how new extant public transport services influence the business performance of bicycle taxi riders in Kisumu City. The bicycle taxi riders were asked to give their opinion on whether increasing number of bicycle taxis interferes with their capacity to make profits, and prevents them from buying other bicycles, or by reducing their daily earnings. Their responses are summarized in table 4.5.

Table 4.5: Views on Influence of New Entrants on Performance of Bicycle Taxis

The presence of new entrants affect the performance of my business	Very Much	A lot	Not Sure	Not so Much	Not at All	Total
Frequency	16	31	18	10	7	82
Percent	19.52	37.82	21.96	12.20	8.54	100.0

Source: Survey Data (2011)

Table 4.5 summarizes the views of bicycle taxi riders on the influences of new entrants on the performances of their businesses. The result findings show that most respondents, 31 (37.82.2%) indicate that the new entrants influence their performances in business a lot. Another 18 (21.96%) indicates that they are not sure whether or not the presence of new entrants influence the performance of their businesses. But 16 (19.52%) indicates that new entrants affect the performances of their businesses very much. But only 10 (12.20%) indicate that new entrants does not affect their businesses so much, while 7 (8.54%) indicate that the new entrants does not affect businesses at all. In the overall analysis, it can be seen that the majority of the bicycle taxi riders 47 (57.31%) indicated that new entrants affect their performance while only 17 (20.73%) feel that they are not affected by the presence of new entrants.

Further, the study determined whether the results indicated in Table 4.7 are statistically different. This was achieved through chi square test under the hypothesis that “there is no significant difference in the views of bicycle taxi riders on the influence of new entrants on performance of bicycle taxis in Kisumu City”. The results of chi square analysis are summarized in Table 4.6.

Table 4.6: Summary of Chi Square on the Influence of New Entrants on the Performance of Bicycle Taxi

Variable	N	df	χ_o^2	χ_c^2	α	Decision
New Entrants influence performance of bicycle taxi riders	82	4	30.96	10.165	.05	Reject H ₀

Source: Survey Data (2011)

Tale 4.6 summarizes the results of chi square test on the views of bicycle taxi riders on the influence new entrants on the performance of bicycle taxis. The results indicate that there is a significant difference in the views of respondents on the influence of new entrants on the performance of bicycle taxis in Kisumu municipality. This is because $\chi_o^2 = 30.96$ is greater than the $\chi_c^2 = 10.165$ at $\alpha = .05$, $df = 4$. The hypothesis that there is no significant difference in the views of bicycle taxi riders on the influence of new entrants on performance of bicycle taxis in Kisumu municipality was therefore rejected. This indicates there are more taxi riders who regard new entrants as a threat than those who do not. This means that there are more bicycle taxi riders who feel that the presence of new entrants influences the performance of bicycle taxis in Kisumu municipality. The study therefore established that the presence of new entrants reduce the number of bicycle the riders own, the number of customers they serve, and their daily earnings as well as their profits.

5. Customer Bargaining Power

The third research question which this study sought to answer was to determine if the presence of customers' bargaining power influences the performance of the bicycle taxi riders in Kisumu City. The bicycle taxi riders were asked to give their opinion on whether customers bargaining power interferes with their capacity to make profits, and prevent them from buying other bicycles, or by reducing their daily earnings. Their responses are summarized in Table 4.7.

Table 4.7: Views on Influence of Customers' Bargaining Power on Performance of Bicycle Taxis

The presence of customers' bargaining power affect the performance of my business	Very Much	A lot	Not Sure	Not so Much	Not at All	Total
Frequency	16	27	24	11	4	82
Percent	19.52	32.94	29.28	13.42	4.88	100.0

Source: Survey Data (2011)

Table 4.7 summarizes the views of bicycle taxi riders on the influences of customers bargaining power on the performances of their businesses. The result findings show that most respondents, 27 (32.942%) indicate that the customer bargaining power influence their performances in business a lot, while 24 (29.28%) are not sure whether or most the customers bargaining power influences the performance of their business. But 16 (19.52%) indicated that customers bargaining power influences the performances of their businesses very much. Another 11 (13.42%) indicates that the customers bargaining power does not influence their business so much while just 4 (4.88%) felt that customers bargaining power does not influence their businesses at all. In the overall analysis, it can be seen that the majority of the bicycle taxi riders 43 (52.43%) indicate that customers' bargaining power influences the performances of their businesses while only 15 (18.29%) feel that they are not affected by the presence of customers' bargaining power.

Further, the study determined whether the results indicated in Table 4.9 are statistically different. This was achieved through chi square test under the hypothesis that "there is no significant difference in the views of bicycle taxi riders on the influence of customers' bargaining power on the performance of bicycle taxis in Kisumu City". The results of chi square analysis are summarized in Table 4.8.

Table 4.8: Summary of Chi Square on the difference in the scores of respondents concerning influence of customers' bargaining power on Performance of Bicycle Taxis.

Variable	N	df	χ_o^2	χ_c^2	α	Decision
New Entrants influence performance of bicycle taxi riders	82	4	24.78	10.165	.05	Reject H ₀

Source: Survey Data (2011)

Tale 4.8 summarizes the results of chi square test on the views bicycle of taxi riders on the influence customers' bargaining power on the performance of bicycle taxis. The results indicate that there is a significant difference in the views of respondents on the influence of customers bargaining power on the performance of bicycle taxis in Kisumu municipality. This is because $\chi_o^2 = 24.78$ is greater than the $\chi_c^2 = 10.165$ at $\alpha = .05$, $df = 4$. The hypothesis that there is no significant difference in the views of bicycle taxi riders on the influence of customers' bargaining power on performance of

bicycle taxis in Kisumu municipality was therefore rejected. This indicates there are more taxi riders who regard customers' bargaining as a threat than those who do not. This means that there are more bicycle taxi riders who feel that the presence of customers' bargaining influences the performance of bicycle taxis in Kisumu municipality. The study therefore established that the presence of customers' bargaining reduce the number of bicycle the riders own, the number of customers they serve, and their daily earnings as well as their profits.

Rivalry or Jockeying for Position

The fourth research question which this study sought to answer in 1.4 was how rivalry or jockeying for position among current competitors influences business performance of bicycle taxi – riders in Kisumu City. The bicycle taxi riders were asked to give their opinion on whether rivalry or jockeying for position may interfere with their capacity to make profits, and prevent them from buying other bicycles, or by reducing their daily earnings. Their responses are summarized in Table 4.9

Table 4.9: Views on Influence of Rivalry or Jockeying for Position on Performance of Bicycle Taxis

Suppliers jockeying affect the performance of my business	Very Much	A lot	Not Sure	Not so Much	Not at All	Total
Frequency	21	14	14	18	15	82
Percent	25.62	17.08	17.08	21.96	18.29	100.0

Source: Survey Data (2011)

Table 4.9 summarizes the views of bicycle taxi riders on the influences of rivalry or jockeying for position influences the performances of their businesses. The result findings show that most respondents, 21 (25.62%) indicated that rivalry or jockeying for position influences their performances in business very much, while 18 (21.96%) indicated that rivalry or jockeying for positions does not influence the performance of their business so much. However, 15 (18.29%) indicate that rivalry or jockeying for position influences the performances of their businesses very much, while an equal proportions 14 (17.08%) were not sure and another equal proportion expressed that rivalry or jockeying for position affects the performance of their businesses a lot. In the overall analysis, it can be seen that the majority of the bicycle taxi riders 35 (42.68%) indicated that rivalry or jockeying for positions influences the performances of their businesses while another 33(40.24%) feel that they are not affected by the presence of rivalry or jockeying for position. From these data, it can be concluded that most bicycle taxi riders are of the opinion that rivalry for position influences the performances of their businesses. But the differences are very small.

Further, the study determined whether the results indicated in Table 4.11 are statistically different. This was achieved through chi square test under the hypothesis that “there is no significant difference in the views of bicycle taxi riders on the influence of suppliers jockeying power on the performance of bicycle taxis in Kisumu City”. The results of chi square analysis are summarized in Table 4.10.

Table 4.10: Summary of Chi Square on the difference in the scores of respondents concerning influence of Rivalry or Jockeying for position on performance of Bicycle Taxis.

Variable	N	df	χ_o^2	χ_c^2	α	Decision
Suppliers Jockeying Power influences performance of bicycle taxi riders	82	4	1.34	10.165	.05	Accept H _o

Source: Survey Data (2011)

Tale 4.10 summarizes the results of chi square test on the views bicycle of taxi riders on the influence suppliers jockeying power on the performance of bicycle taxies. The results indicate that there is NO significant difference in the views of respondents on the influence of rivalry or jockeying for position on the performance of bicycle taxis in Kisumu City. This is because $\chi_o^2 = 1.34$ is less than the $\chi_c^2 = 10.165$ at $\alpha = .05$, $df = 4$. The hypothesis that there is no significant difference in the views of bicycle taxi riders on the influence of rivalry or jockeying for position on performance of bicycle taxis in Kisumu City was therefore accepted. This indicates the number of bicycle taxi riders who regard rivalry or jockeying for

position as a threat and those who do not are the same. This means that there are no differences in the number of bicycle taxi riders who feel that the presence of rivalry or jockeying for position influences the performance of bicycle taxis in Kisumu City. The study therefore established that rivalry or jockeying for position DOES NOT reduce the number of bicycle the riders own, the number of customers they serve, and their daily earnings as well as their profits.

6. Conclusions

The purpose of this study was to determine the factors influencing business performance of bicycle taxi riders in Kisumu City. This is the question to be answered by this study as a way of conclusion. Guided by four specific objectives,

- (i). The first objective was to establish the influence of substitute public transport services on the number of bicycle taxis, the number of customers served and the daily earnings of each taxi rider. The first conclusion was that substitute public transport services were the most powerful competitive force influencing business performance of bicycle taxis in Kisumu City.
- (ii). The second specific objective was to assess the influence of new entrant bicycle taxis on the number of taxis, the number customers served and the daily earnings of each rider. The second conclusion was that new entrant bicycle taxis were the second most influential competitive force on the business performance of bicycle taxis in Kisumu City.
- (iii). The third specific objective of this study was to establish the influence of customer bargaining power on the number of taxis, the number of customers served and the daily earnings of each taxi rider. The third conclusion was 52.43% of bicycle taxi riders recognized the influence of customer bargaining power on the performance of their business.
- (iv). The fourth and last specific objective was to assess the influence of rivalry by current competitors on the number of bicycle taxis, the number of customers served and the daily earnings of each taxi rider. The fourth conclusion was that rivalry among the existing competitors was not a significant competitive force influencing the business performance of bicycle taxi in Kisumu City.

7. Recommendations

Based on the findings and conclusions made, the study made the four recommendations.

- (i). The recommendations are that bicycle taxis should come up with appropriated strategies which can improve their competitiveness in the public transport in Kisumu City. Product improvement is one such strategy.
- (ii). The recommendation is that awareness should be created among the youth in particular, that bicycle taxi business is currently facing stiff competition from alternative modes of public transport services. Therefore, the youth should begin to think of alternative forms of business ventures.
- (iii). The recommendation is that bicycle taxi riders in Kisumu City should be empowered more, not only to know the importance of customers in business but also to know how to identify and satisfy customer needs properly.
- (iv). The recommendation is that more awareness be created among the bicycle taxi riders Cooperation rather than rivalry is to their advantage unity in strength and therefore the 42.68% rivalry revealed by the study should be reduced further.

8. Suggestions for Further Study

For further study,

- (i). To analyze the degree of relationships between independent and dependent variables.
- (ii). To finding out whether an independent variable predicts a given dependent variable.

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