GAINING COMPETITIVE ADVANTAGE FOR KENYAN HOTELS THROUGH APPLICATION OF INFORMATION AND COMMUNICATION TECHNOLOGY; A CASE STUDY OF 2 - 5 STAR RATED HOTELS

LEAH W. K. MARINGA

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DECLARATIONS

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

Signed_____Researcher 19/10/07 Date

Leah Wamuyu Maringa, O.Dpl-IM; H.Dpl-CT; Bsc.HRM

This thesis has been submitted for examination with our approval as university supervisors.

Dr., Jackson Odote,

School of Pure & Applied Sciences

Kenyatta University

Signed_____Date 19/10/2007

Dr., Judith Kimiywe,

School of Environment & Human Sciences

Kenyatta University

Signed_____Date 23/10/2007

DEDICATION

To my dearest husband Mwangi Maringa and children (Gigi and Mony) who have consistently provided me with crucial emotional, moral, and psychological support through the period of this thesis.

To my parents, Mary, Monica, Raphael and Samuel who continuously prayed and encouraged me.

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ACRONYMS AND ABBREVIATIONS

CAPICTA: The seven-dimension construct, Competitive Advantage Provided by an Information and Communication Technology Application (Cho & Olsen, 1998).

ICT: Information and Communication Technology

ISP: Internet service provider

LAN: Local area network

AICT: Application Information and Communication Technology

CA: Competitive advantage

CR: Customer relations

M: Marketing

E-Hotels: Information and Communication Technology based hotels

E-Commerce: Electronic trading

CIS: Catering Information System

CRM: Customer Relations Management System

HRMS: Human Resource Management System

RCS: Reservations Control System

SBUs: Strategic Business Units

TQM-I: Total Quality Management Innovation

OPERATIONAL DEFINITION OF TERMS

INFORMATION TECHNOLOGY: This is the support of business activities through the use of hardware and software that collects, transmits processes and disseminates information (Cho & Olsen, 1998).

INFORMATION AND COMMUNICATION TECHNOLOGY: The Information Technology Sector Strategy Paper of the World Bank Group (April 2002, http://info.worldbank.org/ict/ICT_ssp.html), defines Information and Communication Technology (ICT) as consisting of hardware, software, networks, and media for collection, storage, processing, transmission, and presentation of information (voice, data, text, images).

COMPETITIVE ADVANTAGE: These are the benefits accruing to a firm in terms of changes in the firm's competitive position (Cho & Olsen, 1998). This is manifested in improved performance in terms of better productivity and efficiency.

TOWN HOTELS: Those hotels, which are located within or near urban centers, where majority of clients, are business travelers.

VACATIONAL HOTELS: Hotels that are located within or near a resort area and whose majority of clients are holidaymakers.

LODGES: Hotels that are, located within or near natural habitat, rich in fauna and flora, and whose majority of clients are leisure seekers.

TWO-STAR RATED HOTELS: Hotels in this AA classification offer a higher standard of accommodation to the extent that some bedrooms must contain a private bathroom, shower, and lavatory.

THREE-STAR RATED HOTELS: These are well appointed hotels in this AA classification, with a majority of bedrooms containing private bathrooms, shower and lavatory. Meal facilities for both residents and non-residents are provided. They therefore feature a dining, and kitchen besides accommodation.

FOUR-STAR RATED HOTELS: These are exceptional well appointed hotels in the AA classification, offering a high standard of comfort and service. All bedrooms have private a bathrooms, shower, and lavatory.

FIVE-STAR RATED HOTELS: These are luxurious hotels that offer the highest international standards. They must have furnishings of he highest possible quality. All floor surfaces are carpeted.

AFFILIATE MARKETING: possibility to offer a product or service the moment a visitor to the site buys something or receives certain information.

VIRTUAL TOURS/SPACE: Stimulated tours to hotels of hotel premises in electronic form using computers. These images represent virtual space.

E-COMMERCE: Business that is conducted through the electronic media of Internet.

E- HOTEL: Hotels operating within and supported by the Internet environment and computers.

Abstract

This study was a response to the present crisis in Kenyan hotels that are threatened by a dwindling international market share. It sought to establish a clear relationship between Information and Communication Technology Application as the independent variable, and Competitive Advantage, the dependent variable. A number of previous studies have suggested that Information and Communication Technology (ICT) can be used as a strategic instrument that enables a company to achieve Competitive Advantage. They assert that E-Hotels enable the industry to retain its market share in a competitive world. In this study the effects of applying information technology on Competitive Advantage were measured through the seven dimensions of the construct, Competitive Advantage Provided by an Information and Communication Technology Application [CAPICTA]. These dimensions are: Primary Activity Efficiency, Support Activity Efficiency, Resource Management Functionality, Resource Acquisition Functionality, Threats Response, Pre-emptiveness, and Synergy. These seven dimensions were used as a basic framework for this research within which to measure the response of Competitive Advantage in the international market, to the Application of ICT in the Kenyan hotel industry. Information was surveyed in Nairobi city, the Kenyan Coast and Nature Reserves Clusters, using the survey research design. The study used structured interview schedules as data collection instruments. The study focused on 2, 3, 4, and 5-star rated hotels, which constitute a significant 79% of the total number of 2 to 5-star rated hotels in the country. Cluster and stratified probability sampling was complemented with simple random probability sampling. This ensured reliable and valid, as well as representational research. With complex sampling 30 respondents in Management were interviewed from 30 hotels within the three principal tour circuits in the country. Data was gathered in the ordinal scale of measurement and Spearman's rank correlation analysis and its related test of significance were applied appropriately to the data. This study has achieved the objectives set; it established that the seven dimensions of the CAPICTA construct do respond to the Application of ICT in hotels. Their response has been shown to result in improved performance, of the form of more efficiency and productivity in Hotels. This study has also successfully proven the alternate hypothesis, which states that, there is a relationship between the Application of information technology and Competitive Advantage in Kenyan hotels. The analysis confirmed a strong correlation between the response of Competitive Advantage in the seven dimensions of the CAPICTA construct of hotels, to the Application of ICT in hotels, as well as with their star rating or the quality of facilities and personnel in hotels. Improvements in computerisation and quality of facilities as well as personnel in hotels were shown here to promote the efficiency and productivity in Hotels that is needed to generate sustained Competitive Advantage.

CHAPTER 1

1. INTRODUCTION

1.1. BACKGROUND

Information and Communication Technologies have revolutionized the management of contemporary organizations and introduced a paradigm shift in the way business operates. The hotel and tourism industry is inevitably affected (Buhalis, 1997). Information and Communication Technologies bring with them a fast pace of information exchange and online enquiries, data processing and analysis that promotes easier and more incisive decision-making. Through computer networks, it supports areas of communication, personnel (human resource system), website based sales, promotions, and advertising (marketing) and business intelligence (strategic planning) [Paraskevas & Buhalis, 2002].

Today, the Internet provides access to 40 million people worldwide and the rate is growing rapidly. For today's youth the Internet is a normal part of society, just like the telephone or fax machine. This phenomenon will only continue, as Internet access becomes ubiquitous in schools and public facilities (Connolly, Olsen, Moore, 1997). Consumers are now seeing the real value of the Internet as an "always-on" service, and a virtual source of knowledge. The hotel and leisure industry is under increasing pressure to provide the means for those who wish to stay connected to do so, including personal mobile communication, and convenient high-speed Internet access [Connell, 2002]. It is significant that today, in line with many other industries, the hotel customer is now taking an active role in the purchase process [Gilbert & Perry-Powell 2003].

Information and Communication Technology is able to alter the character of product, processes, companies, industries as well as the competition [Cho& Olsen, 1998]. It particularly enhances marketing that is intended to expand the market reach in the hotel industry. In Africa the trend towards a reliance on Information and Communication Technology in the hospitality industry is picking up fast especially in countries with a developed tourism trade [Mbuvi, 2000]. The Republic of South Africa, Egypt, Ivory Coast, Sychelles and Kenya provide credible examples [Economic Survey, 2003]. It is a critical support for the overall national growth [Economic Survey, 2002]. Tourism earnings grew by 51.9% from Kshs 25 billion in 2003 to Kshs 39.2 billion in 2004 [Economic Survey, 2005].

The importance of the international market share cannot be overemphasized, in the face of figures like 75% dependency of Kenyan hotel occupancy on international tourists as opposed to 19% local and 0.06% regional [Economic Survey, 2003]. In Kenya, computer departments have ceased being in the back office and are generally used for storing historic data, and data processing. Computers have moved to the front office and are not for computer specialists only (Abwoa, 2002).

Within the local setting most internationally competitive hotels are located in Mombasa and Nairobi. The rest are found in the nature reserves such as Amboseli, Tsavo and Mt. Kenya. These serve as the prime tourist attractions owing to their rich fauna, flora and landscape or recreational opportunity. It is necessary to maintain a competitive edge, and to continuously innovate in order to capture emerging business opportunities in the international market. This is so considering the geographical spread of the hotels, which often function as facilities for tour circuits and given the

reliance on the international market. E-Hotels technology (Information and Communication Technology in hotels) is shaping up to be one of the most significant stimulants of Competitive Advantage a hospitality firm can have [Sigala, Lockwood, and Jones, 2001; Molenaar, 2002]. Technology will permeate customer services, information management and hotel design, and will create alternatives to existing products and services.

In Kenya then, there is reasonable need for hotels to equip themselves with the necessary skills and technologies. These achieve efficient information generation, collection, processing, analysis and dissemination and in turn, to improve the efficiency and effectiveness of the hotels. The hotels must invest, today not only in the opportunities presented, but also in the systems that help them monitor changes, and their impact on the evolution of customer expectation.

1.2 STATEMENT OF THE PROBLEM

Classified (star rated) hotels in the country are faced with the threat of a shrinking international market share. They are at pains to compete for whatever market is available to them, whether local, regional or international. For this reason local hotels must strife to maintain a competitive advantage over their international competitors. They need to therefore improve productivity and to offer services with increased efficiency. This calls for innovation.

The international market supplies the bulk of clients [Economic Survey, 2003]. This market displays increased dependency on ICT, while enjoying a high-spending power. It has a positive inclination to consume hotel services as well as the recreation available here in the country. Whereas, e-commerce is catching up very fast in Kenya

there is still much competition from hotels with well-established ICT in Europe, America and Asia. Additional competition also comes from regional rivals such as Seychelles, South Africa, Uganda, and Tanzania [Economic Survey 2003].

Information Technology / e-Hotels is an innovation that helps hotels maximize their markets [Cho & Olsen, 1998; Sigala, Lockwood, and Jones, 2002]. It achieves this by improving hotel performance (efficiency, productivity, speed of processes), while also accessing the market more effectively [Cho & Olsen1998]. Local research on the application of ICT in business is quite active, but with no visible focus on the hotel industry. Such local research is seen in respect of e-commerce for tour operators [Mbuvi, 2000]. There are also studies in ICT and planning practice in Kenyan banks. These have principally focused on the commercial banking sector [Nyambati, 2001].

The insurance industry has not been left out either, with studies being conducted on the application of ICT in business management within insurance firms [Abwao 2002]. It is important therefore that research be carried out on the manner in which the application of ICT / e-Hotels influences competitive advantage of local hotels, in the international market.

1.3 STUDY HYPOTHESIS

The scientific hypothesis used in this study is represented here below in form of a null (H_0) hypothesis:

H_0 = There is no relationship between the application of Information and Communication Technology & Competitive Advantage (performance) in Kenyan hotels.

1.4 STUDY OBJECTIVES

The general objective was to establish the relationship between application of ICT and competitive advantage as represented by performance in hotels. From this, three specific objectives were drawn. They were:

1. To establish the effect of the application of ICT on performance within the primary and support activity in hotels.
2. To determine the influence of the application of ICT on efficiency and productivity within the resource management and resource acquisition functions in hotels.
3. To investigate the effect of the application of ICT on the performance in handling threats, promoting preemptiveness, and ensuring synergy in hotels.

1.5 SIGNIFICANCE OF STUDY AND ANTICIPATED OUTPUT

Local hotel operators have a lot to learn in the area of Information and Communication Technology. The reciprocity of strategic implementation in designed changes, that brings about improved competitiveness. To maintain these, one must acknowledge that change was either stimulated by revolution in services or in technology [Sigala, Lockwood, Jones, 2001]. There was need to establish relationships between marketing practices and concepts with Information and Communication Technology, especially Internet and the virtual space [Sigala, 2001]. The results of this study will be used to increase the market share of the local hotels especially, at the international level. Hotels will be enabled to maintain standards of communication and marketing, and be at pace with international leaders in tourism.

Hotels are the principal beneficiaries of this research. They are likely to experience increased profits, and improved production, while also enjoying better organisation.

Kenya as a country should also reflect an expanded revenue base. This would lead to growth in the standards of living, a reduction in un-employment, and improved infrastructure, while also experiencing general development. The society will gain from increased cross- cultural interaction that when well managed serves to stimulate positive social transformation.

This study promotes progressive improvement in the computerization of hotels, from which will emerge satisfied clients and fulfilled management. Specifically a trend towards progress in Internet provision, more local area networks, higher literacy levels and increased computer use is expected. Further a positive shift towards high levels of booking, high bed occupancy, full banqueting and conferencing and growing food sales should result.

This study then has the inherent ability to place the tourism industry in the country, very much at the center of the ongoing Information and Communication Technology revolution. Information and Communication Technology is in a lot of ways a crucial response to this urgent need of a developing country such as Kenya for increased revenue.

1.6 THEORETICAL FRAMEWORK

The supporting theoretical framework places this relationship of competitive advantage and Information and Communication Technology within the theoretical confines of customer relations (Figure 1.6a). Customer relations, (CR) is represented here as comprising of marketing (M), hotel reservations management systems (HRMS), and customer relationship management (CRM) (Figure 7.5a in appendix). In this theoretical framework, relationship marketing is promoted. It was founded on

the inclination of contemporary customer relationship management to seek to create direct bonds of loyalty with customers (Figure 7.5b in appendix). This fosters increased customer choice that was supported by a one-on-one marketing strategy, designed to address individual customer behaviour. A fundamental shift from general segmentation to life-time-value of specific customers was favoured (Figure 7.5c in appendix).

The hotel reservations management systems that were featured here fitted into a dual implementation framework or model, which focused on the one hand upon strategic planning and the other on operational initiatives (7.5d in appendix). There was an increased reliance on knowledge management that required hotels to raise their intellectual capital. This theoretical framework is included in the ensuing pages for ease of reference.

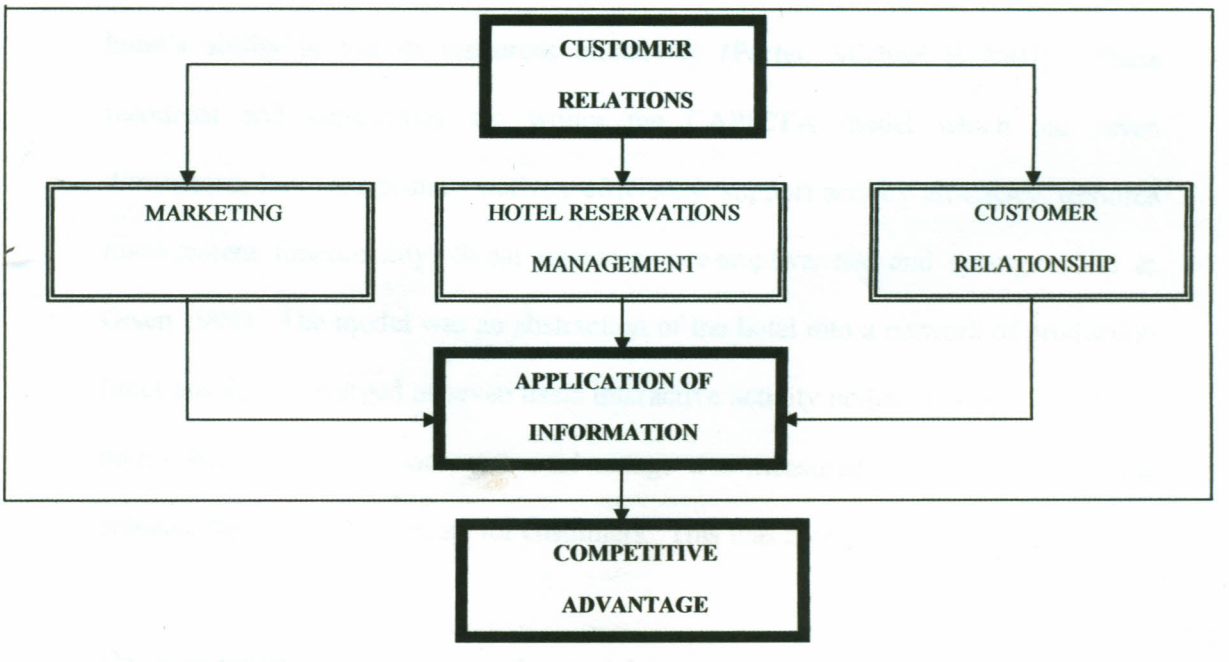

FIGURE 1.6a: OVERALL THEORETICAL FRAMEWORK
Source: Adapted from Porter, 1985; Kotler, Bowen & Makens, 1996; O'Connor 2002.

1.7 CONCEPTUAL FRAMEWORK

The conceptual framework of the CAPICTA model is used to develop a competitive advantage in a hotel with the use of superior resources and capabilities than those of its competitors (Figure 1.7 a).

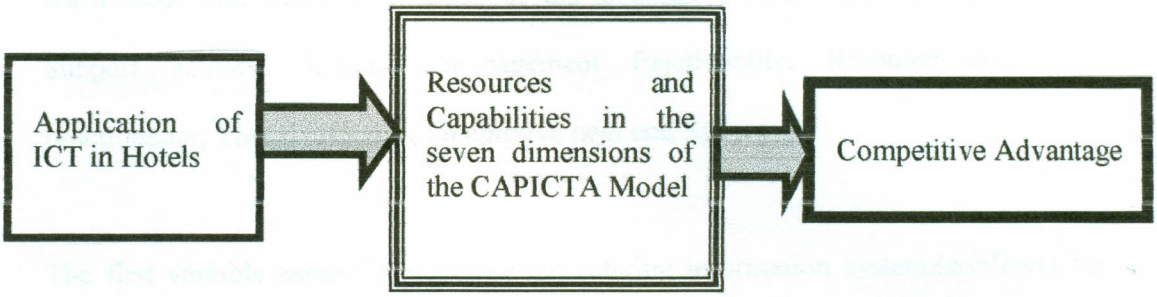

FIGURE 1.7a: CONCEPTUAL FRAMEWORK,
Legend: CAPICTA – Competitive Advantage Provided by an Information and Communication Technology Application. Source: Adapted from Cho & Olsen 1998; Quick MBA 2007 (See also the expanded conceptual framework in appendix 7.7e).

The resources are the specific hotel's assets useful for creating a cost or differentiation advantage and that few competitors can acquire easily; and the capabilities refer to the hotel's ability to use its resources effectively (Porter, Michael E 2007). These resources and capabilities are within the CAPICTA model which has seven dimensions; these are primary activity efficiency, support activity efficiency, resource management functionality, threat response, pre-emptiveness, and synergy (Cho & Olsen 1998). The model was an abstraction of the hotel into a network of production functions that converged at seven basic interactive activity nodes. It was within these nodes that ICT driven competitive advantage was measured. Improved operations enhance the ability to compete for customers. This was competitive advantage.

The conceptual framework uses the model to suggest the manner in which the two variables, e-hotels and competitive advantage relate. The relationships of these nodes

and their internal subsidiary activities were the propositions that needed to be investigated in this study (Figure 1.7a and appendix 7.6).

For purpose of this inquiry, three categories of variables and surrogates are considered. The seven dimensions of the CAPICTA model are Primary activity, Support activity, Resource management functionality, Resource acquisition functionality, Threat response, Preemptive ness end Synergy.

The first variable assembles together the catering information system,(conferencing and banqueting, recipe costing system, stock control system, electronic point of sales, automed mini bars and rooming); The back office (personnel management, general hotel infrastructure and coordination); The central reservation system(front office, housekeeping departments); Strategic business units (customers and suppliers); Total Quality management(virtual tours, affiliate marketing, competitors)

The secondary set of variables emerges from ICT here the inquiry considers level of computerization(number, types and capacity of computers); Computer literacy levels; Internet connectivity; mode of room reservations (web site use and nature of virtual tours).

The third set of variables concerns the background information on the hotel premises and their staffing, these include years of operation and bed capacity.

CHAPTER 2

2. REVIEW OF LITERATURE

2.1 INTRODUCTION

Information here was reviewed in the context of the prevailing status in Kenya, challenges of investment in ICT, customer relations, E-commerce and the web, and lastly association of IT with competitive advantage.

The study operated within the two areas of theory of Strategic Information Technology (SIT), and Marketing. Information and Communication Technology's ability to create competitive advantage in the industry has been one of the most important issues in the Strategy and Information System Research, for both academicians and practitioners [Cho & Olsen 1998]. There is an implied concern here for marketing that is designed to maximize the Market Reach in the hotel industry [O'Connor & Frew 2004]. This impacted on the level of enquiries for hotel services, which translated into levels of booking, occupancy, banqueting, conferencing and food & beverage sales, as represented within Reservations Management Theory. This theory relates to the promotion of services and customer response [Sigala, Lockwood, and Jones 2001]. Competitive advantage here obtains. ICT is therefore being used as a strategic weapon that enables the hotel industry to achieve competitive advantage. In this role, it is material that ICT could transform the nature of product, processes, companies, industries and even competition itself [Cho & Olsen 1998].

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2.2 PREVAILING STATUS IN KENYA

The tourism trade was spread throughout the diverse landscapes and attractions of the country such as the Amboseli, Tsavo, Maasai Mara, Malindi, Watamu, Mombasa, Mount Elgon, Mount Kenya and lake Turkana. This trade therefore has much influence nationally. It is able to stimulate development, generate employment and generally bring about desired positive social transformation in all reaches of the country. Tourism and the hotel industry are therefore critical and influential components of the national development in Kenya. In the year 2001, Europe contributed 59.6% of the total volume of tourists coming into the country. America at the same time contributed 6.4%, Asia 4.2%, while Australia and New Zealand had a share of 0.6%. Together the international market brought 70.8% of the annual tourism volume [Economic survey 2002]. The balance of 29.2% was a contribution from local and regional tourism.

The focus of this study on international trade as the critical and influential population appears well justified. The USA, Japan, and Germany, in this same order are by far the leading industrial and economic powerhouses in the world. They have extensive and sophisticated information technology facilities. Kenya's target as demonstrated by the figures just analyzed above, has failed to so far emphasize these prime markets. Computerisation in local hotels will very definitely stimulate interest from these lucrative markets.

Electronic commerce (E-commerce) is on the verge of being adapted by tour operators in Kenya [Mbuvi 2000] and possibly the hotels too. The tourism industry is already promoting itself through websites. However, in an attempt to adopt electronic commerce (E-commerce), some organisations are merely adding a website onto

existing business, and this is not enough. To adopt E- commerce effectively, organisations need to put in place a number of initiatives. They need to acquire the necessary hardware and software. They also need to continuously train their human resource in order to adapt it to the changes taking place in the information technology industry. Finally hotels need to restructure their business operations accordingly. Investment in information and communication technology comes with its own challenges, which the study will look at next.

2.3 CHALLENGES OF INVESTMENT IN ICT

There are four main reasons and therefore problems, or challenges commonly advanced in order to justify investment in information and communication technology [Hansen & Owen 1995; Buhalis & Earl 1997]. These collectively underpin the research undertaking here. They are:

1. To gain competitive advantage
2. To improve productivity and performance
3. To facilitate new ways of managing and organizing
4. To develop new business

All these reasons are very relevant to this study. They represent clearly the practical nature of the problem of interest as it applies to the local context. Given the competitive nature of the hospitality industry and taking into account the information and communication technology developments within hotels, it is necessary to strive to improve IT applications here in Kenyan hotels [Cline 2000; Jeong, Oh, & Gregoire 2003; Gilbert & Powell-Perry 2004]. This is further justified by the demand of the customers for this technology, in the Orient, Europe and America [Connell 2002]. In

this way Kenya can retain, cultivate and improve its local market share while competing for an increased proportion of the regional and international market.

The practical challenge of a likely slump in business volumes that is occasioned by a local hotel marketing system which is weak in strategic information and communication technology, is not restricted to the hotels sampled in this study. Rather it is a feature that affects the national scene, the African region, and with implications at an international level. Technological advancements will be the driving force in the hospitality and leisure industry in the future [Connell 2002].

2.4. E-COMMERCE AND THE WEB

It is at this juncture that electronic commerce (e-commerce) features. There is benefit in extending the firms marketing reach to the global place, supplementing traditional distribution channels and allowing potential customers browsing time by use of Web Technology [Cline 2000]. The web offers the possibility of high-speed global information transfer, high levels of interaction, and links to computerized reservation and database system, irrespective of geography, time-zone or computer systems [Negroponte 1995; Kasavana & Knutson 2004]. The hotel industry is information intensive and the Internet, first and foremost, an information resource. The web's potential as a low-cost distribution channel is having a profound effect on both business and consumer [Gilbert & Powell-Perry 2003; Hoof & Combrink 2003].

Internet Multimedia Technology allows for the transmission of sophisticated digital images, video and sound. Hotel "electronic brochures" can now include moving 3-dimensional pictures of the property and the facility. Virtual tours can now be found

in a great number of hotel web sites, and views of selected rooms can be simulated. Hotels can now transcend communication barriers and establish dialogue directly with customers; such connection may improve customer relation's satisfaction and so contribute towards the building of customer loyalty. The web can also give access to a larger store of information beyond the traditional communication media [Collins & Murphy 2002; Gilbert & Powell-Perry 2003].

The web offers the hotel industry a distribution channel that enables customers worldwide to book hotel rooms. In pace with many industries the hotel customer is now taking an active role in the purchase process [Gilbert & Powell-Perry 2003]. Every hotel that has a website needs an e-mail link for communication with potential customers and repeat customers as well as to facilitate valuable feedback. Answering all enquiries promptly and fully is important in cultivating log-term cyber-relationships [Collins & Murphy 2002]. Effective e-mail use would give hotels an immediate competitive advantage [Murphy, Olam, Schegg, & Frey 2003] Consumers are now seeing the real value of the Internet as an 'always-on' service, and a virtual source of knowledge. The hotel and leisure industry is under increasing pressure to provide the means for those who wish to stay connected to do so, including personal mobile communications, and convenient high-speed internet access [Connell 2002]. Consumers now interact with products and services uniquely. They are not simply purchasing and consuming but eating, sleeping, relaxing and enjoying interaction with products and services on an intimate level. Would it not be nice to book yourself into the hotel of your choice through Internet or cell phone and avoid the irritating long queues? [Connell 2002; Olsen & Connolly 2000] This would only be possible if the reservation management system is efficient.

2.5 CUSTOMER RELATIONS

Included here are issues of Hotel Reservations Management Systems (HRMS), Customer Relations Management (CRM), and One-on-one-marketing. They are examined critically for theoretical precedent gaps and variables in the succeeding discussion and sequence.

2.5.1 HOTEL RESERVATIONS MANAGEMENT SYSTEMS (HRMS)

A review of the development approach to reservations management alongside the model of stages of Information and Communication Technology, suggests that strategic success and operation implementation has been built on the prevailing information and communication technology era [Sigala, Lockwood and Jones 2001]. It is however necessary to explore the future potential of reservations management. Further, hotel operators need to understand the way in which technology changes the 'rules of the game' and thereby identify strategies for gaining competitive advantage [Sigala, Lockwood, and Jones 2001].

A reservations management implementation framework or model is two fold. In terms of strategic planning, it suggests how technological development could be adopted and harnessed to achieve competitive advantage. In operational terms, it illustrates how systems, operational policies, organisational processes and structures should be configured and aligned to ensure successful strategic implementation [Sigala, Lockwood, Jones 2001]. When technology advances, it becomes possible to manage not simply one strategic goal like revenue maximisation but several other goals simultaneously. Such would for instance be adding value, cross-selling, customer satisfaction, loyalty and repeat business [Sigala, Lockwood, Jones 2001]. Effective technology implementation is based on two principle concepts.

One of these concepts suggests that ICT use brings more benefits as its exploitation by business moves from localized exploitation to business network re-design and finally, to business scope re-definition [Venlatreaman; Gates 1999]. The second concept emerges from issues regarding Knowledge Management and use of IT to increase the intellectual capital of firms [Nonaka and Takeuchi 1995; Gates, 1999]. Knowledge Management advocates the use of ICT in order to develop a Digital Nervous System, that would support the structural capital of a company such as the firms policies, information data base, and culture, and which in turn would help to enhance the business' human capital [Negroponte 1995; Gates 1999; O'Connor 2002]. Computer departments have ceased being in the back office and are generally used for storing historical data and data processing. Computers have not only moved to the front office but are no longer for the computer specialists only [Abwoa 2002]. For the purpose of this study reservations management needs to be re-engineered and re-defined to harness new technological advancements. This enables the industry to shift from the old school of thought of general customer segmentation to the value of a specific customer transaction. An effective shift towards the lifetime value of each individual customer, results. Therefore the market reach will shift from the share of market to share of the customer. This enhances the very complex and demanding mix of needs from the customers. The hotel in this way develops competitive strategies that will give it an edge in a new knowledge economy. The study now shifts focus from Hotel Reservations Management Systems (HRMS), towards Customer relationship Management (CRM).

2.5.2 CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Customer relationship management is a collection of individual functions and facilities that are used in combination, in order to enable a more direct approach to the customer and to improve the management of customer relationships. The objective of CRM is to know the customer well enough to accommodate their wishes, and to also pro-actively approach them on the basis of their anticipated needs. It is also important to provide support in form of information, to the customer during the buying process [Middleton & Clarke 2001].

This requires knowledge of the customer (the data base), and the customer past behaviour. It is necessary also to develop an ability to analyse the customer profile in order to assign a customer value and therefore to predict a customer's behaviour. It is important to communicate pro-actively with the customer according them accurate, timely, and high quality information, and to also provide passive support if required by telephone, Internet or in person, in order to facilitate the customer's purchase decision and actual purchase [Poon 1994; Castleberry & Hempell 1998; Middleton & Clarke 2001]. Managing the dynamic buyer behaviour at the customer interface is an essential knowledge relationship management process [Louviens & Driver 2004].

Customer Relationship Management offers many hotels a major opportunity to create a bond with their customers and to consequently foster customer loyalty. In a world of fierce competition and a jungle of suppliers and products, close customer relationship may well provide the competitive edge hotels are looking for [Molenaar 2002].

2.5.2.1 RELATIONSHIP WITH CUSTOMER

With technologies like the Internet a customer's relationship with the supplier (hoteliers) has changed. Technology has enabled customers to access information in many areas, and in this way, to better substantiate their decisions and to maintain relations with customer employees and other business partners in a different way (Molenaar 2002)

When Internet is applied appropriately it is a powerful tool for reinforcing the customer aspect of business, and therefore, causing positive changes in the market conditions [Porter 1980; Molenaar 2002]. There are five basic competitive forces in any given industry [Porter 1980; Molenaar 2002]. These include the customer, the supplier as the hotel industry, newcomers into the industry, and substitutes (products). The results of this competition depend much on the relationship with the customer. The customer will respond to and therefore favour either of the original supplier, newcomers, and substitutes, on the basis of how effectively they capture his or her attention.

The customer-oriented change is the most visible and far reaching initiative within the field of marketing. Here the customers have a choice in what and where to buy. They can first orient themselves and find information on the Internet as part of the buying process before they decide where to buy. The customer enjoys a rich choice of options on the Internet. Pricing and products are compared and factors like service support are taken into consideration. As a result the customer is choosier while also being better informed.

This customer may be termed as being more assertive [Molenaar 2002]. These then are the developments that occur in the Customer Relation's Structure, which in turn puts pressure on the hotels to seek a competitive edge by providing good products and by rendering good/services for a reasonable price (as perceived by the customer). The Internet is also changing the customer buying behaviour. Customers will no longer go to one supplier but rather to a group of suppliers, who fit the customer behaviour or approximate the customer's preferences [Bennett 1993].

Affiliate marketing is the possibility to offer a product or service the moment a visitor to the site buys something or receives certain information. For example the moment someone books a trip, they are presented with the option of taking out travel insurance [Molenaar 2002]. This works very well in an ICT Internet environment, where hotels are able to affiliate their products with or on popular sites, such as international games, conferences, and business forums [Paraskevas & Buhalis 2002].

2.5.3 MARKETING

At this stage then the study moves on to consider the marketing aspect of Customer Relations. Marketing is a discipline that studies the relationship between an organization and the market(s) it serves [Molenaar 2002]. It is also a social and management process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others [Kotler, Bowen & Makens 200-]. Market research, marketing communication, and distribution, are key areas in which marketers are experts. However due to the changes seen in many markets and the present far reaching technological developments, past choices made by organizations in the area of marketing are not necessarily still valid today. In the

current world, it is not the markets that are of central concern; modern marketers are increasingly focusing on individual customer behavior. Similarly it no longer suffices to target one's marketing efforts at the total domestic markets; today's market place spans the globe [Molenaar 2002].

2.5.3.1 ONE-ON-ONE MARKETING

Increased focus in marketing, on the individual customer behaviour is an aspect of Customer Relationship that can be well served by the One-on-One marketing strategy. One-on-one marketing, also termed relationship marketing, is based on the direct marketing principles [Dwyer, Schurr & Oh 1987; Christopher, Payne & Ballantyne 1991; Sheth 1995; Gronroos 1990; Bodie 1997]. It is a customer centred approach to marketing that is focused on the direct long-term business relationship with prospective and existing suppliers and customers [Evans & Laskin 1994].

With one-on-one marketing, more time is spent through dialogue to create confidence as the potential customer needs are addressed. This results in a more confident and comfortable customer [Lauire 2000]. It emphasises direct personal communication supported by the information in a database. Trust here is essential in order to build successful relationships. The existing intermediary system (the web) requires the development of trust whereby the actual expectation of service is compared to that of the image and virtual experience of on-line transaction [Gilbert & Powell-Perry 2003].

One-on-none marketing devotes more attention to existing customers and extra attention on customer royalty. One-on-one marketing also provides for a customized range of products or services. Perceived customisation leads to increased customer

loyalty and more interactions. A thorough knowledge of and an ability to anticipate customers needs means the organization can offer customers the products they need and also make them aware of the other products [Poon 1994].

2.6 RELATIONSHIP OF IT WITH COMPETITIVE ADVANTAGE

There is an ongoing contention on the influence of IT over Competitive Advantage for firms and industry [Cho & Olsen 1998]. Some researchers believe it improves Competitive Advantage [McFarlan 1984; Porter 1985; Cho & Olsen 1998], while others disagree [Clemon 1991; Brynjolfsson 1993; Cho & Olsen 1998]. This ongoing lack of consensus derives from the issue of differing measures of the impact of Information and Communication Technology's on Competitive Advantage. In such measurements there has lacked sufficient reliance on generic indicators of Competitive Advantage. The most commonly indicators include Returns on Investment (ROI), Returns on Sale (ROS), and Net Income (NI) [Cho & Olsen 1998]. Clearly these types of indicators react also to other factors in the industry beyond IT.

A more focused relationship between ICT and Competitive Advantage would derive from the use of the trait approach or construct instrument of measurement rather than one formed out of the rather ambivalent outcome approach or construct [Cho & Olsen 1998]. The former relies on seven dimensions, which together convincingly operationalises this measurement [Cho & Olsen 1998]. These seven dimensions include, Primary Activity Efficiency, Support Activity Efficiency, Resource Management Functionality, Resource Acquisition Functionality, Threat, Preemptiveness, and finally Synergy [Sethi & King 1994; Cho & Olsen 1998].

This is by no means the only approach to be attempted so far, in explaining this relationship between ICT and Competitive Advantage. Previous research has emphasised Porter's Framework of Competitive Forces, Competitive Strategy, or the Value Chain Concept [McFarlan 1984; Parsons 1984; Porter & Millar 1985; Cash & Konsynski 1985; Bakos &Treacy 1986; Cho & Olsen 1998]. There has also been considerable dependency on the Customer Resource Cycle approach (CRC) that identifies how IT application emphasises customer loyalty as generating increase of Competitive Advantage [Ives & Learmonth 1984; Cho & Olsen 1998].

Whereas these approaches serve well to explain the relationship of ICT and Competitive Advantage, its measurement requires the inclusion of many parameters. The outcome approach has significant problems and limitations arising form its reliance on profitability measures, relative market share, and change in profitability, and cash flow [Lieberman & Montgomery 1988; Weill & Olson 1985; Kettinger, Grover, Guha & Segars 1994; Cho & Olsen 1998]. This approach has alternatively applied measurement of revenue growth [Weil & Olson 1989; Cho & Olsen 1998], and economic profits as well as positive present value [Lieberman & Montgomery 1988; Cho & Olsen 1998].

This measure projects the outcome approach as being aggregate in nature. The actual effects arising out of ICT application are not easily deciphered. There is no clear indication from this approach as to how ICT affects competitive advantage. The approach lacks generalisability [Cho & Olsen 1998].

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The Construct of Competitive Advantage Provided by an Information Technology Application (CAPICTA) is the measurement instrument of choice [Sethi & King 1994; Cho & Olsen 1998]. It is based on the trait approach, which identifies key traits or attitudes of Competitive Advantage. This construct enjoys the advantages of providing insights into the nature of the influence of IT on Competitive Advantage. It reveals clearly and in detail the components and sub-components of Competitive Advantage as well as their internal relationships [Sethi & King 1994; Cho & Olsen 1998]. Such will be illustrated in form of measurement research questions translated into questionnaire operations.

2.7 SUMMARY

In this literature review it has become apparent that IT enjoys tremendous potential to influence Competitive Advantage positively in hotels. It is a choice approach by which to improve the market reach of Kenyan hotels, particularly when competing in the international Market. The supporting theories of E-commerce, Human Reservations Management Systems, Customer Relationships Management, and One-on-one Marketing are all reviewed. They collectively promote the understanding that with the present technological advances, the industry has irrevocably moved away from mass marketing, which focuses on market research, communication and distribution.

The hotel industry has experienced an irreversible shift from general customer segmentation and the market share to the value of the specific customer transaction and the customer share. ICT has a unique ability to reach the individual customer, and attend to his or her individual preferences, and at this with much ease and unmatched

speed. Establishing the exact way in which ICT is able to influence Competitive Advantage has been confirmed as the novel venture to be studied in this research. Once the relationship is well understood or confirmed to be true for Kenyan hotels, then Competitive Advantage in Kenyan hotels can be ensured.

The measurement of this relationship is most reliably conducted away from generic indicators. Use of the trait approach that draws out key traits or attitudes of Competitive Advantage without dropping crucial concepts is encouraged. This provides critical insights into the nature of the influence of ICT on Competitive Advantage. It is able to articulate the contributory areas of operation in hotels where ICT application promotes or brings about Competitive Advantage. These then constitute the elements of Competitive Advantage in the hotels. It is in these areas of operation then that positive Competitive Advantage is actively negotiated through the use of Information and Communication Technology.

CHAPTER 3

3. METHODOLOGY

3.1 INTRODUCTION

Pertinent research design, the sample design, data collection procedures, and data analysis as well as interpretation are here blended to collectively constitute the methodology.

3.2 STUDY AREA

The study was carried out in the three principal tour clusters in Kenya, shown here below.

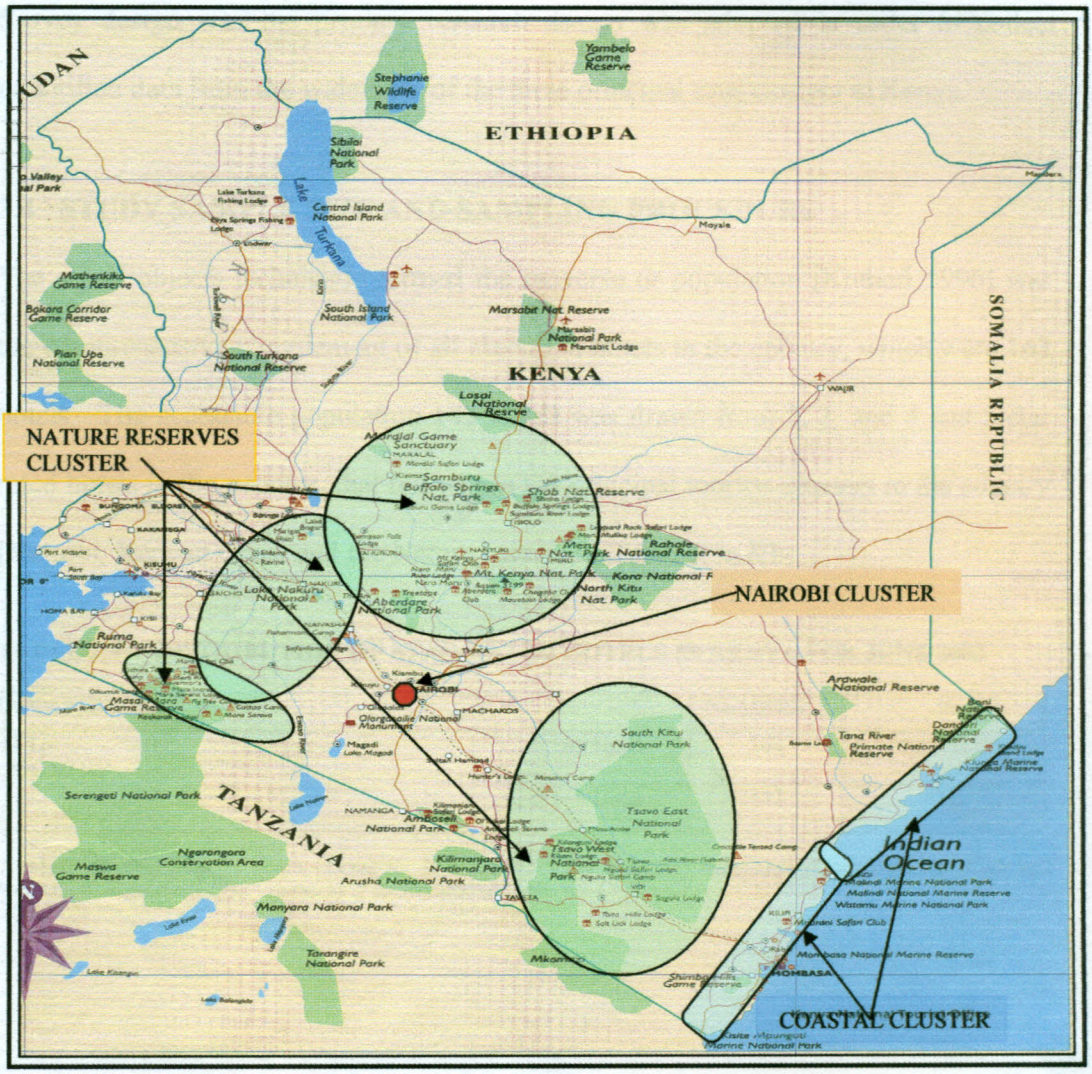

FIGURE 3.2a: THE STUDY SITES

** Nature reserves are shaded green; Coastal hotels occupy the Indian Ocean strip; Nairobi hotels are in the city of Nairobi.*

Source: Kenya Tourist Map, Kenya tourism board – Magical Kenya, 2003.

These were the town hotels of Nairobi city the capital of Kenya and a primate city, which dominates the Eastern and Central African region; the vacational hotels in the lucrative maritime recreational coastal strip of Kenya; and Lodges within the Nature Reserves, home to the African popular big game (Figure 3.2a). Together they represented the principal tourist destinations with 91% of the 2-5 star-rated hotels in Kenya.

3.3 STUDY DESIGN

Survey design was the primary research design was adopted in order to collect quantified data from the wide field of the three principal tour clusters in Kenya.

3.4 STUDY SAMPLE SIZE AND SAMPLING PROCEDURE

The set of objects technically termed the universe or population [Kothari 1996] was the comprehensive complement of all classified hotels in the country, which were 163 hotels. The accessible population 142 hotels was drawn from 2, 3, and 4 and 5-star rated hotels in the country, that fell within the principal tourists clusters in the country [Nairobi, Kenyan Coast and the Nature reserves] (Table 3.4a &b).

TABLE 3.4a: DISTRIBUTION OF STAR-RATED HOTELS IN KENYA FOR JUNE 2003

LOCATION		NUMBER	%
ALL COUNTRY	1-5 Star Hotel	163	100%
	2-5 Star Hotel	142	87%

Numbers extracted from the Kenya Gazette No 3976 (2003)., " The Hotel and Restaurants (Classification of Hotels and Restaurants) Regulations,1988", Authority of the Republic of Kenya, vol. CV- No 62].

TABLE 3.4b: DISTRIBUTION OF STAR-RATED HOTELS IN CLUSTERS WITHIN KENYA FOR JUNE 2003

LOCATION		NUMBER	%	%
NAIROBI, COASTAL, AND NATURE RESERVE CLUSTERS	1-5 Star Hotel	134	82%	100%
	2-5 Star Hotel	129	79%	96%

Numbers extracted from the Kenya Gazette No 3976 (2003)., " The Hotel and Restaurants (Classification of Hotels and Restaurants) Regulations,1988", Authority of the Republic of Kenya, vol. CV- No 62]. The three clusters contribute 91% of the 2-5 star-rated hotels in the country.

The population of hotels was selected using stratified sampling into four strata of 2, 3, 4, and 5-star rated hotels. Kenya has 163, classified hotels (star-rated hotels) of these, 142 fall into the 2-5 star-rated category. They comprise 87% of the total number of hotels in the country (Table 3.4a & b).

The study recognized a natural clustering of hotels into 3 principal clusters, of Nairobi city, the Kenyan Coast, and the Nature Reserves. These ideally constituted the 3 sampling units. The Nairobi, Coastal and Nature Reserves cluster had 134 classified hotels. This amounted to 82% of the overall classified hotels in Kenya, of these 129 were 2-5 star rated (Table 3.4a & b). There were a total of twenty-one of 2, 3, 4, and 5 star classified hotels in Nairobi, fifty-six in the Kenyan Coast, and fifty two in the Nature Reserves (Table 3.4c). This distribution was of the ratio of 16%: 44%: 40%, in respect of Nairobi, the Kenyan Coast and the Nature Reserves.

TABLE 3.4c: PROPORTIONAL ALLOCATION OF HOTELS AMONG THE THREE PRINCIPAL TOUR CLUSTERS IN KENYA

	NAIROBI CLUSTER	COASTAL CLUSTER	NATURE RESERVES CLUSTER	TOTAL
NUMBER OF 2-5 STAR RATED HOTELS	21	56	52	129
PERCENTAGE	16%	44%	40%	100%
SAMPLED HOTELS	**5**	**13**	**12**	**30**

[Numbers extracted from the Kenya Gazette No 3976 (2003)., " The Hotel and Restaurants (Classification of Hotels and Restaurants) Regulations,1988", Authority of the Republic of Kenya, vol. CV- No 62].

To be able to access parametric statistical analysis, the study limited the sample to a size that was not less than 30 sampling items-hotels (Lapin1981; Gregory 1978). The minimum sample size of hotels in which interviews were conducted was 30, and this enabled the conditions for a normal population to prevail [Gregory 1978; Lapin 1981; Glyn et al 1999]. This sample size of 30 hotels was distributed into 5 hotels for Nairobi, 13 hotels for the Kenyan Coast and 12 hotels for the Nature Reserve (Table 3.4c & 3.4d).

TABLE 3.4d: PROPORTIONAL ALLOCATION OF SAMPLED HOTELS TO THE 2, 3, 4, & 5 STAR RATED STRATUM FOR EACH OF THE THREE CLUSTERS IN KENYA

	NAIROBI CLUSTER			COASTAL CLUSTER			NATURE RESERVES CLUSTER			TOTAL		
	N	%	H	N	%	H	N	%	H	N	%	H
2-STAR HOTELS	5	24	1	35	62	8	18	35	4	58	45	13
3-STAR HOTELS	9	43	2	13	23	3	22	42	5	44	34	10
4-STAR HOTELS	0	0	0	6	11	1	7	13	2	13	10	3
5-STAR HOTELS	7	33	2	2	4	1	5	10	1	14	11	4
TOTAL	**21**	100	**5**	**56**	100	**13**	**52**	100	**12**	**129**	**100**	**30**

(N=Number of hotels listed H=Hotel: one member of management who will be the respondent to be interviewed in each hotel)

[Numbers extracted from the Kenya Gazette No 3976 (2003)., " The Hotel and Restaurants (Classification of Hotels and Restaurants) Regulations,1988", Authority of the Republic of Kenya, vol. CV- No 62].

Within the city of Nairobi, the hotels were distributed in the manner of 5 two-star hotels, 9- three star rated hotels, 0-four star rated hotels and 7- five star rated hotels [Kenya Gazette, 2003], giving a ratio of 24%: 43%: 0%: 33% (Table 3.4d). In using the proportional allocation method (Kothari 1995), the study obtained 1 hotel from the two-star rated hotel stratum, 2 hotels from the three-star rated hotel stratum, 0 from the four-star rated hotel stratum, and 2 from the five-star rated hotel stratum. This distribution of hotels represented the number of hotels within each stratum from which information was sought. The actual choice of hotels within each such stratum was arrived at using simple random probability sampling. In total 30 managers were

interviewed, with every one manager representing a hotel. The particular managers be interviewed in each selected hotel, were identified using purposive sampling. The intention was to interview an IT manager, and where not available a systems administrator, and should this one also not be available a manager who was conversant with ICT.

Tippet's table of two digit random numbers facilitated this randomization of the selection process (appendix 7.4). It was adapted accordingly to make it sensitive to the two-digit scale of random selection that took place here (Appendix 7.4). When any of these selected hotels became inaccessible for any reason, the adapted table of random four- digit numbers was used to supply an alternative choice. Similar procedures were used to select samples for the pilot survey. The hotels listed above in table 3.4d were selected for field survey. These are Panafric hotel in the 2-star rated hotel stratum; Ambassador Hotel & Nairobi Safari Club in the 3-star rated hotel stratum; and Safari Park hotel in the 5-star rated hotel stratum. No hotel was visited in the 4-star rated hotel stratum for there was none in the Nairobi cluster (appendix7.7).

The distribution in the Kenyan Coast of hotels assumed the form of 35 two-star rated hotel, 13 three-star rated hotels, 6 four-star rated hotels, and 2 five-star rated hotels [Kenya Gazette, 2003], on the ratio of 62%: 23%: 11%: 4% (Table 3.4d). The distribution of selected hotels for study then was 8 for the two-star rated hotel stratum, 3 for the 3-star rated hotel stratum, 1 for the four-star rated hotel stratum, and 1 for the five-star rated hotel stratum (appendix7.7a).

The following Kenyan Coastal hotels were selected for field survey: Diani Sea Lodge, New Lamu Palace, Giriama Beach Hotel, Coconut Village, Scopia Villas, Neptune Paradise Hotel, Mwembe Resort, and Peponi Hotel in the 2-star rated hotel stratum;

Reef Hotel, Mombasa Beach hotel, and Bahari Beach Hotel in the 3-star-rated hotel stratum; Nyali Beach hotel in the 4-star rated hotel stratum; and White Sands hotel in the 5-star rated hotel stratum (appendix7.7a).

In the Nature Reserves there were 18 two-star rated hotels, 22 three-star rated hotels, 7 four-star rated hotel, and 5 five-star rated hotels [Kenya Gazette, 2003], in the ratio of 35%: 42%: 13%: 10% (Table 3.4d). The distribution of selected hotels here then was, 4 for the two-star rated hotel stratum, 3 for the three-star rated hotel stratum, 2 for the four-star rated hotel stratum, and 1 for the five-star rated hotel stratum. The actual choice of hotels in each statum was arrived at using simple random probability sampling that was guided by an adapted Tippets table of random digit numbers (Appendix 7.7b).

The following Nature Reserves hotels were selected for field survey: Fig Tree, Voyager safari camp Ziwani, Mara Intrepids, and Little Governor's Camp in the 2-star rated hotel stratum; Treetops Lodge, Lake Naivasha Country Club, and Sarova Mara Camp, Samburu Serena Lodge and Severin safaris Camp in the 3-star rated hotel stratum; The Ark, and Finch Hattons Tented Lodge in the 4-star rated hotel stratum; and Mt Kenya Safari club in the 5-star rated hotel stratum (appendix7.7b).

A summary of the hotels that are selected from all three clusters is included here below on table 3.4e.

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TABLE 3.4e: COMPLEMENT OF HOTELS THAT ARE SELECTED FOR FIELD SURVEY IN ALL THREE CLUSTERS

	2-STAR RATED HOTELS	3-STAR RATED HOTELS	4-STAR RATED HOTELS	5-STAR RATED HOTELS
NAIROBI CLUSTER	-Panafric Hotel	-Ambassador Hotel	Nil	-Safari Park Hotel -Grand Regency
KENYAN COAST CLUSTER	-Diani Sea Lodge Hotel -New Lamu Hotel, -Giriama Bch Hotel -Coconut Village -Neptune beach Hotel -Scopia Villas -Mwembe Resort -Peponi Hotel	-Reef Hotel -Mombasa Beach Hotel -Bahari Beach Hotel	-Severin sea lodge	-White Sands Hotel
NATURE RESERVES CLUSTER	-Fig tree, -Voyage safari Camp Ziwani -Mara-Intrepids -Little Governor's Cp	-Voyager Safari Lodge -Tree Tops Lodge -Sarova Mara Cp -Samburu Serena Lodge -Severin Safaris Cp	-The Ark -Finch Haltons-Tent Lodge	-Mt Kenya Safari Club

[Numbers extracted from the Kenya Gazette No 3976 (2003), " The Hotel and Restaurants (Classification of Hotels and Restaurants) Regulations,1988", Authority of the Republic of Kenya, vol. CV- No 62

3.5 DATA COLLECTION INSTRUMENTS

The study carried out interview schedules, which were administered through face-to-face interviews (Appendix 7.5). These interview schedules were constructed in accordance with conventional considerations of content, structure, format, and sequence [Nachmias and Nachmias, 1996; Mugenda and Mugenda, 1999]. Questions that classified the hotels in terms of their quality of premises and personnel were asked. Objective questions regarding the influence of the application of Information and Communication Technology on Competitive Advantage were also included [Nachmias and Nachmias, 1996].

The respondents were offered a set of questions with a clear pre-coded checklist and a scoring schedule, making the exercise quick and easy [Nachmias and Nachmias, 1996; Mugenda and Mugenda, 1999]. General questions preceded the more specific questions, and this facilitated very detailed and specific inquiry.

3.6 DATA COLLECTION PROCEDURES

The interview schedules were pre-tested for validity and reliability, in a pilot survey that targeted at least 10% (3 respondent hotels) of the overall sample size in all the three sampling units [Mugenda and Mugenda, 1999]. The study obtained primary data using the schedule structured personal interview data collection method [Kothari, 1996; Nachmias and Nachmias, 1996; Mugenda and Mugenda, 1999]. The 30 managers, 1 for every hotel, were interviewed individually. Responses were entered into the interview schedules using pre-coded scorecards. For quality control, all data were examined every day after survey for comprehensibility, completeness, consistency, and accuracy [Kothari, 1996].

3.7 DATA ANALYSIS

The Spearman's rank correlation analysis was used to test relationships between the independent variable of e-hotels and the dependent variable of Competitive Advantage. Descriptive statistical measures such as means, median, modes, percentages, and frequencies were used to describe hotel characteristics, computerization, as well as the response to the application of ICT. Data was presented in form of tables, bar charts, line graphs and frequency polygons.

CHAPTER 4

4. RESULTS AND DISCUSSIONS

4.1 INTRODUCTION

The study had set out to prove the following scientific hypothesis, the null (H_0) hypothesis which states there is no relationship between the application of Information and Communication Technology & Competitive Advantage in Kenyan hotels and an alternate the (H_1) hypothesis which states that there is a relationship between the application of Information Technology & Competitive Advantage in Kenyan hotels. In order to facilitate effective investigation, of these relationships, the study set forth the following three complementary objectives: First, to establish the effect of the application of ICT on performance within the primary activity (conferencing and banqueting, recipe costing systems, stock control systems, electric points of sale, automated mini bars, and rooming) and support activity in hotels (personnel management, hotel infrastructure, and general activity coordination); Second to determine the influence of the application of ICT on efficiency and productivity within the resource management (front office, guest accounting, night audit,)and resource acquisition functions in hotels(exchange or housekeeping, reservations, registration, and guest accounting); Third to investigate the effect of the application of ICT on the performance in handling threats(customer and supplier decreasing searching and increasing switching costs, in the functions sales& marketing), promoting preemptiveness(development of standards & practices in the industry, achieving unique access to channels (affiliate marketing), forcing unfavourable market postures on competitors and mounting barriers against imitations), and ensuring synergy(integration of the application of ICT, commitment of functional units, continuous innovation in the application of ICT, enhancement of the application of

ICT, technological expertise support in the application of ICT, and support from top management) in hotels.

The three objectives covered the seven dimensions of the Competitive Advantage Provided by an Information and Communication Technology Application (CAPICTA) model in sequence. They provided a useful structure, which was used to present the results. The study was carried out in the three clusters, Nairobi, Coast, and the Nature Reserves. Here, a manager of randomly selected hotels within the 2-5 star-rated hotels strata were interviewed, for information on computerisation, hotel productivity, and efficiency. In every hotel selected only one person was interviewed.

All in all 5 hotels were visited in Nairobi, 13 in the coast, and 12 in the nature reserves. The actual proportional distribution of this sample is represented in table 4.1a here below.

TABLE 4.1a: DISTRIBUTION OF THE SAMPLED HOTELS IN THE 2, 3, 4, & 5 STAR RATED STRATA FOR EACH OF THE THREE CLUSTERS.

	NAIROBI CLUSTER	COASTAL CLUSTER	NATURE RESERVES CLUSTER	ALL THREE CLUSTERS COMBINED
	Number of hotels	Number of hotels	Number of hotels	Number of hotels
2-STAR HOTELS	1	8	4	13
3-STAR HOTELS	2	3	5	10
4-STAR HOTELS	0	1	2	3
5-STAR HOTELS	2	1	1	4
ALL HOTELS	5	13	12	30

A very brief descriptive representation of the general outlay of the industry in respect of the quality of hotel facilities and personnel, and the levels of computerisation as well as computer literacy levels is provided here below in figures 4.1a to 4.1aj. This setting provides a useful backdrop from which to understand the subsequent analysis and discussion.

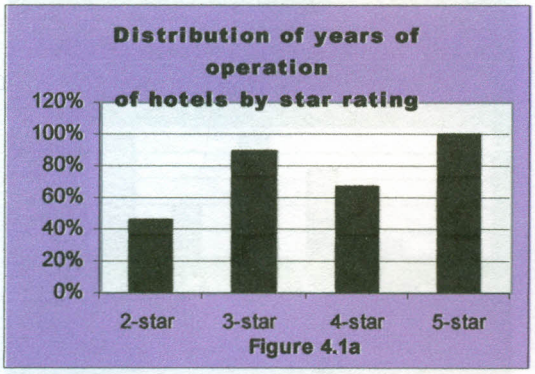


Figure 4.1a

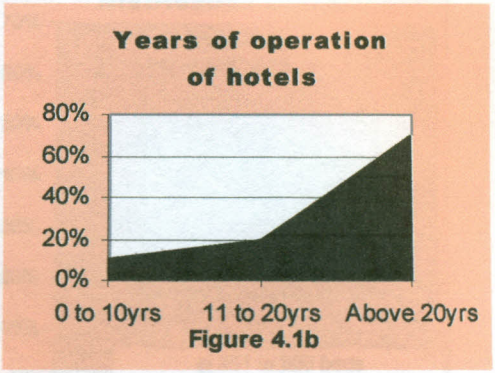
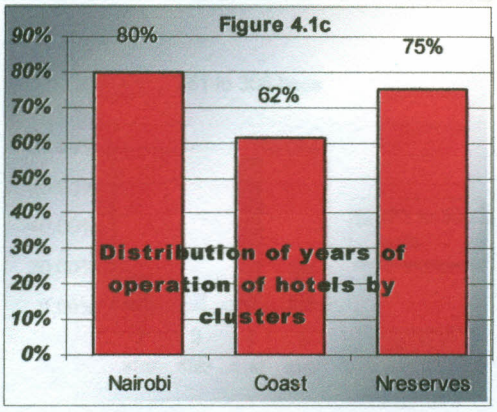


Figure 4.1b



From Left to right, are Figures 4.1a, b, and c, on the quality of facilities in the hotels:

They confirm a general high incidence of older hotels in the country, whose age commonly appreciates with rising star rating. Nairobi dominates this age hierarchy, followed by Nature reserves, with the Coast coming last.

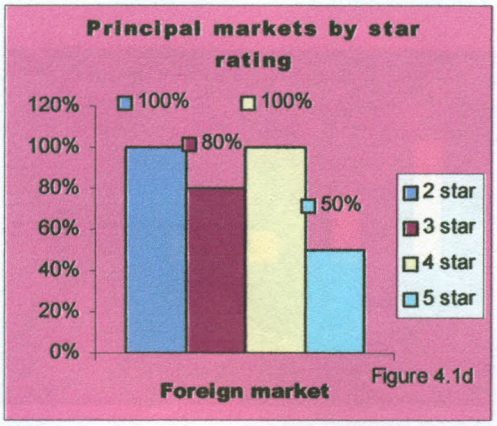
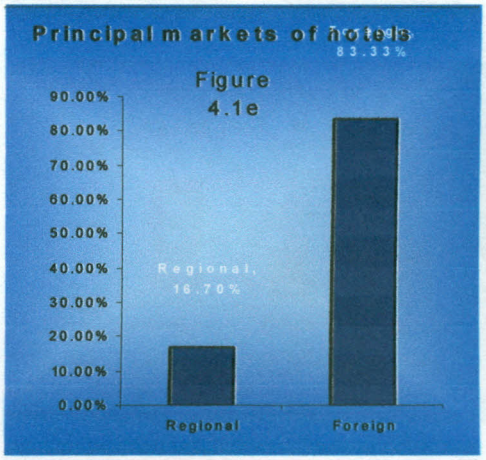


Figure 4.1d



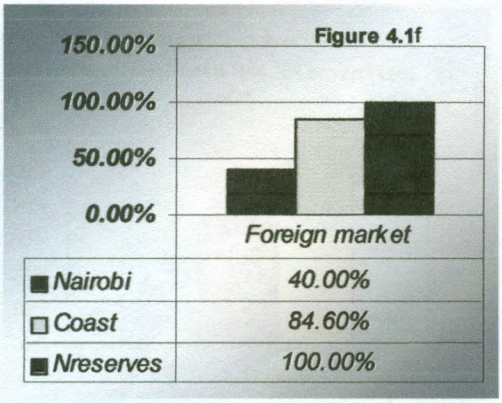


Figure 4.1f

From Left to right, are Figures 4.1d, e, and f, on the quality of facilities in the hotels:

A commonly heavy reliance on the foreign market is visible. Focus on regional markets rises with a growing star rating, reducing the foreign proportion of the market share. Nairobi leads in this diversification, followed by the coast. The Nature reserves display complete dependence on the foreign market.

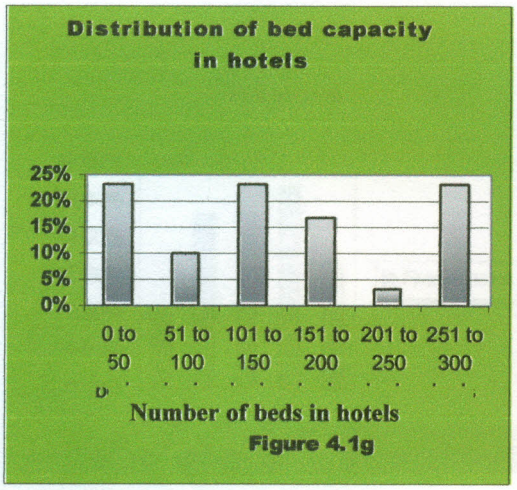


Figure 4.1g

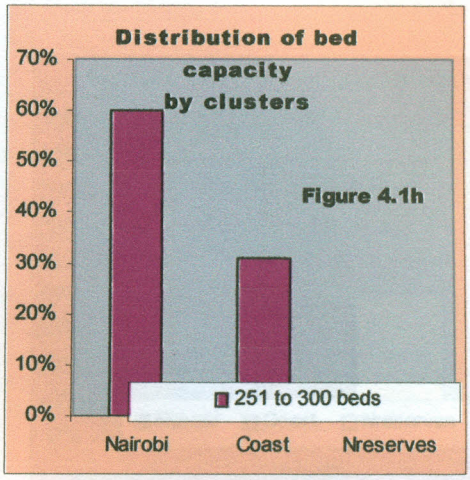


Figure 4.1h

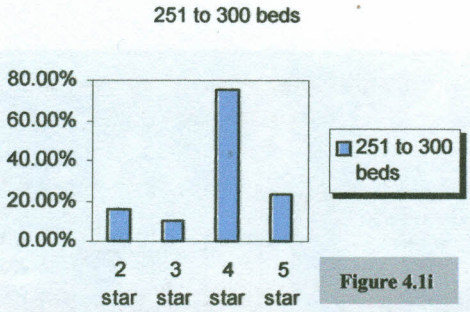


Figure 4.1i

From Left to right, are Figures 4.1g, h, and i, on the quality of facilities in the hotels: They display general reducing bed capacities from the Nairobi to the Coast and then the Nature Reserves clusters. Hotels with higher star ratings commonly are larger in terms of bed capacities. Here 4-star rated hotels dominate, followed by 5-star rated hotels, then 2-star rated hotels, and finally 3-star rated hotels.

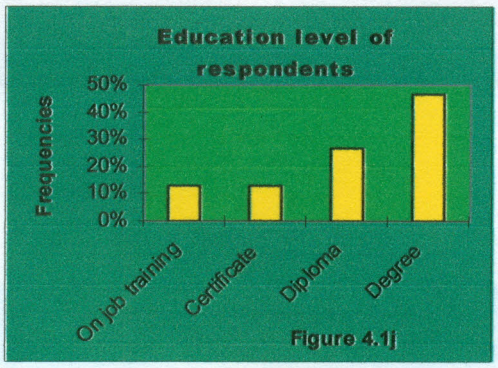
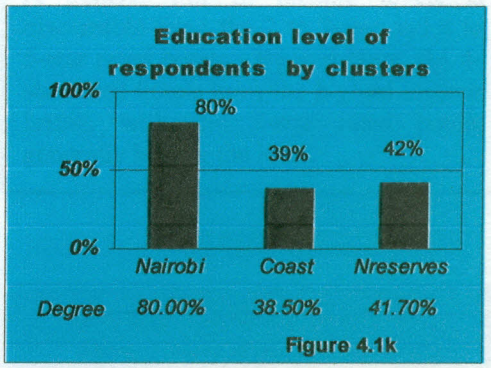


Figure 4.1j



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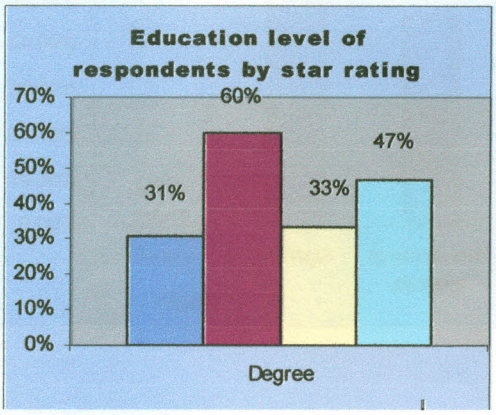


From Left to right, are Figures 4.1j, k, and l, on the quality of facilities in the hotels: There is a high incidence of degree holders in management. Nairobi dominates in this aspect of high education levels, followed by the Nature Reserves, and with the Coast coming last.

A general rise in education levels with rising star rating is evident, from the 2 to 3-star, and the 4 to 5-star rated hotels. Nevertheless, the 3-star rated hotels score highest in this regard.

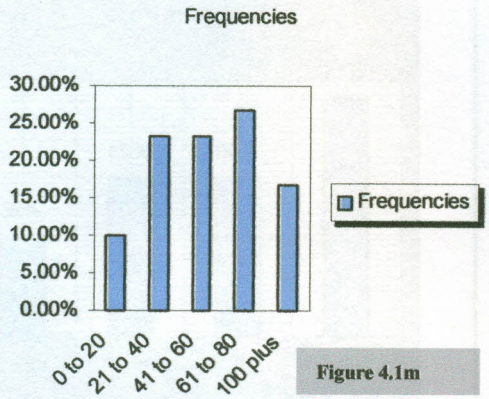


Figure 4.1m

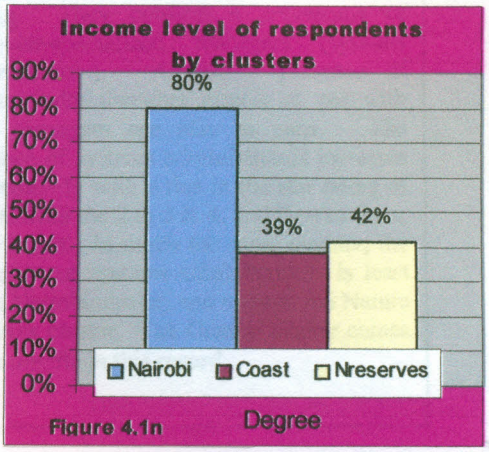


Figure 4.1n

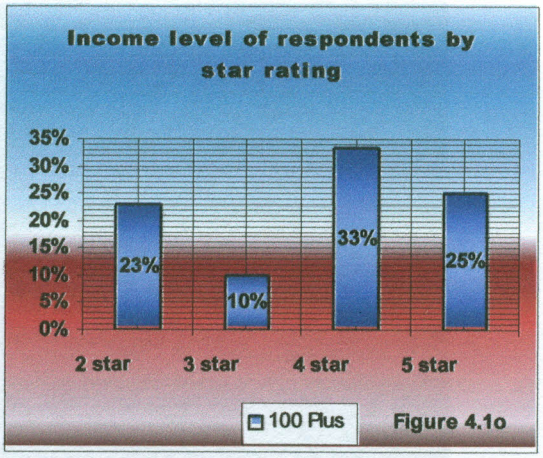


Figure 4.1o

From Left to right, are Figures 4.1m, n, and o, on the quality of facilities in the hotels: They indicate moderate-income levels of managers, being neither predominantly too high or low.

The income levels are highest in Nairobi, then the Nature Reserves, and finally the Coast.

A general fall in income levels is discernible from the 2 to 3-star and 4 to 5-star rated hotels. By and large, the 4-star rated hotels have the highest income levels, with the 3-star rated hotels generally having the least.

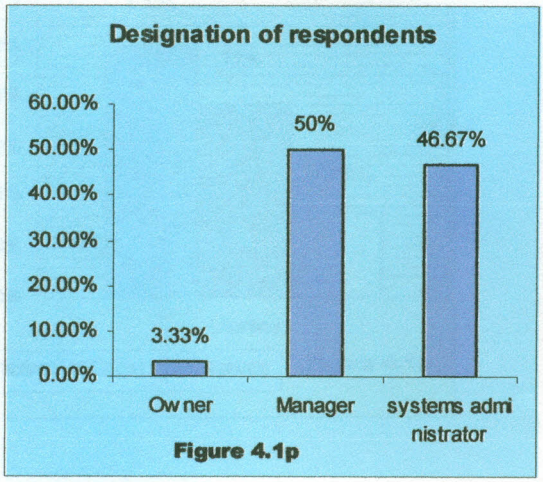


Figure 4.1p

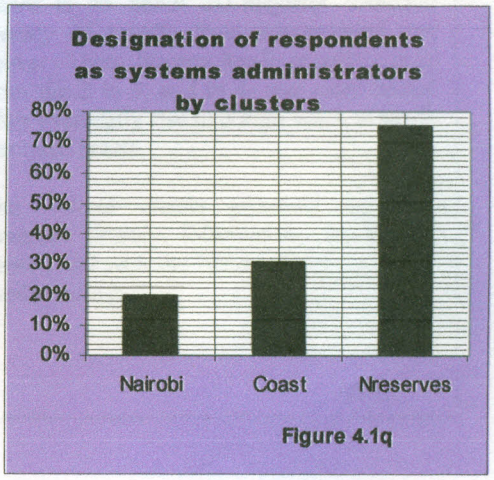


Figure 4.1q

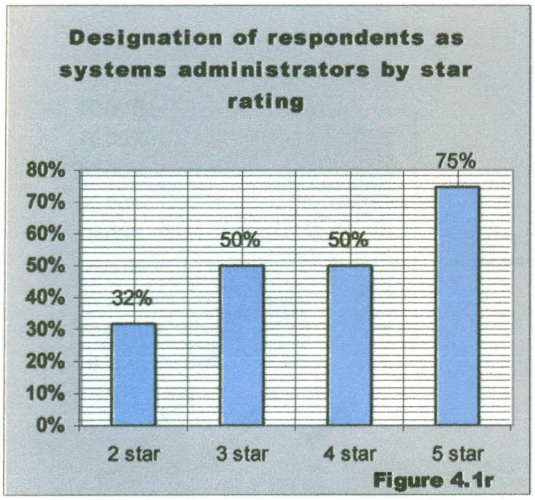
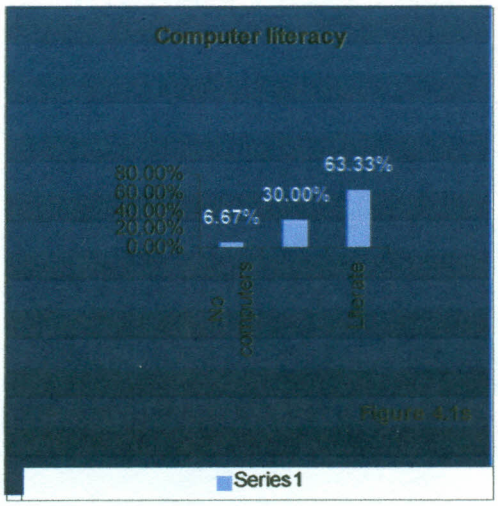


Figure 4.1r

From Left to right, are Figures 4.1p, q, and r, on the quality of facilities in the hotels: They confirm a prevalence of computer-specialized managers (systems administrators). An equal presence of systems administrators almost at par with plain managers can also be seen. The presence of systems administrators increases progressively with a rise in the star rating of hotels, from the 2 to 3 & 4, and then to 5-star rated hotels. In much the same manner, the incidence of systems administrators is least in the Nairobi cluster, and most in the Nature Reserves cluster. The Coastal cluster comes in the middle in this regard.



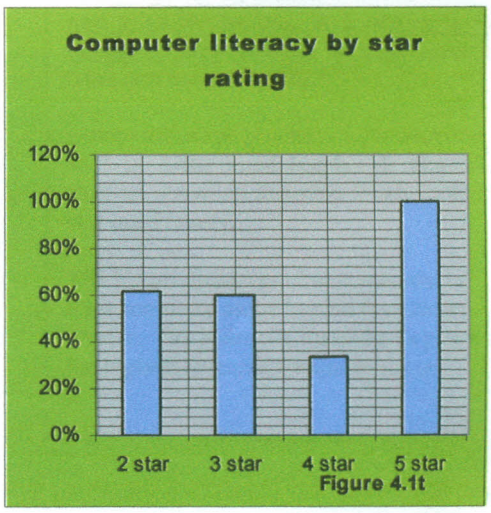


Figure 4.1t

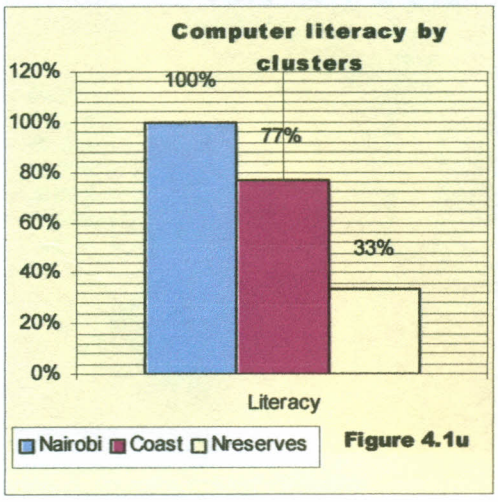


Figure 4.1u

From Left to right, are Figures 4.1s, t, and u, on the quality of facilities in the hotels: There is an about 2/3-majority computer literacy of middle level management and above. These literacy levels generally drop from the 2 to 3, and to 4- star rated hotels. They eventually rise to a high value at the 5-star rated hotels.

The Nairobi cluster generally leads in computer literacy, followed by the Coastal cluster, and with the Nature Reserves cluster coming in last.

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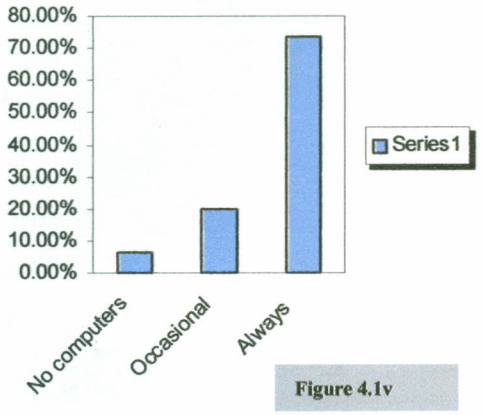


Figure 4.1v

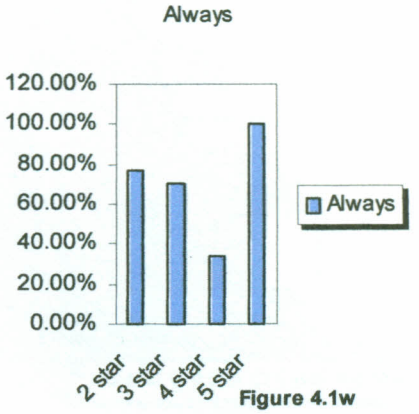


Figure 4.1w

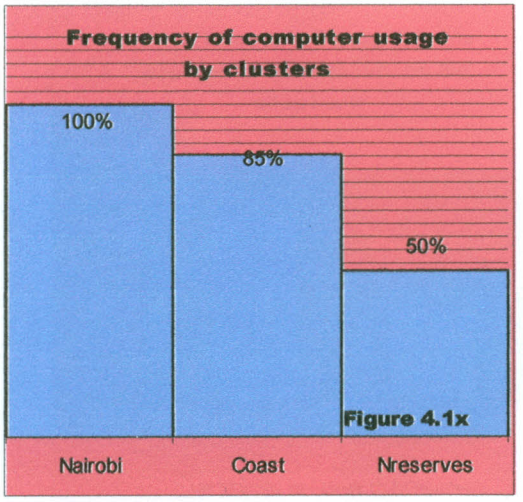


Figure 4.1x

From Left to right, are Figures 4.1v, w, and x on the quality of facilities in the hotels: They confirm a high level of computer usage at 73%.

Computer usage generally falls from the 2 to 3 to 4-star rated hotels. It thereafter rises up above all the other levels in the 5-star rated hotels.

The Nature Reserves cluster records the least computer usage behind the Coastal cluster. The Nairobi Cluster on its part has the highest levels of computer usage.

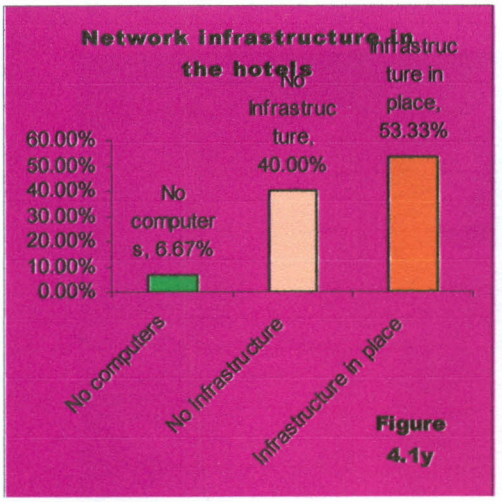


Figure 4.1y

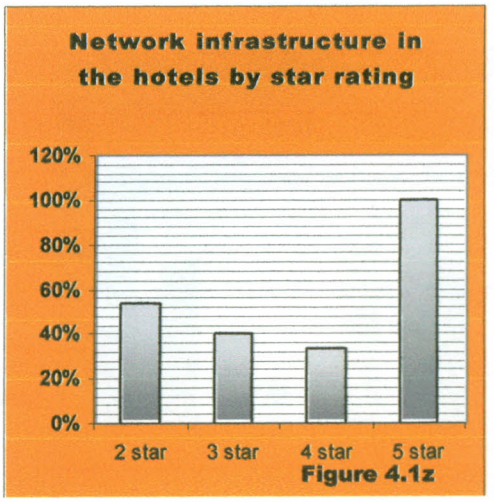


Figure 4.1z

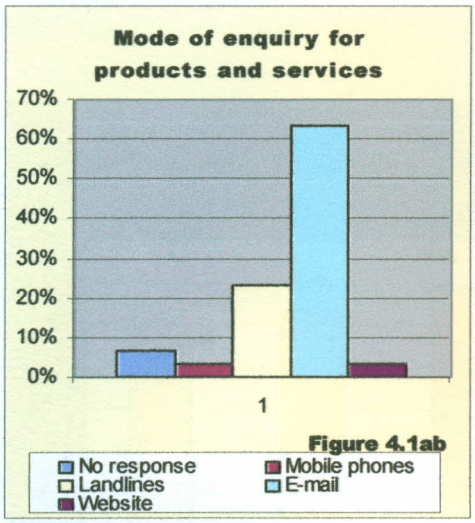


Figure 4.1ab

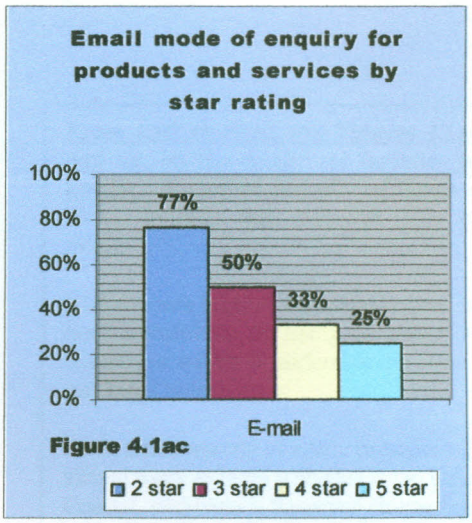


Figure 4.1ac

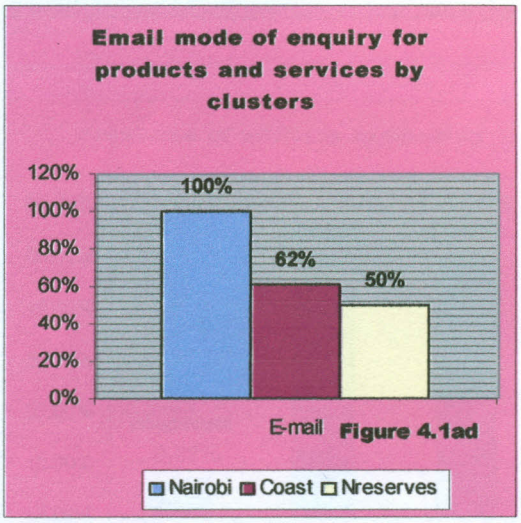


Figure 4.1ad

From Left to right, are Figures 4.1ab, ac, and ad, on the quality of facilities in the hotels: Mode of enquiry for hotel services and products and services by e-mail is clearly more than 2/3 of the overall enquiries in hotels in the country.

Reliance in e-mail in making these enquiries diminishes up the rising hierarchy of hotel star rating, from the 2 to 3 to 4 and then 5-star rated hotels.

The Nairobi cluster leads in receiving enquiries for products and services by e-mail, followed by the Coastal cluster. The Nature Reserves cluster takes the bottom position.

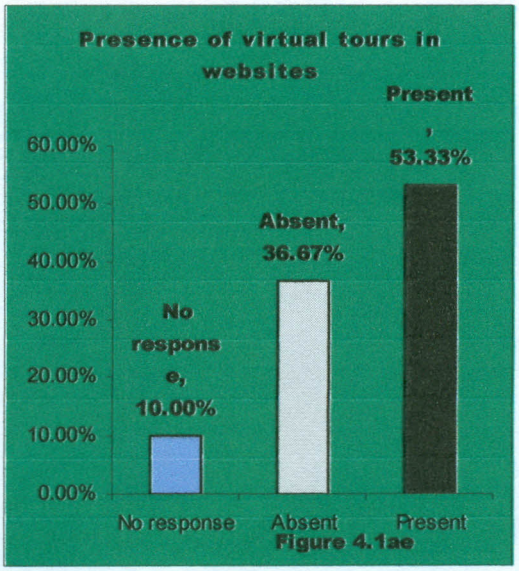


Figure 4.1ae

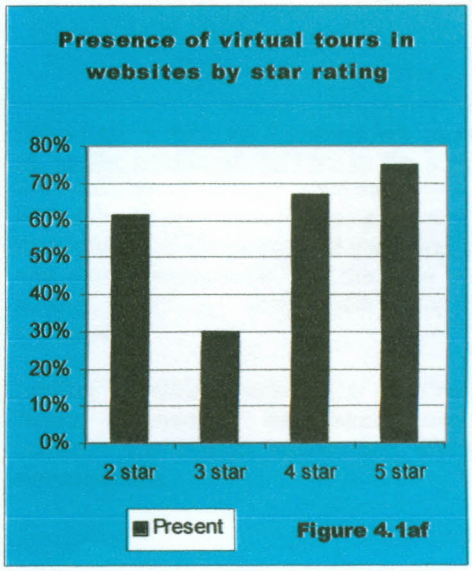


Figure 4.1af

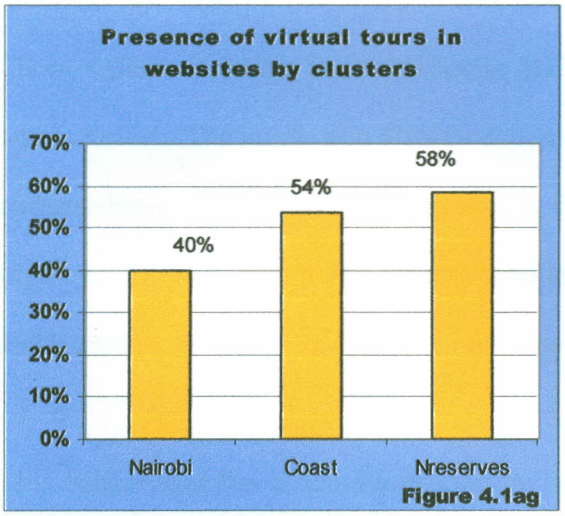
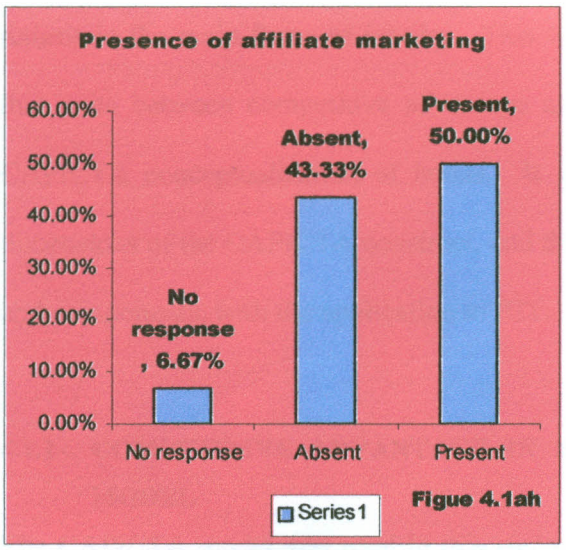


Figure 4.1ag

From Left to right, are Figures 4.1ae, af, and ag, on the quality of facilities in the hotels: A modest majority of hotels enjoy virtual tours in their websites (53% of the total).

Virtual tours become increasing common in hotel websites up the rising star rating of the hotels, but with a considerable dip at the 3-star rated hotels.

Here, the hierarchy of rising presence of virtual tours in hotel websites is the Nairobi, Coastal, and Nature Reserves clusters.



Figue 4.1ah

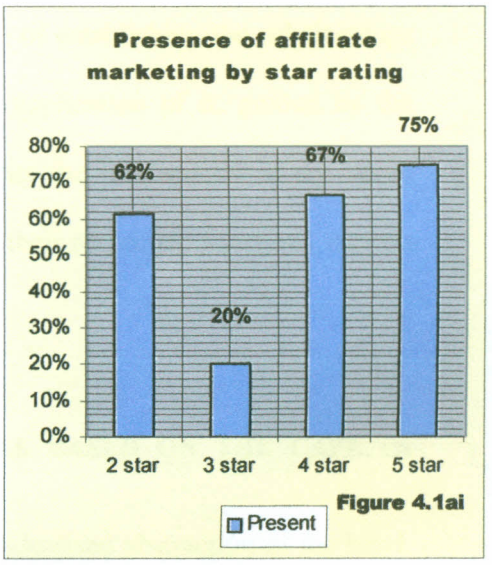


Figure 4.1ai

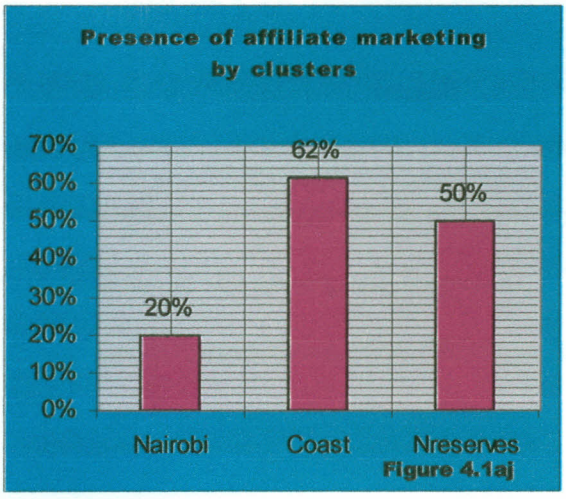


Figure 4.1aj

From Left to right, are Figures 4.1ah, ai, and aj, on the quality of facilities in the hotels: They Affiliate marketing is common in 50% of the hotels. Its prevalence rises progressively up the hierarchy of increasing hotel star rating, but with a conspicuous variation at the 3-star rated hotels, where a considerable drop is experienced.

Leading in affiliate marketing is the Coastal cluster, followed by the Nature Reserves cluster. The Nairobi cluster uses affiliate marketing least.

Kenyan hotels then enjoy much internal variation in the profiles of the quality of their premises and also of personnel, which generally rose with increasing star rating. These aspects of hotels improved along the Coastal, Nature Reserves, and Nairobi hotel clusters. The hotels also displayed uniqueness along the hierarchy of star rating, and also between the three different clusters, in respect of computerisation, and related literacy. Whereas these generally improved along similar hierarchies as the personnel and premises, there was an apparent a time lag at the three and four-star rated hotels.

This background has a definite bearing on the understanding of the relationships of hotel activity concepts and their response to the application of ICT. The analysis now returns to the main focus of inquiry. This was one of establishing the relationships that exits between competitive advantage and the application of it, guided by the CAPICTA conceptualization of hotels. It spotlights the interactions of the seven dimensions of the CAPICTA construct, and those of their respective functions, aspects and components, with the application to ICT.

4.1.1 COMPETITIVE ADVANTAGE IN HOTELS BASED ON THE CAPICTA MODEL

The CAPICTA model was used in this study as an idealised abstraction of the hotel. In this respect the hotel was represented as comprising of information flows between its seven basic hubs of activity. These centers of activity were, primary and support work processes or activity levels, resource management and acquisition functionality, threats response, pre-emptiveness and synergy in hotels. Their suggested interaction was outlined in the conceptual framework. The study analyzed data from the field survey that measures competitive advantage (efficiency and performance) of hotels as

a direct response to the application of information and communication technology (ICT).

4.2 PRIMARY AND SUPPORT ACTIVITY EFFICIENCY

The competitive advantage in hotels, of primary and secondary activities that were outlined, took place in response to the application of ICT. In the first instance, it was the resulting improved performance (efficiency and productivity) in the work process, at the primary activity level with respect to the cost measures of performance. This research considered aspects of acquisition, storage, and distribution in the following functions of the primary activity level: conferencing and banqueting, recipe costing systems, stock control systems, electric points of sale, automated mini bars, and rooming.

On the other hand, the study addressed the resulting rise in performance within the human resource systems for support activities in terms of the cost measure of performance. The three functions of the secondary activity level that were looked into with regard to the aspects of training, communication, and information search in this study, included: personnel management, hotel infrastructure, and general activity coordination. These were the two levels at which the hypothesis and objective one were addressed in sequence here below.

4.2.1 PRIMARY ACTIVITY EFFICIENCY

The analysis of trends in the Nairobi, Coast and Nature Reserves clusters, and the 2-5 star rated strata of hotels, were satisfactorily represented by a focused analysis of cost in acquisition within the conferencing and banqueting function of the primary activity level in a hotel. The emerging trends were taken to confidently apply in all six

functions, and also their constituent considerations of acquisition, storage, and distribution, in respect of performance as measured by cost in hotels.

The Nairobi cluster recorded the best response, and therefore the strongest relationships of competitive advantage with the application of ICT at 80% yes responses. Performance was measured by cost in acquisition for all six functions of the primary activity level. The six are conferencing and banqueting, recipe costing systems, stock control systems, electronic points of sale, automated mini bars, and rooming (Table 4.2.1a, and Figure 4.2.1a).

TABLE 4.2.1a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE OF THE PRIMARY WORK PROCESS FOR ALL THE THREE CLUSTERS

	CONF & BANQUETING	RECIPE COSTING SYSTEMS	STOCK CONTROL SYSTEMS	ELECTRONIC POINTS OF SALE	AUTOMATED MINI-BARS	ROOMING
NAIROBI	(4) 80%	(4) 80%	(4) 80%	(4) 80%	(4) 80%	(4) 80%
COAST	(4) 30.80%	(5) 38.50%	(5) 38.50%	(3) 23.10%	(2) 15.40%	(5) 38.50%
NRESERVES	(4) 33.30%	(6) 50%	(6) 50%	(3) 25%	(3) 25%	(5) 41.70%
ALL THREE	(12) 40%	(15) 50%	(15) 50%	(10) 33.33%	(9) 30%	(14) 46.67%

The Nature Reserves cluster came next in order with 33.3%, 50%, 25%, 25%, and 41.7% yes responses respectively, for all six functions of the primary activity level (Table 4.2.1a, and Figure 4.2.1a). The Coastal cluster on its part showed least performance at third place with 30.80%, 35.5%, 38.5%, 23.1%, 15.4%, and 38.5% yes responses respectively, for all six primary functions.

The trends that were featured next in graph form were based on cost in acquisition within the six functions of the primary activity level in the hotels that were sampled in this study. The analysis looked at performance or competitive advantage as it related to or responded to the application of IT.

Recipe costing systems, and stock control systems here portrayed the highest response level. Rooming came next, followed by conferencing and banqueting. Electric point of sales then followed, while automated mini-bars took the last position. Whereas this hierarchy commonly held for Coast and Nature Reserves clusters, no hierarchy emerged in the Nairobi cluster (Table 4.2.1a, and Figure 4.2.1a).

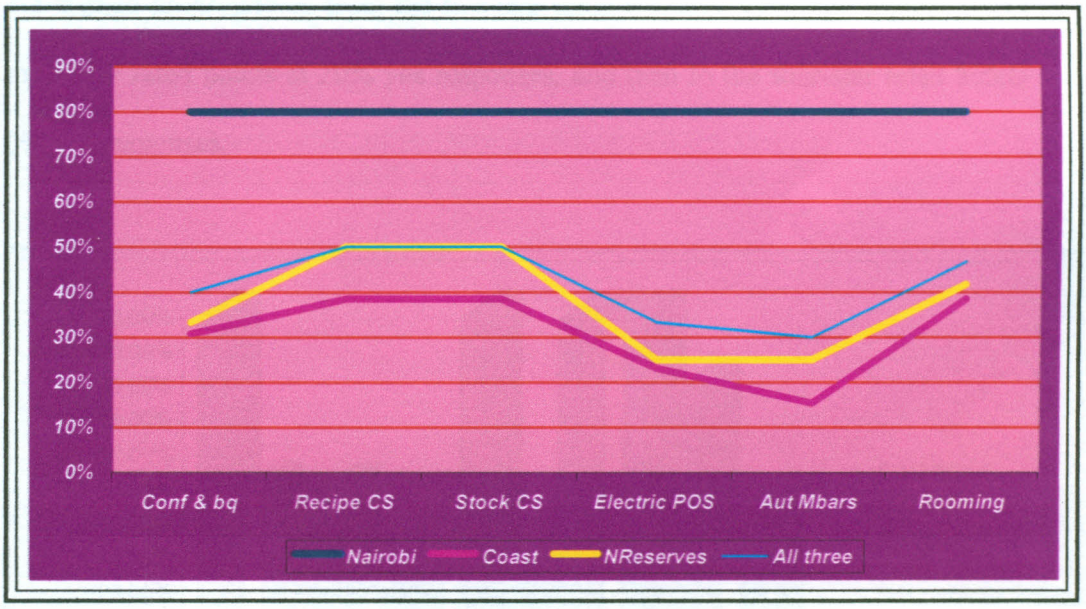


FIGURE 4.2.1a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE OF THE PRIMARY WORK PROCESS, FOR ALL THE THREE CLUSTERS

Having appreciated trends between clusters, analysis focused on trends for different star ratings of hotels, in the clusters. Efficiency and productivity of hotels, as a response to the application of IT, in the Nairobi cluster dropped down from the two-

star rated hotels at 100% yes responses, to the three-star rated hotels at 50% yes responses, and then rose with increasing star rating up to the five-star rated hotels at 100% yes responses. In the Coastal cluster, a similar trend of a sustained rise with increasing star rating was observed, but having the same initial minor drop from the two-star rated hotels at 25% yes responses, to the three star-rated hotels at 0% yes responses. In the four-star rated hotels, the response level peaks at 100% yes responses, and then stayed constant at this level up to the five-star rated hotels (Figure 4.2.1b).

The nature reserves cluster on its part displayed a slightly unique response trend of the performance of hotels to the application of IT. The yes response level for this cluster diminished progressively from the two-star rated hotels at 50% yes responses, to the three-star rated hotels at 20% yes responses, and then to the four-star rated hotels at 0% yes responses.

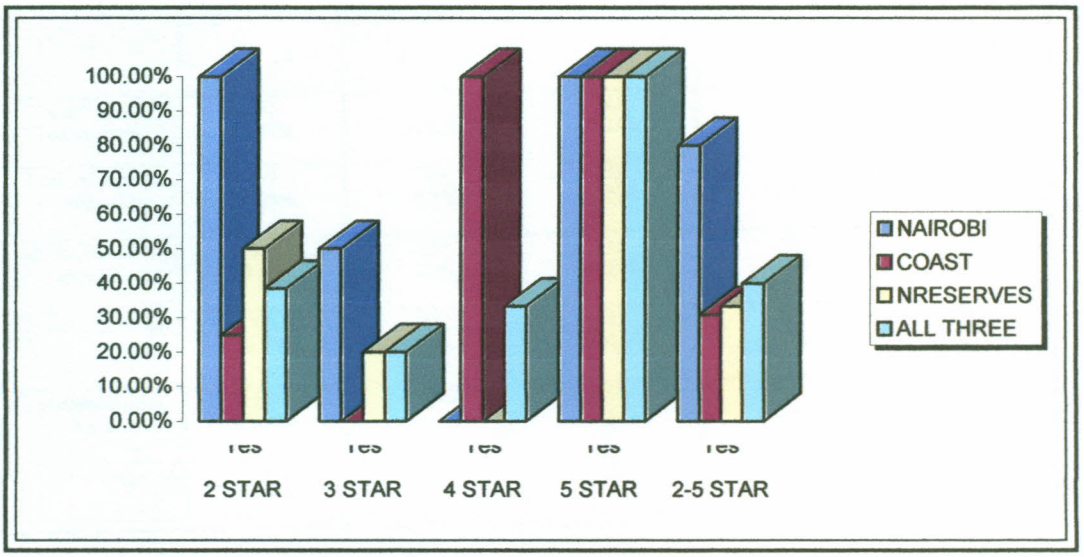


FIGURE 4.2.1b: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN CONFERENCING AND BANQUETING

It was only at the five-star rated hotels in this cluster that the rate of yes responses achieved was well beyond the original values that were recorded for the two star-rated hotels. At the five-star rated hotels the yes response reached the 100% level (Figure 4.2.1b).

The trends observed here for cost of acquisition in conferencing and banqueting, should then also applied for all these other functions, aspects, and measures of the primary work process. The patterns in essence described the changing intensity of the association of competitive advantage, and the application of ICT in the primary activity level of hotels for the Nairobi, Coast and Nature Reserves clusters. The convergence of trends that prevailed for all six primary functions emphasized, the internal consistency of this activity level and its work processes.

TABLE 4.2.1b: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE OF THE PRIMARY ACTIVITY FOR ALL THREE CLUSTERS COMBINED

	2 STAR	3 STAR	4 STAR	5 STAR	2-5 STAR
Conf and Banqueting	(5) 38.47%	(2) 20.00%	(1) 33.33%	(4) 100%	**(12) 40%**
Recipe costing systems	(7) 53.85%	(3) 30%	(1) 33.33%	(4) 100%	**(15) 50%**
Stock control systems	(7) 53.85%	(3) 30%	(1) 33.33%	(4) 100%	**(15) 50%**
Elect Points of sale	(3) 23.08%	(2) 20%	(1) 33.33%	(4) 100%	**(10) 33.33%**
Automated mini bars	(3) 23.08%	(2) 20%	(0) 0%	(4) 100%	**(9) 30%**
Rooming	(7) 53.85%	(2) 20%	(1) 33.33%	(4) 100%	**(14) 46.66%**

There was the need to confirm the hierarchy of response to the application of IT in the six functions of the primary activity level of hotels. There existed an internal

hierarchy of the levels of response of competitive advantage and therefore strength of relationship with the application of ICT within the six functions of the primary work process in hotels. For brevity hierarchies were examined only for the combined three clusters. In the two-star rated hotels, this ranking were of the form, recipe costing systems, stock control systems, and rooming together in the lead, followed by conferencing and banqueting, with electronic points of sale, and automated mini-bars coming in last (Table 4.2.1b).

For the three-star rated hotels, some revisions in ranking seemed to occur. The order that was in place here was, recipe costing systems, and stock control systems together in first place, and then conferencing and banqueting, electronic points of sale, automated mini-bars, and rooming coming in second place. In the four-star rated hotels, conferencing and banqueting, recipe costing systems, the stock control systems, electronic points of sale, and rooming all ties in the first position. The second slot was taken by automated mini-bars (Table 4.2.1b).

Finally, there was no hierarchy of ranking in the five-star rated hotels as all six functions in the primary work process achieved the highest possible response level at 100% yes responses (Table 4.2.1b). The hierarchy of a reducing response of competitive advantage or performance (dependent variable) in the application of ICT (independent variable), in the primary work process was clear. Here it was measured by cost in acquisition for conferencing and banqueting. When all four hotel strata (2-5 star rating) were brought together, the resulting order then was: Stock control systems, recipe costing systems, rooming, conferencing and banqueting, electric points of sale, and finally automated mini bars.

4.2.2 SECONDARY ACTIVITY EFFICIENCY

The requisite analysis of trends in the Nairobi, Coast and Nature Reserves clusters, and the 2-5 star rated strata of hotels, were therefore adequately characterized by a singular analysis of cost in the training aspect, within the personnel management function of the secondary activity level in a hotel. The resulting trends were assuredly appropriate to all three functions, as well as their aspects of training, communication, and information search, in so far as efficiency and productivity or performance, as measured by cost in hotels was concerned.

Competitive advantage in the secondary activities of hotels that derived from the application of IT followed more or less similar patterns to those so far observed for primary activities (Figure 4.2.2a).

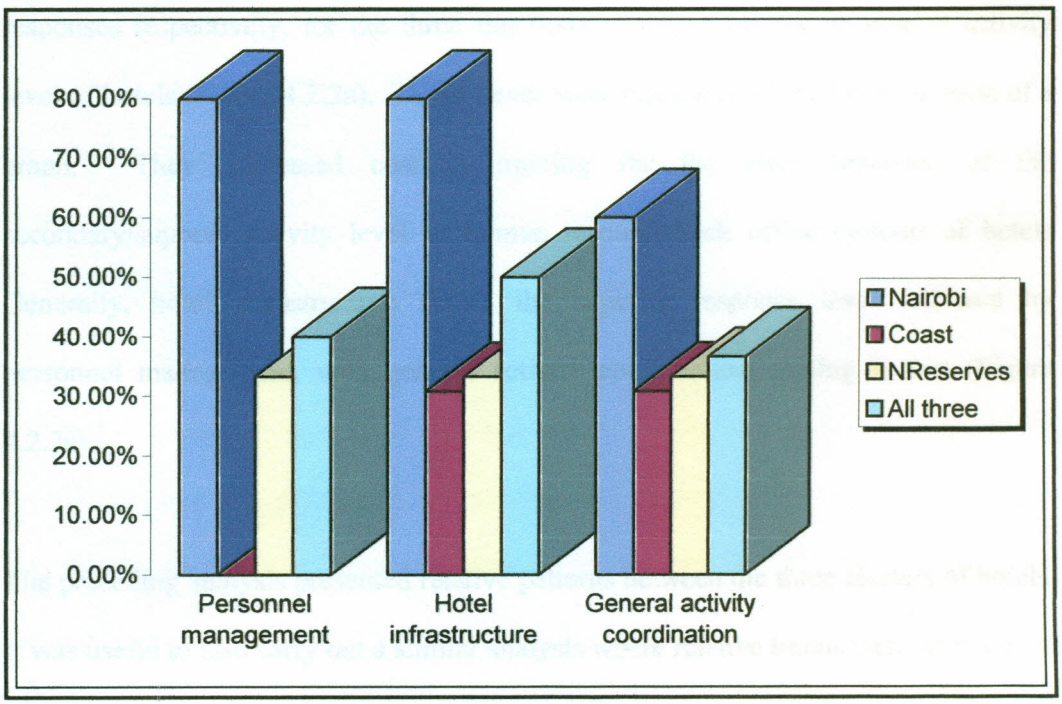


FIGURE 4.2.2a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN ALL THREE FUNCTIONS OF THE HUMAN RESOURCE SYSTEMS

Here too, the Nairobi cluster generally had the highest level of response of competitive advantage to the application of IT. It records 80%, 80%, and 60% yes responses, in three functions of the secondary activity level of hotels respectively that include personnel management, hotel infrastructure, and general activity coordination (Figure 4.2.2a).

The Nature Reserves cluster came next, with the second highest level of response of competitive advantage to the application of ICT. For the three functions of the secondary or support activity level of hotels, the yes responses recorded are 33.3%, 33.3%, and 33.3% respectively.

The Coastal cluster had the least general response or association of competitive advantage to the application of ICT. This cluster records, 0%, 30.8%, and 30.8% yes responses respectively, for the three functions of the secondary or support activity level of hotels (Figure 4.2.2a). These trends were represented here below in form of a graph. They addressed cost in training for the three functions of the secondary/support activity level or human resource/back office systems of hotels Generally, hotel infrastructure shows the superior response level followed by personnel management, with general activity coordination coming in last (Figure 4.2.2a).

The preceding analysis presented relative patterns between the three clusters of hotels. It was useful to also carry out a similar analysis where relative trends were appreciated in the clusters, but this time between various hotel star ratings. The Nairobi cluster experienced a drop in the response level, and consequently the relationship between

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competitive advantage and the application of ICT between the two-star rated hotels at 100% yes responses and the three-star rated hotels at 50% yes responses. Thereafter, the trend reversed rising to 100% yes response level in the five-star rated hotels (Table 4.2.2a).

TABLE 4.2.2a DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN PERSONNEL MANAGEMENT

	2 STAR	3 STAR	4 STAR	5 STAR	2-5 STAR
NAIROBI	(1) 100.00%	(1) 50.00%	(0) 0.00%	(2) 100.00%	**(4) 80.00%**
COAST	(2) 25.00%	(0) 0.00%	(1) 100.00%	(1) 100.00%	**(0) 0.00%**
NRESERVES	(2) 50.00%	(1) 20.00%	(0) 0.00%	(1) 100.00%	**(4) 33.30%**
ALL THREE	(5) 38.46%	(2) 20.00%	(1) 33.33%	(4) 100.00%	**(8) 26.68%**

The Coastal cluster also first lost responsiveness of performance to the applications of IT, and displayed a slackened competitive advantage between the two-star rated hotels at 25% yes responses and the three-star rated hotels at 0% yes responses. After this though there was a drastic rise in competitive advantage in the four-star rated hotels at 100% yes responses. The five-star rated hotels retained scores similar to those achieved by their four-star rated counterparts at 100% yes responses (Table 4.2.2a).

In a minor contrast to these trends, the nature reserves cluster experienced a consistent drop in the resulting efficiency and productivity of secondary or support activities, otherwise termed human resource systems. Here competitive advantage responded to the application of ICT dropped right through from the two, to the three, and then to the four-star rated hotels, at 50%, 20%, and 0% yes responses respectively. It is only in

the five-star rated hotels that a reversal of this trend is discernible; with the response levels of competitive advantage to the application of ICT going beyond those that are noted to apply for the two-star rated hotels, at 100% yes responses (Table 4.2.2a).

The trends in effect illustrate the varying strength of the relationship of competitive advantage, and the application of ICT in the secondary activity level of hotels for the Nairobi, Coast and Nature Reserves clusters. The communality of profile that is evident for the three secondary functions underscores the internal consistency of this activity level and its work processes.

Efficiency and productivity in human resource systems, when examined in respect of cost of training in the three functions of secondary activity level of hotels, revealed distinctive internal hierarchies. These three functions, personnel management, hotel infrastructure, and general activity coordination assumed a ranked order of reducing response and therefore a strengthened relationship with the application of ICT in hotels. In the two-star rated hotels, personnel management and hotel infrastructure took the first position, while general activity coordination came last (Figure 4.2.2b).

In the three, four, and five-star rated hotels all three functions tie, and there is no hierarchy of the levels of response. When all four strata are brought together, the varying levels of response of competitive advantage to the application of ICT emerge once more. Here, Hotel infrastructure leads, followed by general activity coordination, with personnel management coming at the very bottom of this hierarchy (Figure 4.2.2b).

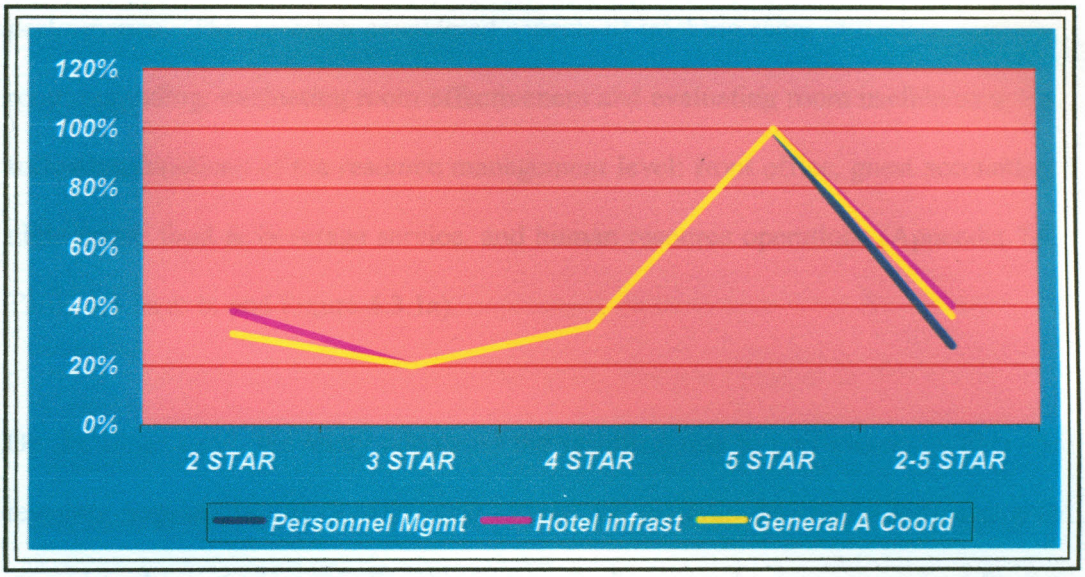

FIGURE 4.2.2b: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN ALL THREE FUNCTIONS OF THE HUMAN RESOURCE SYTEMS, FOR THE THREE CLUSTERS COMBINED

4.3 EFFICIENCY OF RESOURCE MANAGEMENT AND ACQUISITION FUNCTIONALITY

The efficiency and productivity of resource management in respect of tracking of room utilization and upgrading, and evaluating room effectiveness and usefulness provided yet another yardstick for the appraisal of competitive advantage. Here its measured responses to the application of ICT were examined, in order to characterize another dimension of the manner in which competitive advantage in hotels related to the application of ICT.

The competitive advantage in hotels, of resource management and acquisition functionality activities that was outlined here, was one that took place in response to the application of ICT. It resulted in improved performance (efficiency and productivity) in the work process, at the resource management functionality or

housekeeping systems inventories level, with respect to the cost measure of performance. This research considered aspects of tracking room utilization, tracking room upgrading, evaluating room effectiveness and evaluating room usefulness in the following functions of the resource management level: front office, guest accounting, night audit, food & beverage service, and human resource operations (Appendix 7.5, Table 4.3.1a & b, and Figure 4.3.1a).

On the other hand, the study addressed the resulting rise in performance within the resource acquisition functionality also termed the reservations control systems, with respect to the cost measure of performance. Performance here was examined for the four aspects of resource functionality. These were: ordering, confirmation, verification, and acquisition of the resource (room). This performance was conducted within the following four functions of resource acquisition functionality that include: exchange or housekeeping, reservations, registration, and guest accounting (Appendix 7.5, Table 4.3.2a, and Figure 4.3.2a & b). Resource management and acquisition functionality made up the two dimensions within which the hypothesis and objective two were looked at, in the subsequent discussion.

4.3.1 EFFICIENCY OF RESOURCE MANAGEMENT FUNCTIONALITY

The Nairobi cluster recorded the best response, and therefore the strongest relationships of competitive advantage with the application of ICT at 80% yes responses. Performance here was measured by cost in tracking room utilization for all five functions of the resource management functionality. The five functions were, front office, guest accounting, night audit, food & beverage service, and human resource operations (Figure 4.3.1a). The Nature Reserves cluster came next in order

with 50%, for all five functions of the resource management functionality level. The Coastal cluster on its part shows least performance at third place with 46.2%, 30.8%, 30.8%, and 30.8%, yes responses respectively, for all five functions of the resource management functionality level (Figure 4.3.1a).

The graph below shows cost in tracking room utilization within the five functions of recourse management functionality in the hotels that are sampled in this study. The analysis looked at performance or competitive advantage (dependent variable) as it related to or responded to the application of ICT (independent). When all three clusters were looked at together, front office leads with the highest response level. Guest accounting, night audit, food & beverage, and human resource operations all tally in second place.

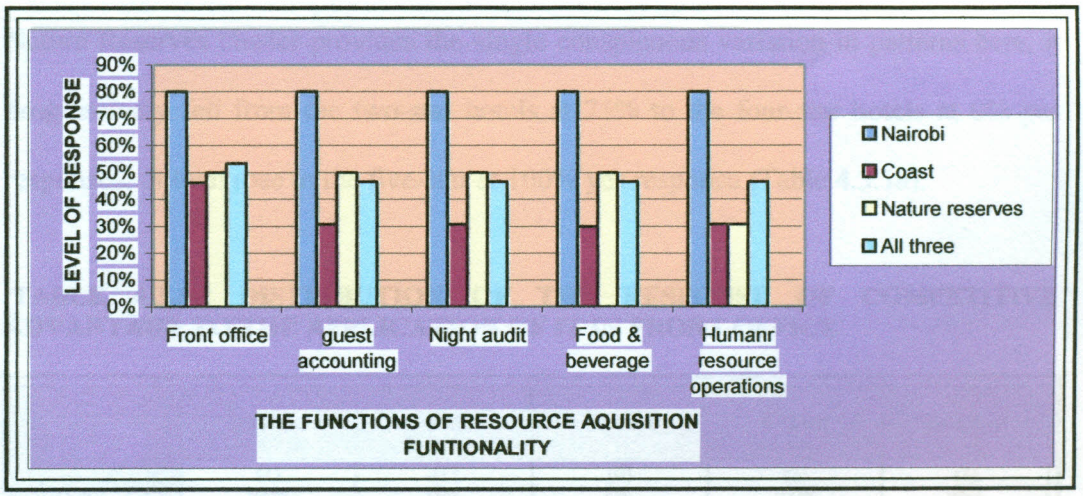

FIGURE 4.3.1a DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN ALL FIVE FUNCTIONS OF THE RESOURCE MANAGEMENT FUNCTIONALITY

This same pattern was repeated for the Coastal cluster. In the Nature Reserve cluster, front office, guest accounting, night audit, and food & beverage together all took the

first position. Human resource operations alone, took the second position. There are no hierarchies in the Nairobi cluster (Figure 4.3.1a). Having looked at trends between clusters, the analysis now shifted its attention to trends for different star ratings of hotels, in the clusters.

Performance of hotels, in a response to the application of ICT, for the Nairobi cluster basically fell from the two-star rated hotels at 100% yes responses, to the three-star rated hotels at 50% yes responses, and then rose with increasing star rating up to the five-star rated hotels at 100% yes responses.

In the Coastal cluster there was a slight drop from the two star at 37.5% to the three star rating hotel star at 33.33%, which then rose to the four star rating hotel at 100% yes responses, and stayed constant at this level up to the five-star rated hotels. The Nature Reserves cluster provides the single conspicuous variation in patterns here, it progressively fell from the two-star hotels at 75% to the four-star hotels at 0% yes responses. It then rose to the five-star at 100% yes response (Table 4.3.1a).

TABLE 4.3.1a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN FRONT OFFICE

	2 STAR	3 STAR	4 STAR	5 STAR	2-5 STAR
NAIROBI	(1) 100%	(1) 50%	(0) 0%	(2) 100%	**(4) 80%**
COAST	(3) 37.50%	(1) 33.30%	(1) 100%	(1) 100%	**(6) 46.20%**
NRESERVES	(3) 75%	(2) 40%	(0) 0%	(1) 100%	**(6) 50%**
ALL THREE	(7) 53.85%	(4) 40%	(1) 33.33%	(4) 100%	**(16) 53.33%**

The trends observed here for cost of tracking room utilization, in front office, also applied for all these other functions, aspects, and measures of the resource management functionality process. The patterns concentrated on the changing intensity of the relationship of competitive advantage (dependent variable), and the application of ICT (independent variable) in the resource management functionality level of hotels for the Nairobi, Coast and Nature Reserves clusters. The concurrence of trends that prevailed for all five, resource management functionality functions emphasized the internal consistency of this activity level and its work processes.

It was necessary at this point in time to confirm the hierarchy of response to the application of ICT in the five functions of the resource management functionality level of hotels (which addresses the 2nd objective). An internal hierarchy of the levels of response of competitive advantage and therefore strength of relationship with the application of ICT, within the five functions of the resource management functionality in hotels, was apparent. For conciseness, hierarchies were examined only for the combined three clusters.

In the two-star rated hotels, front office took the lead, in responding to the application of ICT, followed by guest accounting, night audit, food & beverage management and human resource operations together (Table 4.3.1a). For the three-star rated hotels, the order that is in place takes the form of front office first, then night audit taking second place, and night audit, food & beverage services and human resource operations jointly coming last. In the four-star rated hotels, some reversal in ranking seems to take place, guest accounting, night audit, food& beverage service and human resource

operations all tie in the first position, while front office comes in second (Table 4.3.1b).

TABLE 4.3.1b: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN ALL FIVE FUNCTIONS OF THE RESOURCE MANGEMENT FUNCTIONALITY, FOR ALL THREE CLUSTERS COMBINED

	2 STAR	3 STAR	4 STAR	5 STAR	2-5 STAR
Front office	(7) 53.95%	(4) 40%	(1) 33.33%	(4) 100%	**(16)** **53.33%**
Guest accounting	(6) 46.15%	(3) 30%	(1) 33.33%	(4) 100%	**(14)** **46.67%**
Night audit	(6) 46.15%	(1) 33.33%	(1) 33.33%	(4) 100%	**(14)** **46.66%**
Food & beverage	(6) 46.15%	(3) 30%	(1) 33.33%	(4) 100%	**(14)** **46.66%**
Human resource operations	(6) 46.15%	(3) 30%	(1) 33.33%	(4) 100%	**(14)** **46.66%**

There is no hierarchy of ranking of the response levels in the five-star rated hotels. All five functions in resource management functionality achieve the extreme response level at 100% yes responses (Table 4.3.1b).

The hierarchy of a reducing response of competitive advantage or performance in the application of ICT, for resource management functionality is unmistakable. Performance here is measured by cost in resource management functionality for front office. When all four hotel strata (2-5 star rating) are looked at collectively, the hierarchy that results is: Front office leading, followed by guest accounting, night audit, food & beverage services, and human resource operations who all come in second.

4.3.2 EFFICIENCY OF RESOURCE ACQUISITION FUNCTIONALITY

Competitive advantage in the resource acquisition functionality activities of hotels that derives from the application of ICT followed more or less similar patterns to those so far observed for resource management functionality. Here too, the Nairobi cluster generally had the highest level of response of competitive advantage to the application of IT. It recorded 80%, yes responses, in all four functions of the resource acquisition functionality level of hotels respectively that included housekeeping/exchange, reservations, registration and guest accounting (Figure 4.3.2a).

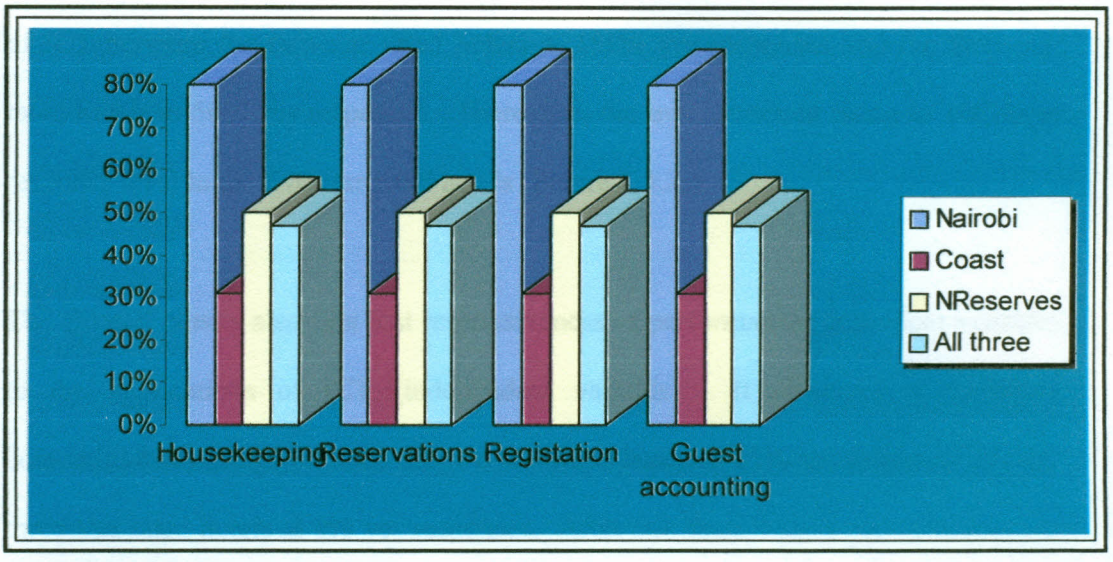

FIGURE 4.3.2a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN ALL FOUR FUNCTIONS OF THE RESOURCE ACQUISITION FUNCTIONALITY

The Nature Reserves cluster comes next, with the second highest level of response of competitive advantage to the application of ICT. Here, all four functions of the secondary or support activity level of hotels, record 50% yes responses. The Coastal cluster has the least general response or association of competitive advantage to the application of ICT. This cluster records, 30.8%, yes responses, for all of the four functions of the resource acquisition functionality level (otherwise termed the

reservation control system) of hotels. These trends are represented here below in form of a graph. They address cost in ordering for the four functions of the resource acquisition functionality level of hotels (Figure 4.3.2a). The preceding analysis presents relative patterns between the three clusters of hotels. It is useful to also carry out a similar analysis where relative trends are appreciated in the clusters, but this time between various hotel star ratings.

The Nairobi cluster experiences a drop in the response level of performance to ICT, and consequently the relationship between competitive advantage and the application of ICT between the two-star rated hotels at 100% yes responses and the three-star rated hotels at 50% yes responses. Thereafter, the trend reverses rising to 100% yes response level in the five-star rated hotels (Figure 4.3.2a).

The Coastal cluster also first lost responsiveness of performance (dependent variable) to the applications of ICT (independent variable). It displayed a slackened competitive advantage between the two-star rated hotels at 25% yes responses and the three-star rated hotels at 0% yes responses. After this though there was a drastic rise in competitive advantage in the four-star rated hotels at 100% yes responses. The five-star rated hotels retained scores similar to those achieved by their four-star rated counterparts at 100% yes responses (Figure 4.3.2b).

In a minor contrast to these trends, the Nature Reserves cluster experienced a consistent drop in the resulting efficiency and productivity of resource acquisition functionality activities also termed reservation control systems. Here competitive advantage as it responded to the application of ICT dropped right through from the

two, to the three, and then to the four-star rated hotels, at 50%, 20%, and 0% yes responses respectively. It is only in the five-star rated hotels that a reversal of this trend was discernible; with the response levels of competitive advantage to the application of ICT going beyond those that are noted to apply for the two-star rated hotels, at 100% yes responses (Figure 4.3.2b).

The patterns illustrated on the varying strength of the relationship of competitive advantage, and the application of ICT in the resource acquisition functionality level of hotels for the Nairobi, Coast and Nature Reserves clusters. The agreement of trends that was in place for all four, resource acquisition functionality functions underlined the internal harmony of this activity level and its work processes.

Efficiency and productivity in resource acquisition functionality, (addressing objective 2) when examined in respect of cost of ordering for a room, in the four functions of the resource acquisition functionality level of hotels, reveals no internal hierarchies.

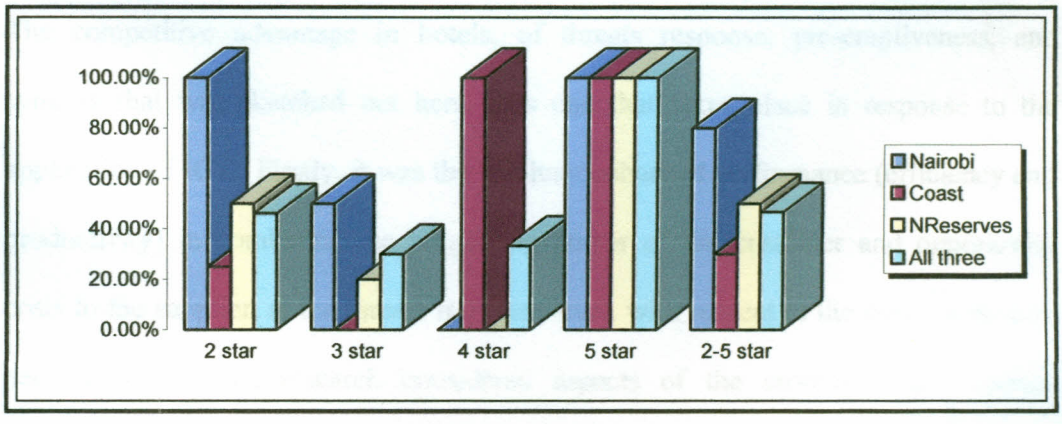

FIGURE 4.3.2b: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN RESERVATIONS

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These four functions, housekeeping/exchange, reservations, registration and guest accounting tally in their response levels and therefore strength of relationship with the application of ICT in hotels. This trend holds for all hotel strata, the two, three, four, and five-star rated hotels (Table 4.3.2a).

TABLE 4.3.2a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN ALL FOUR FUNCTIONS OF THE RESOURCE ACQUISITION FUNCTIONALITY, FOR THE THREE CLUSTERS COMBINED

	2 STAR	3 STAR	4 STAR	5 STAR	2-5 STAR
Housekeeping	(6) 46.15%	(3) 30.00%	(1) 33.33%	(4) 100.00%	**(14) 46.66%**
Reservations	(6) 46.15%	(3) 30.00%	(1) 33.33%	(4) 100.00%	**(14) 46.66%**
Registration	(6) 46.15%	(3) 30.00%	(1) 33.33%	(4) 100.00%	**(14) 46.66%**
Guest accounting	(6) 46.15%	(3) 30.00%	(1) 33.33%	(4) 100.00%	**(14) 46.66%**

4.4 PERFOMANCE IN THREATS RESPONSE, PRE-EMPTIVENESS, AND SYNERGY

The competitive advantage in hotels, of threats response, pre-emptiveness, and synergy that was sketched out here, was one that takes place in response to the application of ICT. Firstly, it was the resultant enhanced performance (efficiency and productivity) in combating the bargaining power of the customer and opportunity costs to the supplier, at the threats response level, with respect to the cost measure of performance. This research considered aspects of the customer and supplier decreasing searching and increasing switching costs, in the functions sales & marketing and acquisitions.

Secondly, the study attended to the resulting rise in performance as it related to total quality management innovation in the preemptiveness activity level in terms of cost, measure of performance. The three functions of preemptiveness are, strategic planning, sales & marketing, and reservations management that were looked into. Four aspects of preemptiveness were investigated here. They included, development of standards & practices in the industry, achieving unique access to channels (affiliate marketing), forcing unfavourable market postures on competitors and mounting barriers against imitations.

Finally the study scrutinized improved performance (dependent variable) in the synergy attainment activity level, in terms of cost (addressing objective 3). Here then, the research considered three aspects and their respective subsets. These were, marketing policies and marketing practices as they informed business goals, marketing and finance departments as they related to business strategy, and marketing, finance and human resource departments in respect of the business environment. All these were examined as they applied to six functions of the synergy attainment. These were, integration of the application of ICT (independent), commitment of functional units, continuous innovation in the application of ICT, enhancement of the application of ICT, technological expertise support in the application of ICT, and support from top management. These were the three areas in which the hypothesis and objective three received attention, in succession in the following account.

4.4.1 PERFORMANCE IN THREATS RESPONSE

The analysis of trends in the Nairobi, Coast and Nature Reserves clusters, and the 2-5 star rated strata of hotels, were therefore suitably represented by a focused analysis of

customer decreasing searching costs within the sales and marketing function of the threat response level in a hotel. The resulting trends were then be understood to confidently apply in the two functions, and also their constituent considerations of customer bargaining power and the opportunity cost to the supplier, in respect of performance as measured by cost in hotels.

The Nairobi cluster displayed the best response, and therefore the strongest relationships of competitive advantage with the application of **ICT** at 80% yes responses. Performance here was measured by cost of decreasing searching costs for the two functions of the threat response activity level. The two were sales & marketing, and acquisitions (Figure 4.4.1a).

The Nature Reserves cluster comes next in order where sales & marketing was concerned, with 50%, and last in so far as acquisition goes, with 41.7% yes responses (Figure 4.4.1a). The Coastal cluster on its part showed least performance at third place with 46.2% for sales and marketing, and second best performance at 46.2% yes responses for acquisitions (Figure 4.4.1a).

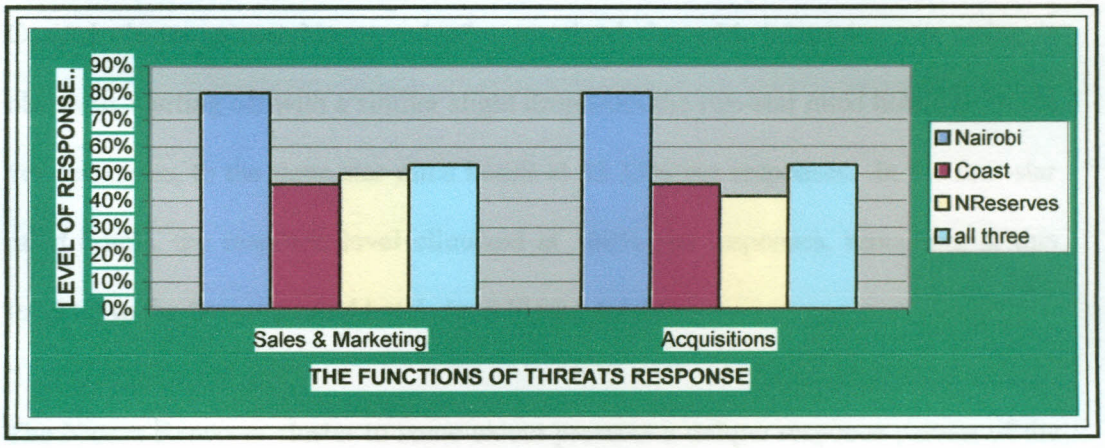

FIGURE 4.4.1a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN THE TWO FUNCTIONS OF THREATS RESPONSE, FOR ALL THE THREE CLUSTERS

The trends that are featured next in graph form therefore, are those of the cost of decreasing searching expenses for the customer, in respect of the sales and marketing function, as well as the acquisitions function of the threat response level in the hotels that are sampled in this study. The analysis examines performance or competitive advantage as it relates to or responds to the application of IT.

Sales & marketing, in the Nature Reserves has a higher response level than acquisitions. This hierarchy was however not there in the Nairobi and Coast and clusters. In these two latter clusters the response levels of performance to the application of IT, for both functions remained equal (Figure 4.4.1a).

From the preceding perspective of trends between clusters, analysis now moved to the trends for different star ratings of hotels, in the clusters. Performance and therefore efficiency and productivity of hotels, in response to the application of ICT, in the Nairobi cluster in essence dropped down from the two-star rated hotels at 100% yes responses, to the three-star rated hotels at 50% yes responses. It then rose with increasing star rating up to the five-star rated hotels at 100% yes responses. In the Coastal cluster, a matching trend of a sustained rise with increasing star rating is observed, starting off with a similar slight drop from the two-star rated hotels at 37.5% yes responses, to the three star-rated hotels at 33.33% yes responses. In the four-star rated hotels, the response level climaxed at 100% yes responses, remaining at this level up to the five-star rated hotels (and Figure 4.4.1b).

The Nature Reserves cluster to some extent presents a unique response pattern of the performance of hotels to the application of ICT. The yes response level for this

cluster diminishes progressively from the two-star rated hotels at 75% yes responses, to the three-star rated hotels at 40% yes responses, and then to the four-star rated hotels at 0% yes responses. At the five-star rated hotels in this cluster the rate of yes responses however increase drastically, exceeding those values originally observed for the two star-rated hotels. They do effectively reach the 100% level (Figure 4.4.1b).

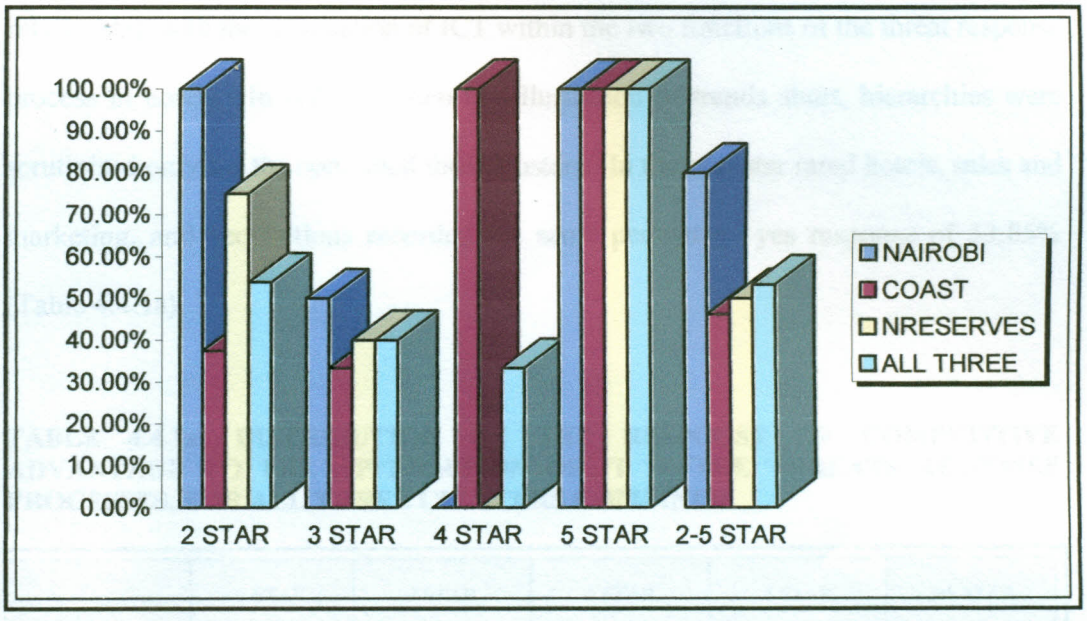

FIGURE 4.4.1b: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN SALES & MARKETING, FOR ALL THE THREE CLUSTERS

The trends observed here for cost of lessened customer bargaining power and greater opportunity cost for the supplier, in sales and marketing, then also took effect for the other functions, aspects, and measures of the threat response process. The trends in essence depicted the changing strength of the relationship of competitive advantage, and the application of ICT in the threat response level of hotels for the Nairobi, Coast and Nature Reserves clusters. The accord of trends that held for these two functions

of threat response, highlight the internal consistency of this activity level and its operations.

It was important to confirm the hierarchy of response to the application of ICT in the two functions of the threat response level of hotels. There exists an internal hierarchy of the levels of response of competitive advantage and therefore strength of relationship with the application of ICT within the two functions of the threat response process in hotels. In order to keep the illustration of trends short, hierarchies were scrutinised only for the combined three clusters. In the two-star rated hotels, sales and marketing, and acquisitions recorded the same percentage yes response of 53.85% (Table 4.4.1a).

TABLE 4.4.1a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN THE THREATS RESPONSE PROCESSES, FOR ALL THREE CLUSTERS COMBINED

	2 STAR	3 STAR	4 STAR	5 STAR	2-5 STAR
Sales & Marketing	(7) 53.85%	(4) 40.00%	(1) 33.33%	(4) 100.00%	**(16)** **53.33%**
Acquisitions	(7) 53.85%	(3) 30.00%	(1) 33.33%	(4) 100.00%	**(15)** **50.00%**

For the three-star rated hotels, sales and marketing came first at 40% yes responses, followed by the acquisitions function at 30% yes responses. In the four-star rated hotels sales & marketing and acquisitions tie at 33.33% yes responses, while in the five-star hotels sales & marketing once more took the lead over acquisitions, at 53.33% yes responses, compared to 50% yes responses for acquisitions (Table 4.4.1a).

The hierarchy of a reducing response of competitive advantage or performance in the application of ICT, in the threat response was visible, but modest. It was measured here using cost in decreasing searching expenses for the customer in sales & marketing. When all four-hotel strata (2-5 star rating) were merged together, the hierarchy that comes into sight was sales & marketing first, followed by acquisitions.

4.4.2 PERFORMANCE IN PRE-EMPTIVENESS

The requisite analysis of trends in the Nairobi, Coast and Nature Reserves clusters, and the 2-5 star rated strata of hotels, were therefore sufficiently described by an analysis of cost in the aspect of development of standards and practices, within the strategic planning function of the preemptiveness activity level in a hotel. The resulting trends then were undoubtedly suitable to all three functions, as well as their aspects of development of standards and practices, affiliate marketing, favourable market posture, and imitation barriers, in so far as efficiency and productivity or performance, as measured by cost in hotels is concerned.

Competitive advantage in the preemptiveness activities of hotels that originates from the application of ICT followed the same general patterns as those that have emerged for the other activities discussed so far. Here too, the Nairobi cluster by and large had the highest level of response of competitive advantage to the application of ICT. It records 60%, yes responses, in all three respective functions of the preemptiveness activity level of hotels that consist of strategic planning, sales & marketing, and reservations management (Table 4.4.2a). The Nature Reserves cluster follows, generally with the second highest level of response of competitive advantage to the

application of ICT. Here, for the three functions of the preemptiveness activity level of hotels, the yes responses recorded were all 41.7%.

As is the case in the other activities levels that have been examined so far, the Coastal cluster generally had the least response or relationship of competitive advantage to the application of ICT. This cluster records, 46.2%, 38.5%, and 38.5% yes responses respectively, for the three functions of the preemptiveness activity level of hotels (Table 4.4.2a).

TABLE 4.4.2a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN ALL THREE FUNCTIONS OF PREEMPTIVENESS

	STRATEGIC PLANNING	SALES & MARKETING	RESERVATIONS MANAGEMENT
NAIROBI	(3) 60%	(3) 60%	(3) 60%
COAST	(6) 46.20%	(5) 38.50%	(5) 38.50%
NRESERVES	(5) 41.70%	(5) 41.70%	(5) 41.70%
ALL THREE	(14) 46.66%	(13) 43.33%	(13) 43.33%

They addressed cost in the development of standards and practices, for the strategic planning function of the preemptiveness activity level or total quality management innovation of hotels

The immediately previous analysis displayed relative trends between the three clusters of hotels. A similar analysis where relative trends between various hotel star ratings in the clusters were examined is important. The Nairobi cluster experienced a drop in the response level, and consequently the relationship between competitive advantage and the application of ICT between the two-star rated hotels at 100% yes response

and the three-star rated hotels at 50% yes responses. Subsequently, the trend reverses rising to 100% yes response level in the five-star rated hotels (Figure 4.4.2a).

The Coastal cluster also first lost responsiveness of performance to the application of ICT, exhibiting a slumped competitive advantage between the two-star rated hotels at 50% yes responses and the three-star rated hotels at 0% yes responses. Hereafter though there was a severe rise in competitive advantage in the four-star rated hotels at 100% yes responses. The five-star rated hotels maintained the same scores as those that are realized by the four-star rated hotels, at 100% yes responses (Figure 4.4.2a).

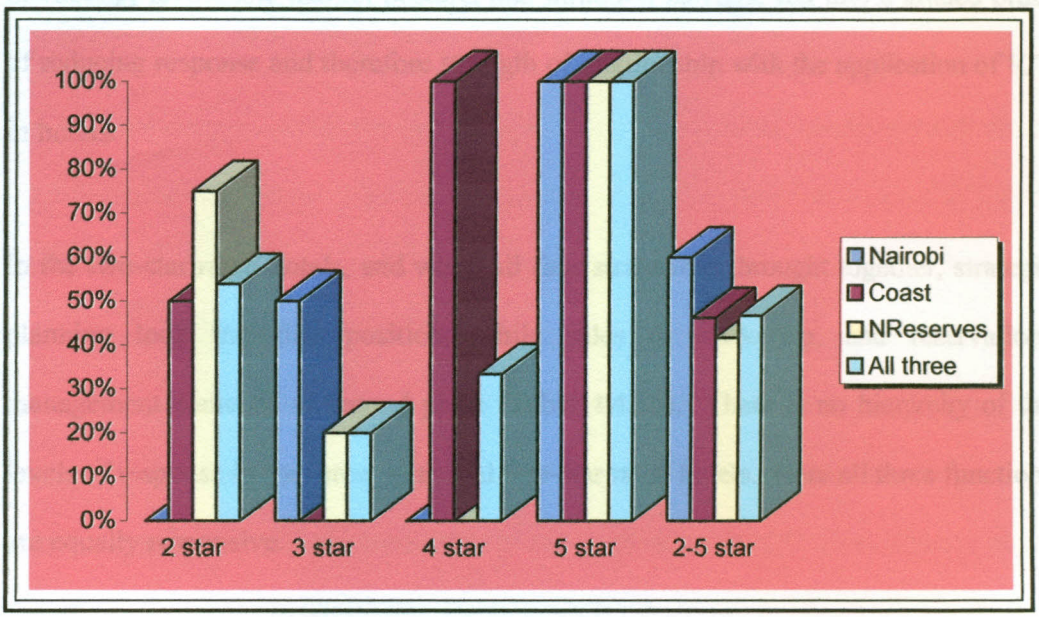

FIGURE 4.4.2a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN STRATEGIC PLANNING

A modest change to these trends was evident in the Nature Reserves cluster. It portrayed a steady drop in the arising efficiency and productivity and therefore performance of the activities of preemptiveness, otherwise termed total quality management innovation. Here competitive advantage as it responded to the application of ICT dropped right through from the two, to the three, and then to the

four-star rated hotels, at 75%, 20%, and 0% yes responses respectively. In the five-star rated hotels, a turnaround of this trend was however be perceived. The response levels of competitive advantage to the application of ICT rose above those of the two-star rated hotels at 100% yes responses (Figure 4.4.2a).

Efficiency and productivity in total quality management innovation, when examined in respect of cost of the development of standards and practices, in the three functions of the preemptiveness activity level of hotels, revealed unmistakable internal hierarchies. These four functions, development of standards and practices, affiliate marketing, favourable market posture, and imitation barriers, fell into a graded order of reducing response and therefore strength of relationship with the application of ICT in hotels.

In the two-star rated hotels, and when all four strata were brought together, strategic planning took the first position, while sales & marketing, and reservations management come tie at second place (Table 4.4.2b). There is no hierarchy of the levels of response in the three, four, and five-star rated hotels. Here all three functions are equally responsive.

TABLE 4.4.2b: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF ICT IN ALL FOUR FUNCTIONS OF THE TOTAL QUALITY MANAGEMENT, FOR THE THREE CLUSTERS COMBINED

	2 STAR	3 STAR	4 STAR	5 STAR	2-5 STAR
STRATEGIC PLANNING	(7) 53.85%	(4) 20%	(1) 33.33%	(4) 100%	**(14) 46.66%**
SALES & MARKETING	(6) 46.15%	(2) 20%	(1) 33.33%	(4) 100%	**(13) 43.33%**
RESERVATIONS MANAGEMENT	(6) 46.15%	(2) 20%	(1) 33.33%	(4) 100%	**(13) 43.33%**

4.4.3 PERFORMANCE IN SYNERGY

The analysis of trends in the Nairobi, Coast and Nature Reserves clusters, and the 2-5 star rated strata of hotels, were therefore satisfactorily represented by an analysis solely of one component in one aspect for one function. Performance of marketing policies for business goals, within the integration of the application of ICT function, in the synergy-attainment activity level of a hotel therefore was sufficient. Here, performance was measured in terms of the combination of cost/time/manpower. The emerging trends of performance were taken to confidently apply in all six functions, and also their internal aspects of business strategy, and business environment, as illustrated by their respective components.

The Nairobi cluster records the best response, and therefore the strongest relationship of competitive advantage with the application of ICT at 80% yes responses for all functions exempting the one of continuous innovation which experiences a lower yes response level of 60%. Performance here is measured by cost/time/manpower in marketing polices of business goals, for all six functions of the synergy-attainment activity level. The six were integration of the application of ICT, commitment of functional units, continuous innovation in the application of ICT, enhancement of the application of ICT, technological expertise supporting the application of ICT, and finally, top management support in the application of IT (Figure 4.4.3a).

The Nature Reserves cluster comes next in order with 50% yes responses for six functions of the synergy-attainment activity level (Figure 4.4.3a). The Coastal cluster on its part shows least performance at third place with 30.8%, yes responses for all six functions of the synergy-attainment activity level (Figure 4.4.3a).

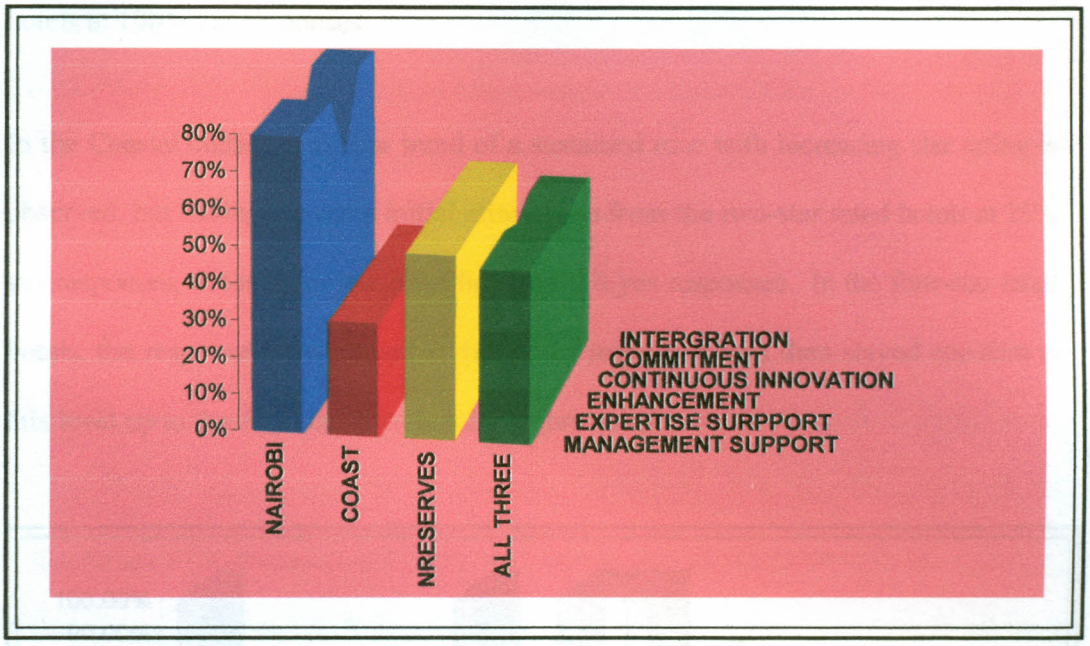

FIGURE 4.4.3a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN ALL SIX FUNCTIONS OF THE INTER DEPARTMENTAL SYNERGISTIC COMPLIMENTATION ACTIVITY LEVEL

The trends that were featured above in graph form then were based on a combined cost/time/manpower measure of performance for market policies in business goals, within the integration to the application of ICT function of the synergy-attainment level in the hotels that were sampled in this study. The analysis looked at performance or competitive advantage as it related to or responded to the application of ICT.

Having appreciated trends between clusters, analysis now focused on trends for different star ratings of hotels, in the clusters. Efficiency and productivity of hotels, as a response to the application of ICT, in the Nairobi cluster essentially dropped down from the two-star rated hotels at 100% yes responses, to the three-star rated hotels at

50% yes responses, and then rose with increasing star rating up to the five-star rated hotels at 100% yes responses.

In the Coastal cluster, a similar trend of a sustained rose with increasing star rating is observed, but having the same initial minor drop from the two-star rated hotels at 25% yes responses, to the three star-rated hotels at 0% yes responses. In the four-star rated hotels, the response level peaked at 100% yes responses, and then stayed constant at this level up to the five-star rated hotels (Figure 4.4.3b).

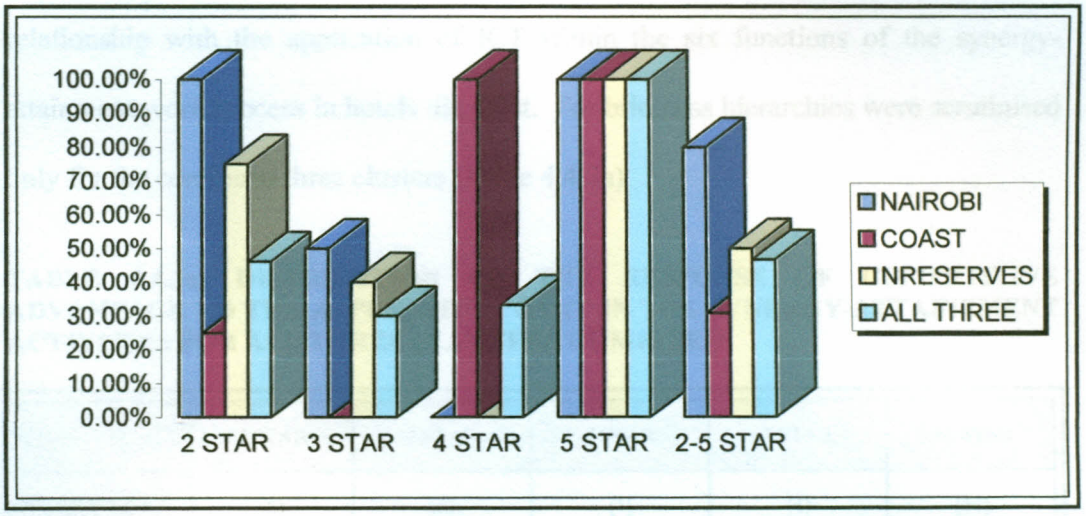

FIGURE 4.4.3b: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN THE INTEGRATION OF THE APPLICATION OF THE IT FUNCTION OF SYNERGY

The Nature Reserves cluster on its part displayed a marginally exceptional response trend of the performance of hotels to the application of ICT. The yes response level for this cluster reduced gradually from the two-star rated hotels at 75% yes responses, to the three-star rated hotels at 40% yes responses, and then to the four-star rated hotels at 0% yes responses. At the five-star rated hotels the level of yes responses at 100.00%, surpassed the values noted for the two star-rated hotels (Figure 4.4.3b).

These patterns in reality explained the shifting intensity of the association of competitive advantage, and the application of ICT in the synergy-attainment activity level of hotels for the Nairobi, Coast and Nature Reserves clusters. The harmony of trends that prevailed for all six primary functions called, attention to the internal unity of this activity level and its work processes.

There was the need to confirm the hierarchy of response to the application of ICT in the six functions of the synergy-attainment activity level of hotels. An internal order of the levels of response of competitive advantage and therefore strength of relationship with the application of ICT within the six functions of the synergy-attainment work process in hotels did exist. For briefness hierarchies were scrutinised only for the combined three clusters (Table 4.4.3a).

TABLE 4.4.3a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF IT IN THE SYNERGY-ATTAINEMENT ACTIVITIES FOR ALL THREE CLUSTERS COMBINED

	2 STAR	3 STAR	4 STAR	5 STAR	2-5 STAR
INTEGRATION	(6) 46.15%	(3) 30%	(1) 33.33%	(4) 100%	**(14) 46.66%**
COMMITMENT	(6) 46.15%	(3) 30%	(1) 33.33%	(4) 100%	**(14) 46.66%**
INNOVATION	(5) 38.46%	(3) 30%	(1) 33.33%	(4) 100%	**(13) 43.33%**
ENHANCEMNT	(6) 46.15%	(3) 30%	(1) 33.33%	(4) 100%	**(14) 46.66%**
EXPERTISE	(6) 46.15%	(3) 30%	(1) 33.33%	(4) 100%	**(14) 46.66%**
MANAGEMENT	(6) 46.15%	(3) 30%	(1) 33.33%	(4) 100%	**(14) 46.66%**

In all the four strata, as designated by the two to five-star rated hotels, and when all are combined, there is no ranking as all functions display equal responsiveness to the

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application of ICT. The sole exception emerges occurs within the two-star rated hotels, and when all strata are combined. Here the continuous innovation in the application of ICT drops below the rest with a yes response of 38.46% and 43.33%, as opposed to the rest scoring 46.66% yes responses on both accounts (Table 4.4.3a).

4.5 EMERGENT TRENDS AND RELATIONSHIPS

Analysis of the CAPICTA construct of hotels with regard to the response of competitive advantage (dependent variable) to the application of ICT (independent variable) revealed some common trends. The most compulsive one was the curious twist where both the three and four-star rated hotels in most instances recorded lower levels of response to the application of ICT, than the two-star rated hotels. Further this decline was noted in all the six dimensions of CAPICTA for the Nairobi, and Coastal clusters, to place the three-star rated hotels at the lowest level of response of performance to the application of ICT. When all three clusters are combined together the three-star rated hotels behave similarly only being substituted at the bottom position in the resource management functionality and threat response dimensions of the CAPICTA model of hotels. Where the Nature Reserves cluster is concerned this least responsive position is fully dominated by the four-star rated hotels.

On the other hand, in all clusters, whether seen together or individually, the five-star rated hotels redeem this situation and in fact do succeed to out perform even the two-star rated hotels. Finally it is worth noting that twenty-seven out of the twenty nine functions that derived from the seven dimensions of the CAPICTA model of hotels, also displayed a trend where the three-star rated hotels recorded the least response level of competitive advantage to the application of ICT. The three exceptions here

were automated mini-bars in the primary work process, front office in the resource management functionality, and sale & marketing in threat response activity level.

Three and four-star rated hotels commonly have been in operation longer, have a higher bed capacity, employ more educated managers, rely more on systems administrators, than two-star rated hotels. The fact therefore of their lesser response to ICT application than the two-star rated hotels clearly contradicts expectations. It should be noted however that these two, the three and four-star rated hotels, are the stages of hotel improvement in human and physical infrastructure, and also of re-orientation from a primarily local market base, to an international one. Such a proposition is well affirmed by the observed trends where three and four-star rated hotels were generally outdone by the two-star rated hotels in aspects of computer literacy, use, network infrastructure, presence of virtual tours in websites, and mode of enquiry for products and services by e-mail.

A status of dynamic change such as, the one that typifies growth from two, to three and four-star rated hotels, introduced instability in the hotels. To this extent, staffing in these hotels commonly operated in continuously new settings and responsibilities. Performance (efficiency and productivity) could not then be ideal, and this reflected in the activity centers of the hotels – the seven dimensions of the CAPICTA construct of hotels. The net effect was clearly a weakening relationship with or response level to the application of ICT. A low competitive advantage resulted.

It is instructive that this pattern was not replicated in either of the two or five –star rated hotels. At these two levels, the target markets and internal structures (human and physical) of the hotels were definite and stable. One targets local markets, and the

other unequivocally an international market. Performance that responded to the application of ICT was expectedly he high, rising from the two-star to the five-star rated hotels.

Another trend of interest was the sustained general dominance of the Nairobi cluster in the response of performance to the application of ICT, followed alternately by the Nature Reserves cluster, and the Coastal cluster. This particular trend concurred generally with the patterns observed for the quality of hotel personnel and facilities, such as computer systems and infrastructure. It was sufficiently explained by the rationale just advanced in support of the changes that accompany a changing hierarchy of hotel star rating.

Analysis here also revealed a common pattern where there was conformity between the dimensions of CAPICTA, both at the level of the three clusters put together, and also for each of the three individual clusters. In all these situations, the Nairobi cluster continued its domination of the Nature Reserves clusters, and then the Coastal cluster in terms of levels of response of competitive advantage to the application of ICT.

Each of these seven dimensions of the CAPICTA construct of hotels was an exclusive derivative of its elements (aspects, components, and functions). For each dimension its elements uniquely share common focus in facilitating hotel operations. It was natural then that the elements agree in function within themselves and also with their respective derived dimensions of the CAPICTA model of hotels. This agreement is confirmed in the previous analysis.

TABLE 4.5a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF ICT IN ALL SEVEN DIMENSIONS OF THE CAPICTA MODEL OF HOTELS, FOR ALL THE THREE CLUSTERS COMBINED

DIMENSIONS OF CAPITA	2 star	3 star	4 star	5 star	2-5 star
Primary activity	(32/80) 40%	(13/57) 23%	(5/18) 28%	(24/24) 100%	**(75/180) 42%**
Secondary activity	(36) 36.%	(6/30) 20%	(3/9) 33%	(12/12) 100%	**(35/39) 35%**
Resource Management Functionality	(31/65) 48%	(16/15) 32%	(5/15) 33%	(20/20) 100%	**(72/150) 48%**
Resource acquisition functionality	(24/52) 46%	(12/36) 33%	(4/12) 33%	(16/16) 100%	**(56/120) 47%**
Threat response	(14/28) 50%	(7/20) 20%	(3/9) 33%	(8/8) 100%	**(31/60) 52%**
Preemptiveness	(19/39) 53%	(6/30) 20%	(3/9) 33%	(12/12) 100%	**(40/52) 77%**
Synergy-attainment	(35/78) 41%	(18/60) 30%	(14/26) 54%	(24/24) 100%	**(83/180) 46%**

Finally, when all seven dimensions are examined threats response commonly dominates with the highest performance. In this hierarchy it is by and large followed in order by resource management and acquisition functionality, pre-emptiveness, and with primary and secondary activities taking the bottom place. The position of synergy in this hierarchy is generally not detected.

Any function in hotels that is preferably carried out within or best served with ICT applications responded most favourably when such facilitation was available. Threats response that targeted affiliate marketing and chain linking was most comfortable and had extensive reach in the world of the web and Internet. It was in this medium that

information was compulsively extended to the individual customer and supplier, and actually customized through the one-on-one innovation of marketing to their peculiar circumstances and needs. This was the first line of invasion into the market.

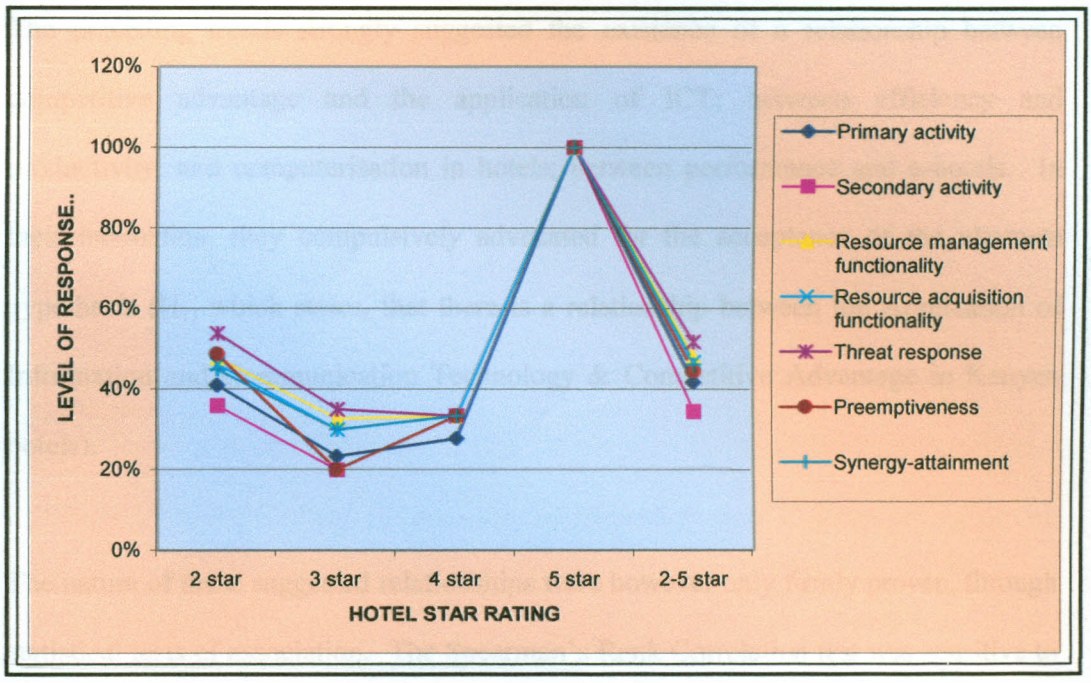

FIGURE 4.5a: DISTRIBUTION OF THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF ICT IN ALL SEVEN DIMENSIONS OF THE CAPICTA MODEL OF HOTELS, FOR ALL THE THREE CLUSTERS COMBINED

Resource management and acquisition functionality on its part hinged upon the application of ICT, especially in respect of reservations at a level that was secondary to threats response. It really acted as a follow-up to the initial continuous engagement of customers and suppliers that was made using threats response strategies. This was the sequence of involvement and dependence on the application of ICT that next targeted pre-emptiveness, where hotels addressed their competitors, and eventually in the primary and support activities where customers who already in hand were kept well pleased. Synergy in a sense blended together all the preceding six dimensions of

the CAPICTA construct of hotels, and their respective elements. It experienced a general spread within the hierarchy of dominance of these six dimensions of the CAPICTA model of hotels.

The preceding trends strongly suggested the existence of a relationship between competitive advantage and the application of ICT; between efficiency and productivity, and computerisation in hotels; between performance and e-hotels. In their inclination, they compulsively advocated for the acceptance of the alternate hypothesis (H_1) which states, that there is a relationship between the Application of Information and Communication Technology & Competitive Advantage in Kenyan hotels).

The nature of these suggested relationships were however only firmly proven, through statistical tests of association. The Spearman's Rank Correlation test was sensitive to ranked data, and therefore data that were collected on the ordinal scale of measurement. For these reasons then, this was the test that was put to use to test associations in this study. The tests produce Spearman's Rank coefficient values (r) that were significant in certain instances, and not significant in others. The association between competitive advantage as represented by the CAPICTA construct of hotels and the application of ICT shown here in terms of computerisation is not comprehensive, but rather partial to certain specific functions of both variables as for example represented in tables 4.5b and 4.5c.

In the Nairobi cluster, Network infrastructure had perfect positive correlation with r = 1.000** that was significant at an alpha (α) error value 0.01 levels (2-tailed) with all

29 functions of the seven dimensions of the CAPICTA construct of hotels, with but a few exceptions. The exceptions were general activity coordination in secondary activities, all three functions of threats response that include, strategic planning, sales & marketing, and reservations management, and continuous innovation in synergy attainment. Improvements in network infrastructure of hotels in the Nairobi cluster then is available as an effective medium representing the application of ICT, through which competitive advantage using the CAPICTA construct in these hotels can be achieved.

Computer literacy, computer usage, principal mode of inquiry, presence of virtual tours, and reliance on affiliate marketing all however fail to achieve any significant association with performance in hotels in the Nairobi cluster. Perfect correlation that is significant at an alpha (α) error value 0.01 levels (2-tailed) with r = 1.000** was also established between the number of computers found in finance department and the prevalence of systems administrators in hotels. The presence of virtual tours also recorded perfect correlation with principal markets, having a r = 1.000**. This correlation was significant at alpha (α) error value 0.01 levels (2-tailed).

In the Nature Reserves cluster, correlation of the application of IT, with the functions of the CAPITA model of hotels, expanded to include a great majority of the variables of computerisation. The correlations were significant at alpha (α) error values of 0.05 and 0.01 levels (2-tailed). Network infrastructure for instance generally recorded the highest correlation levels with the functions of the primary activity level.

There were a number of instances where correlation commonly failed consistently for all seven dimensions. These instances pointed out variables of computerization that could not be relied upon at all times to provoke the necessary positive changes in competitive advantage through the CAPICTA model of hotels in the country.

The principle mode of enquiry was the one variable of computerization and therefore seven dimensions of the CAPICTA construct of hotels, and to a large extent with all their 29 functions.

TABLE 4.5b: CORRELATION OF COMPETITIVE ADVANTAGE (DEPENDENT VARIABLE) TO THE APPLICATION OF ICT (INDEPENDENT VARIABLE) IN THE PRIMARY ACTIVITY DIMENSION (OBJECTIVE ONE) OF THE CAPICTA MODEL OF HOTELS, FOR THE NATURE RESERVES CLUSTER

PRIMARY ACTIVITY LEVEL		Number of computers in finance	Computer literacy levels of management	Frequency of usage of computers	Network infrastructure in place	Principal mode of enquiry for room	Presence of virtual tours	Presence of Affiliate marketing
Conferencing & banqueting	r	.548	.760**	.484	.667*	.525	.441	.647*
	P_C	.065	.004	.111	.018	.080	.151	.023
	N	12	12	12	12	12	12	12
Recipe costing systems	r	.588*	.625*	.792*	1.000**	.552	.889*	.583*
	P_C	.044	.030	.002	.	.063	.013	.048
	N	12	12	12	12	12	12	12
Stock control systems	r	.588*	.625*	.792*	1.000**	.552	.889*	.583*
	P_C	.044	.030	.002	.	.063	.013	.048
	N	12	12	12	12	12	12	12
Electric points of sale	r	.478	.671*	.410	.596*	.494	.385	.598*
	P_C	.116	.017	.186	.041	.103	.217	.041
	N	12	12	12	12	12	12	12
Automated mini bars	r	.478	.671*	.410	.596*	.494	.385	.598*
	P_C	.116	.017	.186	.041	.103	.217	.041
	N	12	12	12	12	12	12	12
Rooming	r	.767**	.701*	.701*	.907**	.668*	.618*	.495
	P_C	.004	.011	.011	.000	.018	.032	.102
	N	12	12	12	12	12	12	12

**. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).*

Affiliate marketing also failed the correlations tests similarly in all but the dimensions of resource management functionality and the primary activity level of the CAPICTA construct of hotels and their functions. The secondary activity level and virtual tours also failed to achieve significant correlation.

The primary activity level singularly showed failure between one or another of its functions with the number of computers in finance (representing general provision of computers in a hotel), frequency of use of computers, virtual tours, and affiliate marketing, in addition to the total absence of correlation with the principal mode of enquiry. Curiously, there was no correlation whatsoever between computerisation and the quality of hotel premises and personnel.

In the Coastal cluster, the tests of correlation returned considerably less widespread correlation between competitive advantage and the application of ICT. The primary activity level of the CAPICTA model of hotels only achieved significant correlation with network infrastructure in its functions of recipe costing, stock control systems, and rooming. These relationships were significant at an alpha (α) error value of 0.01 levels (2-tailed).

The secondary activity level in its turn achieved significant associations between its functions, and several aspects of computerisation. The number of computers in finance correlated with all three functions of the secondary activity level in hotels (personnel management, hotel infrastructure, and general activity coordination) achieving a Spearman's rank correlation coefficient-r value of 0.557*. Here the set alpha (α) error value stood at 0.05 levels (2-tailed).

network infrastructure in place. Incentives for improved application of ICT then would emerge from these two aspects of computerisation. Such improvements in provision of computers and better and more comprehensive computer networks would in turn push the competitive advantage of the hotels up, through better performance (efficiency and productivity) in this synergy attainment dimension of the CAPICTA construct of hotels.

Finally, in this coast cluster, there were significant association between the quality of hotel premises and personnel and computerisation, only in two of their aspects. Network infrastructure correlated significantly with bed capacity, while principal mode of enquiry relates significantly with education levels of managers. The respective Spearman's correlation coefficients-r that were achieved here were 0.855** and 0.705*. These correlations were significant at a set alpha (α) error value is 0.01 levels (2-tailed).

CHAPTER 5

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This study effectively identified that the Kenyan hotels rely mainly on the international market. This market is well adapted to e-commerce. The international market also enjoys a high affordability, making it important as a prime source of revenue for the hotels. Kenyan hotels however are in the early stages of adopting the e-hotel business concept.

In theory, the CAPICTA construct is sensitive to the application of ICT in hotels. The study set out to confirm first that activity centers of the CAPICTA model did in fact respond to the application of ICT, in the sense of experiencing improved performance (better and more efficient productivity). In doing so the study expected to establish the existence of a relationship between competitive advantage (dependent variable) and the application of ICT in hotels (independent variable). Such a confirmation in effect would establish that hotels do respond to ICT application, and that they can gain competitive advantage through improved performance arising from the application of ICT. This would make available very useful tools by which to remedy the present challenge that confronts Kenyan hotels. The challenge is one of a dwindling international market share that results from an e-commerce international compliant clientele and the international competitors.

5.2 CONCLUSIONS

The preceding analysis showed that primary and support activities, resource management and acquisition functionality, threats response, pre-emptiveness, and

synergy all commonly responded better to the application of ICT with rising star rating. This implied a general trend of improved efficiency and productivity in all seven centers of activity with rising star rating. The patterns were only interrupted by an explainable slump in efficiency, at times for the four-star rated hotels, and more commonly for the three-star rated hotels, as a result of the dynamics of changing hotel status.

A rising star rating coincided commonly with advances in hotel facilities and personnel. Better hotel facilities were represented in this research as good profiles of the hotel premises and personnel. This was with respect to, hotels with longer years of operation, higher bed capacities, and increased reliance on the international market; and management with higher incomes, more education, and with increasing specialisation in systems administration as was necessary to manage communications. Better facilities in this study are represented by the general increase in the size of hotels and the infrastructure especially in the form of computer systems and networks.

The study had therefore fully addressed the set objectives, established that all the seven dimensions of the CAPICTA construct responded to the application of ICT, and in so doing, achieved improved performance in pace with the eventually upgraded human and physical infrastructure of the hotels.

For each of the seven dimensions of the CAPICTA model of hotels, competitive advantage was seen to respond to the application of ICT. The response level generally

grew with improved hotel facilities and personnel – in other words as the star rating rises. Further, at the aggregate level of the CAPICTA construct, the hotels reflected similar responses. These responses were confirmed for each of the three clusters (Nairobi, Coast, and Nature Reserves), although with variations in intensity from one cluster to another. They were also established for the three clusters put together, representing as they do, the overall country. The relationship generally became more intense with rising star rating of hotels.

From these trends it was clear that there is a relationship between competitive advantage (independent variable) in each of the seven centers of activity of hotels, with the application of ICT (dependent variable). The null hypothesis (H_0 = There is no relationship between the application of Information Technology & Competitive Advantage in Kenyan hotels) was rejected. The hierarchies of these relationships have also been identified. The threats response dimension of the CAPICTA construct of hotels, by and large had the highest improvement of performance arising from the application of ICT. It was followed in order by resource management functionality, resource acquisition functionality, pre-emptiveness, primary activities, and finally secondary activities.

The Nairobi cluster led in responsiveness of superior performance to the application of ICT. The Nature Reserves followed it, with the Coastal cluster turning in the least responsive improvement in performance for most instances. The five-star rated hotels also dominated with the highest responsive levels of enhanced performance to the application of ICT. The two-star rated hotels, with the four-star rated hotels and the

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three-star rated hotels take the second, third and fourth positions respectively. Hierarchies of responsiveness to the application of ICT for the aspects, components, and functions of each of the seven dimensions of the CAPICTA construct or model of hotels had also been firmly outlined in this study in the preceding analysis.

The generally rising response of competitive advantage and its increasing response to the application of ICT in hotels are not incidental, but a clear direct response to eventual increased in levels of computerisation, and computer literacy in hotels. The strong agreement between quality in the facilities and personnel of hotels and computerisation suggests strongly that the observed concurrent increase in quality within hotels, alongside an ultimate rise in computerisation was also not incidental. Hotels with better facilities and more informed, qualified managers had a better understanding and therefore supported better the venture to computerize.

The hierarchy of association between competitive advantage and the application of ICT varied from that of straightforward simple response. The Nature Reserve cluster led, followed by the Coastal cluster, and with the Nairobi cluster coming last. The hierarchy essentially outlined a dwindling room for association, and therefore opportunity for positive intervention that brought about improved competitive advantage in the hotels. Down this hierarchy less and less dimensions of the CAPICTA construct of hotels associate with computerisation. Also fewer functions of these dimensions related at all with the aspects of computerisation that were studied in this study.

Improvements in competitive advantage can be achieved in the three clusters through all six dimensions of the CAPICTA model of hotels, apart from the preemptiveness

dimension in the Nairobi cluster. In this latter dimension no association exists with computerisation. In the rest of the Nairobi cluster too, association prevails solely with the network infrastructure aspects of computerisation. This is the sole available avenue for positive intervention here, with which to promote increased competitive advantage. In the Coastal cluster, other avenues for positive intervention open up. These include, principal mode of enquiry for a hotel's products and services, number of computers in the hotel, and affiliate marketing. Numbers of computers and network infrastructure dominate as the most available areas of the application of ICT, through which to stimulate positive change in competitive advantage for the hotels.

The Nature Reserves Cluster draws in a wider range of ideal instruments of positive intervention in a hotel's competitive advantage. These include number of computers, computer literacy, frequency of usage of computers, network infrastructure, mode of enquiry for a hotel's products and services, virtual tours, and affiliate marketing. Dominant avenues here are numbers of computers, network infrastructure, and mode of enquiry.

The Competitive Advantage Provided by an Information and Communication Technology Application (CAPICTA) can be used to improve productivity in hotels in order to offer services with increased efficiency. It responds well to the application of ICT, translating hotels into the e-hotel or e-commerce business mode. Here then customers can be accessed more effectively on a one-on-one basis. It also facilitates for easier, effective, more extensive and therefore more competitive affiliations and chain linking. Using the CAPICTA construct to boost competitive advantage in hotels

through the application of ICT, Kenyan hotels stand a better chance of retaining and even expanding their share of the international market.

5.3 RECOMMENDATIONS AND IMPLICATIONS

1. For the investors (hoteliers) to posses competitive advantage over its rivals, the hotelier must be able to delivery the same benefits as its competitors but at a lower cost, or deliver benefits that exceed those of competing products through it capabilities and resources (CAPICTA), Thus a competitive advantage enables the hotel to create superior value for its customers and superior profits for itself.
2. Hotels should set internal ICT policies for all operations and services to be computer based, and to promote reliance on e-mail while communicating with customers. Virtual tours need wider use, while affiliate marketing should be emphasized more.
3. The hotels with low star rating should prioritize investments that improve their physical facilities along with the quality of their personnel.
4. When hotels upgrade to three and four-star rated hotels, they should be properly guided to lay equal emphasis on building physical and human infrastructure, as well as on improving operations.
3. Improvements to hotel facilities should be made, and more competent personnel are employed.
4. There ought to be more investment on computerisation. These computers should be more in number and of the high performance branded types. The requisite updated software also needs to be made available.
5. Emphasis should be laid on computer training, which promotes better and more intense use of computers in hotels. In such training all staff must learn basic packages and use of the Internet.

6. Hotels should build in an efficient ICT infrastructure that will include local area networks, competent ISP providers, and a stable telephone service base for Internet.

5.4 SUGGESTIONS FOR FURTHER RESEARCH

1. A venture to holistically resolve the observed problem of a dwindling international market share would necessarily embrace other alternative avenues of investigation. These would include understanding the place of governance, security, infrastructure, and international geo-politics in marketing. They in this case constitute useful leads that would guide further investigation.

2. It is necessary to understand the role of the electronic and print media in posturing the country as an ideal tourist destination. Initiatives to build diversity and therefore expand the attractions that draw tourists to this country can be pursued through well-guided research. Lessons from other international destinations that do not enjoy the advantage of the uniquely rich flora and fauna that Kenya has provide other interesting options for investigation.

3. The composition of the CAPICTA construct of a hotel has not quite been tested in this study. This can be done with an investigation that seeks to confirm and if possible re-define the basic centers of activities in hotels. Such an investigation would necessarily require the use of advanced multivariate analytical techniques, to authenticate the actual identity of these constituents of the CAPICTA model.

4. Further, research into possibilities of diversifying away from the traditional international markets is advised. These markets have in the past patronised Kenyan hotels and the tourism trade in this country. They would serve well to diminish the current stranglehold that the traditional markets have on the tourism trade.

5. Finally it would be interesting to investigate the types of computer systems in use in hotels nationally, and to also determine their usefulness. Such enquiry would enable the recommendation of ideal versions or forms that would best serve the purposes for which hotels are in operation.

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7.0 APPENDICES

7.1 SELF-INTRODUCTION TO THE HOTELS (CONSENT NOTE)

GAINING COMPETITIVE ADVANTAGE FOR KENYAN HOTELS THROUGH THE APPLICATION OF INFORMATION AND COMMUNICATION TECHNOLOGY

(A case of 2 - 5 star rated Hotels)

Introduction to the Hotel

Good (morning/afternoon/evening). My name is Leah W Maringa and I am a post Graduate student at Kenyatta University. I am interested in learning more regarding your hotel precisely the reservations department. Our discussion will take about ten to fifteen minutes of your time. You are free to decide to answer the questions or not to answer. If you agree to answer the questions, your answers will be confidential and your name will not be used in any way. Your participation will be very helpful in determining how the hotel can make the best use of the computers to reach the market. May I continue?

7.2 REQUEST FOR RESEARCH PERMIT (CONSENT NOTE)

Leah. W. K Maringa
P.O. Box 010062000
Nairobi

08/09/04

Through,
The Chairman,
Department of Hospitality Tourism Management
Kenyatta University
P. O. BOX 43844
Nairobi

Dear Sir,

Re: Research Permit

I am a student at the Kenyatta University and hereby requesting for a research permit to carry out a research entitled **GAINING COMPETITIVE ADVANTAGE FOR KENYAN HOTELS THROUGH THE APPLICATION OF INFORMATION AND COMMUNICATIOON TECHNOLOGY** (A case of 2 - 5 star rated Hotels). The research will be carried out in the Kenyan Coast, The Nature reserves and Nairobi city.

Thank you.

Leah W.K. Maringa
Student No; H60/7481/2002

7.3 INTERVIEW SCHEDULE

QUESTIONNAIRES/INTERVIEW SCHEDULES REGARDING THE RESPONSE OF COMPETITIVE ADVANTAGE TO THE APPLICATION OF INFORMATION AND COMMUNICATION TECHNOLOGY IN KENYAN HOTELS

PART I: DEMOGRAPHIC INFORMATION ON THE HOTEL PREMISES

Name of facility ……

	Years in operation SEIH01			Principle Market SEIH02			Location of facility SEIH03		Bed capacity SEIH04						Address SEIH05	
Response	0-10	11-20	21+	Loc	Reg	For	Far	Clos	0-50	51-100	101-150	151-200	201-250	251-300	Loc Add	Tow Add
Coding	A	B	C	A	B	C	A	B	A	B	C	D	E	F	A	B
Score	2	4	6	2	4	6	3	6	1	2	3	4	5	6	3	6

*Loc: Local; Reg: Regional; For: Foreign; Loc Add: Local Address; Tow Add: Town Address; Clos: Close

PART II: DEMOGRAPHIC INFORMATION ON THE HOTEL MANAGEMENT

Name of respondent……

	Age SEIR01			Education level SEIR02				Nationality SEIR03		Number of children SEIR04			Years employed here SEIR09		
Response	20-30	31-40	41+	OJT	Cert	Dipl	Degr	Local	Foreign	0	1-3	4-6	0-2	2.1-4	4.1+
Coding	A	B	C	A	B	C	D	A	B	A	B	C			
Score	2	4	6	2	3	5	6	3	6	2	4	6	2	4	6
	Gender SEIR06			Designation SEIR07				Marital status SEIR08		Income SEIR05					
Response	Female		Male	Owner	Mgmt	Systems Admn		Sing	Marrd	0-20	21-40	41-60	61-80	81-100	100 +
Coding	A		B	A	B	C		A	B	A	B	C	D	E	F
Score	3		6	2	4	6		3	6	1	2	3	4	5	6

** OJT: On the job training; Cert: Post-primary/secondary school certificate; Dipl: Diploma; Degr: Degree; Sing: Single; Marrd: Married; Mgmt: Management; Admn: Administration.*

PART III: BACKGROUND INFORMATION ON IT AND MARKETS

I. LEVELS OF COMPUTERISATION.

1. Do you have computers in your hotel (**BIML01**)?		
RESPONSE	NO	YES
CODE	A	B
SCORE	3	6

If yes, fill in the following table (*The ideal situation*).

COMPUTERISATION		RESPONSE	C	S	FUNCTIONAL DEPARTMENTS									
					F 01	HR 02	M 03	FO 04	HK 05	F & B 06	GM 07	BU 08	IT 09	SC 10
1	Number* BIMLN	0≤25%	A	2										
		25<50%	B	3										
		50<75%	C	5										
		75≤100%	D	6										
2	Type BIMLT	Clone	A	3										
		Branded	B	6										
3	Capacity BIMLC	P-1 / P-2	A	2										
		P-3	B	4										
		P-4	C	6										
4	Duration of use BIMLD	≤2years	A	3										
		≥2years	B	6										

* *The ranges of number of computers are 0 to 25%, 26% to 50%, 51% to 75%, and 76% to 100%, coverage of the departmental computing needs.* ** Branded types: Compaq, Apple, IMB, Mercer. ***F: Finance; HR: Human Resource; M: Marketing; FO: Front Office; HK: House Keeping; F & B: Food and Beverage; GM: General Managers; BU: Business units; IT: Information Technology; SC: Security.*

II. COMPUTER LITERACY LEVELS

1. Are the staffs in middle level management and above computer literate, if yes what percentage (**BIMC01**)?

RESPONSE	NO (<25%)	YES (>25%)
CODE	A	B
SCORE	3	6

If yes fill in the following table.

COMPUTER USE		RESPONSE	C	S	FUNCTIONAL DEPARTMENTS									
					F 01	HR 02	M 03	FO 04	HK 05	F & B 06	GM 07	BU 08	IT 09	SC 10
1	Frequency of use BIMCF	Occassionally	A	3										
		Always	B	6										
2	Type of Work done BIMCT	Reports (R)	A	2										
		Typing (T)	B	1										
		Accounting (A)	C	4										
		Data analysis (D)	D	5										
		Charts (C)	E	3										
		Internet (I)	F	6										
3	Software BIMCS	WP (W)	A	1										
		SS (S)	B	3										
		Graphics (G)	C	4										
		Data base (D)	D	5										
		MIS (M)	E	6										
4	Duration of use BIMCD	≤2years	A	3										
		≥2years	B	6										

* *Software: PageMaker, Quark, Express, Access, Fortune Five, HOQ-Mart.* ** *MIS: Management Information System; WP: Word Perfect; SS: Spreadsheet* ***F: Finance; HR: Human Resource; M: Marketing; FO: Front Office; HK: House Keeping; F & B: Food and Beverage; GM: General Managers; BU: Business units; IT: Information Technology; SC: Security.*

KENYATTA UNIVERSITY LIBRARY

	Is any other work done? BIMC02		Internet provider used BIMC03		Any problems with ISP BIMCO4		Any network infrastructure BIMC05		Is network wireless or cable supported BIMC06	
Response	No	Yes	Class II	Class I	Yes	No	No	Yes	Wireless	Cable
Coding	A	B	A	B	A	B	A	B	A	B
Score	3	6	3	6	3	6	3	6	3	6

** Class II ISP: Nairobinet, Wananchi, Jambonet, Iconnect; Class I: Swift global, Access Kenya, Africaonline, and UUnet.*

IV. DEMAND LEVELS OF THE RESOURCE (THE ROOM-BED)

1. Do you receive any enquiries for your products and services **(BIMDL)**?		
RESPONSE	**NO (<25%)**	**YES (>25%)**
CODE	A	B
SCORE	3	6

If yes then fill in the following table

Resource: Contact management systems	Principle mode of enquiry for products and services 01						Frequency of enquiry (Number/year) 02				Resulting rate of bookings (Number/year) 03				Resulting rate of confirmation (Number/Year) 04				Resulting rate of occupancy (Number/year) 05			
Response	M	T	F	E	O	W	≤ 25 %	≤ 50 %	≤ 75 %	> 75 %	≤ 25 %	≤ 50 %	≤ 75 %	> 75 %	≤ 25 %	≤ 50 %	≤ 75 %	> 75 %	≤ 25 %	≤ 50 %	≤ 75 %	> 75 %
Coding	A	B	C	D	E	F	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D
Score	1	2	3	4	5	6	2	3	5	6	2	3	5	6	2	3	5	6	2	3	5	6
Room BIMDR																						
Conference BIMDC																						
Dining BIMDD																						

** Low season and high season average values important. * *M: Mail; T: Telephone; F: Fax; E: e-mail; O: Mobile; W: Website.*
***Contact management systems focus on potential customers by recording and processing customer inquiries.*

2. Level of satisfaction of clients in the reservation process **(BIMDO2)**					
RESPONSE	**0%**	**25%**	**50%**	**75%**	**100%**
CODE	A	B	C	D	E
SCORE	1	3	4	5	6

	Do you have a website? BIMD03		Does your website provide virtual tours? BIMD04		Does the virtual tour enable choice in reservations? BIMD05		Does it allow for affiliate marketing? BIMD06		Does it allow for chain linking? BIMD07	
Response	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Coding	A	B	A	B	A	B	A	B	A	B
Score	3	6	3	6	3	6	3	6	3	6

PART IV: INFORMATION ON THE APPLICATION OF IT AND COMPETITIVE ADVANTAGE IN THE HOTEL

I. PRIMARY ACTIVITY EFFICIENCY

Here we measure efficiency and productivity in the work process, with regard to the acquisition, storage, and distribution of products and services.

QUESTION:

Does the application of IT increase your efficiency and productivity in terms of, reduced cost, reduced time, and reduced manpower? (Answer yes or no).

PRODUCT AND SERVICES [Catering Information Systems]		ACQUISITION						STORAGE						DISTRIBUTION					
		COST 01		TIME 02		MNP 03		COST 04		TIME 05		MNP 06		COST 07		TIME 08		MNP 09	
	Response	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
	Code	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
	Score	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6
1	Conferencing & Banqueting **AICAPC**																		
2	Recipe costing system **AICAPR**																		
3	Stock control system **AICAPS**																		
4	Electronic POS **AICAPE**																		
5	Automated mini-bars **AICAPA**																		
6	Rooming **AICAPO**																		

**Item 6-rooming is not part of the Catering Information Systems (CIS). * *MNP = Manpower. ***POS = Point of sale.*
*****N: No; Y: Yes.*

II. SECONDARY ACTIVITY EFFICIENCY (use of internal network)

Here we measure efficiency and productivity in the Human Resource Systems, with regard to the training, communication, and information search for the support activities.

QUESTION:

Does the application of IT increase your efficiency and productivity in terms of, reduced cost, reduced time, and reduced manpower? (Answer yes or no).

SUPPORT ACTIVITY [Back Office Systems]		TRAINING						COMMUNICATION						INFORMATION SEARCH					
		COST 01		TIME 02		MNP 03		COST 04		TIME 05		MNP 06		COST 07		TIME 08		MNP 09	
	Response	N	Y	N	N	Y	N	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
	Code	A	B	A	A	B	A	A	B	A	B	A	B	A	B	A	B	A	B
	Score	3	6	3	3	6	3	3	6	3	6	3	6	3	6	3	6	3	6
1	Personnel Management AICASP																		
2	Hotel Infrastructure AICASH																		
3	General activity coordination AICASG																		

**MNP: Manpower; N: No; Y: yes.*

III. RESOURCE MANAGEMENT FUNCTIONALITY

Here we measure the efficiency and productivity of Resource Management in respect of utilization, upgrading, effectiveness, and usefulness of the resource (the room).

QUESTION:

Does the application of IT increase your efficiency and productivity in terms of, reduced cost, reduced time, and reduced manpower? (Answer yes or no).

HIS		TRACKING ROOM UTILIZATION						TRACKING ROOM UPGRADING						EVALUATING ROOM EFFECTIVENESS						EVALUATING ROOM USEFULNESS					
		C 01		T 02		M 03		C 04		T 05		M 06		C 07		T 08		M 09		C 10		T 11		M 12	
	Response	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
	Code	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
	Score	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6
1	Front Office AICARF																								
2	Guest Accounting AICARG																								
3	Night Audit AICARN																								
4	Food & Beverage service AICARB																								
5	Human resource operations AICARH																								

**HIS = House Keeping inventory systems that represents data flow about rooms (electronic data interchange - EDI)*
***Tracking room utilization= tracking which rooms are occupied; Tracking room upgrading = Tracking rooms awaiting to be cleaned; Evaluating room effectiveness = Tracking rooms awaiting to be inspected; Evaluating room usefulness = Tracking; room ready to be passed back to front desk for allocation to incoming guests; C = Cost; T = Time; M = Manpower; N: No; Y: yes.*

IV. RESOURCE ACQUISITION FUNCTIONALITY

Here we measure efficiency and productivity in the Resource Acquisition, with respect to the ordering, confirmation, verification, and acquisition of the resource (the room).

QUESTION:

Does the application of IT increase your efficiency and productivity in terms of, reduced cost, reduced time, and reduced manpower? (Answer yes or no).

		ORDERING						CONFIRMATION						VERIFICATION						ACQUISITION					
		C 01		T 02		M 03		C 04		T 05		M 06		C 07		T 08		M 09		C 10		T 11		M 12	
	Response	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
	Code	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
RCS	Score	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6
1	Exchange - Housekeeping AICAAE																								
2	Reservations AICAAR																								
3	Registration AICAAI																								
4	Guest Accounting AICAAG																								

**RCS = Reservation control systems; Exchange – Housekeeping is about information exchange between front office and housekeeping in the floating of rooms; Registration: Guest history; Guest accounting: updates; C = Cost; T = Time; M = Manpower; N: No; Y: yes.*

V. THREATS RESPONSE

Here we measure efficiency and productivity in combating the bargaining power of both customers and suppliers (*offering the best bargain*), with respect to switching costs (*let them have no alternatives*) and search-related costs (*opportunity cost*), for the resource (*the room*). *The focus of interest here is to attract customers and suppliers away from other competing hotels, by increasing the variety and diversity of services and opportunities available. The ideal way of doing this is through affiliate marketing and chain linking.*

QUESTION:

Does the application of IT increase your efficiency and productivity in terms of, reduced cost, reduced time, and reduced manpower? (Answer yes or no).

		CUSTOMER												SUPPLIER											
		DECREASING SEARCHING COSTS						INCREASING SWITCHING COSTS						DECREASING SEARCHING COSTS						INCREASING SWITCHING COSTS					
		C 01		T 02		M 03		C 04		T 05		M 06		C 07		T 08		M 09		C 10		T 11		M 12	
SBU's	Response	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
	Code	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
	Score	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6
1	Sales and Marketing AICATS																								
2	Acquisitions AICATA																								

* *SBU's: Strategic business units; C = Cost; T = Time; M = Manpower; N: No; Y: yes.*

** *Management is in charge of overall strategic business planning. It gives guidance to specific Strategic Business Units.*

*** *The objective here is to lower the customers' searching costs, and to also decrease the suppliers' bargaining power. This is achieved by raising switching costs for both the customers' and suppliers, possibly through a affiliate marketing and chain hotel arrangements through the Internet.*

**** *Searching and switching costs address the following issues: local or international chain linking for customers, and collective purchases in the chain for suppliers.*

VI. PREEMPTIVENESS

Here we measure efficiency and productivity in obtaining first mover advantage, with respect to standards and practice, unique channels, competitor market posture, and imitation barriers, in a Leadership Technological Strategy (LTS). (*Preemptiveness = Deterrence = To discourage the competition to take the form of first mover advantage*).

QUESTION:

Does the application of IT increase your efficiency and productivity in terms of, reduced cost, reduced time, and reduced manpower? (Answer yes or no).

TQM-I		INFLUENCING THE STANDARDS AND PRACTICES (creativity) IN THE INDUSTRY (virtual tours)						ACHIEVING UNIQUE ACCESS TO CHANNELS (affiliate marketing)						FORCING LESS FACOURABLE MARKET POSTURE ON COMPEITORS (help out do a competitor)						OFFERING BARRIERS AGAINST IMITATIONS					
		C 01		T 02		M 03		C 04		T 05		M 06		C 07		T 08		M 09		C 10		T 11		M 12	
	Response	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
	Code	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
	Score	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6	3	6
1	Strategic planning AICAEU																								
2	Marketing and sales AICAEV																								
3	Reservations Management AICAEW																								

* *TQM-I; Total quality management innovation; C = Cost; T = Time; M = Manpower; N: No; Y: yes.*
** *Barriers against imitations are achieved through patents, copyrights, and trade secrets.*
*** *Generally, preemptive strikes are pursued through Leadership Technological Strategy (LTS) in today's market (innovation).*

VII. SYNERGY-ATTAINMENT

Here we measure efficiency and productivity arising out of synergistic complementation of the various departments of the hotel with the application of IT, for improved Competitive Advantage.

QUESTION:

Does the application of IT increase your efficiency and productivity in terms of, reduced cost, reduced time, and reduced manpower? (Answer yes or no).

Elements of synergy in the hotel			BUSINESS GOALS				BUSINESS STRATEGY						BUSINESS ENVIRONMENT					
			Marketing Policies **01**		Marketing Practices **02**		Mktg Dept **03**		Fin Dept **04**		HR Dept **05**		Marketing Dept **06**		Fin Dept **07**		HR Dept **08**	
	Response		N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
	Code		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
	Score		3	6	3	6	3	6	3	6	3	6	3	6	3	6	2	6
1	Integration of the application of IT **AICAYI**	C																
		T																
		MP																
2	Commitment of Functional units **AICAYC**	C																
		T																
		MP																
3	Continuous innovation in the application of IT **AICAYO**	C																
		T																
		MP																
4	Enhancement of the application of IT **AICAYE**	C																
		T																
		MP																
5	Technological expertise support in the application of IT **AICAYT**	C																
		T																
		MP																
6	Top management support in the application of IT **AICAYS**	C																
		T																
		MP																

MNP = Manpower. **Mktg = Marketing. * Fin = Finance. **** HR = Human resource*

Synergy	Is there integration of the application of IT? **AICAYZ1**		Is there commitment of Functional units? **AICAYZ2**		Is there continuous innovation in the application of IT? **AICAYZ3**		Is there enhancement of the application of IT? **AICAYZ4**		Is there technological expertise support in the application of IT? **AICAYZ5**		Is there top management support in the application of IT? **AICAYZ6**	
Response	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Coding	A	B	A	B	A	B	A	B	A	B	A	B
Score	3	6	3	6	3	6	3	6	3	6	3	6

**The inquiry here tests that all six elements of synergy are applied in the hotel.*

7.4 TIPPET'S TABLE OF FOUR DIGIT RANDOM NUMBERS ADAPTED TO A TWO NUMBER SETTING.

10	22	24	42	37	77	99	96	89	85	28	63	09
10	07	51	02	01	52	07	48	54	32	29	02	81
29	00	05	91	00	00	69	25	09	91	17	46	92
14	98	34	70	53	76	90	64	08	95	15	15	46
48	93	39	06	72	91	14	36	69	40	93	61	97
12	21	54	53	97	91	58	32	27	33	72	20	57
04	26	04	69	65	57	83	42	56	18	89	62	07
63	28	54	29	52	67	00	68	10	01	25	22	06
81	11	56	05	63	53	88	48	52	87	71	51	52
33	46	33	85	22	05	87	28	04	68	39	25	64
87	62	95	29	73	27	90	18	94	35	33	88	39
06	40	83	33	31	93	20	02	85	97	61	16	42
69	07	10	53	33	03	92	85	08	51	60	94	58

Source: adapted from Nachmias and Nachmias 1996.

7.5 EXPANDED THEORETICAL FRAMEWORK

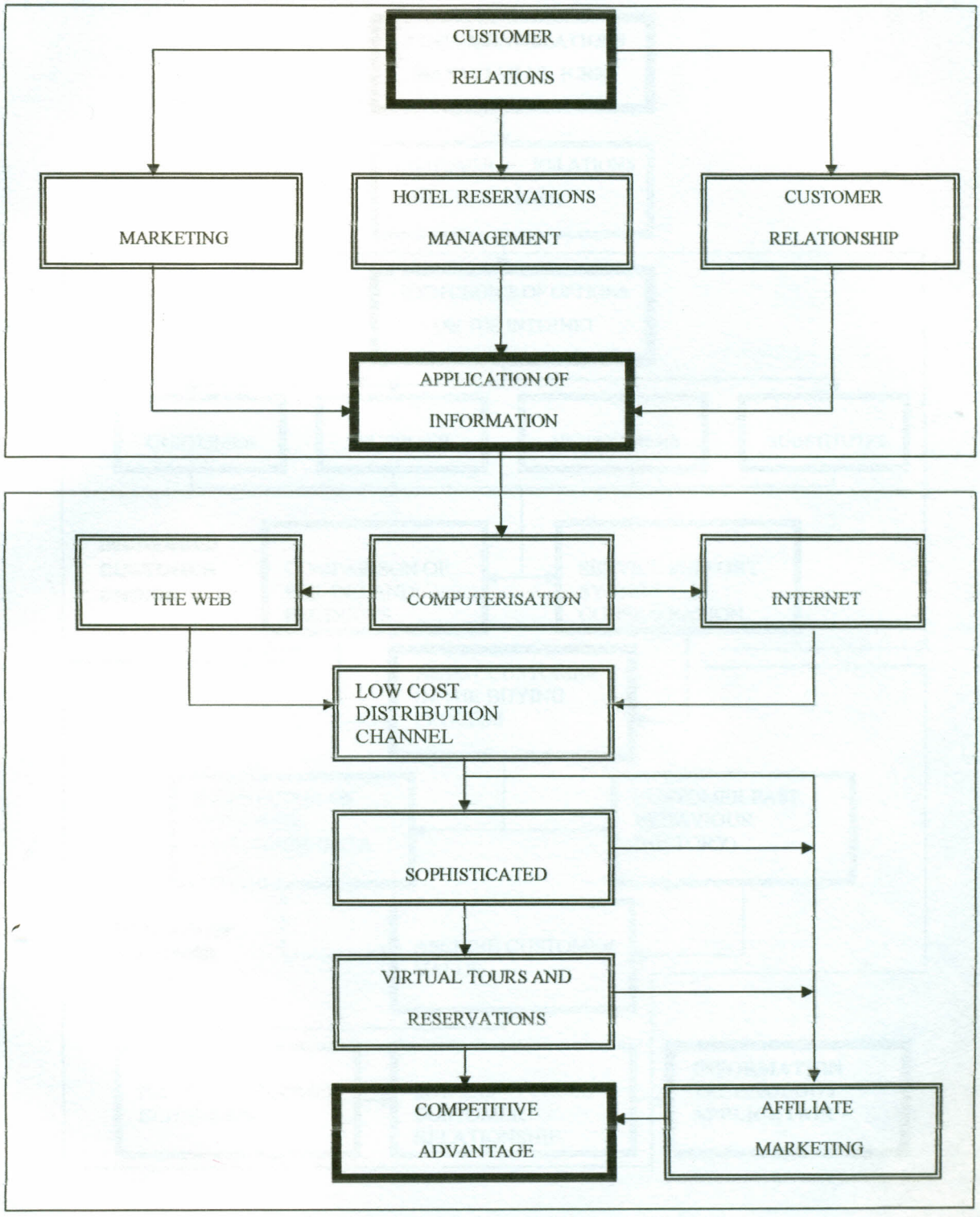


FIGURE 7.5a: EXPANDED OVERALL THEORETICAL FRAMEWORK ON CRM

Source: Author, 2005

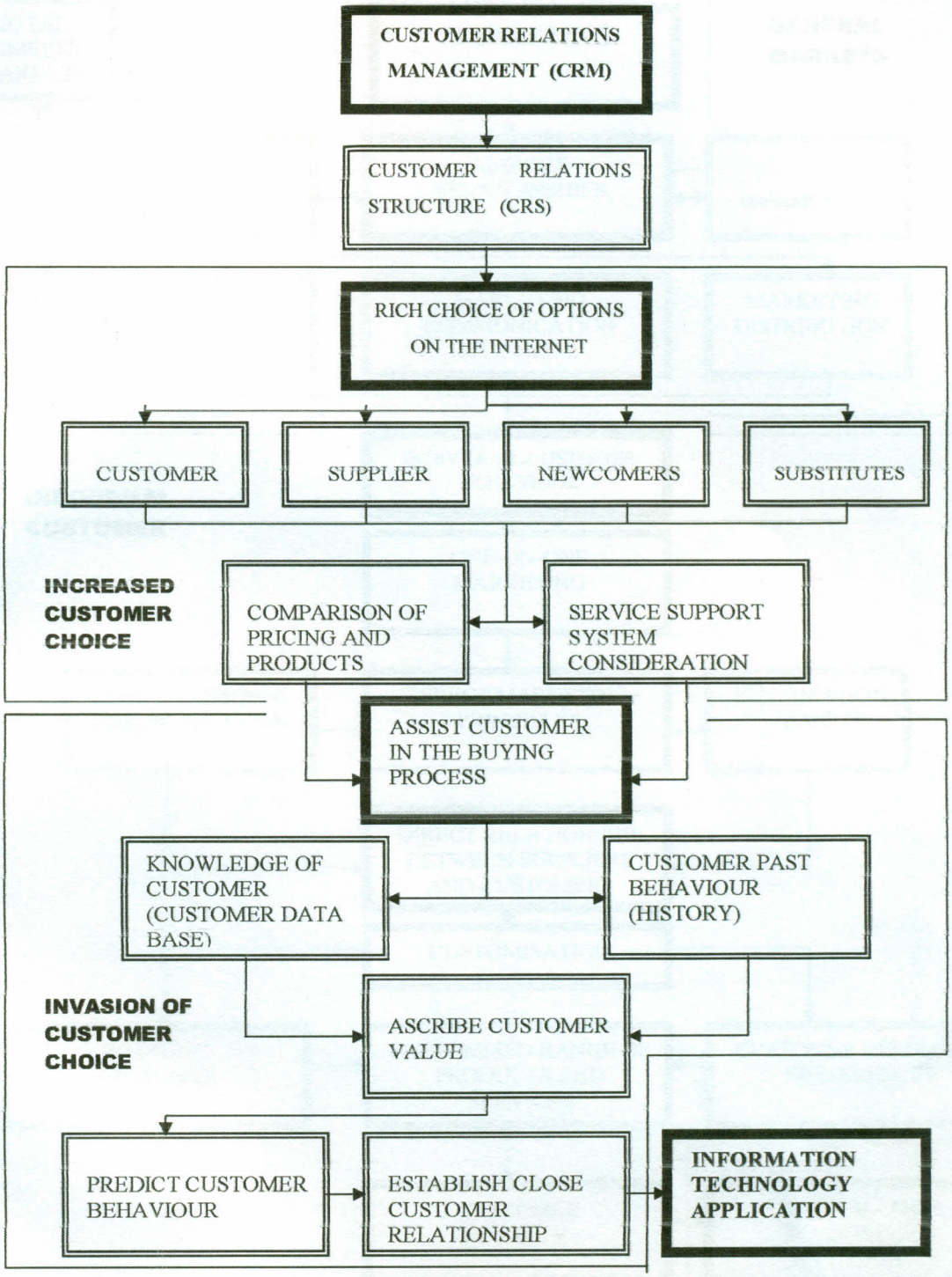


FIGURE 7.5b: EXPANDED THEORETICAL FRAMEWORK ON CRM

Source: Author, 2005

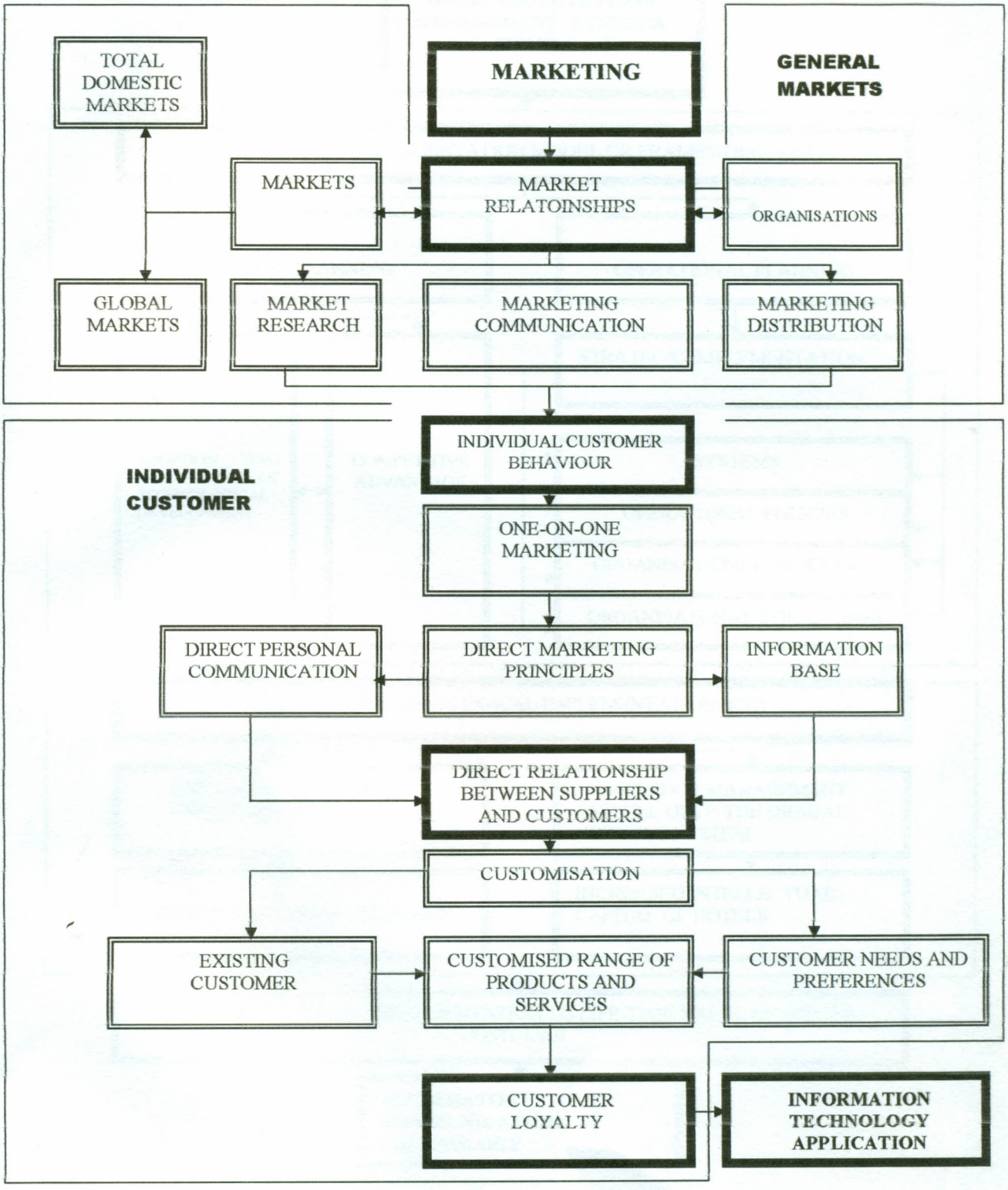


FIGURE 7.5c: EXPANDED THEORETICAL FRAMEWORK ON MARKETING

Source: Author, 2005

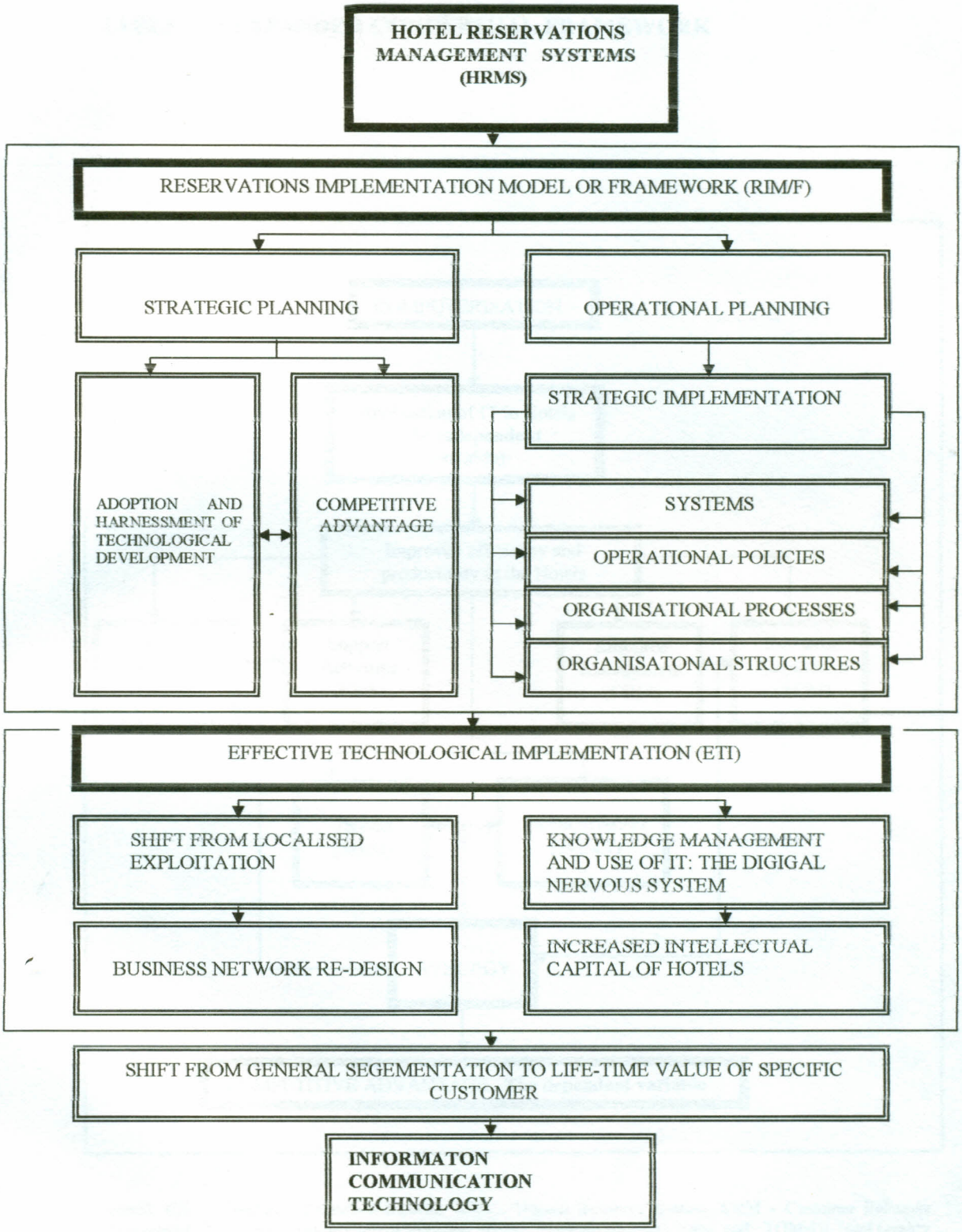
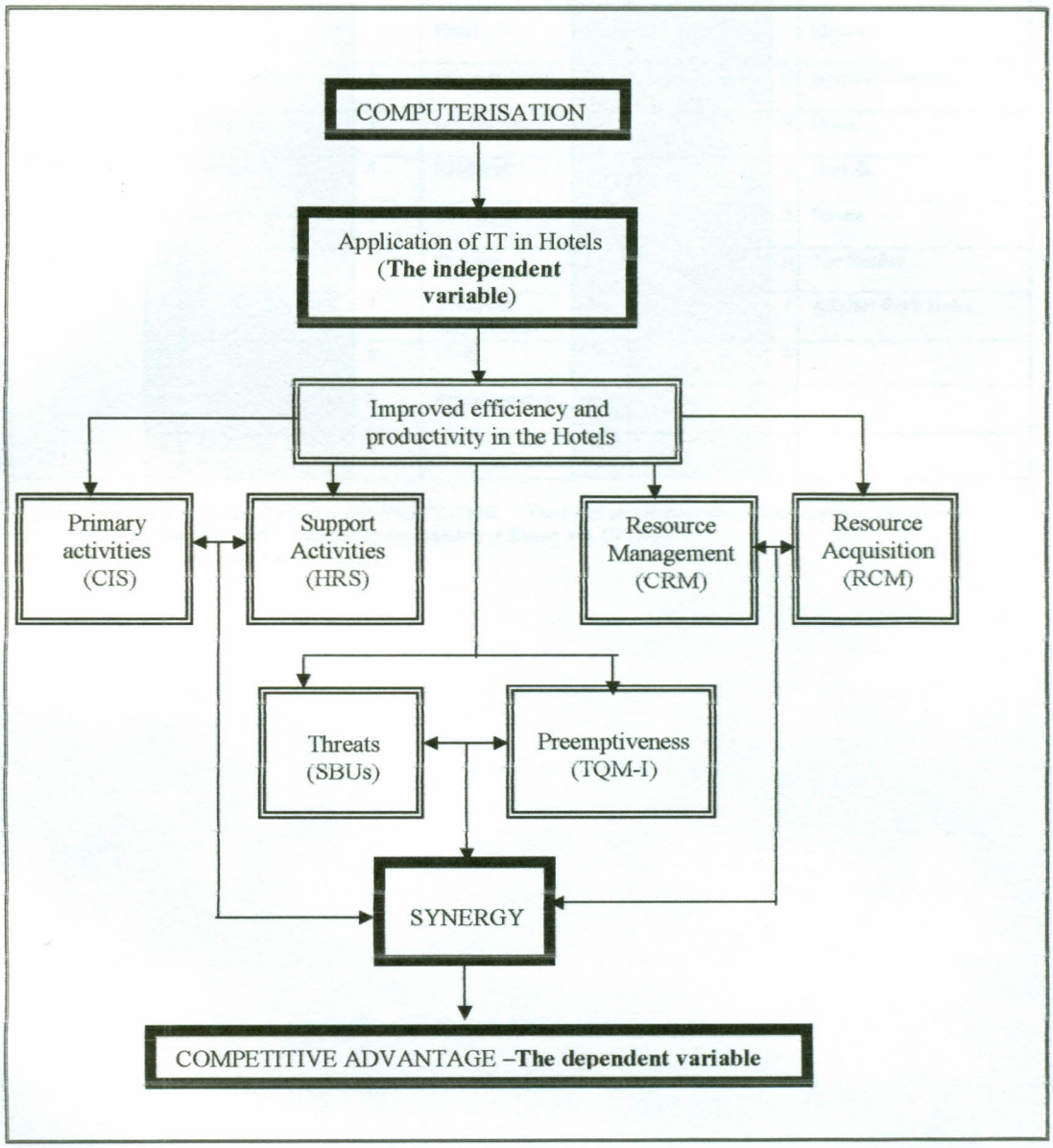


FIGURE 7.5d: EXPANDED THEORETICAL FRAMEWORK ON HOTEL RESERVATIONS MANAGEMENT SYSTEMS (HRMS)

Source: Author, 2005

TABLE 7.6: EXPANDED CONCEPTUAL FRAMEWORK



Legend: CIS – Catering Information System; HRS – Human Resource System; CRM - Customer Relations Management; RCS – Reservation Control Systems; SBUs – Strategic Business Units; and TQM-I – Total Quality Management Innovation.

Source: Adapted from Cho & Olsen 1998.

7.7: SELECTION OF HOTELS TO BE VISITED FOR FIELD SURVEY IN THE NAIROBI CLUSTER

	2-STAR RATED		3-STAR RATED		4-STAR RATED		5-STAR RATED	
NAIROBI CLUSTER	1	♣Panafric	1	The Bounty Hotel	1		1	Hotel Inter Continental Nairobi
	2	Silver Springs	2	Fairview Hotel	2		2	♣Grand Regency
	3	Boulevard	3	Marble Ark	3		3	Hilton
	4	Six Eighty	4	Landmark	4		4	Norfolk
	5	Sports view	5	Holiday Inn	5		5	Serena
	6		6	Windsor	6		6	The Stanley
	7		7	♣Nairobi Safari Club	7		7	♣Safari Park Hotel
	8		8	Utalli	8		8	
	9		9	♣Ambassador	9		9	
	1		1		1		1	

[Numbers extracted from the Kenya Gazette No 3976 (2003., " The Hotel and Restaurants (Classification of Hotels and Restaurants) Regulations,1988", Authority of the Republic of Kenya, vol. CV- No 62].

♣ *Selected and actually visited in field survey*

TABLE 7.7a: SELECTION OF HOTELS TO BE VISITED FOR FIELD SURVEY IN THE KENYAN COAST CLUSTER

	2-STAR RATED		3-STAR RATED		4-STAR RATED		5-STAR RATED	
	1	♣Neptune Paradise Hotel	1	Lawfords H &Beach Club	1	♣Severin Sea Lodge	1	Hemmingway Hotel
	2	Kasar al Bahr Hotel	2	♣Mombasa Beach Hotel	2	Nyali Beach Hotel	2	♣White Sands Hotel
	3	Ocean Village Club	3	Diani Sea Resort	3	Mombasa Serena Beach H		
	4	Chale Island Paradise	4	L.T.I Kakasi Beach	4	Indian Ocean Beach Hotel	2	
	5	Baobab Holiday Resort	5	Diani Reef Hotel	5	Traveller Tiwi Beach Hotel	3	
	6	Papillon Lagoon Reef H	6	Baobab Beach Resort	6	Club Sun 'N' Sand		
	7	Driftwood Beach	7	Indiana Beach Apt Hotel				
	8	Palm Beach Hotel	8	Southern palms Beach Hotel				
THE	9	♣New Lamu Palace Hotel	9	Kilifi Baharini Resort				
KENYAN								
	1	Eden Rock Hotel	1	Woburn Resident Club				
COASTAL	2	♣Diani Sea Lodge	2	♣Reef Hotel				
	3	Dolphin Hotel	3	♣Bahari Beach Lodge				
CLUSTER	4	Paradise beach Hotel	4	Leisure Lodge Beach & Lodge Resort				
	5	Bamburi Beach Hotel						
	6	Tropical African Dream Village						
	7	♣Scopia Villas						
	8	Kilifi Bay Beach Hotel						
	9	Corn Beach Hotel						
	1	Malaika Hotel						
	2	Neptune Beach Hotel						
	3	Le Soleil Beach Hotel						
	4	Mnarani Club						
	5	Hotel Barracuda						
	6	Malindi Beach Club						
	7	Blue Bay Village						
	8	Karibuni Villas						
	9	♣Coconut Village						
	1	Stephenia Sea House						
	2	♣Mwembe Resort						
	3	Seahorse M .Club						
	4	Domina Palm Tree Club						
	5	♣Peponi Hotel						
	6	Bush Baby Hotels						
	7	♣Giriama Beach hotels						
	8	Aquarius Beach Hotels						
	9							

[Numbers extracted from the Kenya Gazette No 3976 (2003., " The Hotel and Restaurants (Classification of Hotels and Restaurants) Regulations,1988", Authority of the Republic of Kenya, vol. CV- No 62].

♣ Selected and actually visited in field survey

TABLE 7.7b: SELECTION OF HOTELS TO BE VISITED FOR FIELD SURVEY IN THE NATURE RESERVES CLUSTER

	2-STAR RATED		3-STAR RATED		4-STAR RATED		5-STAR RATED	
NATURE RESERVES CLUSTER	1	♣Little Governor Camp	1	♣Severin Safaris Camp	1	Ol Tukai Lodge	1	Mara Simba Lodge
	2	♣Voyage Safari Camp Ziwaani	2	Mara Sopa Lodge	2	♣Finch Haltons Tent Lodge	2	♣Mt Kenya Safari Club
	3	Rondo Retreat Centre	3	Voi Safari Lodge	3	Shaba Sarova Lodge	3	Mara Serena Lodge
	4	Lake Elementaita	4	Greater rift Valley Lodges Golf Resort	4	Kichwa Tembo Camp	4	Amboseli Serena Safari Lodge
	5	Amboseli Lodge	5	Sweet Waters Tented Camp	5	Olonana Camp		
	6	Tortlis Camp	6	Siana Spring Camp	6	Mountain Lodge		
	7	Traveller Mwalunganje El. Camp	7	Samburu Lodge	7	♣The Ark		
	8	Aberdare Country Club	8	Baringo Island Camp				
	9	Safari Gordon Blue	9	♣Tree Tops Lodge				
	1	Voi Wildlife Lodge	1	Samburu Serena Lodge				
	2	Naro Moru River Lodge	2	Voyage Safari Lodge				
	3	Shimba Rain Forest	3	Samburu Intrepids				
	4	Westmans Safari Lodge	4	Mara Safari Club				
	5	Ngulia Safari Lodge	5	Lake Baringo Country Club				
	6	♣Mara Hippo Tent Camp	6	Sarova Lion Hill Lodge				
	7	Mara Intrepids Club	7	Saltlick Safari Lodge				
	8	Gorvenors Camp	8	Taita Hills Safari Lodge				
	9	♣Fig Tree	9	♣Lake Naivasha Country Club				
			1	Kilanguni Serena Lodge				
			2	♣Sarova Mara Camp				
			3	Keekorok lodge				
			4	Lake Nakuru Lodge				

[Numbers extracted from the Kenya Gazette No 3976 (2003), " The Hotel and Restaurants (Classification of Hotels and Restaurants) Regulations, 1988", Authority of the Republic of Kenya, vol. CV- No 62].

♣ Selected and actually visited in field survey

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