

EFFECT OF MOTOR VEHICLE TRAFFIC CONGESTION ON THE FINANCIAL PERFORMANCE OF SMALL AND MEDIUM BUSINESS ENTERPRISES IN NAIROBI COUNTY

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Abstract:

Motor vehicle transport within Nairobi County is a key determinant in the economic growth of Kenya because of significant contribution to the country GDP. This research seeks to determine how motor vehicle traffic jam influences the financial performance of SMEs operating within Nairobi County. Descriptive research design was used in this research. The target population consisted of all SMEs operating within Nairobi County. The sample of this study consisted of 80 Small and Medium Enterprises. Sampling was carried out using stratified random sampling method. A structured closed questionnaire was used for data collection. This study targeted SMEs in the business, manufacturing and service sectors. Multiple regression analysis was used in the data analysis. The output was presented using charts, tables, descriptive statistics and correlation analysis. From the analysis of the responses, the results clearly showed that there exists a strong positive relationship between motor vehicle traffic congestion or decongestion and SMEs financial performance. Keywords: Motor Vehicle, Traffic Congestion, Financial Performance, SMEs

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