Effect of Strategic Management Drivers on the performance of the hotel industry in Kenyan Coast

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DECLARATION

This thesis is my original work and has not been presented for a degree in any other university.

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This thesis has been submitted for examination with our approval as University Supervisors.

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DEDICATION

To my dear parents, Mr. and Mrs. Ndolo,   for leading me throughout life with light and hope., and for pushing a tenacity ring in my ears. You are a symbol of   love and giving. To you, iam forever indebted.

To my daughters, Kate, Ess and Glo., whom I cannot stop loving. Thank you for your endurance throughout the period of writing this thesis. You are the number one beneficiaries of this hard work.

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To God be the Glory.

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ABBREVIATIONS/ACRONYMS

ANOVA   Analysis of Variance

BSC   Balanced Scorecard

CA   Competitive Advantage

CR   Concentration Ratio

CRMS   Customer Relationship Management Strategy

FCA   Foundation for Community Association

GoK   Government of Kenya

HP   Hotel performance

HPWPs   High-performance work practices

ICT   Information Communication Technology

JKUAT   Jomo Kenyatta University of Agriculture and Technology

KIM   Kenya Institute of Management

KNBS   Kenya National Bureau of Statistics

MBO   Management by Objectives

MCRA   Missing completely at random

MIS   Management information systems

OL   Organizational Learning

OPI   Organizational Performance Index

RBT   Resource Based Theory

SARFIT   Structural Adjustment to Regain Fit Theory

GDP   Growth Domestic Product

KUDHEIHA   Kenya Union of Domestic, Hotels, Education Institutions, Hospitals and Allied workers.

ABSTRACT

The purpose of this research was to examine the effect of strategic management drivers on the performance of hotels in Kenyan coast. The general objective of the study was to establish the influence of strategic management drivers on the performance of hotels in Kenyan Coast. The strategic management drivers selected for the study and which formed the specific objectives of the study were to determine the effect of customer relationship management, strategic planning, strategic competitive positioning, Information Communication Technology and organizational learning on the performance of the hotel industry in Kenya's Coast. The study adopted a quantitative research with the specific research design being a cross sectional survey design. The population of the study was the classified hotels in Kenya's Coast. The sampling frame was 180 hotels arising from the Hotels Classification List out of which a sample size of 123 hotels were extensively surveyed to ascertain the influence of strategic management drivers on their performance. The sampling technique used was stratified random sampling. Primary data was collected by use of questionnaires which were administered through drop and pick method. Data screening was done to identify any missing data and it was further tested for reliability and normality. Reliability was tested using Cronbach's Alpha. Normality was tested using Kurtosis, Skewness and Kolmogorrov Smirnov (K-S) test. Outliers in the data were identified by use of a Stem and Leaf graph. Multicolinearity was also tested and all study variables were found to be free from any multicolinearity. Data was analyzed using SPSS version 24. Descriptive statistics e.g standard deviations and T-tests were used for preliminary tests. Inferential statistics such as Pearson's correlation, ANOVA and multiple regression analysis were used for further analysis. The key findings were that strategic management drivers individually had a positive influence on the performance of hotels in Kenyan coast. The overall results indicated that there was a significant linear relationship between CRM strategy and hotel performance and a moderately significant linear relationship between strategic planning (SP) and strategic competitive positioning (SCP) and hotel performance. There was also a significant positive relationship between Information communication technology (ICT) and hotel performance. There was a significant positive relationship between organizational learning (OL) and hotel performance. After each driver was tested individually it had showed a positive significance. Similary, when all the strategic management drivers of hotel performance were tested altogether it was established that they had moderately low significance. Managers who were consulted about these results attributed the low explanatory power of variables to terrorism threats, attacks and travel advisories which had been continuously given by the western countries to Kenya. The study assists policy makers in coming up with policies on improvement of hotel performance.   The study adds to the available literature on hotel performance. The study came up with a model that could be further tested to assess its overall influence on hotel performance. The study recommends the adoption of strategic management drivers in hotels in order to improve performance.

CHAPTER ONE

INTRODUCTION

1.1   Background of the study

The concept of organizational performance is core to businesses because the major objective of businesses is to make profits.   Iravo, Ongori and Munene (2013) observed that one of the important questions in business has been why some organizations succeed and why others fail and this has influenced a study on the drivers of organizational performance.   It is argued that for an organization to be successful it has to record high returns and identify performance drivers from the top to the bottom of the organization.   Performance management and improvement is at the heart of strategic management because a lot of strategic thinking is geared towards defining and measuring performance (Nzuve & Nyaega, 2011).   Academicians as well as hotel managers have used various parameters to measure performance (Sainaghi, 2010a).

Fwaya (2006) views performance as a formula for the assessment of the functioning of an organization under certain parameters such as productivity, employee morale and effectiveness with the aim of attaining sustainable competitive advantage (Porter, 2008)   Odhiambo (2009) identified three approaches to performance in an organization which are the goal approach, which states that an organization pursues definite identifiable goals.   This approach describes performance in terms of the attainment of the set goals and is based on the goal setting theory.   Many researchers in goal setting theory have proved in literature that the application of the theory improves the performance of individuals, teams and organizations (Bipp & Kleingeld, 2011; Thorgren & Vincent, 2013).   The second approach is the systems resource based approach which defines performance as a relationship between an organization and its environment. This concept defines performance according to an organization's

ability to secure the limited and valued resources in the environment (Sainaghi, 2010b).   This concept gains its strength from the resource based theory which utilizes all the useful resources in the environment of the business in order to gain sustainable competitive advantage (Njuguna, 2009). The stakeholder theory describes the stakeholders of an organization as one of the valued drivers of organizational performance (Fassim, 2006). The third approach is the process perspective which defines performance in terms of the efficiency of   the processes of an organization based on the adoption of information communication as one of the tools of driving performance (Waiganjo, Mukulu & Khariri, 2012).

Moullin (2007) highlights performance measurement as one of the tools which helps firms in monitoring performance, identifying the areas that need attention, enhancing motivation, improving communication and strengthening accountability.   Wanjiku (2009) describes performance in terms of four perspectives which are the financial, customer, internal processes and innovativeness. The financial perspective identifies the key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cash flow, and working capital (Odhuon, Kambona, Odhuno, & Wadongo, 2010). The customer focus describes performance in terms of brand image, customer satisfaction, customer retention and customer profitability (Lo & Lee, 2010).

The Structural Adaptation to Regain Fit Theory highlights performance in terms of the dynamism of organizational processes by stating that an organization requires to adjust itself to be in line with the changes inorder to gain competitive advantage (Donaldson, 2006). Internal processes involve the efficiency of all the systems in the organization while innovativeness is concerned with the ease with which a firm is able to adapt to changing conditions (Donaldson & Luo, 2009). All the four perspectives are similar to the ones advanced by the Balanced Scorecard (BSC) which has been a popular tool for measuring hotel performance (Mohsin & Lockyer, 2010).

The Traditional operational drivers of performance have been measuring performance in terms of efficiency but have failed to measure effectiveness in terms of strategic objectives (Sainaghi, 2011). Quantitative methods are historical while qualitative ones look into the future of the organizations in order to redefine strategy (Phillips,2007). Recent approaches to performance measurement have identified inadequacies of solely relying on quantitative and short term indicators and have henceforth developed comprehensive models such as performance pyramids and hierarchies, intangible assets scorecard, performance prism, success dimensions and the Balanced scorecard with the aim of capturing both the financial and non financial drivers (Chenhall, 2008).

However, in this error of economic and competitive environment achieving sustainable competitive advantage in hotels requires clear interaction between strategy and performance measures. These links need to move from mere financial and non financial data collection to identification of causal relationships among measures, outcomes and strategies (Cuccia & Rizzo, 2011). The Balanced scorecard has been used widely in hospitality literature because it integrates performance measurement with strategic issues (Mohsin & Lockyer, 2010). It is also the first tool that attempted to measure performance based on non financial measures.

The Balanced scorecard (BSC) has been said to provide three different types of performance measurement systems which are the minimum standard which combines financial and non financial measures, Cause and effect which combines strategies and outcomes and fully developed perspective which combines objectives, outcomes and incentives to the organization (Baggio & Sinaghis, 2010, Lee & Park, 2009; Tang & Jack, 2009). Furthermore, it has recently been said that it is important to understand what happens after performance data has been collected, reported and evaluated because this alone cannot lead to performance (Kroll, 2013). Performance information must be used in day-to-day

decision making so that performance-oriented reforms can be made to enhance performance (Taylor, 2011). The Balanced scorecard retains the financial aspects as key in measuring performance while it adds other drivers of future performance (Mucheru, 2008). Strategic management drivers of performance involve the translation of business strategies into deliverable results. It combines financial, strategic and operating principles to gauge how a company is able to meet its targets (Mshenga & Owuor, 2009). Strategic drivers of performance are closely linked to specific strategies and value drivers in order to maximize organizational performance. Hotel managers like any other managers can use the feedback on performance to make adjustments to policies and other modes of organizational operations (Wadongo, Odhuno & Kambona, 2010).

1.1.1. The Global Hotel Industry

There is no doubt that despite the key role played by the global hotel sector the industry is facing tough times ahead (Sainaghi, Phillips & Corti, 2013). The Travel and Tourism sector in 2011 accounted for 9% of global Gross Domestic Product (GDP) and it contributed over 255m jobs (The World Travel and Tourism Council, 2012). It is projected that by 2022 the tourism sector will increase by 4% of global GDP and over 328m jobs thereby ejecting about US$ 20 trillion in the world economy. Hotels are expected to contribute the biggest share of employment opportunities as a result of new ventures. Kandampully and Hu (2007) state that the global hotel industry has become very competitive and is considered to be in the mature stage of its lifecycle.

As such, hotel services are slowly shifting from being services to becoming commodities that have to be traded in the larger global market which calls for drastic strategic management measures that are to be adopted in the hotels to re-engineer their performance and differentiate services towards achievement of strategic competitive advantage.

The distinction between services offered in the different star-rated hotels are gradually shrinking and it is becoming increasingly difficult to differentiate the services of one star rated hotel from another (Peterson & Lyer, 2006). At the sametime customers are more informed and have a wider choice of services to choose from because of the increased use of internet which calls for hotels to adopt strategies to counter this emerging trend by making themselves the choice of customers (Daun & Klinger, 2006). Despite all these gains, several hotel companies are struggling with debt, high level costs and management challenges. This therefore forces hotel managers to seek to generate profits that will help meet the above costs and thereby improving their performance. Hotels have henceforth continued to develop out of tourism efforts and this has brought a lot of challenges related to their performance with the aim of to meet international standards (Wanjiku 2009).

These challenges have necessitated a study by various authors on the drivers of performance in hotels. The hotel industry has been identified as one of the most important sectors that have a positive correlation to tourism industry because no country or region can expect to attract tourists unless it has hotels. The general pressures which have been brought about by globalization and internationalization coupled with star-ratings and membership to international hotel associations, have also challenged hotels to improve on their performance (Mureithi, Morara & Michael, 2009).

1.1.2. The Kenyan Hotel Industry

The hotel industry in Kenya is closely linked to the tourism sector which has shown impressive growth over the years. Tourism is one of the six key areas that have been given priority in acting as the key growth drivers in Kenya (Owiti, 2011). The sector has been charged with the task of making Kenya one of the top ten best tourist destinations globally offering distinctive visitor experiences (GoK, 2006). The two main industries that comprise the activities of tourism are hospitality and travel industry (Kotler, 2010). The hospitality industry in Kenya

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developed from the Kenyan Coast due to Arab traders and the construction of the Railway Line. The Kenya's Hotel and Restaurants Act cap 494 defines a hotel as a premises which provides accommodation and food in exchange for money (Kenya Economic Report, 2013). The first hotel to be built was the Grand Hotel which later became the Manor Hotel and has since been closed down. In the 1960's Utalii College was developed to cater for the training needs of hotel staff. Tourism is Kenya's third largest foreign exchange earner after tea and horticulture and a major employer accounting for about 12% of the total wage employment and 13% of GPD (National Tourism Strategy, 2013). Kenya's Gross Domestic Product (GDP) increased by 4.7 percent in comparison to 4.6% growth rate in 2012 (KNBS). Kenyan economy was weak in 2012 because of high interest rates which resulted from high inflation in 2011. This paused a big challenge to the tourism sector which relies on the global currency. The net effect was that tourism earnings decreased in 2013 because the number of international visitors decreased from 1,710.8 thousand in 2012 to 1,519.6 thousand in 2013 representing 11.2 decrease. At the same time, tourism earnings decreased from Kshs. 96 billion in 2012 to 94 billion in 2013 representing a decrease of 2%. (KNBS, 2014).

Specifically, the hotel industry in Kenya contracted by 45% in 2013 compared loan expansion of 2.6 per cent in 2012. Kenya undertook the last hotel classification in 2003 but since then so many new hotels have come up with improved products and services. The coast region accounts for 50 per cent of all bed-nights out of which 140 or 8.2% are classified. This falls below the standard requirements of at least 100,000 and could limit the country's ability to hold major conferences and conventions (Kenya Economic Report, 2013). There is a positive relationship between the number of rooms in a hotel and its performance. Out of the 28 countries in the 2006 African database, South Africa had the greatest number of rooms at 61,417, Tanzania had 30,600 rooms while Kenya was third with 30,600 rooms (National Tourism Strategy, 2013). In 2011, Kenya achieved the highest average length of stay (13.4 days) in a decade which

was 2.3 per cent improvement from the previous year (Kenya National Bureau of Statistics, 2012). The 1.5 million international tourists that visited Kenya in 2010 generated US$ 7000m. In 2012 tourism generated Kshs. 96.02 billion which represented 1.92 per cent drop from Kshs.97.90 billion realized in 2013 (Kenya Economic Report, 2013). Availability of quality hotels and quality services are the key destination choice drivers of tourists (Thiong'o, 2007). There has been a lot of discussions in literature about the impressive performance of hotels in Kenya over the past 20 years (Agumba, 2011; Fwaya, 2006; Kamau, 2008; Kingi, 2013 & Mibei, 2007). Specifically there has been many interesting issues which have become favourite topics of research in this field including service quality, human resource issues and best practices. There as also beem many success factors which appear to drive hotels into profitability such as efficiency, customer relationship management, information communication technology, strategic planning, strategic competitive position and organizational learning among others (Fwaya, 2006).

However, most of this research has provided only a frame of the picture and a brief history of the Kenyan hotel industry. Kangogo, Musiega & Manyasi (2013) observed that hotels need to adopt the strategic management drivers that will enable hotels to tailor customer services to customer needs. This is because the hotel sector requires a high level of service which requires hotels to differentiate themselves so that they can retain customers and prevent them from switching from one hotel to another. As Kenya focuses to be industrialized in 2030, the hotel sector is one of the sectors that will contribute greatly to industrialization (Schulz, 2020). The hotel industry in Kenya is facing several challenges which have been affecting performance. These challenges include shortage of skilled staff, poor infrastructure, insecurity, lack of strategic plans and poor organizational processes among other challenges (Onyango & Kipchumba, 2012).

1.2   Statement of the problem

Kenya has been experiencing turbulent times with regard to its organizational practices in the last two decades. This has resulted in generally low profits across the economy and this picture is fairly well replicated in the Hotel Industry (Namusonge, Kabare & Mutua, 2012). The decline in world tourism has grossly affected hotel sales and posed a threat to hotel operators because Kenyan hotels largely depend on the International Tourism Marke t(Oketch, Wadawi, Brester & Needetea, 2010).   Akama (2007) argues that in Kenya, there has been a declining income from agriculture and manufacturing sectors. As a result, Kenya has turned her attention to tourism as an intervention to the numerous economic problems. Kenya is considered all over the world as a great tourist nation but recently the hotel industry has been hit hard by the recent post-election violence as well as terrorism attacks (Kuria, Alice, & Wanderi, 2012).

Many hotels have been closed and this has caused staff to be laid off.   There has also been a low bed occupancy capacity of 10-20% and the situation is headed for worse if something is not done (Nzuve & Nyaega, 2011). Similarly, Kenyan hotels have become more complex to manage because of the demands of the dynamic business environment. Hotels are finding it difficult to meet the challenge of customer demands as well as complicated service technologies and production processes. Kamau (2008) states that the tourism sector under which hotels are found in Kenya has been facing numerous challenges which have posed a threat to their existence. These challenges include competition, socio-cultural changes, technological changes and economic challenges.

Hotels like other businesses are turning to strategic management performance drivers so that they can qualify for international recognition for standardization certificates, company of the year awards and star rating as well as membership to professional bodies (Ongore & Kobonyo, 2011).   The Kenya Institute of Management (KIM) developed a model called the Organizational Performance Index (OPI) which is a tool that drives organizations in Africa towards excellent

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performance and competitiveness. The performance of organizations is measured against global standards and benchmarks. The key parameters include systems thinking, competitiveness, standards and continuous improvement. The OPI model rates participating organizations using a scale of 1-10 using both its internal and external processes. It uses seven global determinants which are leadership and management, human resource, customer focus and marketing, financial aspects, innovation and technology, corporate social responsibility, environmental focus, productivity and quality. Organizations are then assessed according to specific indicators to their particular industry. Hotels are some of the organizations which must be assessed because they play a key role in the economy of Kenya. This poses another challenge on hotels to improve their performance rating.

Mukulu, Nteete & Namusonge (2012) notes that performance measurement is important for organizations as a means of continuous improvement and also as a means of determining whether or not an organization is achieving its objectives. The traditional management approaches and models are no longer adequate to award a hotel a sustainable competitive advantage (SCA) and technology becomes obsolete every so often (Kingi, 2013). This has posed a new challenge to managers in the hotel sector to review position themselves strategically in order to achieve strategic competitive advantage. (Namusonge, 2014). This study therefore seeks to assess the effect of strategic management drivers of performance in the hotel sector in Kenyan Coast. This is because the research hypothesizes that strategic management drivers could be the answer to the current hotel dilemma.

1.3   Objectives of the Study

The objectives of the study in this research were divided into general and specific objectives as follows:-

1.3.1   General Objective

The general objective of the study was to examine the effect of strategic management drivers on the performance of the hotel industry in Kenyan Coast.

1.3.2   Specific Objectives

The specific objectives of the study were:-

(1)   To evaluate the effect of customer relationship management   on the   performance of the hotel industry in Kenyan Coast.

(2)   To determine the effect of strategic planning on the performance of the hotel industry in Kenyan Coast.

(3)   To assess the effect of strategic competitive positioning on the performance of the hotel   industry   in Kenyan Coast.

(4)   To evaluate the effect of information communication technology on the performance of the hotel   industry   in Kenyan Coast.

(5)   To assess the effect of organizational learning on the performance of the hotel industry in Kenyan   Coast.

1.4 Research Questions

The research answered the following questions:-

(1)   What is the effect of Customer relationship management on the performance of   the hotel industry in Kenyan Coast?

 (2)   What is the effect of strategic planning on the performance of the hotel industry in Kenyan Coast?

 (3)   What is the effect of Strategic Competitive positioning on the performance of the hotel industry in Kenyan   Coast?

(4)   What is the effect of information communication technology on the performance of   the hotel industry in Kenyan Coast?

(5)   What is the effect of Organizational Learning on the performance of the hotel industry in Kenyan   Coast?

1.5 Research Hypotheses

The study tested the following null hypotheses:

H_{01} There is a significant effect of customer relationship management on the performance of the hotel industry in Kenyan Coast

H_{02} There is a significant effect of strategic planning on the performance of the hotel industry in Kenyan Coast.

H_{03} There is a significant effect of strategic competitive positioning on the performance of the hotel industry in Kenyan Coast.

H_{04} There is a significant effect of adoption of ICT on the performance of the hotel industry in Kenyan Coast

H_{05} There is a significant effect of organizational learning on the performance of the hotel industry in Kenyan Coast.

1.6   Significance of the study

The Kenyan Coast was selected for the study because it was the home of 66% of Kenya's tourist hotels (Akama, 2007). Over the last 30 years, the rapid growth in tourism had led to the establishment of more hotels in the Kenyan Coast (GoK, 2007). Today there are 180 classified hotels in Kenya's coast which had contributed immensely to national development in a number of ways. This includes providing employment directly and indirectly (Mshenga & Owuor, 2009). Secondly, they help the local population by building infrastructure such as roads and electricity. The findings of the study served as a model for strategic management drivers of performance in the hotel industry. The study was beneficial to several parties which include;

a) Hotel Managers

Kieti and Akama (2007) observed that the hotel industry in Kenya is at a mature stage but it faces a lot of challenges. Therefore, this study helped hotel managers to identify and use efficient and effective strategic management drivers to respond to performance challenges or threats.

(b)   Investors

The study provides current and future investors to gauge their investment options based on the adoption of the strategic management drivers by the hotels. This was because investors always want to invest their money where they could get value at the same time reducing production costs.

(c)   Academicians and research institutions

The study adds to the existing body of academic knowledge in the area of strategic management in general. It also contributed to academic literature in the hotel industry and specifically in Kenya

(d)   Policy makers

The recommendations of the study assists policy makers as a reference for future policies involving strategic management and hotel performance. The findings from the research broadened knowledge in the area of strategic management and hotel performance and propelled hotels policy makers to adopt the hypothesized strategic management hotel drivers The findings of   the study add to the strategic management literature by uncovering the underlying process through which strategic management drivers affect the performance of   Kenyan hotels.

1.7   The scope of study

The study surveyed classified hotels in Kenya's Coast namely., Kwale, Mombasa, Kilifi, Malindi, Lamu and Taita-Taveta Counties.   The scope was limited to only an investigation of the effect of the strategic management drivers on the performance which includes hotel industry in Kenyan Coast ranging from 1 to 5 star hotels. The study focused on the conceptualized strategic management drivers of hotel performance were customer relationship management, strategic planning, strategic competitive positioning, Information communication technology and organizational learning on the performance of the hotel industry in Kenyan Coast.

1.8   Limitations of the study

The researcher faced a challenge of the time taken to return the questionnaires because most of the respondents did not fill them within the expected time. The researcher dealt with this challenge by following the respondents physically through several visits and through the use of telephone calls. Some respondents also did not understand the role of academic research and they had reservations about the questionnaire as they felt that their privacy was being interfered with. This was sorted by taking time to explain to them and assuring them that the results would be used for academic purposes only. Supervisors and heads of sections were referred to as managers in some hotels while they did not have the key information concerning strategic management drivers because adoption of these drivers is a key top management decision. The research restricted itself to hospitality industry managers leaving out other managers from other sectors.

CHAPTER TWO
LITERATURE REVIEW

2.1   Introduction

This chapter reviewed the theories related to the study topic.   It also reviewed the theoretical framework of the strategic management drivers of performance which include customer relationship management, strategic planning, strategic competitive positioning, information communication technology and organizational learning.   These independent variables were linked to the dependent variable which is organizational performance through a conceptual framework.   Research gaps were identified and a summary of the chapter was given.

2.2   Theoretical Framework

The theories that were used in the study include the Resource Based Theory, Competitive Advantage Theory, the Structural Adaptation to regain fit Theory, the Stakeholder Theory and the Goal Theory.

2.2.1   Resource Based Theory

The Resource Based Theory (RBT) of the firm provided that a firm delivers added value through the strategic development of the organizations rare, hard to imitate and hard to substitute resources.   The RBT developed from prior theoretical work such as the traditional study of distinctive competencies, Ricardian Economics, Penrociasian Economics and the study of the anti-trust implications.   The theory states that a firm is able to perform better when it combines its unique resources to drive all the areas of the organization (David, 2009). This theory asserts that a firm gains sustainable competitive advantage when it implements strategies which cannot be copied by competitors.   Resources that qualify to be sources of competitive advantage must be rare, strategic, inimitable, non-substitutable, appropriate and immobile (Ling & Jaw, 2011).   The

dynamic nature of firms calls for the development of dynamic capabilities which can be able to integrate, build upon and reconfigure internal and external resources to the firm's advantage. The RBT of the firm links the internal capabilities of the organization to strategy formulation to achieve competitive advantage (Njuguna, 2009). The theory views the firm as an interconnectivity of resources and capabilities which may be tangible or intangible. The RBT of the firm has stressed the importance of strategic choice whose tasks include identifying, developing and deploying core resources to maximize profits. This theory has contributed to the development of the theory of competitive advantage. Hotels are therefore charged with the responsibility of investing in unique resources that will differentiate them from their competitors and help them improve their performance (Wang & Ahmed, 2007).

2.2.2 Competitive Advantage Theory

When a firm sustains profits that exceed the average for its industry the firm is said to possess competitive advantage over its rivals. The goal of much of business strategy is to achieve a sustainable competitive advantage (Barney & Hesterly, 2006). Smit (2010) identified two basic types of competitive advantage which are cost and differentiation advantage. Cost Advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost but differentiation advantage are the core benefits that a firm obtains which exceed those of competing products. Cost and differentiation advantages are known as positional advantages since they describe the firm's position in the industry as a leader in either cost or differentiation. Thompson, Strickland, Gamble, and Jain (2006) describes generic strategies as being core to improvement of a firm's performance. For a hotel to perform it must use one or more of the generic strategies otherwise its performance is bound to decline (Allen & Helms, 2006).

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These generic strategies are cost leadership, differentiation and focus. Cost Leadership strategy calls for companies to be low cost producers compared to their rivals. As the industry matures and prices decline, firms that can produce more cheaply will remain profitable for a long period of time. Differentiation strategy is the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than those of competitors. In differentiation, a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers (Porter, 2011).

A focus strategy is where a firm concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. Cheng (2013) highlighted that the core competencies of hospitality organizations include the processes, skills and assets that influence organizations to achieve competitive advantage. Other factors have also been mentioned to contribute to core competencies such as location, brand, facilities, employee customer loyalties, market coverage, market share, service quality, technology, leadership, systems and procedures and organizational culture. Hotels should strive for unique characteristics in order to distinguish themselves from competitors in the eyes of their consumers (Gehrels, 2007).

Hotels in Kenya need to learn how to create new advantages that will keep them one step ahead of their competitors through differentiation. This is because they need to possess unique advantages in relation to their competitors if they are to survive especially in the global competitive environment. Porter (2008) developed a framework for analyzing the nature and extent of competition within an industry. He suggested that there are five competitive forces which determine the degree of competition within an industry such as the Hotel Sector.

Understanding the nature and strength of each of the five forces within an industry assists managers in developing competitive strategies for their organizations such as hotels. The five forces are competitive rivalry, threat of substitute products, the bargaining power of suppliers, the bargaining power of buyers and the threat of new entrants. Barney and Hesterly (2006) cite competitive rivalry to include the ability of industries to strive for competitive advantage over their rivals. Rivalry is measured by indicators of industry concentration with the Concentration Ratio (CR) as the measure.

The CR indicates the percent of market share held by the largest firms in an industry. A high Concentration Ratio indicates that a high market share is held by the largest firms – the industry is concentrated. Schinkel and Tuinstra (2006) states that a low concentration ratio indicates that an industry is characterized by many rivals, one of which has a significant market share. These fragmented markets are said to be competitive. This is the case with the hotel sector in Kenyan coast. If rivalry among firms in an industry is low, the industry is considered to be disciplined.

The discipline may result from the industry's history of competition, the role of a leading firm, or informal compliance with a generally understood code of conduct. When a rival acts in a way that elicits a counter-response by other firms, rivalry intensifies (Fedderke & Szalontai, 2008). In pursuing an advantage over its rivals, a hotel can choose from several competitive moves or strategies. A threat of substitutes exists when product demand is affected by the price changes of a substitute product. Product price elasticity is affected by substitute products because as more substitutes become available, the demand becomes more elastic since customers have more alternatives (Harrison & St. John, 2008). A close substitute product constrains the ability of firms in an industry to raise prices.

Hotels in Kenyan coast are threatened by very many unclassified hotels which offer lower rates to lure a certain clientele of customers. The bargaining power of buyers involves the impact that customers have on a producing industry (Özmucur, 2006). Smit (2010) observes that when buyer power is strong, the relationship to the producing industry is near to a monophony, a market in which there are many suppliers and one buyer. Under such market conditions, the buyer sets the price. Buyers are powerful if they are concentrated or if there are a few buyers with a significant market share. The bargaining power of suppliers refers to the power of suppliers to influence prices especially in an industry that shares resources.

As a result, the bargaining power of suppliers will not be determined solely by their relationship with one industry but by their relationship with all the industries that they serve. Samuelson and Marks (2012) highlight that the threat of new entrants to the industry is the possibility that new firms can enter the industry which affects competition. Barriers reduce the rate of entry of new firms, thus maintaining a level of profits for those already in the industry. From a strategic perspective, barriers can be created or exploited to enhance a hotels competitive advantage. Porter's model provides valuable drivers that enable hotels strategic managers to analyze their markets and come up with effective strategies. These drivers create a competitive advantage which gives the hotels the ability to take proper advantage of their distinctive competencies in order to stay above their rivals in the same industry (Perry, Mesh & Pearlberg, 2006).

2.2.3. The structural adaptation to regain fit theory

This theory originates from the contingency theory which provided the framework for the study of organizational design by stating that the best organizational structural design is the one whose structure fits with the organization's contingencies (Donaldson, 2006). Structural adjustment to regain fit theory (SARFIT) is a higher level theory of changes in the structure of organizations as a

result of contingency-structure matches. Burton, Desanchs and Obel (2006) supported the theory by stating that organisations need to get away from mechanistic to organic structures in order to respond to technology and market changes in the environment. Donaldson and Luo (2009) asserted that SARFIT gets organizations from their disequilibrium through investing surplus resources from the fit based higher productivity to improve performance. According this theory, fit and misfit are semi-permanent states which propel structural adaptation to fit which then leads to further expansion and misfit. This system is repeated over time with movement to misfit resulting to increase in contingency factors like size.

Klass, Lauridsen and Hakonsson, (2006) states that an organisation in fit enjoys higher performance and generates surplus resources which lead to expansion. The application of the strategic fit concept helps firms to manage their resources more efficiently, so that they can reduce operational costs as well as respond effectively to environmental threats and new opportunities. The concept of strategic fit also supports the close connection between human resource strategies and business strategies in ways that will help retain and motivate employees (Donaldson, 2006). Hotel managers can use the concept of strategic fit to manage their resources more efficiently, reduce operational costs, respond to environmental changes and take advantage of new opportunities.

The best strategic fit is the consideration of the effective linkage among business competitive strategy, human resource strategy and reward systems which in the long run enhance hotel performance and create competitive advantages. Gakure (2012) explain that successful strategy execution requires the creation of a fit based on the interaction between external dependencies and internal capabilities. Chen and Huang (2009) highlight that each strategy is always accompanied by a unique set of internal processes and therefore a strong alignment between strategy and processes translates into successful performance. Reidenbach and Goeke (2007) mention that the deployment of a strategy requires a focus on the hotel's

business processes.   Hotels therefore need to adopt a rational decision-making process in which the hotel's resources are matched with opportunities arising from the competitive environment. This means that hotel managers must know what the complementary internal processes are that support the successful pursuit of a chosen strategy. Adner and Zemsky (2006) noted that firms are beginning to realize that they cannot merely copy the reward practices of other firms but that they must figure out what works well for them by following a fit approach. Strategic fit is a core concept in the performance of organizations because a set of internal and external factors at a certain time is used to predict firm performance (Donaldson, 2006). This theory is applicable to the hospitality industry because the industry is very dynamic due to contingency factors. Managers of hotels have to adjust from a fit to non fit situation every so often due to competition and other challenges (Denison, 2008).   The application of this theory will help hotel managers not to be comfortable with their fit situation but rather to take advantage of the fit situation in order to invest in other areas and cushion themselves during the non-fit period and in the long term to stay above competition.

2.2.4   Stakeholder Theory

Stakeholders are considered to be entities that are affected in various ways by the undertakings of an organization.   Friedman and Miles (2006) argued that organizations should consider the interests of stakeholders because they influence the performance of   firms in various ways. Mitchell and Cohen (2006) highlights that stakeholders bear some risks as a result of   their direct or indirect investment in a particular organization. A firm is therefore an interrelationship of various stakeholders who influence the organization both externally and internally. It is stated that in an organization, stakeholder can either be primary or secondary depending on their relationship with the organization. This is because organizations are different and they harbour different interests. Organizations should develop tactics to respond to the needs of stakeholders in order to prevent the negative effects of stakeholders' activities. Stakeholders are very important for organizations because they interact with the organization on a day to day basis

hence they have a very big influence on the affairs of the business (Fassim, 2008). Stakeholders can either take a cooperative potential or a competitive threat depending on how an organization treats them. Organizations should develop strategies for stakeholder management such as leading, educating, collaborating, defending, educating and motivating stakeholders (Enz, 2008). Hotels just like other organizations have stakeholders who have needs that need to be met in order to improve performance. Customers have been regarded as the most important stakeholders for the purposes of this study and hence their relationship with hotel needs to be managed. The stakeholder theory concentrates on the issues concerning the stakeholders in a hotel (Angle, 2008). The theory asserts that a hotel invariably seeks to provide a balance between the interests of its diverse stakeholders in order to ensure that each stakeholder receives some degree of satisfaction.

Alhaji and Yuseff (2012) argue that the stakeholder theory is good in explaining the purpose of corporate governance by describing different stakeholders that constitute an organization. Some of the stakeholders according to this theory include governmental bodies, political groups, trade associations, trade unions, communities, associated corporations, prospective employees, the general public, competitors and prospective clients. Mitchell and Cohen (2012) suggest that the stakeholder theory has become more prominent because the activities of the hotel impact on the external environment which poses a responsibility on the hotel for accountability to the wider public. They further assert that economic value is created by people who come together and cooperate to improve everyone's position.

Byrd (2007) criticises the stakeholder theory and argues that the performance of a hotel is not and should not be measured only by gains to its stakeholders. Johnson, Scholes and Whittington (2008) asserts that there are different types of stakeholders such as consubstantial stakeholders that are essential for the hotel's existence (e.g. investors, strategic partners and employees) and contractual stakeholder such as that have some kind of a formal contract with the hotel (e.g. financial institutions, suppliers and customers). There are also contextual stakeholders who are representatives of the social and natural systems in which the hotel operates and play a fundamental role in obtaining hotel credibility and the acceptance of their activities. Olsen, West and Tse (2008) argue that the hotel has to safeguard the interests of all who contribute to the general value creation, that is, make specific investments to a given hotel. These hotels-specific investments can be diverse and include physical, human and social capital. This theory therefore contributes to hotel literature by strategically taking advantage of the available stakeholders for the benefit of the hotel.

2.2.5 Goal Setting Theory

Fred (2011) argued that Goal Setting theory highlights the positive relationship between goals and performance. It provides that performance in organizations is enhanced when goals are specific and challenging. Goals are also used in organizations to evaluate performance. Morelli and Braganza (2012) stated that manages have a general agreement that goal setting improves performance and this is why they come up with goal based programs such as Management by Objectives (MBO), high-performance work practices (HPWPs), Management Information Systems (MIS) and strategic planning. Goal setting theory is among some of the motivational theories that assert that staff should be motivated into achievement of the stated goals.

The setting of goals directs employee attention towards goal relevant targets (Kinicki & Kreitner, 2009). Bipp and Kleingeld 2011; Thorgren and Vincent (2013) have proven in literature that goal-setting theory improves the performance of individuals, teams and organizations. In the global dynamic business world human resource are key in driving organizations towards performance and the goal setting theory supports the motivation of staff in meeting organizational goals. Wachira (2014) suggested that employees should set goals which should motivate them to superior performance if followed. In case the goals are not achieved they have a chance to modify or improve them. Locke and Latham (2006) highlight that the harder the goals are the more motivating they are because it requires harder work to establish the goal. Kangangi (2014) states that there is a relationship between how difficult and specific a goal is and how peoples performance of the task will be. The study further asserts that specific and difficult goals were found to lead to better performance than vague or easy goals.

2.3 Conceptual framework

A conceptual framework refers to a graphical representation of the theorized interrelationships of the variables of a study (Odhiambo & Waiganjo, 2014). The conceptualization of variables in academic study is important because it forms the basis for testing hypothesis and coming up with generalizations in the findings of the study (Dwi, 2011). In this study, the independent variables are the conceptualized strategic management drivers of hotel performance. The independent variables of the study included customer relationship management, strategic planning, strategic competitive positioning, Information communication technology and organizational learning.

The conceptual framework has further explained the sub variables to be tested in each variable which are the measures that will be tested in the questionnaire in order to reject of fail to reject the hypothesis. The dependent variable is hotel performance and the operationalization of the variables is shown in figure 2.1.

Customer Relationship Management-
customer feedback -customer retention- customer data mining

Strategic Planning

-Strategic goals -Strategy implementation

Strategic Competitive Positioning
Strategic Product focus – Differentiation Cost focus-porters five forces

Information Communication Technology-
customer, supplier and employe data

Organizational Learning

-Information acquisition-Information interpretation-Information quality -Behaviora and cognitive changes

Performance of hotels

-Profits

-Company image

-Sales turnover

-Market share

-Service quality

-Turnover of customers and employees

Independent Variables   **Dependent variable**

Figure: 2.1.   Conceptual Framework

2.4   Review of   Literature of variables

There are very many factors which drive the performance of hotels and . some of these drivers are internal while others are external. However some drivers are more crucial in influencing performance than others because when applied they have been proved to steer organizations to greater profitability (Namusonge *et.al.,* 2012).   This section deals with a review of the conceptualized strategic management drivers of hotel performance in the Kenyan Coast. This is because many researches have been done on strategic management drivers of organizational performance in other industries but there exists a knowledge gap in research on the application of   the conceptualized drivers in the hotel industry and specifically in the Kenyan context.

2.4.1   Customer Relationship Management and hotel performance

Customer Relationship Management (CRM) is one of the strategic management concepts which have changed the way businesses are carried out. Cooperative rather than competitive approaches to businesses are now commonly embraced by organizations such as hotels (Thakur, Summey & Balasubramanian, 2006). Wang and Bowie (2009) highlights a positive relationship between customer relationship management   and   organizational   performance.   Customer   Relationship Management is further highlighted as a comprehensive strategy for acquiring, retaining and partnering with selected customers to improve quality for the company and the customer (Christian, 2007). Jain, Jain, and Dhar, (2007) asserts that when CRM is implemented in organizations it develops a series of functions, skills, processes and technologies that help organizations to achieve long-term customer loyalty thereby improving their performance. Coltman (2007) identified CRM as a core process in enhancing competitiveness and performance by stating that CRM policies in the hotel sector must concentrate on customer satisfaction, customer retention and customer quality.

Customer Relationship Management improves performance through its various processes because it enables companies to evaluate their efficiency in serving customers. Hotels therefore have a duty to identify customer needs in order to plan how to satisfy them (Abdullateef, Mokhtar & Yusoff, 2010). Customer relationships are one of the most expensive assets a hotel can have because satisfied customers are more likely to return to the hotels and also to recommend others (Jones, Mark, & Sim, 2007). Uzel (2012) states that there is intense competition in today's hotels which requires managers to adopt strategic drivers of performance in order to improve hotel services. This is because hotels that maintain long run performance are the ones that are able to build customer loyalty and retention. Lo, Stalcup, and Lee (2010) established that CRM brings benefits in terms of improved performance which results from acquiring new customers as well as sustaining customers for competitive advantage.

Customer Relationship Management improves performance through reduction of the costs incurred in acquiring customers and also the profitability that results from customer loyalty (Chang, 2007). CRM is a customer centered rather than product cantered interaction with customers which add value to the services offered in hotels to enhance the desired results. Minal and Kasim (2009) state that CRM improves hotels performance through engaging profitability customers in long term relationships in order to improve profits. CRM if applied will attracts new customers in the hotel industry which is facing a lot of competition which requires that they differentiate their customers (Piccoli, O'connor, Capaccioli, and Alvarez, 2008). Hotels like other organizations need to assess users satisfaction levels towards their service so that they can use the feedback to make positive adjustments to their products and services. Iravo *et. al.,* (2013) states that dissatisfied customers will be disloyal to the organization and will talk about their bad experience to other customers. In this research, CRM is viewed as a strategy for driving customer loyalty and improving hotels performance.

2.4.2 Strategic planning and hotel performance

The history of strategic planning refers to long-range planning in organizations (Piccolli, 2008). Strategic planning was therefore a proactive alternative to long-range planning which was found to be obsolete because it was not increasing firm's true value. Strategic Planning is a core task of senior management which involves fourteen (14) processes (Armstrong, 2010). These processes are designing objectives, planning strategy, establishing goals, developing company philosophy, policies, procedures, organization structures, establishing personnel and facilities, capital, establishing standards, programs and operational plans and institutionalization, evaluation and control. Pearce and Robinson (2008) view Strategic Planning as an organizational process that is vision driven and that aims at developing the future value of an organization.

Dan (2009) states that Strategic Planning process involves the implementation of strategy in an organization which should be managed through a sequence of steps. These steps include setting of objectives, analysis of environmental trends & capabilities, evaluation of the available options and planning, implementation, operationalization and institutionalization of strategy. Barney and Hesterly (2006) are of the view that the process of strategic planning has to be designed well such that it meets the specific needs of the organization. The strategic management planning process involves the mission and vision of the organization, environmental analysis, selection of objectives and analyzing strategic choices (Porter, 2008). Since there is not any best way of conducting the process of strategic planning in an organization strategies should therefore be formulated explicitly and implicitly. Hotels have embraced strategic planning as a tool for continuous improvement because it helps them to clearly identify and prioritize their objectives and targets (Aldehayyat, 2011).

Strategic planning however has to be done under a conducive strategic planning environment which has the appropriate structures for proper coordination and cooperation (Ocasio & Joseph, 2008). Manager's perception is also very important to the strategic planning process because they are the initiators as well as the implementers of the plans (Rigby & Bilodeau, 2007). The concept of strategic planning has been widely adopted by hotels but its dimensions, roles and impact to the performance of the overall hotel management is still disputable (Kamau, 2008).

Creating a winning strategy is not a one-time event because a good strategy today might not be successful tomorrow. Jehad and Adel (2013) assert that there are several planning systems that are used by hotels in order to manage change and these systems have evolved in order to cope with the continuously changing business environment. Strategic plans can help hotels to communicate their goals, strategies and operational tasks to internal and external stakeholders (Galbreath, 2010). Higher planning formality is beneficial for firms that operate in highly competitive environments like hotels and this may assist them to meet competitive threats more systematically (Yang & Fu, 2007).

A hotel can adopt strategies in both the internal and external environment. The internal environment includes the physical and social factors within the boundaries of hotels or specific decision units that are taken directly into consideration in the decision-making behaviour of individuals in those systems (Richard *et. al.,* 2009). Internal environment also can refer to the amount of attention devoted to a hotel's recent history and current situation, its past performance and an analysis of its strengths and weaknesses. External orientation involves the ability to obtain reliable research information in order to learn about external environmental opportunities and threats (Dancer, Tatoglu & Glaister, 2006). These opportunities and threats refer to those relevant units outside the boundaries of the hotel or specific decision units that are taken directly into consideration. Aldehayyat (2011) states that for a formal planning process

to assist in strategy development, it must include mechanisms to embrace proper customer services, efficiency of operating processes, alternating and retaining high quality employees, and analysis of financial strengths and weaknesses. The external orientation will create analysis of investment opportunities, analysis of competition and reforming market research. Wheelen and Hunger (2008) states that strategic planning attempts to look ahead to where you want to be together with the budget to get there. In recent times, the hotel industry has identified the importance of strategic planning by defining the mission of their businesses so that they are better able to give themselves a direction to focus their activities. Strategic planning helps managers to identify a clear-cut concept of their hotels and this makes it possible to formulate plans and activities that will bring them close to their goals (Pearce & Robinson, 2008). Kenyan hotel managers operate in a world that is ever changing and nothing is static whether in technology, politics or society. Hotels therefore have no choice but to come up with strategic planning as a tool for the future prospects of their hotels.

2.4.3   Strategic Competitive Positioning and hotel performance

Competitive advantage (CA) relates to strategy formulation and implementation in organizations (Galetic, Prester & Nacinovic, 2007). Hotels that desire to perform must select strategies that give them a competitive advantage over their competitors based on their core competencies (Enz, 2008). Organizations can do strategic analysis to achieve competitive advantage using tools such as Strengths Weaknesses Opportunities and Threats (SWOT) Analysis, Porter's five forces model and the Resource Based Theory (RBT) of the firm. Strengths, Weaknesses, Opportunities and Threats analysis aims at matching an organizations internal strengths and weaknesses with a firms external opportunities and threats.

Porters Five Forces Model determines the firms' abilities to position and compete in an industry such as the hotel industry. Mibei (2007) also proposes three generic strategies which can help organizations to cope with competitive forces and these include focus, cost leadership and differentiations. Previous RBT research has provided evidence that the analysis of a firm's internal resources helps firms to realize their competencies and capabilities which are inimitable by their competitors (Wang & Ahmed, 2007). Lo (2012) states that the firm's resources include assets, capabilities, organizational processes and knowledge that help firms to implement the strategies that improve performance.

Other researchers refer to these resources as core competencies and capabilities that could generate competitive advantage (Jonsson & Devonish, 2009). Olsen (2008) is of the view that core competencies of hospitality organizations include processes, skills and assets that influence organizations to achieve Strategic Competitive Positioning (SCP). Johnson, *et.al., (*2008) highlighted sources that have been mentioned to contribute to core competencies as location, brand, facilities, employee, customer loyalties, market coverage, market share, service quality, technology, leadership, systems and procedures and organizational culture.

Hotels are dynamic organizations which are affected by diverse variables hence the application of SCP will help them to sustain exemplary performance. Richard and Marilyn (2006) argue that the essence of business strategy formulation is coping with competition. Moullin (2007) also suggest that business strategy is all about competitiveness because the main purpose of strategy adoption is to enable firms like hotels to gain a sustainable edge over its competitors. Tavitiyaman *et. al.,* (2011) states that hotel's strategies consists of competitive moves and business approaches that managers employ to attract and please customers, compete successfully, grow the business, conduct operations and achieve targeted objectives.

A hotel achieves Strategic Competitive Advantage (SCA) when an attractive number of customers prefer its services over the offerings of competitors and when the basis of this preference is durable (Sabah, Laith, & Manar, 2012). Businesses will only result in SCP when the appropriate strategic management drivers of performance are adopted in hotels. Hotels can take advantage of their overall products and services to come up with services which are superior to their competitors. Porters' Generic Strategies can create competitive advantage for a firm through the adoption of differentiation and cost-leadership. These strategies give a firm a better chance of outperforming other firms in a homogeneous industry. Porter (2008) described porter's five forces as the threat of new entrants, threat of substitutes, bargaining power of suppliers and buyers and the intensity of rivalry. Firms in a particular industry need to adopt these five drivers in order to improve their performance.

Ottenbacher, Harrington and Parsa (2009). stated that for a firm to achieve high performance it has to achieve one of the basic competitive advantages which are lower cost and differentiation. The author further suggests that a firm which does not adopt any one of these strategies is geared towards failure. Differentiation can take different forms such as various marketing strategies, better product image, better market awareness, low prices, higher product quality and better customer service or availability of goods. Differentiation helps firms to build customer loyalty through offering unique products or services thus helping firms to perform better than others (Allen & Helms, 2006).

Firms that adopt differentiation can charge higher prices based on their costs, channels of distribution and quality or they can choose to differentiate themselves in any other area of their distinctive competencies. Differentiation strategies can be classified into market and product strategies. In product-innovation, firms outperform their competitors by increased creativity, quality, efficiency and innovations among others (Akan, Allen, Helms, & Spralls, 2006). Cheng (2013) states that marketing differentiation involves the use of marketing

practices which assist hotels to differentiate themselves and they include market segmentation, branding, promotions, pricing and advertising. A hotel can gain competitive advantage by adopting a low cost strategy such as mass production, technology adoption, achieving economies of scale and access to raw materials. A cost-leadership strategy can improve the performance of hotels by giving them distinctive competencies in the management of materials and also in the production process.

2.4.4 Information Communication Technology and hotel performance

Sirawit, Nazrui, and Do Ba (2011) observed that the use of ICT is an integral part of hotels because it increases hotel performance in various ways. Firstly, the use of ICT improves managerial activities and leads to better organizational performance. ICT has therefore been recognized as one of the drivers of hotel performance (Jing-zhao & Jing, 2009). The implementation of ICT has been used in hospitality industry to eliminate the gap between purchase and service experience (Leahy, 2008). This is because hospitality is a service which may not be experienced in advance because decisions are made away from guest experiences.

Innovation entails addition of new technical knowledge to production of goods and services. Technological innovation includes the development of new business methods to achieve desired objectives. ICT will lead to high organizational performance which is characterized by high financial income, continuous sustainable innovations, satisfied customers and a motivated human resource (Oparanma, Hamilton, & Seth 2009). The use of ICT positively influences employee performance because it is the human capital that spearheads innovations. All types of ICT will be totally dependent on the human resource of the organization (Zaheer, Sabir & Suhail, 2011).

Wong, Page, Abello and Pang, (2007) confirmed a positive relationship between innovation and organizational performance. When an organization achieves competence in making a certain product; it can add value to the product by investing in the latest and modern technology (Porter & Kramer, 2011). The Resource-based theory of the firm explains the relationship between ICT and performance by assuming that distinctive competencies are relatively stable overtime and are heterogeneously shared across firms (Denison, 2008). Hotels have cited ICT has been cited as one of the valuable resources and sources of competitive advantage which influence organizational performance. ICT involves the introduction of modern ideas within an organization which is one of the driving forces of performance in hotels (GoK, 2007).

Cagna (2007) proposes ICT as one of the ways for the survival of organizations today. Shimpton, West, Dawson, Birdi and Patterson, 2006) stated that ICT can be sustained by involving human resources to manage, create, transfer and implement knowledge. The adoption of ICT has been widely supported by literature in the hotel industry which identifies it as a strategic driver to organizational performance (Piccoli, 2008). Tanyeri (2007) supports the use of IT for operational purposes by stating that firm and location related factors are among the key issues that influence adoption of ICT in hotels. David (2009) highlighted that the use of ICT in hotels is becoming a complicated affair because little attention had been given to the integration of ICT to key strategic management drivers (Segupta, Haser & Cook, 2006). Barkhi and Daghfous (2009) states that competition among hotels is a major catalyst for the need for innovation and technology because of the dynamic nature of hotels. Hotels just like other organizations have been forced to look for new sources of competitive advantage one of which is ICT (Yang & Fu, 2007). The readiness of hotels to adopt ICT and best practices is one of the key drivers of hotel performance in the current era.

2.4.5   Organizational learning and hotel performance

Njuguna (2009) states that organizational learning is a fundamental source of competitive advantage in organizations.   He further stated that it helps firms to obtain sustainable competitive advantage through the development of its unique learning knowledge resources and capabilities.   Hotels like many other businesses are facing a lot of competitive challenges arising from the dynamism and complexity of the business environment.

This state of affairs has propelled academicians and hotel practitioners to study distinctive firm competencies that add value to the final consumer. Hotels just like other organizations have to encourage their employees to continually learn new skills and to be innovative in order to achieve their strategic goals (GoK, 2007).   David (2009) highlights that when a firm obtains individual level resources such as knowledge or human capital it has to leverage these resources so that the whole organization can benefit. Intellectual capital is therefore a key determinant of value creation for organizations which can be exploited to enhance the performance of   hotels.

Denison (2008) states that through organizational learning a firm can develop unique intellectual capital that other firms cannot imitate.   Organizational learning helps people in the organization to question themselves about organizational systems and challenges and endeavour to seek for solutions (Johnson, 2008). There are various forms of   organizational learning in organizations which include training which may be either in-house or external. Any form of   organizational learning will be quite beneficial to organizations because they are not easily imitable (King, 2008).

Njuguna (2009) proposed the organizational learning (OL) model that links organizational leaning to sustainable competitive advantage through intellectual capital as shown in figure 2.2.

```
                    ┌──────────────────────┐
                    │ Human Capital (Skills,│
                    │ knowledge, experience)│
                    └──────────────────────┘
                               │
                               ▼
┌──────────────┐    ┌──────────────────────┐    ┌──────────────┐
│ Organizational│──▶│ Social Capital (Strategic│─▶│ Sustainable  │
│ Learning      │   │ alliances and Interpersonal│ │ Competitive  │
│               │   │ relationships)       │    │ Advantage (SCA)│
└──────────────┘    └──────────────────────┘    └──────────────┘
                               │
                               ▼
                    ┌──────────────────────┐
                    │ Organizational capital│
                    │ Strategic processes,  │
                    │ systems & procedures  │
                    └──────────────────────┘
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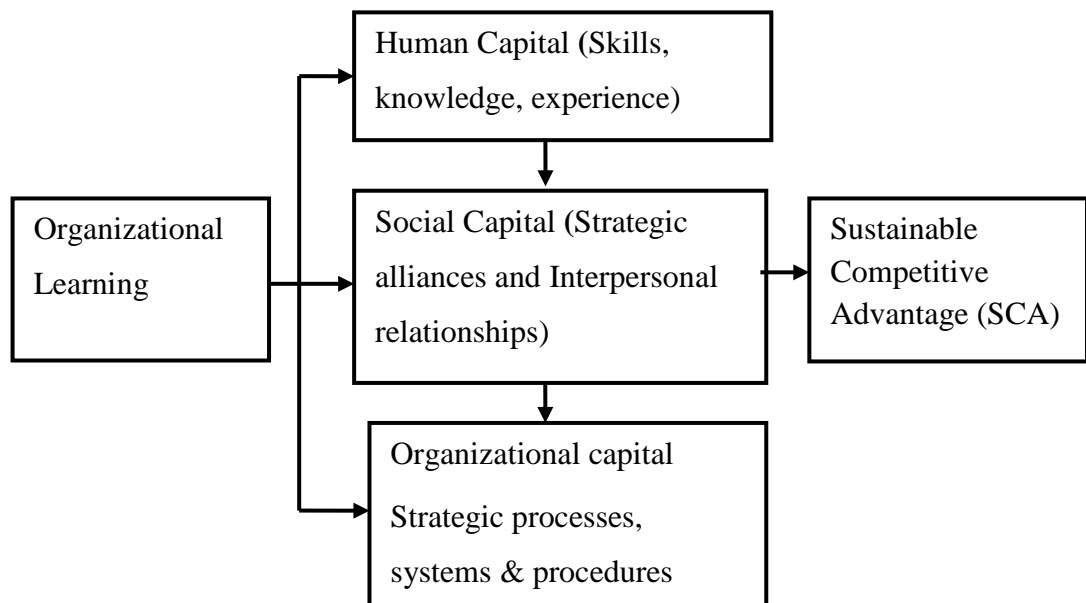
Figure 2.2   Organizational learning as a competitive strategy(Njuguna, 2008)

2.4.6   Hotel Performance

Performance is a complex and dynamic concept which has been conceptualized in two ways namely the drivers of performance and the results of performance (Olsen, 2008).   Organizational performance is concerned with the overall productivity in an organization in terms of stock turnover, customers, profitability and market share.

Competition in the global economy has intensified the importance of identifying the drivers of sustainable performance. The search for such drivers is no longer restricted to tangible factors but has expanded to include intangibles. Performance may be measured by both quantitative and qualitative methods. This study used financial measures such as profits and non-financial measures such as company image, market share, service quality as well as customer and employee turnover. Richard *et. al.,* (2009) states that non-financial measures are better performance indicators in the service industry than financial measures.

This is because non-financial measures are better measures of value and motivation which complement short-run financial figures as indicators of long-term goals. Performance is regarded as an output which is aligned to objectives or simply profitability and is explained in terms of expected behavioural output and also results. Fwaya (2006) asserts that the only worthy performance measure is financial performance because of its value to shareholders, executives and the market. This measure is an indicator of organizational success and sustainability because it is the reason for the existence of firms. The financial success of an organization is a measure of a firm's performance because it depicts the ability of an organization to operate above all its costs.

Wadongo, *et. al.,* (2010) states that a firm's performance should not be measured by financial performance but also operational and market indicators. Financial Performance for this research will be measured using profitability and growth in sales while non-financial indicators will be service quality and customer satisfaction. Non-financial measures have been deemed to be more effective in motivating managerial performance because they are more reflective of the overall corporate strategy (Galetic *et.al.,* 2007). The hotel industry is a service sector with inseparable products which demand for different methods of measurement (Enz, 2008).

A hotel is obliged to not only deliver services and products but also to increase customer satisfaction by providing quality and hence improvement of profits (Ramsaran-Powdar, 2007). Previous studies on hotel industry have indicated that customer satisfaction influences hotels competitive advantage and performance (Kerin, Hartley & Rudelius, 2009).

2.5   Empirical Review

Fwaya *et. al.,* (2012) studied the relationship between drivers and results of performance in the Kenyan hotel industry and established that the drivers and the results of performance generally have a strong positive relationship between themselves and also with hotel performance. The authors recommended that the multidimensional constructs, results and drivers of performance have several important facets that could be studied to further illuminate future studies in this area. Owiti, (2014) studied quality management practices and or drivers of hotels in Nairobi and it was concluded that the driver that was influencing hotel performance was quality because satisfied customers would recommend others amounting to increased competitiveness and profitability. However, the study also established a moderate adoption of other strategic management drivers of hotel performance. Ayele, (2012) studied positioning strategies adopted by five star hotels in Nairobi and concluded that five-star hotels in Kenya had adopted different drivers of hotel performance based on their strategic positioning.

The study recommended that five- star hotels should adopt positioning strategies based on different approaches and these drivers should be applied across all star-rated hotels. Odhuon, *et.al.,* 2010) studied Key performance indicators in Kenya's hospitality industry and established financial performance measures as the only drivers of hotel performance. The researchers however recommended studies on other drivers of hotel performance and also their application to other organizations outside the hotel industry. Muthoka (2014) studied the Effects of strategic management drivers on organizational performance in the tourism sector in Kenya and recommended a study on non financial drivers of hotel performance. Most

studies done on organizational performance considered financial measures alone as good predictors of organizational performance. Therefore, the hotel performance measurement instrument should be more balanced in the way that it covers all the important areas of hotel performance. Several empirical studies have shown contradictory results that directly affect the validity of the generic strategies. Akan, *et.al.,* (2006) analysed generic strategies and concluded that porter's model did not describe or fit empirical reality.   These strategies were not the routes by which a hotel could create a superior profit. Similarly, Allen and Helms (2006) criticized the porter's theories arguing that they were based on imprecisely developed concepts, and generalizations from them were thus forced based on particular competitive situations. Vogt (2011) notes that as much as there was increasing use of CRM in the tourism sector, there are still limited researches investigating its variety of applications in such significant industry. Most studies on CRM have only focused on service sectors such as banking, telecommunication and health care (Verma & Chaundhuri, 2009).

Wu and Lu (2012) observe that there is still noted lack of research on CRM in the hotel industry and suggested further studies to ascertain the role of   CRM on hotel performance. Allen and Helms (2006) purport that cost leadership strategy helps a hotel's competitive positioning and can be generated when the hotel achieves low cost within the industry.   Kandemir and Hult (2005) argue that positive changes in the way people act (behavioural changes) and perceive their internal and external environment (cognitive changes) have a significant effect on hotel performance. Hotel industry analysts have stated that hotels in the future will spend 70% of their expenditure on CRM related activities because of the potential of CRM to increase hotels efficiency (Alino, 2013). Okeyo (2011) studied the impact of company chain management practices in five star hotels in Nairobi and recommended strategic management drivers as key in driving hotel profits.

Thiong'o (2007) surveyed total quality management practices in the hotel industry in Kenya and identified some of the total quality management drivers as customer relationship anagement, information communication technology and organizational learning as identified in this study.

2.6 Critique of existing literature relevant to the study

Murasiranwa, Nield and Ball (2010) studied hotel service quality and business performance and established that hotel managers should take responsibility for lack of performance in their hotels. This is because although all the managers studied identified contextual constraints such as competition, budgetary issues, high staff turnover and reward schemes, there was one clear factor that all constraints except for competition are controllable. Thus, failures and plans in implementation could be attributed to human actions. Iravo *et. al.,* (2013) studied factors affecting performance of hotels and restaurants in Kenya and concluded that factors for successful and sustainable performance of hotels and restaurants relies on top management ability to strategically analyze both external and internal environment and plan for strategic service offerings.

The study recommended the hiring of competent managers who could drive strategy into actionable results. Kangogo, *et.al.,* (2013) studied the effect of customer satisfaction on performance of the hotel industry in the western tourism, circuit of Kenya. The study concluded that the hotel industry is facing a revolution which requires hotels to be creative in order to cater for the evolving needs and shifting expectations of customers. The study recommended that hotels should position themselves to offer unequalled and unparalled services through focusing on needs, concerns and experiences of each client. A study of 1700 companies worldwide found out that only 16.1% of the companies reported an increase in revenue as a result of CRM usage. Kangu, Wajau, Kusimbei and Arasa (2013) asserts that companies had spent millions of dollars on CRM but the returns were not substantial.

Wang and Bowie (2009) in their findings reported that the biggest threat to companies is that firms were seeking for profits instead of developing their relationship with customers. They however failed to identify the key areas of CRM dimensions. There has been a growing interest in the study of strategic planning in service industries (Elbanna, 2010). Many scholars agree that strategic planning influences organizational performance. However, there has been little work on strategic planning and its relationship with organizational planning especially in the hotel industry (Globadian, O'Regan, Thomas, & Liu, 2008) Salim, Shayo, Abaho and Sheikh (2013) studied the usage of ICT and its application in the tourism hotel industry. The researchers established that high-tech services had become a requirement for demanding and sophisticated hotel guests.

However the study did not recommend new ways of integrating the new complex and varied services and their ICT systems into their existing hotel operations. Mwangeka, Mjomba, Omindo and Nyatich (2014) studied the strategies influencing customer retention in the hotel industry in Mombasa County and established that technology utilization was a strategy that was helping to retain customers. The researchers however did not expound on the influence of ICT in other areas of the hotel. Tanja (2013) studied ICT as a new competitive advantage in hotels and concluded that ICT had a direct impact on the performance of hotels.

However, the perception of ICTs importance was low as compared to other factors. The study did not however find out the reason for low ICT deployment. Ayele (2012) studied positioning strategies adopted by five star hotels in Nairobi and found out that five star hotels in Nairobi had adopted different positioning strategies which were helping them to improve their strategic competitive positioning. The author however did not extent the study to other star rated hotels and more so beyond Nairobi. Muthusi (2013) studied the effects of free cash flow on the profitability of five star hotels in Kenya and found out that free cash

flow had a positive and significant influence on hotel performance but the study was not carried out across all star-rated hotels. Oketch, *et.al.,* (2010) studied hospitality industry employer's expectations on employees competences in Nairobi Hotels. They found out that there was a positive relationship between the human resource competencies expected by the hospitality industry employers and the hotel classification. They however recommended a study on other drivers of hotel performance. Kuria *et.al.,* (2012) studied factors affecting Labour turnover in Nairobi hotels and recommended a study on adoption of strategic drivers of performance to curb the high turnover. Odhuon*, et.al.,* (2010) studied Key performance indicators in Kenya's hospitality industry and established financial performance measures as the only drivers of hotel performance. The study failed to highlight non-financial drivers of organizational performance. This research therefore critiqued the above researches by testing the relationship between financial and non financial strategic management drivers and hotel performance

2.7 Research gaps

Various scholars over the past few years have studied the drivers of hotel performance identifying some research gaps for further studies. Kingi (2013) studied the effect of human resource development on the performance of tourist class hotels in Malindi District and asserted that a lot of importance was attached to competitiveness of small hotel enterprises. The study did not cover the star – rated hotels in other areas of the Kenyan coast but it recommended a study on the implementation of best practices and therefore this study represented an important contribution to this area. Wadongo *et. al*., (2010) studied managerial roles and choice of performance measures in the Kenyan five-star hotels by testing the influence of a specific management driver on hotel performance. The study however left out the influence of other drivers of hotel performance but this study tested the influence of the conceptualized five strategic management drivers at the same time.

Mohammed and Rashid (2012) provided a theoretical model to show the relationship between CRM dimensions and hotel performance and recommended further research to verify this model. The study did not however test the hypothesized model to either accept or reject the hypothesis and this research bridges the gap by collecting data from hotels and investigating the hypothesized relationships. Lo *et. al.,* (2010) recommended an investigation on the impact of organizational learning in the hotel industry. Uzel (2012) studied the use of value-based management tools in hotels in Kenyan coast and suggested further research on the strategic management drivers of performance in hotels. Fwaya *et.al.,* (2012) studied the relationship between drivers and results of performance in the Kenyan hotel industry and recommended a study on the non-finanncial drivers of hotel performance. Muthoka (2014) studied the Effects of strategic management drivers on organizational performance in the tourism sector in Kenya but he did not identify the non- financial drivers of hotel performance.

Waudo and Kamau (2012) in their study on change management in hotels concluded that Kenya's hotel industry operated in an environment of high competition and recommended a study on strategic management drivers of hotel performance. Namusonge *et. al.,* (2012) identified financial drivers as the only drivers of hotel performance but this research bridged the gap by testing non-financial drivers of hotel performance. This research seeks to bridge the knowledge gap by introducing the adoption of Strategic management drivers of performance in hotels in Kenyan Coast in order for the hotels to position themselves to survive in the midst of adversity. This will be done through studying all classes of star-rated hotels in Kenyan coast because previous studies covered three (3) to five (5) star hotels and most of the studies were not in Kenyan coast. This was done through hypothesis testing of the hypothesized strategic management drivers of hotel performance.

2.8   Summary

The chapter reviewed the theories related to the study which included the resource based theory, competitive advantage theory, the Structural adaptation to regain fit theory, goal setting theory and the stakeholder theory.   It also covered the area of strategic management drivers and their effect on hotel performance. The conceptualized strategic management drivers of hotel performance are; customer relationship management, strategic planning, strategic competitive positioning, information communication technology and organizational learning. The linkages among the variables were determined and a conceptual framework was hypothesized and relevant gaps explained.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1   Introduction

The research design for the study, the target population, data collection methods, measurement of variables, pilot testing and data analysis techniques were discussed in this chapter.   Other issues discussed in this chapter include sampling technique, sample size, and data presentation.   The independent variables of the study include customer relationship management, strategic planning, strategic competitive positioning, information communication technology and organizational learning.   The dependent variable is hotel performance.   Various statistical methods were used to test the hypotheses and a summary of the chapter was given.

3.2   Research Design

Cooper and Schindler (2008) describe research design as the arrangement of   all conditions that affect a research ranging from data collection to data analysis. The study adopted a quantitative research design to establish the associations among the key study variables. Quantitative approach is a design that sets out to quantify data inorder to use statistics to analyze a data set (Zikmund & Babin, 2007). Although quantitative methods are not able to provide an in depth analysis because of   lack of   qualitative data but they are used to determine reliability and validity of data and to test hypothesis (Han *et. al.,* 2008). Moreover, quantitative research methodology has been widely used in hotel industry (Back, 2005, Zikmund & Babin, 2007).   A cross-sectional survey design was the specific design that was used in the research. This design has been used by several authors in their research on the hospitality industry in Kenya (Fwaya *et. al.,* 2012; Wadongo *et. al.,* 2010; Odhuon *et. al*., 2010; Kingi, 2013).

The advantage of this design over others is that data can be collected less expensively and within a short time. This is important because the characteristics of variables do not change much in the short period of data collection (Hair *et. al.,* 2006b).

3.3   Target Population

Mugenda (2005) highlights the target population as a number of individuals about which a researcher is interested in describing or making a statistical inference. The study population was star-rated hotels in Kenya's coast ranging from 1 to 5 star hotels (GoK, 2004). The selection of the star-rated hotels was justified by the fact that these hotels were assumed to have attained meaningful service levels (GoK, 2012). The hotels selected were deemed to have been operating in Kenyan Coast as at December 2012. The population of the study was highlighted in table 3.1.

Table 3.1 Target Population

S/No	Hotel category	Number of hotels
1	5 star	23
2	4 star	30
3	3 star	59
4	2 star	39
5	1 star	29
Total		**180**

3.4   Sampling Frame

A list of 180 hotels operating in Kenyan Coast formed the sampling frame of   the study as shown in Appendix 3.   The list was compiled from a study of value-based management tools used in hotels in Mombasa (Uzel, 2012) and the classification of hotels list (GoK, 2004). The unit of observation and analysis was the hotels.

3.5   Sample and Sampling technique

Sampling is an element of data collection or a section of a population that is selected for a research process (Sekaran & Bougie, 2010). Stratified sampling was used to select the hotels for each category of the study, that is, 1 to 5 star hotels.   Kothari (2012) noted that stratified sampling is used when a population from which a sample is to be drawn does not constitute a homogeneous group. Stratified sampling involves dividing the population into a series of relevant strata which implies that the sample is likely to be more representative. Saunders, Lewis and Thornhill (2009) supports the categorization of homogeneous subjects into various strata and therefore hotels were categorized into different stars.

The stratification of   these hotels is justified by the fact that so many authors in Kenya and abroad have studied the hotel industry using stratified sampling. Many of   the authors have studied different kinds of   star rated hotels at the same time and this forms the basis of the selection of this methodology (Akan *et.al.,* 2007; Aldehayyat & Anchor, 2008; Jehad & Adel, (2013), Fwaya, 2006; Fwaya *et.al.,* 2012, Wadongo *et.al.,* 2010 and Uzel, 2012). Sample size selection is a major concern for researchers because it is a critical function of designing and planning the research design. Lacobucci and Churchill (2005) states that sample size can either be fixed or it can be determined sequentially in the course of the study.

The sample size that is fixed during the study is one that cannot be determined beforehand because of the dynamic nature of the population. This study worked with a fixed sample size of 123 hotels as shown in Appendix 4 because it was easy to select the sample size in advance after classifying the hotels into different strata. The 123 hotels selected as a sample were an exact representation of all the star-rated hotels proportionately. Appendix 5 illustrates the proportionate selection of samples from each strata which formed a true representative of the total population (Lohr, 2010). Table 3.2 illustrates the calculated sample size.

Table 3.2   Sample Size

Classification	Population size	Sample size
5 star	23	16
4 star	30	20
3 star	59	40
2 star	39	27
1 star	29	20
Total	**180**	**123**

3.6   Data Collection methods

The collection of study data involved primary data that was collected by use of a questionnaire. The primary data was collected by use of a questionnaire that was administered to each of the sampled hotels to generate quantitative data. A five point Likert rating scale was used to measure all variables. The lowest rating of 1 signified a low opinion by the respondents while a high rating of 5 signified a high rating by the respondents. There was one extra question after each variable that was not in likert scale but was open ended. Questionnaires were chosen

because the administration of questionnaires to individuals helps to establish relationships with the respondents while introducing the survey (Satrirenjit, Alistair, & Martin, 2012). Questionnaires are a good method because they provide the clarifications sought by respondents and they can be collected immediately after they are completed. The data collection phase involved administration of the survey Questionnaire to all classified hotels ranging from 1 star to 5 stars in Kenya's Coast.

3.7   Data collection procedures

The management of hotels that were targeted were briefed concerning the purpose of the study. The data collection procedures involved getting the authority letter from JKUAT and from the relevant hotels earmarked for the study. The questionnaires were administered through drop and pick method. The questionnaire was issued to hotel managers in the rank of either general manager, resident manager or operational managers or their assistants. It was expected that the managers were of different ages, education levels and experiences. These groups of people were also deemed to be better knowledgeable about performance drivers in hotels.

There were other managers who delegated the   answering of the questionnaire to various specialist managers in key sections of the hotel because they had better knowledge in their specific areas of operation. Some respondents did not fill the questionnaires after two weeks and a follow up was made through a phone call and the questionnaires collected at a time that was conveniently arranged between the researcher and the respondents. The questionnaires indicated the extent of the influence of the selected strategic management drivers on the performance of the hotels. This study took into account information from studies in the industry and the results from previous studies.

3.8   Pilot Study

A pilot study on the questionnaire was done in order to validate the questionnaire and correct any errors which may have been made.

3.8.1   Pre-testing of   the questionnaire.

The questionnaire was pre-tested on a pilot set of respondent managers for comprehension, logic and relevance. Respondents in the pre-test were drawn from one-star to five star hotels which were similar to those in the actual survey in terms of background characteristics, familiarity with the topic of research, attitudes and behaviours of interest. The pilot study population was picked from Mombasa county for ease of   accessibility and also because it had majority of the hotels. The hotels used in the pilot testing were excluded in the final sample of   the research.   Zikmund, Babin, Carr, and Griffin (2009) recommended questionnaire pre-tests to be done by personal interviews in order to observe the respondents reactions and attitudes. All aspects of the questionnaire were pre-tested including question content, wording, sequence, form and layout, question difficulty and instructions. The feedback obtained was used to revise the questionnaire before administering it to the study respondents. The current questionnaire is the revised one that captures all the corrections from the pilot study.

3.8.2   Reliability Test

Reliability analysis was used to assess internal consistency among the items of the variables of study. The reliability of the study measures were assessed by computing Cronbach's Alpha coefficient for all items in the questionnaire and the overall assessment was given.   Sekaran   and   Bougie (2010) highlighted that Cronbach's alpha coefficient ranges between 0 and 1 with higher alpha coefficient values of 0.7 and above being more reliable. This questionnaire had a good internal consistency because it had overall alpha coefficient of 0.977 (Hair, Black, Baln & Anderson, 2010).

3.8.3   Data Management

After data was collected it was screened and cleaned to find out whether there were errors that could be corrected. Data was inspected and transformed in order to highlight useful information to draw conclusions and to support decision making (Dwi, 2011). The questionnaires were edited for completeness and consistency to ensure that respondents completed them as required. The accuracy of data files was checked through proofreading the keyed in data against the original questionnaire. Someone else other than the researcher proofread the work to ensure that it had been entered correctly (Sekaran, 2010).

Missing data refers to some items of information being unobtainable or incomplete loss of responses which may result to an incomplete set of data. Missing data can result from the respondents refusing to answer one or more questions (Barladi & Enders, 2010). The researcher sought to determine the extent or percentage of   the missing data in Appendix 6. The data in this case was missing completely at Random (MCAR). This means that the probability that an observation is missing is unrelated to the value of another variable (Nakai & Weiming, 2011).

The missing data was less than 1% hence the cases were omitted using Listwise deletion Method. This method is also called the complete case analysis. It analyzes cases by deleting the missing items and continuing with further analysis. Its advantage is that it is simple and it can be used with any kind of statistical analysis because it does not require special computational methods (Acock, 2005). Normality tests were done in order to check for statistical errors which are common in scientific literature. The assumption of   normality is assumed in parametric tests because the validity of the tests depends on it.

The collected data was tested for normality using Kurtosis and Skewness in Appendix 7 and it was established that the data was not normally distributed. Santoso (2007) highlights that data is normal if it has a critical ratio of Skewness and Kurtosis between the range of + 2.58 (significant level at p. 1% and between +1.96 (significant level p. 5%) and this was not the case in this study. Skewness describes how evenly data is distributed with majority of the scores piled up in one side of the distribution. This may be caused by outliers. Kurtosis describes the peakness or flatness of a distribution and if too many scores are around the mean then the distribution is too peaked and not normal.

Outliers were identified in Appendix 8 and when dealing with outliers and not normally distributed data the remedy could be deleting outliers or transforming the data (Santoso, 2007). Transforming the data can modify it to be normally distributed but it can change the data and cause different results (Hair *et. al.* 2006b). Ghozali and Fuad, (2005) state that transforming data can potentially cause difficulty in interpreting the findings. The three outliers in this analysis were deleted because although outlier deletion causes data problems, this method can improve the robustness of multivariate analysis (Hair *et. al.,* 2010). Multicolinearity was tested based on correlation and variance inflation factor (VIF) values which ranged between 1 and 10 (Table 4.26) The Pearson's R (tolerance values) between the independent variables ranged between 0 and 0.80 which was a proof of multicolinearity (Kibet, Chilla & Musiega, 2014).

3.9 Data analysis and presentation

The collected data was coded and entered into SPSS to create a data sheet that was used for analysis. The variables that were measured were defined and labelled. The responses were coded with numbers including open questions. Data was analyzed using quantitative techniques. Descriptive statistics was used to describe the characteristics of collected data. Pearson's Correlation, Analysis of variance (ANOVA) and Multiple Regression Analysis using Logit model were used to establish the relationships among the study variables. The entire hypotheses was tested at 95% confidence level .

3.9.1   Quantitative Analysis

The data analysis processes for quantitative items was done using various statistical tools including the Statistical Package for Social Science (SPSS) version 24.   The data from the answered questionnaires was analyzed using descriptive statistics such as mean, t-tests and standard deviation which described the characteristics of the collected data (Kothari, 2012). Data was also measured using inferential statistics such as correlation coefficient to establish initial relationships between variables. Karl Pearson's Zero Order coefficient of correlation, ANOVA, and T-test were used to test the relationships between variables.   The model that was used to test hypotheses was multiple linear regression model. This model was used previously in other empirical studies to establish relationships between variables (Kraus, Harms, & Schwarz, 2006).

$HP = \beta_0 + \beta_1 CRM + \beta_2 SP + \beta_3 SCP + \beta_4 ICT + \beta_5 OL + \varepsilon$

where:-

HP =   Dependent variable (Hotel performance)

$\beta_1 CRM$ =   Change in hotel performance resulting from influence of CRM

$\beta_2 SP$ =   Change in hotel performance resulting from influence of SP

$\beta_3 SCP$ =   Change in hotel performance resulting from influence of SCP

$\beta_4 ICT$ =   Change in hotel performance resulting from influence of ICT

$\beta_5 OL$ =   Change in hotel performance resulting from influence of OL

$\beta_1 - \beta_5 =$ Regression coefficient for each Independent variable

β_0 =   Constant or intercept (value of dependent variable when all independent variables are zero)

ε =   Random or Stochastic Term.

3.9.2 Hypothesis Testing

A set of five hypotheses were developed to guide the study as indicated in the conceptual framework. Hypotheses was tested at 95% confidence level ($\alpha = 0.05$) as shown in Table 3.3.

Table 3.3   Hypothesis tests

Hypothesis statement	Hypothesis test	Decision rule and anticipated model
H_{01}:There is significant effect of CRM on hotel performance in Kenyan Coast	-Karl-Pearson's coefficient of correlation -F-test (ANOVA) -T-test $H_0 : \beta_1 = 0$; $H_0: \beta_1 \neq 0$	Accept H_{01} if P- value $\leq$ 0.05 otherwise reject H_{01} if P- value is > 0.05 $HP = \alpha + \beta_1 CRM + \varepsilon$
H_{02}:There is significant effect of SP on hotel performance in Kenyan Coast	-Karl-Pearson's coefficient of correlation -F-test (ANOVA) -T-test $H_0 : \beta_2 = 0$; $H_0: \beta_2 \neq 0$	Accept H_{02} if P- value $\leq$ 0.05 otherwise reject H_{02} if P- value is > 0.05 $HP = \alpha + \beta_2 SP + \varepsilon$
H_{03}:There is significant effect of SCP on performance in Kenyan Coast	-Karl-Pearson's coefficient of correlation -F-test (ANOVA) -T-test $H_0 : \beta_3 = 0$; $H_0: \beta_3 \neq 0$	Accept H_{03} if P- value $\leq$ 0.05 otherwise reject H_{03} if P- value is > 0.05 $HP = \alpha + \beta_3 SCP + \varepsilon$
H_{04}:There is significant effect of ICT on hotel performance in Kenyan Coast	-Karl-Pearson's coefficient of correlation -F-test (ANOVA) -T-test $H_0 : \beta_4 = 0$; $H_0: \beta_4 \neq 0$	Accept H_{04} if P- value $\leq$ 0.05 otherwise reject H_{04} if P- value is > 0.05 $HP = \alpha + \beta_4 ICT + \varepsilon$
H_{05}:There is significant effect of OL on hotel performance in Kenyan Coast	-Karl-Pearson's coefficient of correlation -F-test (ANOVA) -T-test $H_0 : \beta_5 = 0$; $H_0: \beta_5 \neq 0$	Accept H_{05} if P- value $\leq$ 0.05 otherwise reject H_{05} if P- value is > 0.05 $HP = \alpha + \beta_5 OL + \varepsilon$

3.9.3   Variable definition and measurement

Variables that could not be easily measured were operationalized to make them measurable through their reduction into observable behaviour or characteristics. The measurement of variables in this study were conceptualized as provided in table 3.4 below:-

Table 3.4   Measurements of Variables

Variable Definition		Measurement
CRM	-Customer retention -Customer satisfaction -Data warehousing	Overall, on a scale of 1 to 5, where 5 is the scale of the highest extent of use of CRM and 1 is the lowest.
SP	-Strategic goals -Strategy implementation	Overall, on a scale of 1 to 5, where 5 is the scale of the highest extent of use of SP and 1 is the lowest.
SCP	-Porter's five forces -Generic strategies	Overall, on a scale of 1 to 5, where 5 is the scale of the highest extent of use of SCP and 1 is the lowest.
ICT	-Customer data -Employee data	Overall, on a scale of 1 to 5, where 5 is the scale of the highest extent of use of ICT and 1 is the lowest.
OL	-Information quality -Information acquisition -Behavioral and cognitive change	Overall, on a scale of 1 to 5, where 5 is the scale of the highest extent of use of OL and 1 is the lowest.
HP	Profits Market share Service quality	Below < 50 Average 50 Above > 50

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presented the findings of the study and discussion of the results. It contains the research response rate, reliability and validity testing, data normality analysis, demographic characteristics of study variables, descriptive statistics of independent variables, correlation of variables, regression analysis, hypothesis testing and a summary of the chapter.

4.2 Response Rate

A sample of 123 hotels were used for the study. However, the responses were received from 98 hotels. All hotels in the sample were representative of each class of hotels (Appendix 5). The results represented a response rate of 80 percent of the sampled 123 hotels. Some of the hotels that did not return their questionnaires cited reasons of misplacement of questionnaires and lack of time to fill them. Others claimed that such information was private and that they did not believe that it was going to be used for academic purposes only.

4.3. Demographic Characteristics

The hotel profile was evaluated through years the hotel was in operation, classification of the hotel, number of employees, number of rooms and the occupancy percentage. The following section highlights the study results on these measures.

(a) Years of hotel operation

The number of years the hotel was in operation was important for classified hotels because the older the hotel the better it was likely to be because of its longstanding experience and the customer loyalty that the hotel might have built over the years. To assess the number of years the hotel had been in operation, the respondents were required to write down the number of years their hotels had

been in operation. The results show that the hotels had met the classification criteria and were therefore suitable for the study as shown in Table 4.1.

Table 4.1 Years of   hotel operation

Class width in Years	Frequency	Percent	Cumulative Percent
Less than 5 years	24	24.5	24.5
5-9 years	35	35.7	60.2
10-15 years	19	19.4	79.6
Over 15 years	20	20.4	100.0
Total	**98**	**100**	

The study revealed that 20.4 percent of the hotels in Kenyan coast were regarded as old given the fact that they had been in existence for more than fifteen years. 19.4 percent of the hotels had operated for between 10 and fifteen years, 35.7 percent of the hotels had operated for a period between 5 and 9 years while 24.5 percent of the hotels had been in operation for less than five years.   The results indicated that the majority of the hotels which responded to the questionnaire had been in operation long enough to justify their inclusion in the study.

This is because the study had hoped that many of the hotels that had adopted strategic management drivers of   hotel performance were the ones that had operated for a long duration of time.

(b)   Classification of hotels

The classification of the hotel was important in order for the researcher to be able to know the class that had the majority of the respondents. This is because the higher the classification the higher the expected quality of services.

In order to determine the classification of the hotel, respondents were required to state the classification of their hotel. The results indicated that 18.3 percent of the hotels were one star hotels, 19.3 percent were two star hotels, 29.5 percent were three star, 20.4 percent were four star and 12.5 percent of the hotels were five star. The results indicated that most of the hotels which returned the questionnaires were three star and these were the hotels which were deemed to have the moderate quality of services if not the highest. The hotels that were selected for the study were from different classes as illustrated in Table 4.2.

Table 4.2   Classification of the hotels

Hotel classification	Frequency	Percent	Cumulative Percent
One star	18	18.3	18.3
Two star	19	19.3	37.6
Three star	29	29.5	67.1
Four star	20	20.4	87.5
Five star	12	12.5	100.0
Total	**98**	**100.0**	

(c) Number of Employees

The number of the staff in the hotels was also another trait that was used to classify hotels because it depicted the size of the hotel. The hotel size also determined the degree of performance because a hotel offering quality services was meant to attract quality staff. To determine the number of employees in the hotel, the respondents were required to evaluate the number of employees working in their hotels.

The results showed that majority of the hotels which were studied had between 100 and 200 employees as shown in Table 4.3.

Table 4.3   Hotel employees

Number of employees	Frequency	Percent	Cumulative Percent
Below 100	22	22.4	22.4
101-200	40	40.8	63.3
201-300	17	17.3	80.6
Above 300	19	19.4	100.0
Total	**98**	**100.0**	

The results showed that 22.4 percent of the hotels had less than 100 employees, 40.8 percent had between 101 and 200, 17.3 percent had between 201 and 300 employees and 19.4 percent of the hotels had more than 300 employees.

(d) Number of hotel rooms

In order to assess the number of rooms that the hotels in the study had, respondents were required to state the number of rooms in their hotel. This is because classified hotels were required to have a certain minimum number of rooms which should also be of certain set standards.   According to hotels classification rules   the size, the number and the type of the hotel rooms determine the nature of guests the hotels is likely to have and ultimately the performance of the hotel (Gok, 2004). It is therefore implied that hotel rooms must meet the international classification standards because this is a key criteria for classification of the hotels.

The numbers of rooms in the various hotels selected for the study were as shown in Table 4.4.

Table 4.4   Number of hotel rooms

Class width by rooms	Frequency	Percent	Cumulative Percent
100 and below	24	24.5	24.5
101-200	28	38.6	53.1
201-300	25	25.5	78.6
301 and above	21	21.4	100.0
Total	**98**	**100.0**	

The study results reveals that 24.5 percent of the hotels had 100 and below rooms, 38.6 percent had between 101 and 200 rooms, 25.5 percent of the hotels had 201 to 300 rooms and 21.4 percent of the hotels had over 300 rooms.   The results indicate that many of the hotels in the study were big hotels since they had between 100 and 200 rooms.

 (e) Occupancy Rate

To determine the rate of hotel bookings throughout the year, respondents were required to evaluate the percentage of hotel occupancy. This is because the rate of occupancy of the hotel is an indicator of performance.

Occupancy of the hotel rooms over the previous year was as depicted in Table 4.5.

Table 4.5 Occupancy rate

Occupancy Rate	Frequency	Percent	Cumulative Percent
Below 50%	10	10.2	10.2
51-60%	31	31.6	41.8
61-70%	42	42.9	84.7
Above 70%	15	15.3	100.0
Total	**98**	**100.0**	

The study results revealed that 10.2 percent of the hotels had below 50% occupancy rate, 31.6 percent had between 51 and 60 percent occupancy rate, 42.9 percent of the hotels had 61 to 70 percent occupancy rate, while 15.3 percent of the hotels had over 70 percent rate of occupancy. The study results revealed that 42.9% of the hotels were occupied up to between 60-70% in the course of the year. This indicated that most of the hotel rooms were optimally utilized throughout the year to generate income. It also meant that most of the hotel rooms had good facilities or services because guests were able to frequent the hotels throughout the year.

4.4   Reliability Results

The measurement of the reliability and the validity of a data instrument helps the researcher to gauge the goodness of the variables of measurement (Sekaran and Bougie, 2010). Reliability was measured using Cronbach's Alpha coefficient which was used to measure the internal consistency of the variable measures. Factor Analysis was also used to determine the underlying dimensions of variables and to determine the key factors from a large number of variables.

4.4.1   Cronbach's Alpha

Reliability was measured using Cronbach's Alpha coefficient which was used to measure the internal consistency of the study measures. The Cronbach's alpha coefficient ranges between 0 and 1 and alpha coefficients of a minimum of 0.70 is considered appropriate. The overall Cronbach's alpha coefficients for all the constructs in the study were 0.986.

The study measures were found to be highly reliable in that they all had alpha coefficient greater than the minimum accepted Cronbach's alpha coefficient of 0.70 (Hair *et al.,* 2010). Customer relationship management had Cronbach's alpha coefficient of 0.931 while Strategic planning had 0.965. Strategic competitive positioning had 0.977. Information communication technology had 0.960 while organizational learning had 0.971. Market and financial outcomes had 0.885.

However, when the individual questions in each independent variable were analyzed some variables were found to have Cronbach's Alpha of less than 0.7. Those questions were either deleted or changed to ensure that all the questions in the whole questionnaire had attained the 0.7 Cronbach's Alpha.   This is because inclusion of questions that had Cronbach's alpha of less than 0.7 would have meant that the questionnaire was not suitable to measure the constructs that it was supposed to measure as an instrument. The effect would have been the delivery of the wrong results in the study.

The Alpha coefficients for the independent variables were illustrated in Table 4.6

Table 4.6   Cronbach's Alpha Results for Reliability Assessment

Variables	Cronbach's Alpha	No. of Items	N
Customer Relationship Management	0.931	10	7
Strategic Planning	0.965	10	7
Strategic competitive positioning	0.977	10	7
Information communication technology	0.960	10	7
Organizational learning	0.971	10	7
Market and financial outcomes	0.885	10	7

Overall Cronbach's Alpha for 60 items 0.986.

4.4.2   Factor Analysis

Factor analysis was carried out in order to determine the key drivers of hotel performance in every study variable. Hair *et. al.,* (2010) highlighted that Factor Analysis was necessary in research to test for construct validity and highlight variability among observed variables and to also check for any correlated variables in order to reduce redundancy in data.   Mwiti (2013) suggested that variables with factor loadings greater than 0.3 were the ones that had the highest significance and influence.   Factor analysis was carried out in all the independent variables in order to understand each variables specific contribution to the

performance of the hotel. Erika (2010) stated that the analysis of principle components was a descriptive method which described interdependencies among both independent and dependent variables (Constantin,2006). It was aimed at identifying a few factors which explained most of the information contained in the original values.

a) Factor Analysis of CRM

A Principal Component Analysis with varimax rotation was performed on ten (10) CRM measures in order to examine the dimensionality of CRM and hotel performance and also to find out if all the variables were significant to hotel performance. The other objective was to group the common factors and to retain a small number of factors which had the highest influence (Noor, Chen, & Romiza, 2011). The results of factor analysis were shown in tables 4.7 (a).

Table 4.7 (a). KMO and Bartlett's test on CRM measures

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.813
Bartlett's Test of Sphericity	Approx. Chi-Square	209.352
	df	45
	Sig.	.000

KMO test measures sample adequacy and it ranges between 0 and 1. A value close to 1 indicates that patterns of correlations are compact and hence the Factor Analysis is reliable and appropriate for the study. KMO measures on CRM had 0.81 which represented great acceptability of the use of factor analysis and sufficient intercorrelatios.

Bartlett's test of Sphericity is significant (chi-square=209.352, p<0.000). Bartlett's test checks if the observed correlation matrix diverges significantly from the identity matrix. The total variance explained in the CRM constructs was explained in table 4.7(b).

Table 4.7(b)   Total Variance Explained for CRM measures

Compo-nent	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.543	35.430	35.430	2.383	23.825	23.825
2	1.142	11.418	46.848	1.781	17.810	41.636
3	1.029	10.290	57.139	1.550	15.503	57.139
4	.947	9.465	66.604			
5	.752	7.520	74.123			
6	.639	6.386	80.509			
7	.539	5.388	85.897			
8	.516	5.163	91.060			
9	.471	4.710	95.770			
10	.423	4.230	100.000			

Extraction Method: Principal Component Analysis.

The analysis of variance identified the Eingen values which is the variance of each factor or component in comparison with the total variance of all the items in the construct. Other elements in the analysis of variance include the percentage of variance and also the cumulative percentages which were explained by the extracted factors before and after the rotation.

Principal component analysis with a Varimax rotation was used to factor analyze the ten items related to CRM performace. The correlation matrices among the items revealed a number of correlations in excess of 3 which meant that all responses were suitable for factorization. From the Variance matrix, there were three variables that had Eingen values of more than 1.0 which meant that these were the CRM variables that had the highest influence on hotel performance.

Component one had the highest variance of 3.543 which accounted for 35.430 % of the variance. Component 2 had the second highest variance of 1.142 contributing 11.418% of the variance. Component 3 had the least variance of 1.029 which contributed to 10.290 % of the total variance. The cumulative results showed that there were three critical factors driving the use of CRM in hotels which accumulated to 57.139% of the total variance in this construct. The other seven factors also explained the variance at less than 43% which meant that some variance had been explained by latent variables.

There were several repetitions of data running using various methodologies in SPSS to try and specify the number of factors that were influencing customer relationship management. In evaluating what variables to retain the factor loadings were taken into accout and the minimum factor loadings were 0.63 which were considered to be moderately high. The factors affecting one variable were all loaded up together and given a name so that the factors were reduced to a minimum of three.

The researcher, however chose to delete all the variables in CRM which did not relate to either factor 1, 2 or 3 in order to continue working out for further relationships as shown in table 4.7(c) .

Table 4.7 (c) Rotated Component Matrix for CRM measures

CRM Measures	Component		
	1	**2**	**3**
Customer retention	.746		
customer satisfaction			.839
Customer feedback	.		.718
Customers incentives			
Partnerships			
Data warehousing		.841	
Customer care staff	.774		
Data mining			
customer opinions			
customer defections			

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
A Rotation converged in 6 iterations

From the rotation matrix in Table 4.7 (c) a three factor solution was obtained explaining 57.139% of the total variance in CRM. These three factors were grouped as CRM1, CRM2 and CRM3. CRM1 had two items namely customer retention and customer care. This factor was named Customer Retention. CRM 2 had one item namely Data warehousing and this factor was named Data warehousing. CRM3 had two items namely customer satisfaction and customer feedback and was named Customer Satisfaction. The results meant that all the constructs in CRM were correlated to the three factors or could be grouped into three.

Using the three factors a scale was created using the average means of each construct. A scale of 1-5 was created and all the means of all the item in each component were analyzed (Table 4.19). Factor one which was named customer retention had an average mean of 4.13 while customer feedback had a mean of 3.79. Data mining had a mean of 3.66. Five constructs namely customer incentives, customer partnerships, customer opinions, data warehousing and customer defections were henceforth excluded from further analysis because they were deemed to have low means and as such much of their influence could be explained by the other factors.

b) **Strategic Planning**

Strategic planning in general has been studied widely and authors have come up with several dimensions. Slavik (2010) identified the dimensions of vision and mission statements, objectives and staff involvements as key in measuring the rate of strategic planning in organizations. These dimensions have been used in this research to find out the degree to which they influence hotel performance. Hotels like many other multinationals have no choice but to plan strategically because of the dynamic nature of the industry and the global clientele that are served by the hotel industry. In order to find out the factors that were driving strategic planning in hotels, KMO and Bartlett's test were taken. KMO measures sampling

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adequacy which explains the extent to which indicators of a construct belong to each other. Tables 4.8(a) shows the results of factor analysis for Strategic Planning variables.

Table 4.8 (a) Strategic Planning measures- KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.855
Bartlett's Test of Sphericity	Approx. Chi-Square	515.428
	df	45
	Sig.	.000

The KMO measure of sample adequacy was 0.855 which indicated that the set of variables were suitable for factorization. Bartlett's test of sphericity was significant (Chi-square 515.428, $p < 0.000$). Table 4.8(b) illustrates the variance illustrated in SP variables.

Table 4.8 (b) Total variance for SP measures

Compo-Nent	Initial Eigenvalues			Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of variance	Cummu-lative %	Total	%of variance	Cummu-lative %	Total	% of variance	Cummu-lative %
1	5.238	52.375	52.375	5.238	52.375	52.375	3.720	37.198	37.198
2	1.226	12.263	64.639	1.226	12.263	64.639	2.744	27.441	64.639
3	.758	7.579	72.218						
4	.710	7.096	79.314						
5	.561	5.613	84.927						
6	.424	4.243	89.170						
7	.366	3.660	92.830						
8	.302	3.023	95.853						
9	.227	2.270	98.123						
10	.188	1.877	100.000						

Extraction Method: Principal Component Analysis

The analysis of variance identified the Eingen values are the elements that describe the degree of change in each variable in relationship to the total overall variables. Other elements in the analysis of variance include the percentage of variance and also the cumulative percentages which were explained by the extracted factors before and after the rotation. The ten measures of strategic planning were subjected to factor analysis and the results show that there were two critical factors driving SP use in hotels which accumulated to 64.639% of the total variance. Factor I had the highest variance of 52.375% while factor two had 12.263%. These two factors had the greatest influence on strategic planning and hence the performance of hotels. This is because they all had Eigen values of more than 1.0. Table 4.8 (c) depicts the rotated component factor loadings for strategic planning drivers of hotel performance.

Table 4.8 (c) Rotated Component Matrix for SP measures

Strategic Planning measures	Component	
	1	2
Mission statements		.847
Vision statements		.917
The formal process of strategy		.747
Implementation of strategic plans		
Institutionalization of plans	.749	.
Monitoring of strategic plans	.754	.
The use of planning departments	.809	.
Stakeholder involvement in strategy		
commitment of staff	.748	
Constant reviewing of overall plans		

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 3 iterations.

From the rotation matrix in Table 4.8 (c), all the SP measures were grouped in to two factors namely SP 1 and SP 2. SP 1 had institutionalization of strategic plans, monitoring and evaluation of strategic plans, the use of planning departments, and commitment of staff to the execution of strategic plans This factor was named strategy implementation. Strategic Planning 2 had mission statements, vision statements, and formal and structured process of strategy. This factor was named strategic goals. The explanation is that most of the SP influence on hotel performance was explained by these two factors. Using the two factors a scale was created using the average means of each construct. A scale of 1-5 was created and all the means of all the items in each component were analyzed (Table 4.20). Factor one which was named strategy implementation had an average mean of 3.39 while strategic goals had a mean of 3.95. Strategy implementation, shareholder involvement and constant reviewing of strategies were henceforth excluded from further analysis because they seemed to have low means and as such much of their influence could be explained by the other factors.

(c)   Strategic Competitive Positioning

The ten measures of SCP which were subjected to factor analysis were adopted from Porter's five forces model and porter's generic strategies. They included differentiation, focus and cost leadership. Other measures were bargaining power of buyers and suppliers, competitive rivalry, threat of new entrants, rivalry of existing firms, competitive strategies and familiarity with major competitors.

Table 4.9 (a)   Strategic Competitive Positioning - KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.819
Bartlett's Test of Sphericity	Approx. Chi-Square	360.510
	Df	45
	Sig.	.000

The KMO measure of sample adequacy was 0.819 which indicated that the set of variables was suitable for factorization. Bartlett's test of sphericity was significant (Chi-square 360.510, p<0.0001). Table 4.9 (b) illustrated the total variance explained in SCP variables.

Table 4.9 (b) Total variance for SCP measures

	Initial Eigen values		Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Total	% of variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
4.232	42.316	42.316	4.232	42.316	42.316	3.278	32.781	32.781
1.507	15.068	57.384	1.507	15.068	57.384	2.460	24.602	57.384
.968	9.681	67.065						
.714	7.136	74.201						
.644	6.441	80.642						
.557	5.568	86.210						
.445	4.452	90.662						
.368	3.676	94.338						
.306	3.063	97.402						
.260	2.598	100.000						

Extraction Method: Principal Component Analysis.

When the ten measures of SCP were subjected to factor analysis, the results showed that there were two critical factors driving SCP use in hotels which accumulated to 57.384% of the total variance. Factor 1 had the highest variance of 42.316% while factor 2 had 15.068%. These two factors had the greatest influence on strategic competitive positioning and hence the performance of hotels. The two factors were named as Porters and Generic strategies. These two factors have been stated in Porters' Generic model to be key in influencing the performance of organizations hence the results of this study have not

differed with other studies. Table 4.9 (c) depicts the rotated component factor loadings for strategic competitive positioning drivers of hotel performance.

Table 4.9 (c) Rotated Component Matrix for SCP measures

Strategic Competitive Positioning	Component	
	1	2
Differentiation	.	
Focus		.568
Cost leadership	.719	
Bargaining power of buyers	.734	
Bargaining power of suppliers	.756	
Rivalry of existing firms	.725	
Threat of new entrants		
Threat of substitutes		
Familiarity with competitors	.701	
competitive strategies		.540

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 3 iterations.

From the rotation matrix in Table 4.9 (c) there were two components which had the greatest influence on hotel performance. The first component was cost leadership at 0.719, bargaining power of suppliers at 0.756, Bargaining power of buyers at 0.743, rivalry of existing firms at 0.725 and familiarity with major competitors at 0.701. The variables that had the highest loadings are the ones which had the highest influence on hotel performance. This factor was named Porters.   Factor two had focus with factor loadings of 0.568, and competitive strategies at 0.540. This factor was named Generic strategies.   The results indicate that all the questions in the SCP construct were correlated to the two factors. Using the two factors a scale was created using the average means of each construct. A scale of 1-5 was created and all the means of all the items in

each component were analyzed (Table 4.21). Factor one which was named Porter's and it had an average mean of 3.62 while Generic strategies had a mean of 3.41. Differentiation, threat of new entrants and substitutes were henceforth excluded from further analysis because they had low means and as such much of their influence was explained by the other factors.

(d) Information Communication Technology

The role of ICT in the hospitality industry could not be overemphasized because of the dynamic nature of the hotel industry and also because of the kind of clientele served in this industry (Iris, 2012). Denison (2008) suggested that ICT was an integral component in organizations and suggested its institutionalization in to the organizational culture of firms. This study sought to establish the key drivers of ICT use in influencing hotel performance using the conceptualized ICT measures. The measures were subjected to factor analysis in order to check for any factors that were not key to the study, to validate the responses and also to check for consistency. The measures for ICT were customer purchase data, customer psychographics, customer demographics, customer contact platform, customer feedback, cross-selling data, external data, internal financial records, supplier data and employee data. The results of the factor analysis were shown in tables 4.10.

Table 4.10 (a) Factor analysis for ICT measures -KMO and Bartlett's Test

Kaiser-Meyer-Olin Measure of Sampling Adequacy.		.835
Bartlett's Test of Sphericity	Approx. Chi-Square	290.979
	Do	45
	Sig.	.000

The KMO test of 0.835 showed that factor analysis could be carried out because KMO lied between 0 and 1. Bartlett's test of sphericity was (Chi-square 290.979, p<0.0001) which was within the acceptable level to test for significance and validity of the data collected to the research problem. The constructs were subjected to a variance tests through the principal component analysis test. This test was meant to identify a group of components or factors which were able to explain most of the information carried by other variables. The aim is to make it easy to interpret the results or to come up with generalizations which could be applied to the general constructs. Table 4.10 (b) explains the variances, Eingen values and the cumulative percentages.

Table 4.10 (b) Total Variance for ICT measures

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.054	40.539	40.539	2.692	26.924	26.924
2	1.247	12.469	53.007	2.608	26.083	53.007
3	.895	8.954	61.961			
4	.794	7.936	69.897			
5	.774	7.736	77.634			
6	.638	6.376	84.009			
7	.487	4.871	88.880			
8	.412	4.123	93.003			
9	.357	3.572	96.575			
10	.342	3.425	100.000			

Extraction Method: Principal Component Analysis.

Table 4.10 (c) explains the rotated component matrix for ICT measures.
Table 4.10 (c) Rotated Component Matrix for ICT

Information Communication Technology	Component	
	1	2
Customer purchase data	.721	
Customer Psychographics	.759	.
Customer Demographics		
Customer contact platform		
Customer feedback		.627
Cross-selling data		
External data		
Internal financial records		.692
Supplier data	.659	
Employee data		.802.

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
A Rotation converged in 3 iterations.

From the rotation matrix in Table 4.10 (c), ICT had two factors with very high loadings and therefore high significance. These factors were grouped in to 2. Group one had offline and online customer purchase data with 0.721, customer psychographics with 0.759, and supplier data at 0.659. These factors had the highest loadings which translated to the highest influence on hotel performance. This factor was named ICT 1. Factor two had high loadings on three factors namely employee data at 0.802, internal financial records at 0.692 and Cross-selling data at 0.627. This factor was named ICT 2. This means that all the questions in this construct were correlated to the two factors. Using the two factors a scale was created using the average means of each construct. A scale of 1-5 was created and all the means of all the items in each component were analyzed (Table 4.22). Factor 1 which was named Customer data had an average mean of 3.62 while Factor 2 which was named employee data had a mean of 3.78. Customer demographics, customer contact platform and customer feedback were therefore left out in further analysis because it was expected that the factors that contributed much to hotel performance had already been catered for in the other variables.

(e) Organizational Learning

The conceptualized drivers of OL in hotels were tested though factor analysis to test for their relevance to the research questions in section 4.11

Table 4.11 (a) KMO and Bartlett's Test on OL measures

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.833
Bartlett's Test of Sphericity	Approx. Chi-Square	488.717
	Df	45
	Sig.	.000

The KMO measure of sample adequacy was 0.833 which indicated that the set of variables was suitable for factorization. Bartlett's test of sphericity was significant (Chi-square 488,717, p<0.000) which implied that the variables were not correlated hence suitable for factorization. Table 4.11 (b) highlighted the total variance of organizational learning variables.

Table 4.11(b) Total variance explained in OL use

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.891	48.907	48.907	2.647	26.471	26.471
2	1.380	13.795	62.703	2.494	24.942	51.413
3	1.027	10.268	72.971	2.156	21.558	72.971
4	.658	6.580	79.551			
5	.506	5.059	84.610			
6	.470	4.705	89.315			
7	.327	3.274	92.589			
8	.297	2.968	95.557			
9	.239	2.394	97.951			
10	.205	2.049	100.000			

 Extraction Method: Principal Component Analysis.

The ten measures of OL were subjected to factor analysis and the results showed that there were three critical factors driving the use of OL in hotels which accumulated to 72.971% of the total variance in this construct.   Factor I had the highest variance of 48.907% while factor 2 had 13.795 and factor 3 had 10.268%. These three factors had the greatest influence on organizational learning and hence the performance of hotels.

Table 4.11 (c) depicts the rotated component factor loadings for organizational learning drivers of hotel performance.

Table 4.11 (c) Rotated Component Matrix

	Component		
Organizational Learning	1	2	3
Learnt knowledge is exchanged	.840		
Information from external experts	.865		
Information from competitors	.723		
Information interpretation			
Use of committees, meetings and reports		.740	
Subordinates are facilitated		.832	
Formal quality information		.798	
Internal and external learning			.768
Access to new work approaches			.764
Organizational goals and policies			.811

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
A Rotation converged in 6 iterations.

From the rotation matrix in Table 4.11 (c) there were three major factors which were deemed to be influencing organizational learning. These factors were grouped into 3 as OL1, OL2 and OL3. Factor one had three items with very high loadings and significance namely learnt knowledge 0.840, information from external experts with 0.865 and information from competitors.   These variables had the highest loadings which translated to the highest influence on hotel performance and this factor was named Information quality.

Factor two had high loadings on subordinates facilitation with 0.832 and formal quality information at 0.798 and use of committees, meetings and reports. this factor was named Information acquisition. The third factor had internal and external learning at 0.768, new work approaches at 0.764 and organizational goals and policies at 0.811. The factor was named Behavioural and cognitive change. The results meant that all the questions in this construct were correlated to the three factors. Using the three factors a scale was created using the average means of each construct. A scale of 1-5 was created and all the means of all the items in each component were analyzed (Table 4.23). Factor one was named Information acquisition and it had an average mean of 3.89 while Information quality had a mean of 3.44. Behavioural and cognitive change had a mean of 3.37. Information interpretation was henceforth deleted from further analysis because it was deemed to have a low mean and as such much of its influence could be explained by the other factors.

(e) Hotel Performance

Performance in an organization is an issue that has been discussed widely and there seems to be no one uniform way of measuring it. Mucheru (2008) states that performance measures should be related to strategic goals and measures that are organizationally significant and that drive business performance. The researcher further asserts that effective performance is measured not merely by delivery of results in one area but by delivering satisfactory performance across all measures. It is however more challenging to measure performance in the service industry like the hotel industry because of its intangible nature of services.This study adopted the balanced scorecard parameters in measuring hotel performance. The The BSC is a strategic planning and management system used to align business activities to the vision and strategy of the organization to improve internal and external functions (Nzuve & Nyaega, 2013). Jonson *et al.,* (2008) states that the Balanced scorecard is a tool that considers financial measures but also customer satisfaction, business process and organizational

learning measures in its approach.

The ten measures of hotel performance were all subjected to factor analysis inorder to check whether or not all of them were suitable for measuring the variables that they were conceptualized to measure before any further analysis was done. Table 4.11(d) tests the relevance of these measures to the research questions.

Table 4.11 (d) Hotel performance measures-KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.785
Bartlett's Test of Sphericity	Approx. Chi-Square	302.499
	Df	55
	Sig.	.000

The KMO measure of sample adequacy was 0.785 which indicated that the set of variables was suitable for factorization. Bartlett's test of sphericity was significant (Chi-square 302.499, p<0.000) which implied that the variables were not correlated hence suitable for factorization. The table below highlights the total variance of hotel performance measures.

Table 4.11 (e) Total Variance for HP measures

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.140	37.635	37.635	2.713	24.667	24.66
2	1.245	11.321	48.955	2.593	23.574	48.24
3	1.003	9.121	58.077	1.082	9.836	58.07

Extraction Method: Principal Component Analysis

The ten measures of hotel performance were subjected to factor analysis and the results showed that there were three critical factors influencing hotel performance which accumulated to 58.07% of the total variance in this construct. Factor I had a variance of 37.635% while factor 2 had 11.321 and factor 3 had 9.121%. The table below shows the rotated component matrix for financial measures.

Table 4.11 (f) Rotated Component Matrix

	Component		
	1	2	3
Improvement in profits	.762		
Improved in quality clients			
Improvement in room yield	.789		
Growth of repeat sales	.754		
Increase in quality of products			.601
Growth of existing customers			
Growth in market share		.739	
Higher ratings			
Growth in new customers		.744	
Growth in staff development			

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
A Rotation converged in 6 iterations.

From the rotation matrix there were three major factors which were deemed to be influencing hotel performance. These factors were grouped into 3 as HP1, HP2 and HP3. Factor one had three items with very high loadings and significance namely improvement in profits with 0.762, Improvement in room yield with

0.789 and improvement in repeat sales at 0.754. This factor was named profits. Factor two had high loadings on growth of new customers at 0.744, growth in market share with 0.739. This factor was named market share. The third factor had improved quality of service with 0.601 and it was named Service quality. Using the three factors a scale was created using the average means of each construct. A scale of 1-5 was created and all the means of all the items in each component were analyzed (Table 4.24). Factor one was named profits and it had an average mean of 3.99 while market share had 3.89. Service quality had a mean of 3.52. Quality of clientele, staff development, quality of growth of existing customers and staff development were henceforth excluded from further analysis because they were deemed to have low means and as such much of their influence could be explained by the other factors.

4.4.3 Assessment of Data Normality, Linearity and Independence

To be able to determine whether the distribution of the study data was normally distributed, Kolmogorrov-Smirnov (KS) one sample tests were used.

(a) Kolmogorrov-Smirnov(KS)

Kolmogorrov-Smirnov is a non-parametric goodness-of-fit test which was computed to compare the cumulative distribution function for variables within the specified distribution. The results of K-S test for the key study variables, namely strategic management drivers and organizational performance revealed that the data relating to all the study variables was normally distributed. Similarly, one-sample t-tests for the quality of means conducted on the study variables indicated a theoretical test value of zero which meant that there was no significant difference expected in the respective mean scores at 95 percent confidence level. The variability among the mean scores of the study variables were all statistically significant. This therefore validates the premise of linearity and independence of the observations. This premise stated that statistical tests and procedures that

assume normality, linearity and independence of data such as correlation and regression analysis could be used.

This study used Kolmogorov-Smirnov one table tests as illustrated in Table 4.12 and 4.13.

Table 4.12 Kolmogorov-Smirnov One-Sample test for Normality of strategic management drivers

Items		Mean score of		Aggregate strategic Management Drivers		
		SP	SCP	ICT	OL	CRMS
N		98	98	98	98	98
Normal Parameters(a,b)	Mean	3.5643	3.5857	3.6918	3.6020	3.8429
	Std. Dev.	.68568	.72240	.73452	.71853	.62094
Most Extreme Differences	Absolute	.140	.147	.091	.158	.115
	Positive	.101	.085	.067	.095	.060
	Negative	-.140	-.147	-.091	-.158	-115
Kolmogorov-Smirnov Z		1.383	1.452	.899	1.562	1.142
Asymp. Sig. (2-tailed)		.044	.030	.394	.015	.147

a   Test distribution is Normal.
b   Calculated from data.
     Overall verdict**:** Test distribution is normal

From the above table, the data on strategic management drivers did not deviate significantly from the normal distribution and for this reason it was safe to use statisitcal tests and procedures that assume normallity of   the variables. This was done by use of   Kolmogorov-Smirnov test.

Table 4.13 One-Sample Kolmogorov-Smirnov Test of   market and financial outcomes

Test statistic		Aggregate mean Market and financial outcomes
N		98
Normal Parameters (a,b)	Mean	3.8469
	Std. Deviation	.63865
Most Extreme Differences	Absolute	.095
	Positive	.042
	Negative	-.095
Kolmogorov-Smirnov Z		.938
Asymp. Sig. (2-tailed)		.343

a   Test distribution is Normal.
b   Calculated from data.
Overall verdict**:** Test distribution is normal.

The K-S test does not assume that data are sampled from any other distributions but rather it reports maximum differences between two cumulative distributions Thus, although the test analyzes actual data it is equivalent to analysis of   ranks which means that the test is quite robust to outliers. K-S tests violations in the null hypothesis that the groups are sampled from populations with identical distributions. It is only used for ratio or interval data. The overall verdict of statistics as shown in the above table is that the data on organizational performance did not deviate significantly from the normal distribution. Hence, it

would be safe to use statistical tests and procedures that assume normality of the data.

4.5   Demographic Analysis

Demographic data is just as important as the quantitative data because it helps in further validation of results. The data analyzed below resulted from the non-likert scale questions that had been factored in the questionnaire after the last question in each variable.   Factor analysis was used to measure the suitability of the questions for further re-testing of some of the quantitative aspects that had not been covered in the likert-scale questionnaire (Sekaran & Bougie, 2010). Over tha last few decades there has been a movement in demography towards complimenting more traditional quantitative approaches with demographc methods.

The aim of this diversification is to increase the researchers understanding of demographic behaviour and phenomena.The key demographic data of interest to the study were; expenditure on CRM, Hotels expenditure on Strategic Planning activities, methods of strategic competitive positioning, rate of implementation of information communication technology and the rate of engagement in organizational learning activities. The researcher chose to have this section because the questions helped to give a deeper understanding of   the study topic. This is because these questions were not limited to objectives of the study. The other reason was that the qualitative questions provided the researcher with an open door of measuring and analyzing each question independently from the others. The section also opened a door for further discussion on the topic bcause respondends were not guided in their answers like in the likert-scale questionnaire.

These kind of questions have been found to be very effective in unearthing some issues in data that the researcher had not conceptualized but which are key in contributing to the research problem.

(a) Customer Relationship Management

The study sought to establish how much resources were allocated to customer relationship management activities in order to establish whether or not these activities were a priority to hotels. The results of the analysis are shown in Table 4.14.

Table 4.14 Hotels expenditure on CRM

Rate of Expenditure	Frequency	Percent	Valid Percent	Cumulative Percent
Very good	17	17.3	17.3	17.3
Good	41	41.8	41.8	59.2
Average	23	23.5	23.5	82.7
Poor	8	8.2	8.2	90.8
Very poor	9	9.2	9.2	100.0
Total	**98**	**100.0**	**100.0**	

The study results revealed that 17.3% of hotels had very good expenditure on CRM activities. 41.8% had good expenditure, 23.5% had average expenditure, 8.2 % had poor expenditure and 9.2% had very poor expenditure in CRM related activities. The results imply that hotels were appreciating the role of customers in influencing performance.

(b) Hotels familiarity with strategic planning activities

The study sought to establish the rate of expenditure on strategic planning activities in order to establish whether or not these activities were a priority to the hotels. The results of the analysis were shown in table 4.15.

Table 4.15   Hotels familiarity with SP activities

% of Budget Allocation	Frequency	Percent	Valid Percent	Cumulative Percent
Very familiar	63	64.3	64.3	64.3
Familiar	10	10.2	10.2	74.5
Moderately familiar	19	19.4	19.4	93.9
Less familiar	4	4.1	4.1	98.0
Not at all	2	2.0	2.0	100.0
Total	**98**	**100.0**	**100.0**	

From the above results, it was found out that hotels were very familiar with strategic planning activities at a rate of   64.3%. 10.2% of   the hotels were familiar with strategic planning activities, 19.4% were moderately familiar, 4.1 % of   hotels had low familiarity and 2% of   hotels were not at all familiar with strategic planning activities. The results of   this section   indicate that hotel managers were highly familiar with strategic planning activities but a further analysis using quantitative results was carried out in the quantitative section to validate the results further.

(c) Strategic competitive positioning methods

The methods used by hotels to achieve competitive advantage above their competitors were sought in this section. This was done in order to establish whether or not the methods were contributing to the performance of hotels. The results of the analysis were shown in table 4.16.

Table 4.16 Use of strategic competitive positioning methods

Methods of strategic positioning	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	5	5.1	5.1	5.1
No	8	8.2	8.2	13.3
Sometimes	53	54.1	54.1	67.3
Not aware about them	29	29.6	29.6	96.9
Use of other methods	3	3.1	3.1	100.0
Total	**98**	**100.0**	**100.0**	

The study results revealed that 5.1 percent of the hotels were using strategic competitive positioning methods against their competitors. 8.2% of the hotels were not using any strategic competitive positioning methods. 54.1% were using strategic competitive positioning methods sometimes. 29.6% were not aware of strategic competitive positioning methods and 3.1% of hotels were using other unspecified methods. According to the above results only 5.1% of hotels were using competitive methods compared to 54.1% who were sometimes using competitive positioning methods. In the quantitative methods the researcher found out the specific methods that hotels were using and suggested further.

research on the low use of competitive strategies considering the competitive nature of the hotel industry.

(d) Rating of implementation of information communication technology

The rate of use of ICT in the various hotels was measured using the scale of very good to poor. The study sought to find out if the implementation of ICT had any impact on the performance of hotels in Kenyan coast. Respondents were requested to rate the implementation of ICT infrastructure in their hotels and the results of the analysis were as shown in table 4.17.

Table 4. 17 Rate of implementation of ICT

Rate of ICT implementation	Frequency	Percent	Valid Percent	Cumulative Percent
Very good	13	13.3	13.3	13.3
Good	35	35.7	35.7	49.0
Average	45	45.9	45.9	94.9
Poor	5	5.1	5.1	100.0
Total	**98**	**100.0**	**100.0**	

It was established that 13.3% of hotels had very good ICT infrastructure, 35.7% had good infrastructure, 45.9 % of hotels had average infrastructure and 5.1% of hotels had poor infrastructure. ICT was a core element in the hotels sector considering the type of clientele that it served. However, the results indicated that only 1.3% of hotels had very good investment in ICT infrastructure as compared to 45.9% with average investment in ICT expenditure Quantitative results in the following section sought to confirm if the trend was the same.

(e)   Organizational learning

The extent to which hotels were encouraging organizational learning was questioned in this section. This is because organizational learning helped hotels to learn new skills and methods in order to cope with the dynamism of the hotel industry. It also helped hotels to achieve strategic competitive positioning by obtaining new ideas, information and skills in real time. Respondents were asked to tick how often their hotels had trained or engaged them in organizational learning activities in a span of five years and the results were recorded in Table 4.18.

Table 4. 18   Rate of   engagement in OL activities

Rate of staff training	Frequency	Percent	Valid Percent	Cumulative Percent
Very often	13	13.3	13.3	13.3
Often	35	35.7	35.7	49.0
Poor	45	45.9	45.9	94.9
Not at all	5	5.1	5.1	100.0
Total	**98**	**100.0**	**100.0**	

The results indicated that 13.3% of the hotels had engaged their staff very often while 35.7% had engaged their staff often. 45.9% scored poorly in Organizational learning schemes and 5.1% had no organizational learning schemes at all. The results revealed that most hotels had poor organizational learning schemes at a rate of 45.9% and this could be attributed to the high investment requirements.

4.6 Quantitative Analysis

Firstly, Questionnaires were analyzed using descriptive statistics which helped to analyze trends in data (Kothari, 2012). Data was then subjected to inferential statistics to establish relationships between variables. Hypothesis was tested using the multiple regression model in order to link the relationships between strategic management drivers and hotel performance (Kraus, Harms & Schwarz, 2006). The quantitative findings of the research have been presented under correlation analysis and regression analysis. The hypothesis was tested using the F-test, T-test and Karl Pearson's coefficient of correlation. The hypothesis was tested at 95% confidence level ($\alpha = 0.05$).

4.6.1 T- tests

T- tests were carried out on all variables to test for the equality of means in order to either accept or reject the alternative hypothesis that there was a significance effect of customer relationship management and the performance of hotels in Kenyan coast. That is, if t-value = 0 (Ha: there a significance difference expected between the means, at $\alpha = 0.05$, 2-tailed), Accept Ha if P-value $\leq \alpha$, otherwise reject Ha if P-value $> \alpha$.

a)   T-tests on Customer Relationship Management Measures
The hotels' CRM was assessed by ten measures but after factor analysis these measures were reduced to five namely namely retention of customers, customer satisfaction levels, customer feedback, customer data warehousing and customer care staff. This is because factor analysis identified three major factors which had the biggest influence on hotel performance. The significant results showed that the

means were statistically different and the alternative hypothesis was accepted. Factor 1 was called customer retention which had the first two constructs, factor two was customer feeback with one construct and factor three was data warehousing with two construct whose means have been identified in Table 4.19.

Table 4.19   T- tests on CRM Measures

	Sample Size (N)	Mean	Standard Error Mean	t-value	Significance (P-value)
Retention of customers	98	4.0204	0.10254	39.206	0.000
Customer satisfaction	98	4.1020	0.08394	48.868	0.000
Customer feedback	98	4.2449	0.08830	48.072	0.000
Data Warehousing	98	3.7347	0.11287	33.089	0.000
Customer care staff	98	4.0306	0.10303	39.121	0.000

Overall mean score = 3.843

t-test for equality of means: t-value = 0 = (Ha: there was no difference expected between the means, at $\alpha = 0.05$, 2-tailed). Reject Ha if P-value $\leq \alpha$, otherwise fail to reject H_a if P-value $> \alpha$.

Table 4.19   presents the relevant results which show that on a scale of 1 to 5 (where 5 = to a very great extent; 1 = not at all, most hotels' CRM was to a great extent influenced by customer feedback (mean score = 4.2449),   customer satisfaction levels (mean score = 4.1020), customer retention (mean score = 4.022), customer data warehousing (mean score = 3.7347) and customer care (mean score = 3.6327).   Overall, the intensity of CRM use in the hotels was considerably moderate (overall mean score = 3.843).   The one sample t-test comparisons of the hotels' CRM mean scores indicates differences that were all statistically significant. Therefore, the extent of the use of CRM varied from one

hotel to another with the highest difference being noted in customer satisfaction (t-value = 48.868, P< 0.05), followed by customer feedback (t-value = 48.072, P< 0.05) and customer retention(t-value = 39.20, P< 0.05), The lowest statistical difference was reported in customer warehousing (t-value = 33.089, P< 0.05) followed by customer care (t-value 39.12, P< 0.05).

b)   T- tests on Strategic Planning Measures

The degree of the hotels' strategic planning was assessed through mission statements, vision statements, formal and structured process of strategy formulation, implementation of strategic plans, institutionalization of strategic plans, monitoring and evaluation of strategic plans, use of planning departments, stakeholder involvement, commitment of staff and constant review of plans and objectives. The results were presented in table 4.20.

Table 4.20   T-tests on Strategic Planning measures

Strategic Planning Measures	Sample Size (N)	Mean	Standard Error Mean	t-value	Significance (P-value)
Mission statement	98	3.6122	0.09132	39.558	0.000
Vision statement	98	3.4388	0.10365	33.176	0.000
process of strategy	98	3.3878	0.09905	34.202	0.000
Institutionalization of plans	98	3.2551	0.09094	35.792	0.000
Monitoring and evaluation	98	3.3878	0.10115	33.491	0.000
planning departments	98	3.3878	0.10321	32.823	0.000
Commitment of staff	98	3.3163	0.10619	31.230	0.000

Overall mean score = 3.38
t-test for equality of means: test value = 0 (Ho: there was no difference expected between the means, at $\alpha = 0.05$, 2-tailed). Reject Ha if P-value $\leq \alpha$, otherwise fail to reject Ha if P-value $> \alpha$.

The results of strategic planning measures were based on a scale of 1 to 5 (where 5 = to a very great extent and 1 = not at all). The highest mean score was registered by mission statements with a mean of 3.61 and vision statements were second with a mean of 3.45. The process of strategy registered a mean of 3.38 while Institutionalization of plans had 3.25. Monitoring and evaluation of plans had 3.35 while the least mean of 3.25 was registered by planning departments. The mpllication of the meanscores is that the higher the mean the higher the influence of the construct on customer relationship management.

The overall means core for all the measures was moderate at 3.38. The results also indicated that one-sample t-test for equality of means of the hotels' strategic planning the mean scores differed from one hotel to another with highest difference being noted in mission statement (t-value = 39.55, P< 0.05). The least variance was noted in commitment of staff (t-value = 31.230, P< 0.05). The implication of the results is that most respondents felt that mission statements as a strategic driver of hotel performance was the highest determinant of hotel performance with the highest mean of 3.61 while planning departments had the least influence at 3.31..

c) T- tests on strategic competitive positioning measures

The degree of the hotels' competitive positioning was assessed through focusing on a particular market segment, cost leadership, bargaining power of suppliers, bargaining power of buyers, competitive rivalry, and hotels familiarity with major competitors. These factors were selected because Social and economic factors are important in shaping a company's strategy but the key factor is the industry environment in which the firm operates. Competitive forces in the industrial environment ultimately determine the company's marketing position and profitability in the industry.

Since the primary goal of the enterprise is profit orientation, then the collective strengths/weaknesses of the five factors determine the extent of opportunities or strengths in the industry. The weaker the collective force, the greater the opportunity for superior performance. The objective of strategy was thus to find a position in the industry where the company can best avoid these factors or influence them to its favour. The results of SCP variables were presented in Table 4.21.

Table 4.21 T-tests on Strategic competitive positioning measures

Strategic Competitive positioning Measures	Sample Size (N)	Mean	Standard Error Mean	t-value
Focus	98	3.6837	0.11837	31.120
Cost leadership	98	3.5918	0.10342	34.731
power of suppliers	98	3.4286	0.11513	29.780
power of buyers	98	3.6531	0.11245	32.486
Rivalry in existing firms	98	3.3878	0.13105	25.850
Major competitors	98	4.0510	0.12168	33.293
competitive strategies	98	3.1531	0.08122	38.822

Overall mean score = 3.56573
t-test for equality of means: test value = 0   (Ha: there was no difference expected between the means, at $\alpha = 0.05$, 2-tailed). Reject Ha if P-value $\leq \alpha$, otherwise fail to reject Ha if P-value $> \alpha$.

Table 4.21   Showed that on a scale of 1 to 5 (where 5 = to a very great extent and 1 = very low extent, hotels' performance increased to a great extent with regard to strategic competitive position.

Among all the eight variables that measured strategic competitive positioning, familiarity with major products had the highest mean of 4.05 followed by Focusing on a particular market segment with a mean of 3.68 while bargaining power of buyers had a mean of 3.65. Cost leadership had a mean of 3.59 cost leadership jad 3.59. Bargaining power of suppliers had 3.42. The least mean was recorded by the use of competitive strategies with 3.15. Overall, the hotels have achieved a moderate extent of use of strategic competitive positioning (overall mean score = 3.56573).

One-sample t-test for equality of means of the hotels' strategic competitive positioning measures revealed that the extent of strategic competitive positioning mean scores differed from one hotel to another with the highest difference being noted in adoption of other competitive strategies (t-value = 38.822, P< 0.05) while the least variance was registered by power of suppliers with (t-value=25.850, P<0.05). Mission statements and product focus were the methods that were deemed to be used by hotels in achieving competitive advantage over their competitors because they had the highest mean scores.

d)   T- tests on Information Communication Technology Measures

Information communication technology is a key driver of organizations today and the hotel sector has not been left behind in its adoption in all its functional areas as a best practise. The measures used to assess ICT in this study were online and offline customer purchase data, customer psychographics, customer feedback, financial records, supplier data and employee data. All the other measures of ICT were left out in the t- analysis because after conducting the factor analysis these factors were found to have a minimum influence on hotel performance hence they were lef out.

The table   4.22 below explains the t-tests for information communication technology.

Table 4.22   T- test on   Information Communication Technology

ICT Measures	Sample Size (N)	Mean	Standard Error Mean	t-value	Significance (P-value)
purchase data	98	3.6837	0.11748	31.356	0.000
psychographics	98	3.4184	0.12215	27.984	0.000
Customer feedback	98	3.6224	0.12266	29.532	0.000
financial records	98	3.8469	0.11726	32.807	0.000
Supplier data	98	3.6735	0.11853	30.992	0.000
Employee data	98	3.9184	0.12020	32.598	0.000

Overall mean score = 3.69183

t-test for equality of means: test value = 0   (Ha: there was no difference expected between the means, at $\alpha = 0.05$, 2-tailed). Reject Ha if P-value $\leq \alpha$, otherwise fail to reject Ha if P-value $> \alpha$.

The study results shows that collection of   employee data had the highest mean of   3.91 followed by financial records at   at 3.84.   Customer purchase data followed with 3.66. The least mean was registerd by customer psychographics at 3.418. Overall, the extent of information communication technology level within the hotels is moderate (overall mean score = 3.69183). The results of one-sample t-test indicated that the variability among the means of the measures of the level of information communication technology were all statistically significant.   The level of information communication technology varied from one hotel to another with the highest difference being reported in internal financial records such as sales volume, profitability, and operational expenses (t-value = 32.807), followed

by employee data (t-value = 32.596, P< 0.05). The lowest statistical difference was reported in customer psychographics or life style such as personality traits, car and home ownership (t-value = 27.984, P< 0.05).

(e) T- tests on Organizational learning

The hotels organizational learning technique was assessed using a set of ten measures. These are information acquisition, information from external experts, information from competitors, information interpretation through intranet, use of meetings, committees, telephones and reports, facilitation of subordinates, formal quality information, internal and external learning influences, new work approaches and organizational goals and policies. Table 4.23 highlights the relevant findings.

Table 4.23 T- tests on Organizational learning

Organizational learning Measures	Sample Size (N)	Mean	Standard Error Mean	t-value	Significance (P-value)
Knowledge exchange	98	3.9388	0.09818	40.118	0.000
External experts	98	3.9694	0.08637	45.959	0.000
Competitors	98	3.8878	0.09718	40.008	0.000
information reporting	98	3.5000	0.10384	33.706	0.000
Internal learning schemes	98	3.4388	0.11610	29.619	0.000
Formal quality information	98	3.3878	0.10916	31.036	0.000
External learning	98	3.4898	0.10282	33.942	0.000
New work approaches	98	3.2347	0.10835	29.854	0.000
Goals and policies	98	3.3980	0.11761	28.893	0.000

Overall mean score = 3.60206
t-test for equality of means: test value = 0 (Ha: there was no difference expected

between the means, at α = 0.05, 2-tailed). Reject Ha if P-value ≤ α , otherwise fail to reject Ha if P-value > α .

The results in table 4.23 were based on a scale of 1 to 5 (where 5 = very great extent and 1 = very low extent. The overall means core for all OL measures was moderate at a mean of 3.602. Learning outcomes from external experts scored the highest mean of 3.969 followed by learnt knowledge exchange with 3.938. Information from competitors as a source of learning new business methods and procedures had 3.887. Information interpretation through the hotels intranet had a mean of 3.775 while information reporting had 3.500. Information from internal and external experts had 3.489 while internal learning schemes had 3.438. Communication of goals and policies though organizational learning had a mean of 3.3988. Availability of formal quality information had 3.387 while the least mean was new work approaches at 3.2347. A one-sample t-test with a theoretical test value of zero (no significant difference expected in the mean scores) was conducted to establish whether organizational learning techniques measures varied from one hotel to another.

The results suggested that organizational learning mean score measures differed significantly from one hotel to the other, with the highest difference being noted in information from external experts (t-value = 45.959, P< 0.05), followed by learnt knowledge exchange between employees and management (t-value =40.118, p< 0.05).   The lowest statistical difference was reported in organizational goals and policies communicated through internal learning channels (t-value = 28.893, P< 0.05) followed by subordinates facilitation with internal learning schemes (t-value = 29.619, P< 0.05).   Nine of   the ten organizational learning measures were found to have a positive influence on hotel performance.   Organizational learning assists hotels to achieve competitive advantage through the learning of new methods of offering their services. Through organizational learning hotels also benefit from interactions with other hotels in order to benchmark on their performance and come up with better

services. The   results were supported by several authors who identified Organizational Learning as a fundamental source of competitive advantage in organizations because it helps firms through the development of unique learning knowledge resources and capabilities (Punnee, 2008).   Hotels like many other businesses are facing a lot of competitive challenges arising from the dynamism and complexity of the business environment (Gakure, *et.al.,* 2012).

e)   T- tests on hotel performance Measures

The hotels' performance was assessed by market and financial outcomes. These outcomes are improvement in profits, improvement in room yields, growth of repeat sales, quality of products, growth in market share and growth in new customers.   Table 4.24 shows the relevant statistical results form market and financial outcomes.

Table 4.24   T-tests on hotel performance measures

Measures of market and financial outcomes	Sample Size (N)	Mean	Standard Error Mean	t-value	Significance (P-value)
Profits	98	3.8469	0.08745	43.988	0.000
Room yield	98	3.6939	0.10501	35.178	0.000
Repeat sales	98	3.6224	0.11918	30.394	0.000
Quality of products	98	3.0816	0.10015	40.755	0.000
Market share	98	3.8469	0.08983	42.826	0.000
Customer base	98	3.7245	0.11215	33.210	0.000
Growth in customers	98	3.9082	0.09068	43.096	0.000

Overall mean score = 3.84694

t-test for equality of means: test value = 0   (Ha: there was no difference expected between the means, at $\alpha = 0.05$, 2-tailed). Reject Ha if P-value $\leq \alpha$, otherwise fail to reject Ha if P-value $> \alpha$.

The results in table 4.24 showed that overall performance was measured to a moderate extent with an average mean of 3.846. The highest mean was registered by growth in customers at 3.90 followed by profits and market share at 3.84. Customer base had 3.72 and repeat sales had 3.62. The least mean was recorded by quality of   products at 3.08. The highest difference was noted in improvement in profits (t-value = 43.988, P < 0.05) and the lowest was registered in growth of repeat sales (t-value = 30.394, P< 0.05)

4.6.2   Correlation of strategic management drivers and hotel performance

In order to establish the relationship among strategic management drivers and hotel performance a correlation matrix was used. Table 4.25   shows the correlation matrix. Table 4.25 shows a varied degree of interrelationships among strategic management drivers and hotel performance. For instance, there was a significant positive correlation (r=0.566) between CRM and hotel performance. Wang, Huang, Chen and Lin, (2010) supported these results in his findings which indicated a moderate positive relationship between CRM and hotel performance. Similarly, other findings established a significant relationship between CRM and hotel performance (Abdullateef *et. al.,* 2010). In summary CRM had strong implications to the performance of hotels at the Kenyan coast with a significance P- value of 0.000.   This therefore means that if hotels in Kenyan coast adopt CRM as a driver of their performance they are likely to improve their performance in his study. The results also show a significant positive correlation (r =0.348) between the SP and hotel performance.

Table 4.25   Correlation Matrix

SMD		SP	HP	SCP	ICT	OL	CRM
SP	Pearson Correlation	1	.348**	.613**	.403**	.683**	.362**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	98	98	98	98	98	98
HP	Pearson Correlation	.348**	1	.449**	.594**	.328**	.566**
	Sig. (2-tailed)	.000		.000	.000	.001	.000
	N	98	98	98	98	98	98
SCP	Pearson Correlation	.613**	.449**	1	.713**	.576**	.625**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	98	98	98	98	98	98
ICT	Pearson Correlation	.403**	.594**	.713**	1	.432**	.794**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	98	98	98	98	98	98
OL	Pearson Correlation	.683**	.328**	.576**	.432**	1	.410**
	Sig. (2-tailed)	.000	.001	.000	.000		.000
	N	98	98	98	98	98	98
CRM	Pearson Correlation	.362**	.566**	.625**	.794**	.410**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	98	98	98	98	98	98

** Correlation is significant at the 0.01 level (2-tailed)

Flashaw (2006) supported this study by establishing   a positive correlation between SP and hotel performance. Strategic planning also had a positive correlation with all other four drivers of hotel performance with the highest correlation being established between strategic planning and organizational learning with a coeffficen correlation of   0.683.

The implication of these results to hotels in the Kenyan coast is that the hotels need to operationalize their strategic plans so that they could get the expected performance according to their goals. There was a significant positive correlation (r =0.449) between SCP and hotel performance. Mitra, Nistor, Borza, Bordean and (2010) agreed with these results which established a positive relationship between SCP ad the performance of hotels at the Kenyan Coast. As much as the correlation coefficient was low SCP played a key role in influencing the performance of hotels. The coefficient between Organizational Learning and the performance of hotels at the Kenyan cost was quite low with a coefficient correlation of 0.328 and a significance p-value 0.000.

Cohen and Kaimenakis (2007) studied the role of OL in firm performance and agreed with the results of this research that there was a positive significance between OL and hotel performance. The results are also supported by other findings which suggested that accumulation of knowledge was necessary for hotels to remain competitive (Mohammed & Rashid, 2012). Information Communication Technology had a positive correlation with Hotel Performance with a coefficient correlation of 0.5914. These results are supported by a study on the impact of ICT on hotel performance which also established a positive correlation (Jonson & Devish, 2009).

Information communication technology was found to correlate strongly with all other four drivers with a positive correlation being between ICT and SCP with a coefficient correlation of 0.713 and ICT and CRM with a coefficient correlation of 0.794. Noor (2011) in his research on the effect of E-CRM on hotel performance supported this research by establishing a positive relationship between ICT and CRM. John (2008) also supported the findings of this research by establishing a positive correlation between ICT and SCP.

The implication of these findings to the theory and practice of strategic management in hotels in Kenya is that ICT as a driver of hotel performance is indispensable if hotels are to improve their performance. Similarly, the strategic management drivers of hotel performance correlated positively with each other. For example strategic planning correlated strongly and positively with organizational learning (r=0.683). Strategic competitive positioning correlated strongly and positively with ICT(r=0.713). Information communication technology correlated strongly and positively with CRM (r =0.794) organizational learning correlated strongly and positively with SCP (r =0.576) and CRM correlated strongly and positively with ICT (r=794). These results show that all the drivers had a significance in the performance of hotels in Kenyan Coast.

4.6.3   Hypothesis Testing

The study was based on the premise that strategic management drivers influenced hotel performance. Accordingly, five relevant hypotheses had been set to guide the study as highlighted in the conceptual framework in chapter two. In order to establish the statistical significance of respective hypotheses, simple and multiple linear regression analysis were conducted as appropriate at 95 percent confidence level ($\alpha = 0.05$).

Similarly, the data was subjected to statistical colinearity tests in Table 4.26 which were deemed necessary to test for mulicolinearity of variables before application of multiple regression analysis. This was necessary in order to find out if any independent variables were highly correlated with the dependent variable (Hair *et. al.,* 2010).

4.26 Collinearity of study variables

Model	Unstandardized Coefficients	Standardized Coefficients	Collinearity Statistics		
	B	Std. Error	Beta	Tolerance	VIF
Constant	1.360	.370			
SP	.135	.112	.145	.457	2.187
SCP	-0.65	.121	-074	.352	2.842
ICT	.340	.131	.391	.292	3.428
OL	.001	.104	.001	.488	2.050
CRM	.256	.139	.249	.360	2.775

Multicollinearity occurs when two or more predictors in the model are correlated. This can bring a problem because it leads to icreased standard error of estimates and it can give misleading and confusing results in a study. Moderate multicollinerity may not be a problem but a severe one can increase the variance of the coefficient of estimates and make them sensitive to minor changes. If this happens the results will be unstable and difficult to interpret. From the results, the correlation coefficients showed that all the independent variables were correlated to each other. Their relationships were positive and statistically significant which established that the study variables had a high tolerance level and were free from multicollinearity. This is because none of the VIF for all the study variables exceeded 10, the threshold beyond which multicollinearity was a problem (Kock & Lynn, 2012)

4.6.3.1 Regression results of strategic management drivers and hotel performance

The degree of relationship between the independent variables and dependent variable were analyzed using multiple regression analysis and the results were presented in table 4.27.

Table 4.27   Regression   of strategic management drivers against hotel performance – Goodness- of- fit

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
CRM 1	0.566[a]	0.320	0.313	0.52935
SP 2	0.348[b]	0.121	0.112	0.60194
SCP 3	0.449[c]	0.202	0.194	0.57353
ICT 4	0.594[d]	0.353	0.347	0.51625
OL 5	0.328[e]	0.107	0.098	0.60650

a.Predictors: (constant). CRM
b.Predictors : (constant) . CRM, SP

c.Predictors:(constant). CRM, SP, SCP

d.Predictors:(constant). CRM, SP, SCP, ICT

e.Predictors: (constant). CRM, SP, SCP, ICT, OL

The following sections present the results of the hypotheses tests: The aggregate mean score of the hotels' CRM measure (independent variable) were regressed on the aggregate mean scores of their hotel performance measures (dependent variable) and the relevant results were presented in table 4.27.   The results showed that CRM had moderate explanatory power on hotel performance as it

accounted for 32% percent of its variability (R square = 0.320). These findings were supported by a study on the influence of customer relationship management on hotel performance which established a moderate positive relationship between CRM and hotel performance (Wang *et. al.,* 2010). The results were also supported by findings that established a positive relationship between CRM and the performance of hotels (Abdullateef *et. al.,* 2010). As an independent variable, CRM was found to have a moderate relationship with hotel performance in Kenyan coast. The results of strategic planning indicated that the explanatory power of strategic planning on hotel performance was slightly low as it accounted for 12.1 percent of the variability of change in the hotels performance (R square = 0.121).

The results identified with a study on strategic planning and organizational effectiveness in Jordanian hotels which also established a positive relationship (Jehad & Adel, 2013). This moderate influence of performance was supported by a study of strategic planning in emergent market organizations which found out that hotels were moderately engaged in strategic planning (Al-Shammari & Husssein, 2008). From the results, the explanatory power of strategic competitive positioning on the variability of the hotels' performance was moderate at 20.2 percent (R square = 0.202). Enz (2011) supported this study by establishing a positive relationship between competitive strategies and hotel performance.

Allen and Helms (2006) confirmed a positive correlation and supported this study in a study that linked porter's generic strategies to organizational performance. The study results showed that information communication technology had moderate explanatory power on hotel performance as it accounted for 35.3 percent of its variability (R square = 0.353). These results concur with the findings that identified CRM as an important strategy that influences hotel performance (Thakur *et. al.,* 2006). Cagna (2007) highlights a significant contribution of ICT to hotel performance in areas such as guest reservation and online bookings

which are said to boost a hotels sales volume. The study results showed that organizational learning had low explanatory power on hotel performance as it accounted for 10.7 percent of its variability (R square = 0.107). These results are supported by other findings which also found a positive relationship between organizational learning and hotel performance (Njuguna, 2009). Mohammed and Rashid (2012) supported the findings of this study by highlighting the necessity for hotels to remain competitive and suggested that this could be achieved through accumulation of knowledge.

Fan and Ku (2010) concur with the findings of this study that organizational learning was associated with marketing capabilities which enables hotels to take strategic managerial decision making in order to improve performance. The low explanatory power of all the five drivers of hotel performance suggested that the perceptions of managers concerning the influence of these drivers to hotel performance were generally similar across all the star-rated hotels.

The hotel managers comments were sought about these results and the managers argued that Kenyan hotels were relying on tourists from Western Europe and North America whose perception about Kenyan hotels had been influenced by other unexplained variables such as terrorism, corruption and the post election violence. The managers also stated that the overall lack of management skills and expertise in business management in developing countries like Kenya makes it unviable to develop complex business structures.

These results could also be explained by travel advisories issued by the US, the UK, France and Australia which hit hotel chain hard (Ringa, 2015). The tourism decline was also due to the rising insecurity in Kenya (KUDHEIHA, 2015). Masinde (2015) similarly observed that travel advisories issued by Kenya's traditional tourism source markets due to insecurity perpetuated by Al-Shabaab saw earnings of many hotel chains decline in 2014 and this hit the tourism industry hard. The author further reported that the introduction of value added

tax on tourism services and park fees in September 2013 has also continued to make Kenya an uncompetitive destination compared to the safari attractions in Tanzania and South Africa. It was also noted that from the middle of the third quater of 2014, the Ebola epidemic originating in the West African countries negatively impacted on all African tourist destinations and bookings for hotels.

Masinde (2015) argued that despite a strong performance by corporate business which is mainly concentrated in Nairobi, the leisure income stream at the Coast suffered big losses due to withdrawal of foreign charter flights.These findings were very important in literature because they had been reported elsewhere in Kenya (de Waal, 2007). However, hotel managers were in agreement that these drivers had been proven to produce positive results in other parts of the world. There was therefore no question that the adoption of these drivers in Kenyan hotels would yield the same results

(a) Regression results of CRM and hotel performance

The aggregate mean scores of hotels strategic planning measures (independent variable) were regressed on the aggregate mean scores of hotel performance measures (dependent variable) and the research findings were outlined in table 4.27. To assess the effect of CRM on the performance of hotels in Kenyan coast, the study had set the following alternative hypothesis; **Ha$_1$:** There is a significant effect of CRM by on hotel performance in Kenyas coast.

The individual regression results in Table 4.28 reveal statistically significant positive linear relationship between CRM and hotel performance ($\beta = 0.582$, P-value = 0.000). Hence, H_{a1} is accepted since $\beta \neq 0$ and P-value < 0.05

Table 4.28. Regression Coefficients (Individual significance)

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)					
CRM	0.582	0.087	0.566	6.723	0.000
SP	0.324	0.089	0.348	3.632	0.000
SCP	0.397	0.081	0.449	4.927	0.000
ICT	0.517	0.071	0.594	7.242	0.000
OL	0.291	0.086	0.328	3.399	0.001

a. Dépendent Variable: HP

b. Level of significance, $\alpha = 0.05$

(b) Regression results of SP and hotel performance

To determine the effect of strategic planning on the hotels' performance, the relevant alternative hypotheses was formulated as follows:

H_{02}: There is a significant effect of strategic planning on the performance of hotels at the Kenyan coast.

The aggregate mean scores of hotels strategic planning measures (independent variable) were regressed on the aggregate mean scores of hotel performance measures (dependent variable) and the research findings were outlined in table 4.27. The results indicated that the explanatory power of strategic planning on hotel performance was slightly low as it accounted for 12.1 percent of the

variability of change in the hotels performance (R square = 0.121).   The individual results showed in table 4.28 revealed that the effect of strategic planning on hotel performance was statistically significant (β=0.324, p-value =0.000).   Hence, H_{02} is rejected since $\beta \neq 0$ and P-value $<$0.05

(c)   Regression results of SCP and   hotel performance

To assess the effect of strategic competitive positioning on the performance of hotels in Kenyan coast, the following alternative hypotheses was formulated as follows:-

H_{03}: There is a significant   effect of strategic competitive positioning on the performance of the hotel industry in the Kenyan Coast.   The aggregate mean scores of strategic competitive positioning were regressed against the aggregate mean score of hotel performance and the regression results are presented in table 4.27.   From the results,   the explanatory power of strategic competitive positioning on the variability of the hotels' performance was moderate at 20.2 percent (R square = 0.202). The individual results showed in Table 4.28 revealed that the effect of strategic competitive positioning on hotel performance was statistically significant (β = 0.397, P-value = 0.000). Hence, H_{03} is accepted since $\beta \neq 0$ and P-value$<$0.05.

(d)   Regression results of ICT and   hotel performance

To establish the effect of information communication technology on the performance of   hotels in Kenyan coast, the alternative hypothesis was stated as follows:-

H_{04}: There is a significant effect of   information communication technology and hotel performance at the Kenyan coast.

The aggregate mean scores of the hotels' information communication technology measures (independent variable) were regressed against the aggregate mean scores of market and financial outcomes and the relevant findings were presented in Table 4.27. The study results showed that information communication technology had moderate explanatory power on hotel performance as it accounted for 35.3 percent of its variability (R square = 0.353). The individual research findings in Table 4.28 indicated a statistically positive linear relationship between information communication technology and hotel performance (β = 0.517, P-value = 0.000). Hence, H_{04} is accepted since $\beta \neq 0$ and P-value $^< 0.05$.

(e)   Regression results of OL and hotel performance

To establish the relationship between organizational learning and hotel performance in Kenyan coast, the relevant alternativel hypothesis was stated as follows:-

H_{05}: There is a significant effect of organizational learning and hotel performance at the Kenyan coast.

The aggregate mean scores of the hotels' organizational learning measures (independent variable) were regressed against the aggregate mean scores of their hotel performance measures (dependent variable) and the research findings were outlined in table 4.27. The study results showed that organizational learning had low explanatory power on hotel performance as it accounted for 10.7 percent of its variability (R square = 0.107). The individual study results in Table 4.28 showed that there was statistically significant positive linear relationship between organizational leaning and hotel performance (β = 0.291, P-value = 0.001). Hence, H_{05} is accepted since $\beta \neq 0$ and P-value< 0.05.

(f) Overall goodness of fit

The overall goodness of fit was obtained through regressing the goodness of fit
for all the independent variables and the results were depicted in Table 4.29.

**4.29: Overall goodness-of-fit for combined strategic management
          drivers**

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.625[a]	0.390	0.357	0.51199

 a. Predictors: (Constant), CRM, SP, SCP, ICT, OL

The results of the model indicated that 39% of change in hotel performance was
explained by the conceptualized strategic management drivers of hotel
performance while the remaining percentage could have been explained by other
unconceptualized variables.

4.6.3.2 Analysis of Variance

(a) Step-wise ANOVA

The stepwise ANOVA was done to test the significance of the independent
variables which are., CRM, SP, SCP, ICT and OL.

The stepwise ANOVA in table 4.30 included all the variables to confirm the fact that the variables when considered separately or individually were still significant in influencing hotel performance.

Table 4.30: Stepwise ANOVA

ANOVA[a]

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.664	1	12.664	45.193	0.000[b]
	Residual	26.900	96	0.280		
	Total	39.564	97			
2	Regression	4.780	1	4.780	13.192	0.000[c]
	Residual	34.784	96	0.362		
	Total	39.564	97			
3	Regression	7.986	1	7.986	24.277	0.000[d]
	Residual	31.578	96	0.329		
	Total	39.564	97			
4	Regression	13.979	1	13.979	52.452	0.000[e]
	Residual	25.585	96	0.267		
	Total	39.564	97			
5	Regression	4.251	1	4.251	11.556	0.001[f]
	Residual	35.313	96	0.368		
	Total	39.564	97			

a. Dependent Variable: HP

b. Predictors: (Constant), CRM

c. Predictors: (Constant), CRM, SP

d. Predictors: (Constant), CRM, SP, SCP

e. Predictors: (Constant), CRM, SP, SCP, ICT

f.Predictors : (Constant), CRM, SP, SCP, ICT, OL

ANOVA test was done to test the significance of the model and the existence of variable variations within the model.   The ANOVA test results on CRM revealed F-statistic of 45.193 which was significant at 0.05 (P < 0.05). This means that 45% of the change in hotel performance was influenced by CRM measures. Similarly, ANOVA test on SP had F-statistic of 13.192 and was significant at 0.05 (P < 0.05); SCP had F-statistic of 24.27 and was significant at 0.05 (P < 0.05). ICT had F-statistic of 52.45 which was significant at 0.05 (P < 0.05); and finally OL had F-statistic of 11.556 which was also significant at 0.05 (P < 0.05). This meant that the model chosen for the study was significant and the variables tested fitted suitably in the model.

 (b) Overall ANOVA of strategic management drivers

ANOVA test was done to test the overall significance of the variables CRM, SP, SCP, ICT and OL in influencing hotel performance. Table 4.31 presents the results of analysis.

Table 4.31: Overall Analysis of Variance Model

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.447	5	3.089	11.786	0.000[b]
	Residual	24.117	92	0.262		
	Total	39.564	97			

a.   Dependent Variable: HP
b.   Predictors : (constant), CRM, SP, SCP, ICT, OL

The overall ANOVA highlighted in table 4.31 showed that the F-value of the overall regression model was 11.786 df (5,92) at $p < 0.05$ and the significance value of the model was 0.000. The significance value of 0.000 implied that the study variables CRM, SP, SCP, ICT and OL, if regressed together, had a positive influence on hotel performance.

(c) Multiple regression results of strategic management drivers and hotel performance

To test the five hypotheses all at once, the multiple linear regression model was done in the SPSS version 24 which included independent variables; CRM, SP, SCP, ICT and OL so as to determine the required coefficients and p-values for establishing significance. To form the basis of testing the hypothesis set, the test was done at significance level of $p < 0.05$ such that when p -value was more than the significance level, the model was considered insignificant. Table 4.32 presents the results of the analysis.

Table 4.32: **Multiple Regression Model Coefficients**

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	1.440	0.370		3.679	0.000
	CRM	0.260	0.139	0.249	2.201	0.002
	SP	0.108	0.112	0.210	1.539	0.033
1	SCP	0.104	0.121	0.344	2.593	0.011
	ICT	0.340	0.131	0.391	3.392	0.001
	OL	0.180	0.104	0.076	1.837	0.049

a. Dépendent Variable: HP

In order to determine the effect of strategic management drivers on hotel performance at the Kenyan coast, the researcher conducted a multi-linear regression analysis and individual strategic management drivers measures were regressed against the aggregate mean score of hotel performance. The multiple linear regression model highlighted in table 4.32 showed that CRM, SP, SCP, ICT and OL had a significant effect with p-values of 0.002, 0.033, 0.011 and 0.001 and 0.049 respectively. The research therefore accepted the null hypothesis of the stated strategic management drivers because ($p < 0.05$).

After the study, the opinions of the managers of these hotels were sought concerning the low significance. The main reason they gave was that there were other latent factors which were influencing performance and which had not been factored in this research. These factors include terrorist threats which have led to travel advisories and a sense of insecurity to hotels. There has also been terrorism attacks in several places in the Kenyan coast which have led to loss of lifes and injuries as well as collateral damage. The effect of these terrorist attacks have been a reduction of the number of tourists visiting the star-rated hotels. The costs of running the hotels have also increased due to extra costs on security personnel and equipment (Wakanini, 2014).

Customer satisfaction has reduced significantly because of the threat to their personal security and employee morale has also reduced significantly. The hotel industry had been hard hit by the frequent terrorist attacks and threats which have destabilized their operations. The nations from where Kenya relies for tourist support have been issuing advisory information to the different citizens to desert and shun travelling to Kenyan destinations (Otiso, 2009). Leigh (2013) states that tourism requires security and insecurity harms tourism anywhere in the world and this therefore means that Kenya is not an exception. A direct link has been found between terrorism and tourism by stating that such acts impact fear especially on regular tourists to their preferred destinations and this stops them from continuance visit to their tourist destinations (Baker & Coulter, 2007).

White (2011) highlights that among all the industries in a country the one that is hard hit by terrorism is the hospitality industry. Travel bans and advisories by foreign countries barring visitors from visiting Kenyan destinations have also injured the performance of hotels because hotels have been closed down and staff have been laid off (Waudo & Ndivo, 2012). There has also been a lot of negative media coverage as regards terrorism which has affected hotel performance adversely (Wakanini 2014). ICT had the highest significance on hotel performance because of the key role it plays in today's global economy. Arising from the research results in table 4.32, a multiple linear regression equation that might be used to estimate performance of hotels at the Kenyan coast given its existing strategic management drivers could be stated as follows:

HP = 1.440+ 0.108**CRM** + 0.104**SP** + 0.340**SCP** +0..180**ICT** +0.260**OL**

Where:

HP = Hotel Performance

βo= 1.440

0.108, 0.104, 0.340 and 0.180, 0.260, = an estimate of the expected increase in hotel performance corresponding to an increase in use of strategic management drivers.

CRM= Customer Relationship Management.

SP= Strategic Planning.

SCP= Strategic competitive positioning

ICT= Information Communication Technology

OL= Organizational Learning

ε= the standard error term (random- variation due to other unmeasured factors).

The regression results showed that a unit change in CRM resulted in 10.8 percent ($\beta=0.108$) change in hotel performance while a unit change in strategic planning resulted in10.4 percent ($\beta=0.104$) change in hotel performance. On the other hand, a unit change in strategic competitive positioning resulted in increase in 34 percent ($\beta=0.340$) change in hotel performance and ICT if implemented affected hotel performance by 18 percent ($\beta=0.180$). Organizational learning influenced hotel performance by 26 percent ($\beta=0.260$)

Table 4.33.   Summary of hypotheses test results

Hypothesis	P-values	Decision
H_{01}. There is a significant effect of customer relationship management on the performance of hotels in Kenyan Coast.	0.002	Accepted
H_{02}. There is a significant effect of strategic planning on the performance of hotels in Kenyan Coast.	0.033	Accepted
H_{03}. There is a significant effect of strategic competitive positioning onthe performance of hotels in Kenyan Coast.	0.011	Accepted
H_{04}. There is a significant effect of adoption of ICT on the performance of hotels in Kenyan Coast.	0.001	Accepted
H_{05}. There is a significant effect of organizational learning on the performance of hotels in Kenyan Coast	0.049	Accepted

4.7   Discussion of key findings

4.7.1   Customer relationship management objective

Customer Relationship Management was measured by six constructs adapted from a study on the linking of CRM strategy, customer performance measures and performance in the hotel industry (Chang, Park & Chaiy, 2010). The results agreed with this study that CRM positively influences hotel performance. Moullin (2007) also highlighted the same CRM dimensions as key in influencing the performance of hotels and further concurs with this study. T-tests on the influence of CRM on hotel performance showed that CRM played a role on the hotel performance with a mean of 3.84. This is consistent with a study of five star hotels in Turkey which established that CRM was a key driver of hotel performance (Ali & Safak, 2012).   This study five top constructs that were frequently used and which had the highest mean scores as customer feedback with a mean of 4.24, customer satisfaction levels with a mean of 4.10, customer care staff with a mean of 4.03, customer data warehousing with a mean of 3.73 and retention of customers with a mean of 4.02 as shown in Table 4.19.

These moderately high means are supported by other studies that established the above constructs as key in influencing the performance of hotels (Verhoef & Lemon, 2013). The results also concur with a study on customer relationship measures of performance that found out that CRM was greatly used in hotels to improve relationship interactions with customers through identifying, understanding and meeting customer   needs (Minal & Kassim, 2009). Mohammed and Rashid (2012) in their study on the use of CRM dimension in hotel industry also identified four CRM measures similar to the ones that were used in this study. These four dimensions were customer orientation, CRM organization, knowledge management and technology based CRM.   The above authors concluded that the concept of CRM in hotel sector had neither been fully verified no empirically tested to determine the strength of the relationship between itself and the performance of hotels.

In filling the research gap of this study a regression analysis was used to test the null hypotheses H_{01} that there was a significant effect of Customer relationship management and the performance of hotels in Kenyan Coast. The results of the regression analysis showed a significant contribution of CRM to hotel performance (F 45.193, p=0.000) which explains 32% of the variation in use of CRM measures.

These findings were supported by a study on the influence of customer relationship management on hotel performance which established a moderate positive relationship (Wang *et. al.,* 2010). As an independent variable, CRM was found to have a moderate positive relationship with hotel performance in Kenyan coast. The results were supported by findings that established a positive relationship between CRM and the performance of hotels (Abdullateef *et. al.,* 2010). Similarly, when the hypotheses was tested using the multiple regression model, the hypotheses H_{01} that there was a significant relationship between CRM and hotel performance was accepted (p<0.069).

4.7.2 Strategic planning objective

T- statistics on the influence of Strategic Planning on hotel performance showed that SP was also a driver of hotel performance with a mean of 3.38. The results concurred with a study that evidenced strategic planning as a driver of company performance (Flashaw, 2006). This study is also supported by a study of hotels in Turkey which found the mean for SP measures to be high (Aldehayyat, 2011). In this study, strategic planning had a mean of above 3 which is in line with previous research which found out a moderate influence of strategic planning to hotels performance (Qin, Adleer & Cai, 2012). Regression Analysis was used to test H_{02} that there is a significant effect of strategic planning on the performance of hotels in Kenyan Coast. The regression results showed a positive relationship between strategic planning and hotel performance (r =0.121 p.0.000).

The results identified with a study on strategic planning and organizational effectiveness in Jordanian hotels which also established a positive relationship (Jehad & Adel, 2013). To further validate the results the ANOVA test showed a statistically significant positive relationship between strategic planning measures and hotel performance (F= 13.192, p=0.000). The first four measures of strategic planning had a moderately high influence on strategic planning. These are., mission statements with 3.61, vision statements with 3.43, process of strategy with 3.38 and planning departments with 3.61. The other three factors had a moderate positive relationship with hotel performance. These factors were monitoring and evaluation with 3.35, commitment of staff at 3.31 and institutionalization of plans at 3..25 (Table 4.20). This moderate influence on hotel performance was supported by a study of strategic planning in emergent market organizations which found out that hotels were moderately engaged in strategic planning (Al-Shammari & Husssein, 2008). These results were consistent with another study that found out that directors and their boards were the only ones involved in strategic planning (Glaister, *et.al.,* 2009).

Other studies also supported the findings of this study such as a study on strategic planning as a single dimension which found a positive relationship between strategic planning and hotel performance (Dincer, *et.al.,* (2006). Dan (2009) highlighted a sequence of dimensions for measuring the rate of strategic planning in organizations and also established a postitive relationship between strategic planning dimensions and hotel performance. Barney and Hesterly (2006) were of the view that the process of strategic planning had to be designed well such that it meets the specific needs of the organization. The results concur with the findings of this research which indicated a moderate relationship between strategic planning and hotel performance and these results may be explained by the unique characteristics of each hotel. Aldehayatt and Anchor (2008) highlighted several drivers of strategic planning in hotels and also found a positive relationship.

4.7.3   Strategic Competitive Positioning objective

Descriptive T-statistics of the influence of SCP on hotel performance showed that SCP strategy was an important driver of hotel performance with a mean of 3.58. The most satisfying tools according to this study was familiarity with major competitors which had a mean of 4.04 followed by product focus with a mean of 3.68. the power of buyers had a mean of 3.65 while cost leadership had 3.59. The least influence was competitive strategies with 3.15 followed by competitive rivalry at 3.38 followed by power of suppliers at 3.42. These results are supported by a study of differentiation in Romanian hotels which established a positive relationship between strategic competitive advantage and hotel performance (Mitra, Nistor, Borza & Bordean, 2010). Focusing on a particular market segment was third with a mean of 3.68. The bargaining power of buyers was fourth with a mean of 3.65 and cost leadership had also a moderate influence on performance at 3.59. These findings are supported by literature on the role of Porter's five forces on the performance of firms (Kotler & Keller, 2006).

Regression analysis was used to test $H_{03:}$ There is a positive significant effect of SCP and the performance of hotels in Kenyan Coast.. The results from the regression results reveal that at one-sample t-test comparison of the hotels strategic competitive positioning the means had differences that were all statistically significant. These findings are supported by a study on industry concentration in south Africa which revealed a similar trend (Fedderke & Szalontai 2008). The ANOVA results showed a positive relationship of 24.27 (p<0.05) while $R^2 = 0.202$ was explaining 20.2% of the change in hotel performance. Enz (2011) also supported this study by establishing a positive relationship between competitive strategies and hotel performance. A moderate correlation of all the measures of SCP was noted $\beta= 0.397$ at $p < 0.05$ implying a moderate positive relationship between the SCP measures and hotel performance.

This correlation concurs with a study on critical tactics for implementing porters generic strategies (Akan *et. al.,* 2006). Allen and Helms (2006) confirmed a positive correlation and supported this study in his study that linked porter's generic strategies to organizational performance. Kenya is geared towards the attainment of vision 2030 and competitive strategies will be among the strategic tools that will greatly drive the performance of firms (Gok, 2007).

4.7.4   Information communication technology objective.

The influence of ICT on hotel performance showed that ICT was the highest driver of hotel performance. These positive results are supported by a study on dimensions of E-CRM in hotels which established a positive relationship between the use of ICT and hotel performance (Noor, 2011). Jonsson and Devonish (2009) identified with this research by highlighting a direct impact of ICT on hotels financial performance. Descriptive analysis of ICT as a driver of hotel performance showed that there was a direct positive relationship between the use of ICT and hotel performance. These findings were supported by research findings that also found out that ICT had a positive relationship with hotel performance (Sirawit, Nazrui, & Do Ba, 2011).

Regression analysis was used to test H_{04}. There is a significant effect of ICT and the performance of hotels in Kenyan Coast. The research findings in Table 4.28 indicate a statistically positive linear relationship between information communication technology and hotel performance ($\beta = 0.517$, P-value = 0.000). Hence, H_{04} is accepted since $\beta \neq 0$ an d P -value < 0.05). These findings are supported by research that stated that technology was very crucial in improving the performance of firms (Schulz & Omweri, 2012). The study results also show that information communication ICT influenced hotel performance as it accounted for 35.3 percent of its variability (R square = 0.353).

These results concur with the findings that identified ICT as an important strategy that influences hotel performance (Thakur *et. al.,* 2006). Cagna (2007) highlighted a significant contribution of ICT to hotel performance in areas such as guest reservation, and online bookings which are said to boost a hotels sales volume. Salim *et. al.,* (2013) supports the hypotheses findings of this research by accepting that the implementation of technology by hotels increased their level of service quality and customer satisfaction. The researcher further stated that ICT had broadened the scope of how the hospitality industry was functioning today and in the future.

Harrison and St. John (2008) stated that there was no question as to the positive effects of technology because it was a source of competitive advantage to hotels. Dean (2011) confirmed the findings of this research in his study by establishing that the changing face of ICT had played an integral role in the development of the hotel industry. Tanyeri (2007) supported the findings of this study by highlighting technology as a wave that was positively influencing business performance.

4.7.5 Organizational learning objective

Descriptive T- statistics of the influence of OL on hotel performance showed that OL was an important driver of hotel performance with a mean of 3.60 compared to the other four drivers. Descriptive analysis of OL as a driver of hotel performance showed that there was a direct positive relationship between the use of OL and hotel performance as shown in Table 4.27 with OL accounting for 10.7% of the change in hotel performance (R^2 0.107). These results are supported by other findings which also found a positive relationship between organizational learning and hotel performance (Njuguna, 2009).

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The t-test indicates that the difference in the variable means were statistically significant which further explains the positive relationship between all the measures of organizational learning and hotel performance. These results are consistent with the study results of the role of organizational learning in firm performance (Cohen & Kaimenakis, 2007). Regression analysis was used to test H_{04}. There is a significant effect of OL on the performance of hotels in Kenyan Coast. The regression results reveal statistically significant positive linear relationship between organizational learning and hotel performance ($\beta = 0.291$, p-value = 0.000).

Other studies on organizational learning that reported the same results have proved that if hotel managers are to invest in organizational learning they would improve their profits (Chong, Wong, & Lin, 2006; Chen & Huang, 2007). Mohammed and Rashid (2012) supported the findings of this study by highlighting the necessity for hotels to remain competitive and suggested that this could be achieved through accumulation of knowledge. Fan and Ku (2010) concur with the findings of this study that organizational learning was associated with marketing capabilities which enables hotels to take strategic managerial decision making inorder to improve performance.

Punnee (2008) supported the findings of this research by identifying organizational learning as a fundamental strategic process of creating sustainable competitive advantage for hotels. From the study, organizational learning was found to have a moderately positive influence on hotel performance as compared to the other four drivers. This study took the first effort to examine how strategic management drivers altogether influence the performance of hotels. The findings generally accept the fact that all the hypothesized strategic management drivers when regressed together have a positive influence on hotel performance.

Okeyo (2011) through his study on the relationship between the performance of five star hotels and the use of performance drivers confirms the findings of this research by concluding a positive relationship. Zhou, Brown and Dev (2009) established a positive relationship between CRM and hotel performance. The results of the study concur with a study that supported non-financial measurement of performance in hotels (Odhuon *et. al.,* 2012). It also agrees with another Kenyan study that stated that hotel performance in Kenya was measured using financial indicators (Moullin, 2007). Zaheer *et. al.* (2011) argued that the overall lack of management skills and business expertise was prohibiting the application of sophisticated management drivers. The study disputed findings that Kenyan hotels were adopting only financial performance measures by establishing that they were also incorporating non- financial performance measures (Odhuon *et al.,* 2010).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter presents a summary of the discussions of the study results, conclusions and the recommendations made from the findings of the study. The chapter also highlights the recommendations of the study and suggested areas for further research.

5.2 Summary

This section summarizes the findings of the study in terms of the demographic and the quantitative results.

5.2.1   Demographic Results

Most of the studied hotels in this research had operated for a period of   between 5-9 years in the Kenyan coast. This shows that the hotels had operated for a reasonable number of years to warrant them to have consistent results in the study. The results also indicated that most of the studied hotels were five-star hotels which means that they were deemed to have the highest standards of operation and the expectation was that they had adhered to the highest standards in all their functional areas since five-star was the highest classification of hotels. Most of the hotels had between 100-200 employees which implied that the hotels were offering substantial employment opportunities to people and also that they were making good profits which are justified by the large pool of employees.

The number of hotels that were studied had between 100 and 200 rooms which means that they were able to handle many guests at the same time and especially conference guests and other international conventions. The findings provided evidence that the hotels studied were actually star-rated hotels and not any other. The occupancy rate of hotels studied was moderately high throughout the year. From the analysis it was observed that majority of the classified hotels in Kenya had good expenditure on CRM related activities which translated to repeat guests and customer loyalty from specific countries.

There was also a very good familiarity with strategic planning activities but there is need for further research on whether or not the planned activities were being followed as per the strategic plans.   The rating of the implementation of ICT in hotels was good and this could be attributed to the importance of   ICT infrastructure in hotels.   The rate of engagement in OL activities was moderate and this was attributed to high staff turnover and poor human resource mechanism in these hotels and this formed a basis of further research.

5.2.2   Quantitative Results

5.2.2.1 The effect of   Customer Relationship Management on hotel performance

The study found out that CRM significantly and positively affected hotel performance. This resulted from the fact that customers were the key resources of the hotel industry. Customers have a lot   of   options because of the influence of the internet and hotels that are to achieve customer loyalty are the ones who will treat customers as a key priority in their hotel. This research established the dynamism of customer needs and preferences as well as their diversity.

Managers are advised to be more careful when interacting with customers because it was established that CRM was key in influencing hotel performance.

5.2.2.2 The effect of Strategic planning on hotel performance

The study found out that strategic planning significantly and positively affected hotel performance. This study highlighted the importance of strategic planning to the performance of hotels specifically in the Kenyan context. However, when the quantitative results were compared with the demographic results on strategic planning, it was found that hotels had very good familiarity with strategic planning activities but the extent of the practicability of strategic plans in hotels was still at very low level.

5.2.2.3 The effect of Strategic competitive positioning on hotel performance

The study found out that strategic competitive positioning had a significant and positive influence on hotel performance. It was therefore recommended that hotels needed to identify the best strategies that would enable them to stay above their competitors. This is because the hotel industry was very dynamic and turbulent which necessitates diverse strategies for a specific hotel to stay above competition. This moderate influence of strategic competitive positioning in hotels as a result of the demographic results could be attributed to the unique nature of hotels which requires different strategies specifically suited for the specific needs of hotels.

5.2.2.4 The effect of Information communication on hotel performance

The study found out that ICT was the driver of hotel performance. The effect of ICT on hotel performance could be attributed to the dynamic changes in the business world which have made ICT an indispensable tool in any business.

The importance of ICT in this study underscores the fact that hotels need to invest more in ICT infrastructure in all their functional areas in order for them to be able to achieve long term strategic competitive advantage. The study established that most hotel managers appreciate the positive role played by ICT in their hotels because without it they would not be able to communicate with stakeholders. As a result most hotels will have to embrace ICT use in areas such as the reduction of costs, improvement of efficiency, customer relations and intranet operations.

5.2.2.5 The effect of Organizational learning on hotel performance

The study found out that organizational learning had a significant positive effect on hotel performance because the dynamism of the hotel industry demands that stakeholders ought to keep adjusting from a fit to a non fit situation through organizational learning. The study established that organizational learning was a very critical variable in influencing the performance of hotels and therefore managers had to come up with schemes to address organizational learning so that they can reap its benefits.

This is because organizational learning was found to enable hotels to reap a knowledge-based competitive advantage. Organizational learning could therefore be termed to be effective when implemented in all functional areas of the hotel in a continuous manner. Organizational learning is a unique driver of hotels because it is hard for it to be imitated. The high means obtained by organizational learning as a variable also indicated that if OL was implemented in hotels it could help them to achieve sustainable competitive advantage.

5.3 Conclusions

The conclusions were based on the objectives of the study that strategic management drivers had a significant influence on hotel performance. The results established that strategic management drivers were found to significantly and positively influence hotel performance. When all the stated hypotheses were tested in the regression model they were found to have a significant relationship between themselves and hotel performance. ICT was the driver which had the highest effect on hotel performance followed by CRM, SCP,SP and OL. The findings of the study established that hotels were operating under a highly competitive environment.

However, the effect of the other drivers could not be ignored because they also had a moderately positive effect. This moderate results revealed that there were other unidentified latent variables which were influencing the performance of hotels in Kenyan coast. Further research identified some of these factors as the Terror Threats, Travel advisories by the western countries, the continued terror attacks and the general political environment within which the hotels were operating. This therefore meant that they could no longer rely on either one strategy or the traditional strategies in order to improve their performance.

It was concluded that hotels needed to embrace strategic management drivers in order to achieve sustainable competitive advantage. The results obtained from this study were important in terms of reflecting the situation on the usage and performance levels of strategic management drivers of hotel performace in star-rated hotels in Kenyan coast. The results further revealed a positive relationship between the individual strategic management drivers and hotel performance. The results provide an insight to hotel managers on the importance of the use of ICT in all hotel areas.

5.4 Recommendations

The study recommends the adoption of the selected strategic management drivers by star-rated hotels as a remedy to the current hotel performance dilemma. The strategic management drivers of hotel performance model was recommended as a useful design for practicing hoteliers with respect to the implementation of best practice. The study results support the view that strategic management drivers have a significant effect on hotel performance. However, the influence of each driver varies from one hotel to another. It is recommended that managers should study and select the driver that best suits their hotel in order to achieve maximum performance.

5.4.1 Policy implications

From the study, it came out clear that all the drivers had a significant positive effect on hotel performance. The study will assist policy makers in coming up with policies geared towards improving hotel performance. The study will assist intellectuals and be a reference for future studies and practitioners undertakings on strategic management drivers and hotel performance. This study makes a useful contribution to the advancement of academic knowledge on strategic management drivers from the context of Sub-Saharan African setting and particularly to hotels in Kenya.

5.4.2 Managerial implications

The findings of this research reveals positive implications for managers in the hotel industry in Kenya on the adoption of strategic management drivers. The implications are that managers need to adopte the stated strategic management drivers of performance in their hotels and specifically select the ones that are suited to their individual circumstances.

The findings of this study provide an insight to hotel managers on the importance of the use of ICT in all hotel areas. Due to the changing business environment in Kenya coupled with the economic and terrorism threats managers ought to consider their relationships with customers as key drivers of the performance of their hotels. Managers also need to consider the combinations of the stated hotel performance drivers in order to optimize their profits. Managers should adopt strategic management drivers as this not only improves their hotels' ability to create superior customer value but also generally enhances hotel performance.

5.4.3   Theoretical implications

In the course of analyzing the research findings some unexpected issue emerged that has implications for the wider body of knowledge. This issue is the combination of strategic management drivers as a hotel performance strategy. After scrutinizing the Kenyan hospitality literature there was no reference to strategic management drivers of hotel performance as a differentiating strategy in the hotel sector. This gap in literature suggests that the research has made a significant contribution to the body of knowledge. The study will assist intellectuals and be a reference for future studies and practitioners undertakings on strategic management drivers and hotel performance. The results obtained from this study are important in terms of reflecting the situation on the usage and performance levels of strategic management drivers of hotel performace in star-rated hotels in Kenyan coast. The findings of the study will add to the theoretical literature on the strategic management drivers of hotel performance by the testing the proposed model to find out its future effect on hotel performance.

5.5   Areas of further research

Although there was an increasing use of strategic management drivers in tourism sector, there was still limited researches highlighting it's application in the hotel industry. Strategic competitive positioning methods were moderately used in

hotels and this finding requires a further analysis to find out why inter-hotel competitive strategies were not highly rated considering the competitive nature of the hotel industry. Although the study found out that strategic management drivers improved hotels performance, the study did not come up with any optimum point at which the hotels should employ them. The study also did not come up with a way of combining the various forms of strategic management drivers' mix. It is on the above basis that this study recommends further studies to establish an optimum point or the strategic management drivers' index. The study relied on self reported data mainly from the hotel industry alone and used a single industry setting. Further studies could involve the adoption of strategic management drivers by other industries.

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Dear sir/madam,

REF: QUESTIONNAIRE

I am a postgraduate student currently pursuing   PhD in Business Administration at Jomo Kenyatta University of Agriculture and Technology entitled: **Effect of Strategic Management Drivers on the Performance of hotels in Kenyan Coast.**

Your hotel was selected to participate in the study as a respondent through a random sampling of classified hotels in Kenya's Coast. A questionnaire has been developed addressing several strategic management drivers of hotel performance. Based on your work experience and knowledge, please indicate the extent to which you agree or disagree with a given statement on the space provided.

I wish to assure you that the information you provide will be used for academic purpose and will be treated with strict **CONFIDENTIALITY.**   Thank you in advance.

Jean Uzel

Jomo Kenyatta University of Agriculture and Technology–Mombasa CBD

jeanmzera@yahoo.com   **Tel .0721586918.**

APPENDIX 2
RESEARCH QUESTIONNAIRE

My name is Jean Mzera Uzel. I am a PhD Student in the Faculty of Human Resource Development at the Jomo Kenyatta University of Agriculture and Technology. I am conducting a study on **Effect of Strategic Management Drivers on the performance of the hotel industry in Kenya's Coast.** Please, answer the questions in this questionnaire. I assure you that your answers will be kept confidential and will be used for academic purposes only.

SECTION 1
HOTELS PROFILE (tick the correct answer)

Q. 1. Years of operation Less than 5 years ☐5-9 years ☐10-15 years

☐ more than 15 years.

Q. 2 Classification of hotel 1 star ☐ two star ☐ three star ☐

four star ☐ five star

Q. 3 Current employees in this hotel

☐100andbelow☐101-200☐201-300☐above300

Q.4 Number of rooms

☐100 and below ☐101-200 ☐201-30 ☐300 and above

Q.5 Occupancy Rates

☐ below50% ☐ 51-60% ☐ 61—70% ☐above70%

Q. 6 Select your gender ☐Male ☐Female

Q.7 Select your highest qualifications?

☐ PhD ☐ Masters☐ Bachelors ☐ Diploma Others

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SECTION 2

(A)   Customer Relationship Management

Please, indicate with a tick the extent to which your hotel performance is influenced by Customer relationship management strategy.

Customer Relationship Management Strategy	5 To a very great extent	4 To a great extent	3 Moderate extent	2 To a low Extent	1 Not at all
Q.8. The retention of customers					
Q.9.The data we collect on customer satisfaction levels					
Q.10.Customer feedback influences the performance of our hotel					
Q.11. our hotel gives customers incentives which influences our profits					
Q.12Our hotel promotes customer partnerships to increase performance					
Q.13.We practice customer data warehousing to improve our performance					
Q.14. Our customer care staff influences our performance					
Q.15 We practice customer data mining to influence the performance of our hotel					
Q.16 customer opinions to influence our performance					
Q.17 Our hotel follows up on customer defections					

Q.18. How would you rate your hotels expenditure on CRM?

Very good ☐   Good ☐   Average ☐   Poor ☐   Very ☐
poor

(B)   Strategic Planning

Please tick the extent to which the strategic planning activities listed herein influence the performance of   your hotel.

The extent of influence of Strategic Planning Activities	5 very great extent	4 great extent	3 moderate extent	2 low extent	1 Not at all
Q.19. Mission statements					
Q.20. Vision statements					
Q.21. The formal process of strategy formulation					
Q.22.Implementation of strategic plans					
Q.23. Institutionalization of strategic plans					
Q.24.Monitoring of strategic plans					
Q.25. The use of planning departments					
Q.26. Stakeholder involvement in strategy making					
Q.27. The commitment to strategic plans					
Q.28. Constant reviewing of overall plans					

Q.29. What is your hotels budgetary allocation on strategic planning activities?

Below 10**%** ☐   10-20% ☐   30-40%   ☐   40-50%   ☐ Above 50%

(C) Strategic Competitive Positioning
Over the last five years how has the following competitive strategies influenced the   performance of   your hotel? (Tick as appropriate)

Generic Strategies and porter's five forces	5	4	3	2	1
Generic Strategies	Very great Extent	Great extent	Moderate extent	low extent	Not at all
Q 30. Differentiation of services					

	5	4	3	2	1
Q31. Focusing on a particular market					
Q 32. Cost leadership					
Porter's Five Forces strategy Q 33. Bargaining power of suppliers					
Q 34. Bargaining power of buyers					
Q 35. Rivalry of existing					
Q 36. Threat of new entrants					
Q 37. Threat of substitute products					
Q 38. Familiarity with major competitors		.			
Q 39 . Adoption of other competitive strategies					

(40) Select the methods of SCP used in your hotel

Rewards ▢   Extra freeservices ▢   Special offers ▢   Discounts ▢   Others ▢

(C) Information Communication Technology

 Please, indicate the frequency at which your ICT data bank collects the following data.

Comprehensiveness of ICT database	5 Very great Extent	4 Great extent	3 Moderate	2 Low extent	1 No influence
Q 41. online and offline customer purchase data					
Q 42. customers psychographics or lifestyle (such as personality traits, car and home ownership)					
Q 43. Customer demographics (such as age, income, occupation)					
Q 44. Customer contact platform information (record of customer's contact with respective touch points)					
Q 45. Customer feedback data (complaints, praises, exit and etc)					

	5	4	3	2	1
Q46. Cross selling data (i.e. customer purchase of multiple products					
Q 47. external data (such as competitor intelligence reports, consultant reports, marketing research)					
Q 48. Internal financial records (sales volume profitability, operational expenses)					
Q49. Supplier – data (supplier lists, purchase items and costs)					
Q50. Employee data (personnel qualifications and experience, job description, job appraisal)					

Q. 51. Tick the rate of your hotels implementation of ICT.

Very good ☐ Good ☐ Average ☐ Poor ☐ Very poor ☐

(F) Organizational Learning

Please, indicate the extent to which organizational learning has influenced the performance of your hotel.

Organizational Learning Techniques	5 Very great extent	4 Great extent	3 moderate	2 small Extent	1 Not at all
Information acquisition Q.52. learnt knowledge exchange between employees and management					
Q.53. Formal Information from external experts					
Q.54. Information from competitors as a source of learning new business methods and services					
. **Information interpretation** Q.55. Information interpretation through the hotels intranet					
Q.56. Use of meetings, committees, telephones, and reports in information interpretation					
Q.57. Subordinates facilitated with internal learning schemes					

Information quality					
Q.58 Formal quality information availability for products and services					
Behavioural and cognitive change					
Q.59 Internal and external learning influences our Adaptability to organizational challenges					
Q.60. Access to new work approaches and ideas					
Q61. Organizational goals and policies are communicated through internal learning channels					

Q.62. Rate your hotels rate of engagement in organizational learning activities

Very good ☐   Good   ☐   Average ☐   Poor ☐   Very poor ☐

SECTION 3: Measurement of Performance

Over the last five years how has your hotel been performing with regard to the following market and financial outcomes? (Tick as appropriate).

Financial and non financial	5 Very great extent	4 Great extent	3 Moderate extent	2 Low extent	1 No extent at all
Q.63..Improvement in profits					
Q.64.Improvement in quality of clientele served					
Q.65.Improvement in room yield					
Q.66..Growth of repeat sales					
Q.67.Increase in quality of products					
Q.68.Growth of existing customers					
Q.69.Growth in market share					
Q.70.Higher ratings from customer surveys					
Q71.Growth in new customers					
Q.72..Growth in staff development					

Thank you for your contribution, time and effort.

END

APPENDIX 3

LIST OF CLASSIFIED HOTELS AT KENYAN COAST

One Star Hotels:	
1	Pride in Villas, Nyali
2	Leinmach Guest House
3	White Castle Hotel
4	Papweza
5	Logoon
6	Dolphine
7	Ilcovo
8	Indiana
9	Indian Ocean
10	Intercontinental
11	The Majilis, Lamu
12	Peponi Hotel
13	Kipungani explorer
14	Kiwayu safari village
15	Tropical Resort
16	Scorpio Villas
17	Turtle Bay
18	Makuti Villas
19	Paradise Hotel
20	Kilifi Bay
21	Bougan village
22	Ocean Sports
23	Pettley's Inn
24	Crocodile Camp

25	Shimo la tewa
26	Hotel Splendid
27	Seascapes Villas
28	Shimoni Reef Fishing Lodge
29	Diani Beach Cottages
Two Star Hotels	
1	Accia Gardens
2	African sun Resort
3	Baobab Sea Lodge
4	Baobab Hotel
5	Driftwood Beach Club
6	Kenya Comfort
7	Kibweza Bed & Breakfast
8	Kenya Bay
9	Mikes Camp
10	Mvuli House
11	Milele Beach
12	Ocean Sport Resort
13	Reef Hotel
14	Royal Court
15	Roundhouse Villa Resort
16	Pride Inn Hotel
17	Sheshe Baharini
18	Sai Rose
19	Sai Rock
20	Voyager Beach
21	Tamarind Hotel
22	Hotel Dhow
23	Neptune Village
24	Plaza Beach Hotel

25	Baracuda Beach Hotel
26	Coconut Village
27	Peponi Hotel
28	Scorpio Villas
29	White Elephant Sea Lodge
30	Yatch club Mnarani
31	Hotel Hermes
32	Bahari Beach
33	Ocean View beach Hotel
34	Tsavo Safari Camp
35	Trade Winds Hotel
36	Shelly Beach Hotel
37	Trade Winds Hotel
38	Shelly Beach Hotel
39	Chamiach Luxury Apartments & Hotel

Three Star Hotels

1	Reef Hotel
2	Royal Court
3	Kenya Bay Beach Hotel
4	Bamburi Beach
5	Castle Royal Hotel
6	Diani Breeze Villas
7	Diani Sea Lodge
8	Diani Sea Resort – 3 Star Hotel
9	Eden Rock Hotel
10	Gazi Tented Retreat
11	Hill Park Hotel – Tiwi Beach
12	Indian Ocean Beach Resort
13	Kenya Bay Beach Hotel
14	Kenya Beach Hotel

15	Milele Beach
16	Masai Safari Lodge
17	New Palm Tree Hotel
18	Nyali International Beach Hotel & Spa
19	Nyali Reef
20	Papillon Palms Beach Resort
21	Sarova Whitesands Beach Resort & Spa
22	Shaanti Holistic Health Retreat
23	Shimba Hills Lodge
24	Tiwi Beach
25	Ukunda Beach, Tiwi-Map
26	Voyager Beach Resort
27	Vascodagama
28	African Dream Village
29	Manor Hotel
30	Bluebay Beach Hotel
31	Blue Marlin Hotel
32	Kivulini Beach Hotel
33	Lawfords Hotel
34	Monkey Sea Lodge
35	Palm tree Club
36	Silversands Villas
37	Tropical village
40	Watamu Beach Hotel
41	Whispering Palms Hotel
42	African Sea Lodge
43	Oceanic Hotel
44	Outrigger Hotel
45	Coral Beach Hotel
46	Dolphin Beach Hotel

47	Plaza Hotel
48	Silver Beach Hotel
49	Silver Star Hotel
50	Black Marine Hotel Msambweni
51	Lagoon Reef Hotel
52	Lake Jipe Lodge
53	Nyali Beach Apartments
54	Pride Inn Hotel Mombasa
55	The Planet Apartments
56	Mei Place Bandari Pillars
57	Lambada Holiday Resort
59	Voyager Beach Resort
Four Star Hotels	
1	Robinson Baobab Club
2	Eden Beach Resort and Spa
3	Emerald Flamingo Beach Resort & Spa
4	Serena Beach Hotel and Spa
5	Sentrim Castle
6	Sentido Neptune Village Resort
7	Severine Hotel
8	Southern palms beach resort
9	Jijara Beach
10	Travellers
11	Topical Resort
12	Scorpio Villas
13	Ocean Resort and Spa
14	Turtle Bay
15	Sun Palm
16	Crystal Bay Sea View Acquires Beach
17	Watamu Villas

18	Jumia Beach
19	Coral Key
20	Driftwood Beach
21	Safari Beach Hotel
22	Two Fishes
23	Sun 'N' Sand Beach Hotel
24	Turtle Bay Beach Hotel
25	Leisure Lodge Hotel
26	Jadini Beach
27	Kilaguni Lodge
28	Ngulia Lodge
29	Salt Lick
30	Voi Safari Lodge
Five Star Hotels	
1	Amboseli Serena Lodge
2	Bamburi Beach
3	Kikayu Safari Village
4	Taita Hills Lodge
5	Kipungani Explorer
6	Leisure Lodge Hotel
7	Leopard Beach Resort and Spa
8	Lantana Galu Beach
9	Mombasa Intercontinental Hotel
10	Mombasa Serena Beach
11	Voyager Beach Resort
12	Peponi Hotel
13	Plan Hotel Dream of African
14	Royal Castle
15	Sarova Whitesand Beach Resort
16	The sands at nomad

17	Funzi Keys
18	Diani Reef
19	Golden Beach Hotel
20	Leopard Beach Hotel
21	Mombasa Beach Hotel
22	Nyali Beach Hotel
23	Serena Beach Hotel

Source: Uzel, 2012 and GoK (2004

APPENDIX 4

SAMPLE SIZE DETERMINATION USING SAUNDER'S FORMULA

$$n = p\% \times q\% \times \left[\frac{Z}{e\%}\right]^2$$

Where:

n	= the minimum sample size required
P%	= the proportion belonging to a specific category (50%).
q%	= the proportion not belonging to the specific category (50%)
Z	= the value corresponding to the confidence level required (1.96 for 95% level of confidence)
e%	= the margin of error estimated at $\pm$ 5%
n^1	= adjusted sample size
P	= study population (180 classified hotels)

Therefore

$$n = 50\% \times \left[\frac{50\%}{5\%}\right] \times 1.96^{\,2}$$

` $$n = 0.5\% \times \left[\frac{0.5\%}{5\%}\right] \times 1.96^{\,2}$$

$$= 0.25 \times 1536.64$$

Minimum sample size required for the population $= 385$

However, the actual sample size (adjusted) for this study will therefore be;-

$$n^1 = \frac{n}{1+\frac{n}{p}}$$

$$= \frac{385}{1+\frac{385}{180}}$$

$$= \frac{385}{1+2.139} = 385$$

3.139

Adjusted sample size, n^1 = 123

169

APPENDIX 5

DETERMINATION OF STRATUM SAMPLE SIZE USING NEYMAN'S FORMULA

The hotels in each stratum to be selected for the sample of study can be calculated using Neyman's formulae as follows:

$$nh = \frac{n*(Nh*\delta h)}{\left[\sum (Ni*\delta i)\right]})$$

Where:
- nh = sample size for stratum h
- n = total sample size
- Nh = population size for stratum h
- δh = standard deviation of stratum h

Calculation of mean

$$\text{Mean } (\bar{x}) = \frac{\sum x}{n} = \frac{180}{5} = 36$$

Calculation of Standard Deviation

$$\text{Standard deviation } (\delta) = \sqrt{\frac{\sum (x-\bar{x})^2}{n}}$$

x	$x - \bar{x}$	$(x - \bar{x})^2$
23	-13	163
30	-6	36
59	23	529
39	3	9
29	-7	49
180		**786**

δh = $\sqrt{786}$

$$= \sqrt{157.2}$$

$$= 12.54$$

5 Star *nh* $=$ $\dfrac{123*(23 \times 12.54)}{(23*12.54)+ (30*12.54) + (59*12.54) + (39*12.54) + (29*12.54)}$

$$= \frac{123 \times 288.42}{288.42 + 376.2 + 739.86 + 489.06 + 363.66}$$

$$= \frac{35475.66}{2257.2}$$

$$= 15.71 = \mathbf{16}$$

4 Star *nh* $=$ $\dfrac{n*(Nh*\delta h)}{\left[\sum (Ni*\delta i)\right]}$

$$= \frac{123*(30*12.54)}{(30*12.54) + (59*12.54) + (39*12.54) + (29*12.54) + (23*12.54)}$$

$$= \frac{123 \times 376.2}{376.2 + 739.8 + 489.06 + 363.66 + 288.42}$$

$$= \frac{46272.6}{2257.2} \qquad = \qquad 20.5 = \mathbf{20}$$

3 Star *nh* $=$ $\dfrac{n*(Nh*\delta h)}{\left[\sum (Ni*\delta i)\right]}$)

$$= \frac{123*(12.54)}{(59*12.54) + (39*12.54) + (29*12.54) + (30*12.54) + (23*12.54)}$$

$$= \frac{123 \times 739.86}{739.86 + 489.06 + 363.66 + 376.2 + 288.42}$$

$$= \frac{91002.78}{2257.2} \qquad = \qquad 40.31 = \mathbf{40}$$

2 Star $\quad nh \quad = \quad \dfrac{n*(Nh*\delta h)}{\left[\sum (Ni*\delta i)\right]})$

$\qquad\qquad = \quad \dfrac{123*(39*12.54)}{(39*12.54) + (29*12.54) + (59*12.54) + (30*12.54) + (23*12.54)}$

$\qquad\qquad = \quad \dfrac{123 \times 489.06}{489.06 + 363.66 + 739.86 + 376.2 + 288.42}$

$\qquad\qquad = \quad \dfrac{60154.38}{2257.2} \qquad = \qquad \underline{26.65} = \mathbf{27}$

1 Star $\quad nh \quad = \quad \dfrac{n*(Nh*\delta h)}{\left[\sum (Ni*\delta i)\right]})$

$\qquad\qquad = \quad \dfrac{123*(29*12.54)}{(29*12.54) + (39*12.54) + (59*12.54) + (30*12.54) + (23*12.54)}$

$\qquad\qquad = \quad \dfrac{123 \times 363.66}{363.66 + 489.06 + 739.86 + 376.2 + 288.42}$

$\qquad\qquad = \quad \dfrac{44730.18}{2257.2} \qquad = \qquad \underline{19.81} = \mathbf{20}$

MISSING VARIABLES-UNIVARIATE STATISTICS

	N	Mean	Std. Deviation	Missing Count	Percent	No. of Extremes(a) Low	High
CRM	98	3.5643	.68568	1	2	5	0
SP	98	3.5857	.72240	1	.1	6	0
SCP	98	3.6918	.73452	0	0	4	0
ICT	98	3.6020	.71853	1	8	7	0
OL	98	3.8469	.63865	0	.0	1	0
Performance	98	3.8429	.62094	0	.0	1	0

a Number of cases outside the range (Q1 - 1.5*IQR, Q3 + 1.5*IQR).

APPENDIX 7

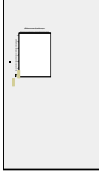## SKEWNESS AND KURTOSIS (p. 5%).

Descriptive Statistics

	N	Mean	Std	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	statistic	Std error	Statistic	Std error
Mean of Market and financial outcomes	98	3.8469	0.63865	-0.423	0.244	-0.091	0.483
Valid N(listwise)	98						

Descriptive Statistics

	N	Mean	Std	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	statistic	Std error	Statistic	Std error
Mean of Strategic management drivers	96	3.5969	0.81634	-0.997	0.246	1.194	0.488
Valid N(listwise)	96						

APPENDIX 8

STEM AND LEAF PLOT FOR OUTLIERS

Source: Agumba (2011).