

**STRATEGIC INNOVATIONS AND COMPETITIVE ADVANTAGE
OF TOURS AND TRAVEL COMPANIES IN NAIROBI COUNTY**

ANN NDANU WAMBUA

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DECLARATION

STUDENT'S DECLARATION

I declare that this research project is my own original work and has not been presented to any other college, university or institution for any award.

Signed: 

Date: **02/08/2023**

ANN NDANU WAMBUA

D61/5037/2017

SUPERVISOR'S APPROVAL

This research project has been submitted for examination with my approval as the appointed University Supervisor.

Signed: 

Date: **02/08/2023**

PROF. MERCY MUNJURI

Department of Business Administration

Faculty of Business and Management Sciences

University of Nairobi

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DEDICATION

I dedicate this work to my family for believing in me and their relentless support and inspirational encouragement. Your prayers brought me this far.

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ABBREVIATIONS AND ACRONYMS

ATM	Automated Teller Machine
FMCG	Fast Moving Consumer Goods
KATO	Kenya Association of Tour Operators
KPLC	Kenya Power Lighting Company
MFI	Micro Finance Institution
OECD	Organization for Economic Cooperation and Development
SME	Small and Medium Enterprise

ABSTRACT

The competitive advantage of any organization depends, largely, on implementation of its strategies. Research shows that the presence of innovation mechanisms in the organization has a positive influence on a number of key organizational factors such as productivity and strategic fit and competitive advantage. Strategic innovation enables organizational growth in their market as well as penetrate new market. By carrying out innovation, organizations can leverage on fast production processes in a less costly manner and, therefore, gain a competitive advantage in the market. The aim of this research was to determine the influence of strategic innovations on organizational performance among tours and travel companies in Nairobi City County. The study was based on disruptive innovation theory and Michael Porter's theory of competitive advantage. A descriptive survey research design was used for the research. The 84 tours and travel companies in Nairobi City County made the population of the study. The study was a census of all the companies as the population was relatively small. Primary data was obtained using a questionnaire. The questionnaires were issued to the key managers who were mostly the heads of the firms. The data analysis involved both descriptive, correlation and regression analysis. Findings from the study showed a positive strategic innovations effect on competitive advantage. The study also revealed that strategic innovations was among the key factors that could be used to explain competitive advantage as they explained 47.8% of the variation in competitive advantage. The study concludes that strategic innovations are significant determinants of competitive advantage among the tours and travel companies in Nairobi City County. The recommendation of the study is that there is need for policymakers to develop guidelines and policies that will help the firms in adopting effective strategic innovations. Leadership of the tours and travel companies in Nairobi City County should create a culture of innovativeness where employees are allowed to find new ways of doing things. Future studies should investigate the effect of strategic innovations on competitive advantage of firms in other contexts.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic innovations have changed and redefined the way firms are run since they are now regarded as major inputs for firms as they transform inputs to outputs (Mullan, Bradley & Loane, 2017). Despite the perceived benefits of strategic innovations, there is still a debate on if and how the adoption of these innovations improves the competitive advantage of firms (Matevu & Kerongo, 2015). The investment in innovation by firms comes with costs and various risks which can negatively affect competitive advantage (Idun & Aboagye, 2014). However, according to Ahmed, Manwani and Ahmed (2018) strategic innovations play a significant role in improving customer service as well as reducing the costs of transactions for customers leading to increased customer loyalty and competitive advantage.

This research drew support from disruptive innovation theory and Michael Porter's theory of competitive advantage. Disruptive innovation theory by Christensen (1997) was the anchor theory and it is based on the idea that innovations can transform a prevailing market by improving access, ease, cost efficiency, as well as market easiness where items as well as services are expensive. The theory holds that use of disruptive technology is crucial in attaining intended competitive advantage. According to Porter (1980, 1985), a firm develops its business strategies in order to obtain competitive advantage over its competitors. It does this by responding to five primary forces: the threat of new entrants, rivalry among existing firms within an industry, the threat of substitute products/services, the bargaining power of suppliers, and the bargaining power of buyers.

The study focused on tours and travel firms in Nairobi; this is because the last decade has seen these firms embrace strategic innovations. Despite this, various tour and travel organizations have experienced a decline of over 10% in the number of clients over the same period of time (Mazoeah, 2020). Tour operator collapse in Kenya implies mass unemployment for local citizens, reduced foreign currency exchange for the economy as foreigners keep income abroad and carry just what visitors can use into the country. In the end the outcome is usually low community development. It could also contribute to resource deterioration and destruction as tourists might not have the similar focus on the same as Kenyan locals. The resilience of the sector and achieving Kenya's Vision 2030 may also be challenged.

1.1.1 Strategic Innovations

Strategic innovations may be defined as the value for clients' creation, the entry into new markets, the description of existing markets, and the enhancement of the value of services and goods to clients (Gebauer, Worch & Truffer, 2012). According to Palmer and Kaplan (2016), strategic innovation is a comprehensive method that integrates business strategies, consumer insights, as well as strategic alignment as building blocks for development that will help the organization attain its objectives. The process therefore involves use of new business models that change the game while creating superior value to consumers, and the company. According to Tufano (2014), strategic innovation requires creating and popularizing new tools in addition to new processes and markets.

Strategic innovations have been used as a mechanism to an end though not the end itself. Globalization, volatility in client needs, competitiveness, and technical improvements are examples of external environment dynamics that have produced ongoing environmental

upheavals and necessitate more strategic innovations from executives (Thompson & Strickland, 2013). As a growth technique, innovation aims to break into modern markets, share market increase, as well as provide a company a competitive advantage via employing strategies that are diverse from the competition. The rising competitiveness in international marketplaces has compelled firms to acknowledge the strategic innovation essence as the business environment changes and traditional services as well as products lose value (Keter, 2021).

In regard to operationalization, strategic innovations have been operationalized before in various ways (Demirguc-Kunt et al., 2018). Various strategic innovations can be incorporated into business plans to provide outcomes like increased market share, productive operations which improve the firm's consumer perceptions, as well as overall enhanced efficiency. The following are some of the innovations that have been recognized: marketing, process, organizational, and product innovation (OECD, 2016). This study quantified strategic innovations extent, as defined by product innovations, process innovations and marketing innovations due to their wider applicability in previous literature.

1.1.2 Competitive Advantage

Competitive advantage is what makes a product, service or organization superior in the market hence customers choose it (Porter, 1985). Competitive advantage, according to Johnson and Scholes (2020), is a reconfiguration of a firm's resources and competencies with the goal of meeting stakeholder expectations. Competitive advantage refers to the capability of a firm to stand out from the competitors (Porter, 1996). Competitive advantage can be of two types namely: differentiation and cost leadership (Porter, 2006)

Additionally, any industry all over the world dealing with either products or services is affected by the five main forces of competition that include threat of substitute goods, rivalry between competitors, entry of other firms in the industry, and the bargaining power of both the suppliers and the buyers.

Appropriate creative tactics must be employed in order for businesses to thrive and adapt to changing circumstances and gain a perfect advantage in competition. Competitive advantage is defined as the ongoing ease of employing certain distinctive strategies developed by non-imitable combinations of internal organizational resources and competencies. This allows a company to get a competitive advantage. Evolution that fulfills the current generation needs without endangering future generations' capability to meet their obligations is a competitive advantage (Kihumba, 2008). If a corporation has a better position in terms of defending against competitive forces, it is considered to have a competitive advantage. A company can only be said to have a competitive advantage if it learns and practices the trick of making long-term gains (Damanpour, 1996).

There are several indicators that can suggest whether an organization has a competitive advantage over its competitors. An organization's ability to offer a unique value proposition that sets it apart from its competitors is a key indicator of competitive advantage. This could include offering a superior product or service, providing exceptional customer service, or having a unique brand image (Porter, 2006). The ability to produce goods or services at a lower cost than competitors is also a significant competitive advantage. This allows the organization to offer lower prices to customers and/or earn higher profit margins. Organizations that can streamline their operations and improve efficiency can often offer lower prices, higher quality, or faster delivery than competitors. This can help

win market share and increase profitability (Kihumba, 2008). The current study quantified competitive advantage in regards to market share, operational efficiency and customer satisfaction due to their wider applicability in previous literature.

1.1.3 Tours and Travel Companies in Nairobi County

Operators of tours and travel firms in Kenya act as intermediaries in the distribution system between products or services and clients. The trade is one of the major and expanding sectors due to the increase in cross-border interactions and the development of commerce and investments. The industry entails the coordination of several facilities like hotels, accommodation camps and lounges, restaurants, and the transport sector at large. In Kenya, there are three hundred and twenty-two tours and travel companies listed by the Kenya Association of Tour Operators (KATO). All these companies have a central part in the travel industry by offering travel services to clients of other suppliers like the airlines (KATO, 2021).

As one of the requirements for the operation of any tours and travel company, the firms are regulated and supervised by the Ministry of Tourism. The companies are accredited by the Kenya Association of Tour Organizations. According to the Kenya Tourism Federation (2019), KATO is mandated to ensuring that the Kenya tour operators maintain high service standards and integrity. It also works to improve and enhance Kenya travel industry climate through service promotion to the members of the public, while protecting their rights and offering assistance for business optimization.

The speed with which the tours and travel industry is changing is not slowing down, and the necessity to deliver anticipated results and outcomes during the change times is increasing (Becken & Carmignani, 2020). To have a competitive advantage, the companies

need to out-change competition within the industry, meet customer and market demands. The companies are required to put more effort into building change agility to equip themselves for what lies ahead. Considerations on the strategic innovations which affect the performance of the industry need to be done. In the era of social media developments, the industry relies immensely on social media platforms for bookings and reservations of events and trips.

1.2 Research Problem

The competitive advantage of any organization depends, largely, on implementation of its strategies (Singh, Burgess, Heap, Almatrooshi & Farouk, 2016). Research shows that the presence of innovation mechanisms in the organization has a positive influence on a number of key organizational factors such as productivity and strategic fit and competitive advantage (Mafini, 2015). According to Njeri (2017), strategic innovation is one of the significant determinants of competitive advantage as it enables organizational growth in their market as well as penetrate new market. By carrying out innovation, organizations can leverage on fast production processes in a less costly manner and, therefore, gain a competitive advantage in the market (Kiveu, Namusonge, & Muathe, 2019).

Brick and mortar tour and travel companies in Kenya are facing a number of effects which are both positive and negative due to the increased use of innovations (Mazoeah, 2020). One of the positive impacts is the re-intermediation through electronic intermediaries such as Sabre, Amadeus, and 'SafariBookings.com'. As the Kenyan internet penetration levels keep on increasing, this will influence customer's decision when it comes to sourcing of goods and services. Despite the positive implications, innovations also have negative implications such as the exposure to fraudsters on the internet. According to a report

conducted by Internet Society (2016), lack of trust can have a significant impact on the ability to do business. An example is the requirement to input personal details when conducting online payments; this exposure to fraudsters would make one skeptical especially if there are recurrent fraud cases. In the era of social media developments, the industry relies immensely on market innovations such as social media advertisements. The tour firms in Nairobi County have also invested in process innovations such as online bookings.

Studies have been undertaken on strategic innovations and competitive advantage but there exist research gaps. Triani and Handayani (2018) looked at strategic innovation and its influence on financial performance focusing on industrial sector in Indonesia. It was shown that product and market innovation enhance financial performance of the firm. However, the above study was done in Indonesia, a developed context, and therefore we cannot refer the same to Kenya due to social and economic differences. In addition, the study focused on performance which is different from competitive advantage and therefore a contextual gap. Karlsson and Tavassoli (2015) performed research in Europe on strategic innovation practices impact on telecoms firm performance. The study discovered a beneficial contribution of innovations to business performance. The study presents a conceptual gap as it did not relate strategic innovations with competitive advantage. Contextually, this research was carried out in a developed country which means it cannot be applied to a developing country like Kenya.

Locally, Muthoni (2017) studied innovation and competitive advantage in Fast Moving Consumer Goods (FMCGs), focusing on PZ Cussons Ltd. The results showed that product innovation did not significantly impact competitive advantage, while process innovation

had a significant effect. Since the study was in the manufacturing sector, it did not touch on the tourism industry. The researchers recommended that other studies should focus on organizations outside the FMCGs industry. Keter (2021) focused on the effect of strategic innovation on performance of Kenya Power Lighting Company (KPLC) and found a positive association between strategic innovation and firm performance at KPLC. This study presents a conceptual gap as competitive advantage was not taken into account. Further, the study presents a contextual gap as the study was conducted in the energy sector whose operational setting is different from tourism sector. From the foregoing, previous studies, have mostly concentrated on other industries, needing further research in areas like tourism. The study sought to answer the research question; what is the influence of strategic innovations on the competitive advantage of tours and travel companies in Nairobi County?

1.3 Research Objective

The objective of the study was to establish the influence of strategic innovations on competitive advantage of tours and travel companies in Nairobi County.

1.4 Value of the Study

This research will aid in development of theories in the area of strategic innovations and competitive advantage. The study will also help any researchers carrying out any study related to this topic as it will be used for reference. Additionally, findings from this study might prove helpful in realizing any research gaps that are needed by researchers and even scholars.

The research will enable policy makers in the tourism industry in Kenya to gain a better understanding of Kenya's strategic innovations position in the tour and travel industry and

the difficulties that travel companies face while using strategic innovations as a tool to promote competitive advantage. This awareness will encourage Kenyan tourism policy makers to establish effective strategies to overcome their defined challenges.

The research findings will also provide an opportunity for the tours and travel firm managers to consider and evaluate the opportunities and problems observed in the existing practices, in order to take advantage in enterprise opportunities in the area or to scale-up the positive factors for the promotion of strategic innovation practices. The research findings will also provide insights to tour and travel organizations actively looking for suitable solutions and methods of adopting and integrating strategic innovations into their enterprise processes

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In the following segment, all relevant theories to this research are analysed and empirical studies in similar areas considered. The chapter additionally shows the types of strategic innovations and a summary of empirical literature review showing the hypothesized relationship between strategic innovations and competitive advantage.

2.2 Theoretical Foundation of the Study

This section surveys the theories that foster the study of strategic innovations and competitive advantage. The study reviews the disruptive innovation theory and Porter's competitive advantage theory.

2.2.1 Disruptive Innovation Theory

Christensen (1997) pioneered this theory. It is based on the idea that innovations can transform a prevailing market by improving access, ease, cost efficiency, as well as market easiness where items as well as services are expensive. Disruptive innovation, according to Christensen (1997), is best pertinent in an unappealing market where new products and services later reshape the market. Comprehending the inherent rules which leverage turbulent technologies during creation of advanced products and markets is the most effective path to success (Kostoff, Boylan, & Simons, 2004). Other critical concerns include understanding the disruptive technology dynamics or if management will be able to adapt correctly to taking advantage of emerging chances. Firms begin by focusing on the market's lower end clients (lower tier consumers) by offering goods as well as services which they can afford (Christensen, Baumann, Ruggles, & Sadtler, 2006).

Disruptive innovation allows customers to buy products or services which previously because of lack of adequate could not afford (Christensen et al., 2006). This may not be the situation; there are variables that allow consumers to buy items and services that they could not formerly afford, such as competition and government rules. According to Kostoff et al. (2004), enterprises maintaining innovation exclusively target high-end clients attempting to improve their performance. However, this might not always be the situation; the world's most inventive organizations target all types of clients. They can broaden their market segments scope, boost revenue, and improve performance this way. The theory hypothesizes a positive effect of strategic innovations on competitive advantage.

Robinson (2009) criticizes the theory for taking a dramatically different view of other change theories. It is not about attempting to persuade people to change, though about making progress or re-inventing goods and character, so that they can better suit what the person wants or needs. In this idea, people do not change, but innovations have to adapt to the demands of the people. The invention process takes time, as per Sevcik (2004), and it does not happen immediately. The spread of innovation and the opposition to changes has the greatest impact on the process of innovation because it delays it down.

2.2.2 Competitive Advantage Theory

Porter (1980) pioneered the competitive advantage theory. The theory suggests that five forces are the determinant of the industry nature of competition: the threat of new entries in the industry, the jockeying amongst current contenders, buyers' bargaining power, threat of substitute products and the bargaining power of suppliers'. Pearce and Robinson (2007) argue that collectively, these five forces determine the expected profits in any industry.

Rivalry is brought about when key players compete on the basis of price, new advertising methods, product innovations and an increase in the warranties provided to customers.

Competition draws from the fact that one or more players feel the need to improve their position in the industry. Pressure arising from substitutability of products is greatest since they limit potential of returns in the market by placing caps on the prices that firms can charge in the industry (Porter, 1985). Suppliers have an effect on the participants' bargaining power by either increasing the prices or reducing the commodities. New entry by other firms in the industry drive the need to have a significant share of the market and also come with additional resources that are bound to increase prices or drive them down. Buyers on the other hand have a powerful effect on pricing since they can bargain for it to be driven down or demand superior quality, more range of services, or create collusion among competitors at the expense of industrial profitability (Tanwar, 2013). Other factors considered in the model include the economic environment and the competitive structure of the industry such as the suppliers' bargaining power, bargaining power of buyers, threat of substitute products and threat of new entrants. Ideally, this seeks determine how these factors increase the level of competition in the industry.

The stronger the forces, the higher the competition will rise and the weaker the forces, the lower the competition. An industry's competitive environment affects how a business performs in that industry. The porter's model determines the attractiveness of any industry from the company's perspective (Dirisu, Oluwole & Ibidunni, 2013). This theory is applicable to this research as it recognizes the factors that influence competition in a given industry. An understanding of the sources of competition will help tours and travel companies in Nairobi County in coming up with strategies geared towards gaining

competitive advantage. The theory has been critiqued for focusing on the company's perspective without paying regard to the customers' perspective (Pearce & Robinson, 2007).

2.3 Strategic Innovations and Competitive Advantage

Scholars propose that when competing for the future market, strategic innovations emerge as a result of skill and competencies collaboration integration (Torres, 2018). Importantly, the purpose of strategic innovations in organizations is paramount throughout the world to the successful and profitable services delivery in those organizations and enhancement of competitive advantage. Additionally, strategic innovations play a significant role in improving customer service while decreasing client's transactional cost leading to increased customer retention which in effect enhances competitive advantage (Ahmed et al., 2018).

The issue confronting companies is to provide innovative products and services as an outlet for enhanced competitive advantage (Mullan, Bradley & Loane, 2017). Ahmed et al. (2018) claim that innovations play a significant role in improving customer service as well as reducing the costs of transactions for customers leading to increased customer loyalty and competitive advantage. The majority of customers are educated, conscious of the times they live in, and have their own needs, tastes, as well as preferences. In this sense, innovation is viewed as a potential tactic companies may use to meet their performance goals and endure in the current competitive corporate environment.

Despite the perceived benefits of strategic innovations, there is still a debate on whether and how the adoption of these innovations improves the competitive advantage of firms (Matevu & Kerongo, 2015). The investment in innovation and technology strategy and

electronic commerce by firms comes with needs such as organization and innovation costs which comes along with various risks that the firms should be willing to take in order for them to accurately assess the impact of the adoption on competitive advantage (Idun & Aboagye, 2014).

2.4 Empirical Studies and Knowledge Gaps

Islam (2022) aimed to identify innovation types impact on the service firm's financial and nonfinancial performance and mediation and moderation impact of innovation and the firms' performance association in the Indian service segment. For India, this research integrates information from the 2014 World Bank Enterprise Survey and the 2014 World Bank Innovation Survey. It utilized both financial and nonfinancial performance measurements and divided innovations into technological (service and process) and non-technological (organizational and marketing) categories. Variance-based partial least squares structural equation modeling is used in this work. The findings of the study indicated that service innovation, followed by process innovation, has the greatest significant impact on a firm's financial and nonfinancial performance. Through inventive and non-financial performance, marketing and organizational innovation have a long way to go before they can influence a company's financial performance. This study presents a contextual gap as it was conducted in India and due to different social and economic contexts, its findings might not hold for tours and travel firms in Kenya.

Fatema and Islam (2021) investigated the effects of technological and non-technological innovations to performance of Indian manufacturing enterprises, as well as the mediation and synergy effects in the innovation-performance correlation. On a combined data set from the World Bank Enterprise Survey and the follow-up Innovation Survey for India in

2014, the research utilized the partial least squares structural equation modeling technique. The findings suggest that technological innovations (product and process innovation) have a substantial impact on the overall performance of an institution, and that innovation strategy moderates these impacts significantly, whereas non-technological innovations (marketing and organizational innovation) are fully influenced by innovative performance. The study reveals a conceptual gap as competitive advantage was not taken into account.

YuSheng and Ibrahim (2020) investigated innovation adoption influence on performance of banks in Ghana. 450 respondents from the Kumasi metropolitan region in Ghana, including bank staff and customers, provided the research data. Data analysis attained via an exploratory factor analysis, a confirmatory factor analysis, and structural equation modelling. The research conclusions showed that organizational, product, process, and marketing innovations are the innovative dimensions that subsidize bank innovation. The study also showed a direct and positive link between the three types of innovation—product, marketing, and organizational—and bank performance. The outcome of this research also revealed a favorable association between the four aspects of innovation and innovation capability (organizational, product, process, and market innovations). Additionally, a strong and favorable link between the market, process, and product innovation dimensions and firm performance was found. Choosing the right innovation kinds can improve bank performance and meet customer needs, which is the practical implication. This study was conducted in the banking industry which operates differently from the tourism industry and therefore need for the current study.

Chatzoglou and Chatzoudes (2018) conducted a study to see how innovation can aid a company gain a competitive edge. The data was examined using the structural equation

modeling technique in this empirical study. The results reveal that a firm's competitive positioning and innovation are directly linked. This demonstrates that as businesses improve their ability to innovate, their prospects of staying competitive improve as well. Although this study addressed both innovations and competitive advantage, it was conducted in Europe which is a developed context and therefore its findings might not hold in a developing economy.

Prifti and Alimhmeti (2016) focused their research on market innovation impact and organizational performance in Albania. Descriptive research was used, and 99 companies were chosen by random sampling. Primary data was obtained via a structured questionnaire, whereas the analysis was carried out using structural equation modeling. The conclusions revealed a link between artificial intelligence and marketing innovation. The study further revealed that marketing innovation enhances organization performance. This research was carried out in a developed country which means it cannot be applied to a developing country like Kenya.

Locally, Keter (2021) sought to determine strategic innovations impact on performance of KPLC. This research used a case study methodology and adopted an interviewing guide in data collection. The data was qualitative with the analysis being via content analysis. According to the report, KPLC has improved its understanding of consumers by offering them specialized products or services likely to directly address their needs in important areas through close client connections. It has been ascertained that system robotization, prepayment systems, automatic meter reading systems, advanced metering infrastructure and billing systems all impact the performance of a firm. This research makes the conclusion that the innovations put in place by KPLC like the Smart Meter Technology

together with the billing technology have continuously been adopted by their target market simply because of the efficiency they give as well as their value addition. The study presents a methodological gap as it was qualitative in nature and therefore need for a quantitative study to confirm the study findings.

Dore (2018) explored the connection between innovation strategies and competitive advantage across health-care product manufacturers. The chosen design was descriptive. The population comprised of 22 Nairobi's pharmaceutical manufacturing businesses. This research used information from all 22 firms. Questionnaires were utilized in collecting data for the research. Tables were used to present the research conclusions. The research concluded that the innovation strategies in place at the manufacturing pharmaceutical companies investigated account for 88.0 percent of the shift in competitive advantage (process, product, technology and market innovation). As per the conclusions, innovation initiatives have a significant effect on competitive advantage. The study was conducted among manufacturing firms and therefore need to confirm whether the findings can hold in a different context such as tourism.

Ogweno (2019) concentrated on financial innovations impact on the Kenyan regulated MFI market's financial performance. The population of the research is now served by 13 regulated microfinance institutions. Every year over the first five years of the project's existence, data were collected. The results show that a descriptive cross-sectional design was made use of for this research methodology, and a multiple linear regression model was employed in order to assess the connection linking variables. The conclusions from this research showed deposit, mortgage, as well as bank size all possessed a significant influence on the growth and balances of savings accounts. The number of

ATMs, agency banking, and bank financial performance were not significantly correlated. The study reveals a conceptual gap as competitive advantage was not taken into account. The studies reviewed have shown that conceptually, there is no consensus on how strategic innovation really affects competitive advantage. Contextually, most of the local surveys done have focused on other industries whose operations are distinct from those of the tourism industry. In addition, numerous studies used various designs, some of which depended on empirical analysis to draw conclusions and others of which relied on existing literature to gauge the relationships between the variables. Research conclusions were inconsistent and inconclusive, and they were unable to pinpoint the precise impact of strategic innovation on competitive advantage as assessed by technological, product, process, and market innovations. This highlighted the necessity of additional study in upcoming research to bridge these gaps by conceptualizing the influence of strategic innovations on competitive advantage.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter details the research approach that was used to examine the influence of strategic innovations on the competitive advantage of the tours and travel companies in Nairobi County. This section contains the research design, the selected study population and sampling methods, the data collection tool and analysis methods.

3.2 Research Design

Study design is the arrangement by which the researcher answers the research problem. The design specifies the data collection methods and techniques of data analysis that the investigator intends to use (Cooper & Schindler, 2018). This research study employed a Cross-sectional descriptive research design since it aimed to analyze the influence of strategic innovations on competitive advantage. A selected number of strategic innovations topologies were used to get empirical data on strategic innovations and how it affects competitive advantage. The researcher used the survey method in collecting data. A survey approach was selected because it enables generalization to be done on the study population using a small sample size. It also helped in answering the questions of what, when and how.

3.3 Population of the Study

Population is referred to as the total members of a defined class of people, things or events that the investigator selects because they are relevant to the research problem (Khan, 2008). The target population of this study will be 84 tours and travel companies in Nairobi County (KATO, 2021). All the 84 companies formed the sample size of the study since the

population was small and well defined. Thus, the appropriate data collection design for this study was a census since this was a small heterogeneous population.

3.4 Data Collection

This research collected primary data by aid of a questionnaire. According to Burns and Burns (2008), questionnaires are the most appropriate for the collection of data in a survey of a dispersed population. The structured questionnaire was chosen because the study adopted a quantitative approach. The target respondents were the head in each organization or their equivalent giving a total of 84 respondents.

A structured questionnaire comprising of closed-ended questions was used in obtaining categorical data that has a numerical nature. Additionally, the data subjects were on a 5-point Likert scale and were precise and explicit to lower probable ambiguity to the respondents. The questionnaire had five-point likert scores ranging from one (the least point) to five (the highest point). The questionnaire was divided into three sections, where section A, covered organizational characteristics, section B covered strategic innovations and section C covered competitive advantage. The questionnaire was administered online via Google form.

3.5 Data Analysis

Data analysis encompassed exploration of descriptive and inferential statistics. The former constituted measures of distribution such as mean and standard deviation. Regression analyses was employed to establish the influence of strategic innovations on competitive advantage. Tables were used to present the findings of the studies, which were supported

with relevant interpretations as well as discussions. The regression equation model that was used is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where,

Y = Competitive advantage,

β_0 = Constant term,

β = Regression coefficient

X = Strategic innovations,

ε - Error term

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter primarily presents the analysis of the data collected, the results and the discussion of findings where the current study findings are compared with previous studies. Specifically, the chapter covers the response rate, the descriptive analysis, correlation and regression analysis conducted to achieve the objective of this research study.

4.2 Response Rate

The researcher issued 84 questionnaires to different tours and travel companies that were the subject of the study. 73 of the 84 administered questionnaires were completed, filled out, and returned giving a response rate of 86.9%. As per Cooper and Schindler (2018), a study that has achieved a response rate of 70% should be considered adequate for data analysis and inference. The study's findings are displayed in table 4.1 below.

Table 4.1: Response Rate

Response Rate	Frequency	Percentage
Returned	73	86.9
Unreturned	11	13.1
Total	84	100

Source: Field Data (2023)

From Table 4.1, it was deduced that the study achieved 86.9% response rate. This implied that the data that was collected for the study was sufficient for analysis, interpretation and inference.

4.3 Reliability Test

Testing for reliability of a questionnaire is essential to ensure that the questionnaire consistently measures what it intends to measure. Reliability assesses the degree to which

a measurement instrument, in this case a questionnaire, produces consistent and dependable results. It provides an indication of the instrument's stability and consistency over time, across different samples, and among different raters or observers. The questionnaire items in this study were subjected to reliability tests which were done using Cronbach's Alpha. Generally, a Cronbach Alpha greater than 0.7 implies that the questionnaire is internally consistent. The results are as depicted in Table 4.2.

Table 4.2 Reliability Results

Variables	No. of Items	Cronbach's Alpha	Critical Value	Conclusion
Strategic innovations	9	0.878	0.7	Reliable
Competitive advantage	9	0.872	0.7	Reliable

Source: Research Data (2023)

The Table 4.2 outcomes indicated a relatively high degree of consistency in the variables. Strategic innovations returned the highest alpha of 0.878 while competitive advantage variable had 0.872. The two variables had alpha way above the 0.7 recommended by Khan (2008) and therefore a conclusion was made that the questionnaire was reliable.

4.4 Demographic Analysis

The study aimed at understanding the general features of tours and travel companies that were being surveyed. To gather these characteristics, the study collected background information of the Tours and travel companies' that is, year of formation and the number of employees.

4.4.1 Year of Registration

The respondents of the issued questionnaires were requested to indicate the year the tours and travel company was registered. The results revealed that all the tours and travel

companies were registered between 2004 and 2021. This implies that the data was obtained from firms that are new in the market and those that have been in the industry for quite some time.

4.4.2 Number of Employees in the Organization

The research aimed at determining the number of employees in each of the selected CSC in Kenya. The outcomes are presented in Table 4.3.

Table 4.3: Number of Employees

Number	Frequency	Percentage
50 or less	40	54.8%
51-100	25	34.2%
101-150	6	8.2%
151-200	2	2.8%
Above 200	0	0%
Total	73	100%

Source: Field Data (2023)

As Table 4.3 depicts 54.8% of the Tours and travel companies had 50 or less employees, 34.2% had between 51 and 100 employees, 8.2% had between 101 and 150 employees while 2.8% had between 151 and 200 employees. None of the Tours and travel companies had above 200 employees. These findings suggest that most of the Tours and travel companies in Kenya are relatively small in size in terms of employee base as 89% of them employed less than 100 employees. The implication of this finding to the current study is that the different sizes of Tours and travel companies were involved in this study and therefore sufficient to provide inclusive results.

4.5 Descriptive Statistics

Descriptive statistics allowed the researcher to analyze and interpret the mean and standard deviation of the data, providing a clear understanding of the distribution and patterns within the dataset. They also provided a foundation for further inferential statistical analyses.

4.5.1 Strategic Innovations

The study investigated the strategic innovations in the Tours and travel companies. To collect data, the respondents were to rate statements about the strategic innovations dimensions of the Tours and travel companies with the use of a Likert scale. Table 4.4 contains the mean and standard deviation for strategic innovations dimensions' indicators.

Table 4.4: Descriptive Statistics for Strategic Innovations

Statements	N	Mean	Std. Dev
Product innovations			
Our firm continuously develops new and appealing products	73	3.80	0.98
Product developments have improved the existing products at our firm	73	3.52	0.74
Our firm offers a variety of current and relevant products	73	3.80	0.81
Process innovations			
Our firm is keen on value addition on product delivery process	73	3.78	0.99
Process innovation strategies at our firm have improved the way customers access products	73	4.22	0.59
Our firm has developed innovative process to serve customers better	73	3.60	1.20
Market innovations			
Our firm advertises all its products and services	73	3.84	0.84
Improving service quality is the organization's key objective in market innovation strategy	73	4.22	0.73
Our firm offers unique customer service around the clock	73	3.96	0.99
Overall mean Score	73	3.86	

Source: Field Data (2023)

Regarding product innovations, the respondents indicated that the firm continuously develops new and appealing products, with a mean score of 3.80 and a standard deviation of 0.98. This suggests that, on average, the firm is perceived to be actively engaged in the creation of innovative and attractive products. Additionally, the respondents believed that product developments have improved the existing products at the firm, as indicated by a mean score of 3.52 and a standard deviation of 0.74. Further, the respondents indicated that their firm offers a variety of current and relevant products as shown by a mean score of 3.80 and a standard deviation of 0.81.

In terms of process innovations, the data shows that the firm is perceived to focus on value addition in the product delivery process (mean score of 3.78, standard deviation of 0.99). The respondents also reported that the firm's process innovation strategies have positively influenced the way customers access products, with a mean score of 4.22 and a standard deviation of 0.59. However, the perception of innovative processes developed by the firm to serve customers better had a lower mean score of 3.60 and a higher standard deviation of 1.20, indicating some variability in respondents' perceptions.

Regarding market innovations, the respondents perceived that the firm actively advertises its products and services, with a mean score of 3.84 and a standard deviation of 0.84. Furthermore, they believed that improving service quality is a key objective in the firm's market innovation strategy, as indicated by a high mean score of 4.22 and a relatively low standard deviation of 0.73. Respondents also perceived the firm to offer unique customer service around the clock, with a mean score of 3.96 and a standard deviation of 0.99. Overall, the data suggests that the respondents generally perceive their firm to be engaged in strategic innovations. The mean score across all statements is 3.86, indicating a moderate

level of agreement with the level of strategic innovations of tours and travel companies in Nairobi County.

4.5.2 Competitive Advantage

The study investigated competitive advantage in the tours and travel companies. The study asked the respondents to rate statements about the competitive advantage of the Tours and travel companies with the use of a Likert scale. The results are shown in Table 4.5

Table 4.5: Descriptive Statistics for Competitive Advantage

Statements	N	Mean	Std. Dev
Internal Processes			
The organization’s market share has been on the rise over the last 5 years	73	4.20	0.58
The organization’s products and services have been gaining more recognition over the last 5 years	73	4.27	0.85
The organization’s brand equity for the diversified products & services has increased over the past five years.	73	4.20	0.86
Customer Focus			
Our organization has been able to offer lower prices due to improved efficiency	73	4.16	0.82
The organization offers better quality products compared to competitors	73	3.22	0.71
The organization is able to provide faster turnaround times compared to competitors	73	3.87	0.83
Organization Capacity			
The organization’s total number of customers has increased over the past five years.	73	3.98	0.71
There is increased customer retention in the organization	73	4.22	0.92
The number of customer complaints have been decreasing over the years	73	4.40	0.57
Overall Mean Score	73	4.06	

Source: Field Data (2023)

In terms of internal processes, the respondents perceived positive trends. They believed that the organization's market share has been on the rise over the last five years, as indicated by a mean score of 4.20 and a relatively low standard deviation of 0.58. This suggests that, on average, respondents acknowledge the organization's growth and increased market presence. Additionally, respondents reported that the organization's products and services have been gaining more recognition over the last five years, with a mean score of 4.27 and a standard deviation of 0.85. This implies that the organization's efforts to improve its offerings are being acknowledged by customers and stakeholders. Furthermore, the respondents perceived an increase in the organization's brand equity for diversified products and services, as indicated by a mean score of 4.20 and a standard deviation of 0.86. This suggests that, on average, the organization's brand reputation and perception have improved over times.

Regarding customer focus, the data reveals some interesting insights. The respondents perceived that the organization has been able to offer lower prices due to improved efficiency, with a mean score of 4.16 and a standard deviation of 0.82. This implies that the organization's efforts to enhance efficiency have translated into cost savings that benefit customers. However, respondents rated the organization lower in terms of offering better quality products compared to competitors, as indicated by a mean score of 3.22 and a standard deviation of 0.71. This suggests that there may be room for improvement in terms of product quality to match or surpass competitors. Nevertheless, respondents perceived the organization to provide faster turnaround times compared to competitors, with a mean score of 3.87 and a standard deviation of 0.83. This indicates that, on average, respondents

recognize the organization's ability to deliver products or services more quickly, providing a competitive advantage.

In terms of organizational capacity, the data indicates positive trends. The respondents perceived an increase in the organization's total number of customers over the past five years, as indicated by a mean score of 3.98 and a standard deviation of 0.71. This suggests that the organization has been successful in attracting new customers and expanding its customer base. Moreover, the respondents believed there is increased customer retention within the organization, with a mean score of 4.22 and a standard deviation of 0.92. This implies that, on average, respondents perceive the organization's efforts to retain customers to be effective. Additionally, respondents reported that the number of customer complaints has been decreasing over the years, with a mean score of 4.40 and a relatively low standard deviation of 0.57. This suggests that the organization has been successful in addressing customer concerns and improving overall customer satisfaction. Overall, the data suggests positive perceptions regarding the internal processes, customer focus, and organizational capacity of the organization. The mean score across all statements is 4.06, indicating a generally favorable perception among respondents on the level of competitive advantage.

4.6 Inferential Statistics

This section presents the findings for both correlation and regression analysis.

4.6.1 Correlation Analysis

To ascertain the type and degree of the connection between the studied variables, correlation analysis was conducted. In this research, the correlation between the study variables was determined using the Karl Pearson correlation coefficient. The outcomes are summarized in Table 4.6.

Table 4.6: Correlation Results

		Competitive Advantage	Strategic innovations
Competitive Advantage	Pearson Correlation	1	.692**
	Sig. (2-tailed)		.000
Strategic innovations	Pearson Correlation	.692**	1
	Sig. (2-tailed)	.000	

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

b. Listwise N=73

Source: Field Data (2023)

According to Karl Pearson correlation coefficient, the relationship between the strategic innovations and competitive advantage is statistically significant and strongly positive ($r=0.692$, $p<0.05$). This implies that strategic innovations and competitive advantage are positively related.

4.6.2 Regression Analysis

The study utilized regression analysis in determining if a linear link existed between strategic innovations practices and competitive advantage. The model summary, ANOVA, and coefficients tables present the analysis' findings. The model summary explains how much variation in the dependent variable is due to the independent variables fitted in the model. The ANOVA table checks if the model fit is statistically significant in predicting the dependent variable and the coefficient table quantifies the magnitude of the association between the variables. The findings of the study are shown in the tables below.

Table 4.7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.692 ^a	.478	.471	.385499352817591

a. Predictors: (Constant), Strategic innovations

Source: Field Data (2023)

From the model summary, it was realized 0.478 R Square. This infers that 47.8% of the variation in competitive advantage can be attributed to strategic innovations.

Table 4.8 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.672	1	9.672	65.083	.000 ^b
	Residual	10.551	71	.149		
	Total	20.223	72			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Strategic innovations

Source: Field Data (2023)

It is evident from the Anova table that the degree of significance was 0.000. This this value was less than the p value of 0.05. Consequently, the model was therefore statistically significant for predicting competitive advantage based on strategic innovations.

Table 4.9 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.579	.311		5.078	.000
	Strategic innovations	.652	.081	.692	8.067	.000

a. Dependent Variable: Competitive Advantage

Source: Field Data (2023)

From the table 4:14 the following model has been developed;

$$Y = 1.579 + 0.652X$$

Where:

Y = Competitive advantage,

X = Strategic innovations

Interpretatively, a unit increase in strategic innovations will lead to a 0.652 increase in competitive advantage holding other factors constant.

4.7 Discussion of Findings

The conclusions of the research depicted incidence of positive and significant link exist between strategic innovations and competitive advantage. This is a sign that strategic innovations practices lead to improved competitive advantage. This research finding concurs with Islam (2022) who aimed to identify innovation types impact on the service firm's financial and nonfinancial performance and mediation and moderation impact of innovation and the firms' performance association in the Indian service segment. The findings of the study indicated that service innovation, followed by process innovation, has the greatest significant impact on a firm's financial and nonfinancial performance. The study findings are also in line with Fatema and Islam (2021) who investigated the effects of technological and non-technological innovations to performance of Indian manufacturing enterprises, as well as the mediation and synergy effects in the innovation-performance correlation. The findings suggest that technological innovations (product and process innovation) have a substantial impact on the overall performance of an institution

The research conclusions are also in agreement with a study by YuSheng and Ibrahim (2020) who investigated innovation adoption influence on performance of banks in Ghana. The research conclusions showed that organizational, product, process, and marketing innovations are the innovative dimensions that subsidize bank innovation. The study also showed a direct and positive link between the three types of innovation—product, marketing, and organizational—and bank performance. The study findings also concur with another study done by Chatzoglou and Chatzoudes (2018) who conducted a study to see how innovation can aid a company gain a competitive edge. The data was examined using the structural equation modeling technique in this empirical study. The results reveal that a firm's competitive positioning and innovation are directly linked.

Moreover, the conclusions are in backing of research done by Keter (2021) who sought to determine strategic innovations impact on performance of KPLC. This research used a case study methodology and adopted an interviewing guide in data collection. The data was qualitative with the analysis being via content analysis. According to the report, KPLC has improved its understanding of consumers by offering them specialized products or services likely to directly address their needs in important areas through close client connections. In addition, Dore (2018) explored the connection between innovation strategies and competitive advantage across health-care product manufacturers. The research concluded that the innovation strategies in place at the manufacturing pharmaceutical companies investigated account for 88.0 percent of the shift in competitive advantage (process, product, technology and market innovation).

The findings of this study support disruptive innovation theory by Christensen (1997) which is the anchor theory and it is based on the idea that innovations can transform a

prevailing market by improving access, ease, cost efficiency, as well as market easiness where items as well as services are expensive. The theory holds that use of disruptive technology is crucial in attaining intended competitive advantage. Strategic innovations can broaden their market segments scope, boost revenue, and improve performance this way. The theory hypothesizes a positive effect of strategic innovations on competitive advantage.

Competitive advantage theory is also backed by these research conclusions. According to Porter (1980, 1985), a firm develops its business strategies in order to obtain competitive advantage over its competitors. It does this by responding to five primary forces: the threat of new entrants, rivalry among existing firms within an industry, the threat of substitute products/services, the bargaining power of suppliers, and the bargaining power of buyers. An understanding of the sources of competition will help tours and travel companies in Nairobi County in coming up with strategies geared towards gaining competitive advantage.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter entails summary of findings, conclusions, implications and finally recommendations. This section also includes the limitations and suggestions for future studies.

5.2 Summary of Findings

The main objective of the study was to determine the influence of strategic innovations on the performance of tours and travel companies. The research was backed by two theories: namely; disruptive innovation theory and Porter's competitive advantage theory. A descriptive research design was utilized. The population of the study was the 84 Tours and travel companies in Kenya while 73 tours and travel companies provided the required data for analysis. For data analysis, both descriptive and inferential analysis was performed and the findings are presented in this segment.

The findings reveal that, on average, the respondents perceive the firm to be actively engaged in strategic innovations across various aspects, including product innovations, process innovations, and market innovations. The firm is seen as continuously developing new and appealing products, improving existing products, and offering a variety of current and relevant products. Respondents also perceive the firm to be keen on value addition in the product delivery process, with process innovation strategies improving customer access to products. In terms of market innovations, the firm is believed to actively advertise its products and services, prioritize improving service quality, and offer unique customer service around the clock.

The descriptive results further revealed that in regards to competitive advantage, respondents perceive that the organization has experienced a rise in market share and gained recognition for its products and services over the last five years. They also believe that the organization's brand equity for diversified products and services has increased. In terms of customer focus, the organization has been able to offer lower prices due to improved efficiency, although there is room for improvement in terms of product quality compared to competitors. However, the organization is recognized for providing faster turnaround times compared to competitors. The data also suggests positive trends in organizational capacity, including an increase in the total number of customers, higher customer retention, and a decrease in customer complaints over the years.

The correlation results revealed that the relationship between strategic innovations and competitive advantage is strong, positive and statistically significant. This implies that strategic innovations practices and competitive advantage have a positive relationship. Regression results revealed that 47.8% of the variation in competitive advantage can be attributed to strategic innovations. Further, the results revealed that a unit rise in strategic innovations practices will lead to a 0.652 rise in competitive advantage holding other factors constant.

5.3 Conclusion of the Study

Based on the results of the study, several conclusions can be drawn. The study concludes that product innovations, process innovations, and market innovations have a positive and significant effect on the competitive advantage of tours and travel companies in Nairobi City County. The findings indicate that product innovations play a crucial role in enhancing competitive advantage. The continuous development of new and appealing products,

improvement of existing products, and offering a variety of current and relevant products positively influence the firm's competitive position. This suggests that companies that prioritize product innovation and are proactive in meeting customer demands gain a competitive edge in the market.

Process innovations are shown to have a significant impact on competitive advantage. The focus on value addition in the product delivery process, the development of innovative processes, and the improvement of customer access to products all contribute to enhancing the firm's competitive position. By optimizing internal processes and implementing innovative strategies, companies can improve operational efficiency and enhance customer experiences, thereby gaining a competitive advantage.

The study reveals that market innovations are essential for competitive advantage. Active advertising of products and services, a strong focus on improving service quality, and the provision of unique customer service around the clock positively impact the firm's competitive position. By effectively reaching and satisfying customers through market innovations, companies can differentiate themselves from competitors and establish a strong market presence.

5.4 Recommendations of the Study

Based on the findings of this study, several recommendations can be made to tours and travel companies in Nairobi City County to enhance their competitive advantage through strategic innovations. Companies should prioritize product innovations by continuously developing new and appealing products. In order to spot growing wants and adjust their product offers accordingly, they should proactively acquire consumer input and market

trends. Companies may obtain a competitive edge by attracting and retaining consumers and providing distinctive and relevant products.

Organizations should concentrate on process innovations to boost operational effectiveness and improve customer experiences in order to further increase competitive advantage. This may be accomplished by making investments in technology and automation to maximize product delivery and streamline internal operations. Additionally, businesses should look into cutting-edge approaches like developing digital platforms or improving distribution methods to increase customer access to items. Companies may differentiate themselves and boost their competitive edge by offering consumers smooth and easy experiences.

In order to boost brand awareness and draw in new customers, businesses should aggressively promote their goods and services through a variety of platforms. To establish a solid reputation and win over repeat business, market innovation tactics that prioritize service quality can also be beneficial. Additionally, businesses can strive to offer distinctive customer service experiences, such as individualized help or round-the-clock assistance, to set themselves apart from rivals and develop a strong brand image.

It is advised that Nairobi City County's tour and travel businesses take a holistic approach to strategic innovations. Companies may boost their competitive edge, draw in a bigger client base, and promote long-term success in the fiercely competitive sector by introducing product innovations, process innovations, and market innovations into their company strategy. Maintaining a competitive advantage in the dynamic tours and travel business will need constant attention to consumer preferences and market trends, as well as a readiness to innovate and adapt.

5.5 Limitations of the Study

Despite the study's insightful findings, it's crucial to recognize its shortcomings. The use of just one study method, survey-based self-report measures, to gather information on both strategic innovations and competitive advantage is a drawback. Self-report assessments may not accurately reflect the entire complexity and nuanced of processes for strategic innovations and competitive advantage since they are prone to respondent bias. To gain a better knowledge of the underlying dynamics, future studies may think about using qualitative research techniques, including interviews or observations.

Another drawback is the findings' potential for generalization due to the focus on tours and travel agencies within a particular setting. The study's conclusions might not be applicable to businesses in other industries or regions. The study's cross-sectional design also makes it difficult to prove a connection between strategic breakthroughs and competitive advantage. Stronger evidence for causation would come from longitudinal studies that monitor changes in innovations and competitive advantage over time. In order to increase the generalizability and causal implications of the findings, future research should target including a wider variety of businesses and make use of longitudinal methods.

5.6 Suggestions for Further Research

Although the current study has shed light on the connection between strategic innovations and competitive advantage in the tours and travel industry, there are still a number of directions for future research that might further our understanding in this field. First, future study may examine the precise processes by which certain strategic innovation aspects affect competitive advantage. This might entail analyzing the mediating elements that

contribute to the effective translation of innovation into competitive advantage outcomes, such as employee engagement, motivation, and knowledge sharing.

Additionally, conducting comparative studies across different industries or organizational contexts could provide a more comprehensive understanding of how strategic innovations influences competitive advantage in diverse settings. Lastly, longitudinal studies tracking the changes in strategic innovations and its impact on competitive advantage over time could provide insights into the dynamic nature of this relationship and help identify strategies for sustaining a positive culture to drive long-term strategic success

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APPENDICES

Appendix I: Research Questionnaire

Dear respondent,

This survey has been intended to gather information on the effect of strategic innovations on competitive advantage of tours and travel companies in Nairobi County. It is crucial that you answer these questions accurately and completely. No confidential personal information will be taken or stored, and no identification will be made of users, the research is for the sake of academic study only.

Instructions

1. Check the relevant option or fill in the blanks in the area given.
2. Feel free to add any more pertinent information to the study.

PART A: ORGANIZATION CHARACTERISTICS

1. Which year was this tours and travel company registered?
2. How many employees do you have in your firm?
 - a) Less than 50 employees []
 - b) 51 – 100 employees []
 - c) 101–150 employees []
 - d) 151 – 200 employees []
 - e) Above 200 employees []

PART B: STRATEGIC INNOVATIONS

3. To what degree do you agree with the statements below relating to the effect of strategic innovations on competitive advantage in your organization? (5-Strongly Disagree, 4-Disagree, 3-Neutral, 2-Agree, 1-Strongly Agree)

Statements	1	2	3	4	5
Product innovations					
Our firm continuously develops new and appealing products					
Product developments have improved the existing products at our firm					
Our firm offers a variety of current and relevant products					
Process innovations					
Our firm is keen on value addition on product delivery process					
Process innovation strategies at our firm have improved the way customers access products					
Our firm has developed innovative process to serve customers better					
Market innovations					
Our firm advertises all its products and services					

Improving service quality is the organization's key objective in market innovation strategy					
Our firm offers unique customer service around the clock					

PART C: COMPETITIVE ADVANTAGE

4. To what degree do you agree with the statements below in regards to competitive advantage in your organization? (5-Strongly Disagree, 4-Disagree, 3-Neutral, 2-Agree, 1-Strongly Agree)

Statements	1	2	3	4	5
Market share					
The organization's market share has been on the rise over the last 5 years					
The organization's products and services have been gaining more recognition over the last 5 years					
The organization's brand equity for the diversified products & services has increased over the past five years.					
Operational efficiency					

Our organization has been able to offer lower prices due to improved efficiency					
The organization offers better quality products compared to competitors					
The organization is able to provide faster turnaround times compared to competitors					
Customer Satisfaction					
The organization's total number of customers has increased over the past five years.					
There is increased customer retention in the organization					
The number of customer complaints have been decreasing over the years					

THANK YOU VERY MUCH

Appendix II: List of Tour and Travel Companies in Kenya

1. Aardwolf Africa Adventure Safaris
2. Abercrombie & Kent
3. Aberdare Tours and Safaris
4. Absolute Holiday Safaris
5. Active Car Hire and Safaris
6. Active Kenya Safaris
7. Adventura Africa
8. Adventure Panorama Safaris
9. Africa Flash McTours and Travel
10. African DMC
11. African Dream Safaris
12. African Horizons
13. African Jungle Adventures
14. African Safari Experts
15. African Sermon Safaris
16. Amazing Memories Safaris
17. Angelos Holidays Safaris
18. Bella Safaris
19. Bencia Africa Adventure & Safaris
20. Best Camping Tours and Safaris
21. Bestway Tours and Safaris
22. Big Time Safaris

23. Bila Safaris Kenya
24. Bonfire Adventures
25. Bountiful Safaris
26. Budget Africa Safari
27. Bushman Safaris
28. Buss Travel and Tours Limited
29. Cheery Journey Africa
30. Classic Journeys Africa
31. Dallago Tours Kenya
32. Destination East Africa
33. Diani Wilderness Safaris
34. Eastern and Southern Safaris
35. Eastern Vacations Kenya
36. Easy Escape Safaris
37. Easy Go Safaris
38. Elite Luxury Kenya
39. Enaidura Adventures
40. Expeditions Maasai Safaris
41. Gamewatchers Safaris
42. Go Kenya Safari
43. Hadsan Adventures
44. Hemingways Expeditions
45. Heritage Safaris

46. High Class Tours and Travel
47. Horizon Africa Adventures
48. Horizon World Holidays
49. Incentive Travel and Safaris
50. Infinite Safari Adventures
51. Jamboree Africa Tours and Safaris
52. Kairi Tours and Safaris
53. Kaskazi Holidays
54. Kenya Beach Safaris
55. Kenya Expresso Tours and Safaris
56. Kenya Safari Planners
57. Kenya Tour Budget Safaris
58. Kenya Walking Survivors Safaris
59. Kiboko Kenya Safaris
60. Kicheche Camps
61. Kilipeak Adventure Safari
62. Leken Adventure
63. Let's Go Travel
64. Mombasa Holidays
65. Mwema Africa Safaris
66. Natural World Kenya Safaris
67. Odyssey Safaris
68. Oranje Safari

69. Pita Safaris
70. Pollman's Tours and Safaris
71. Primetime Safaris
72. Rhino Safaris
73. Safari Trails Africa
74. Scenery Safaris
75. Scenic Treasures Africa
76. Serene East Africa Safaris
77. Sunworld Safaris
78. Tanzania Expeditions
79. Tembo Adventures
80. The Safari Company
81. Twiga Tours
82. Wayfair Tours and Travel
83. Wildtrek Safaris
84. Zindua Africa Safaris

Source: KATO (2021)