STRATEGIES EMPLOYED BY THE KENYA TOURIST BOARD (KTB) TO ESTABLISH A SUSTAINABLE COMPETITIVE ADVANTAGE FOR KENYA AS A TOURIST DESTINATION

BY

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A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER 2006

DECLARATION

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

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D61 / 7371 / 04

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DEDICATION

This project is dedicated to my loving parents Caleb Anot and Turphena Anot for their love and unlimited financial support and my sister Deborah Onyuka.

ACKNOWLEDGEMENTS

My special thanks go to my supervisor Mr. J. Maalu without whose guidance and constant advice this work would not have been completed.

I also record my sincere gratitude to the Managing Director of Kenya Tourist Board, Dr. Achieng' Ongong'ga for giving me the opportunity to interview the organization, Mr. Kennedy Manayalla for his unlimited assistance in gathering data and to the entire management team for dedicating their time to answer the questionnaires.

My most sincere thanks and gratitude go to Tom Okeyo for his generous contribution in this study and moral support.

I extend my appreciation to my former University lecturer Mr. Isaac Ogwayo for giving me the encouragement to pursue this study. Similar message goes Zach Ndege.

Special thanks to my MBA classmates, Damaris Mudhui and L. Mukandara for their cooperation and immeasurable assistance during the program. God bless you abundantly.

Of special mention are my beloved siblings Kissinger, Evance, Benter, Linder and Sadik whose prayers and love gave me the morale to pursue this study.

Last but by no means the least, my gratitude go to all those who may have assisted me in one-way or another during the program.

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ABSTRACT

The primary objectives of this study were (i) To determine strategies KTB has put in place to establish a Sustainable Competitive Advantage for Kenya as a tourist destination. (ii) To establish challenges facing KTB in fulfilling its mission. The researcher identified the various models of achieving Sustainable Competitive Advantage and it is against these models that the operations of the board were sassed.

It was a case study and respondents were directly interviewed. The principle findings of the study were that; The Kenya Tourist Board embraces strategic planning and has a strategic plan covering the years 2005-2007. The board expects to sustain the current tourism performance and has put in place a number of strategies to ensure this sustainability. The main challenges facing the board are, funding and understaffing.

CHAPTER ONE: INTRODUCTION

1.1 Background

Competition is at the core success or failure of firms. Competition determines the appropriateness of a firm's activities that can contribute to its performance, such as innovations, a cohesive culture, or good implementation. Competitive strategy is the search for a favorable competitive positioning in an industry, the fundamental arena in which competition occurs. Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition (Porter 1998) A good competitive strategy leads to a competitive advantage.

The fundamental basis of long run success of a firm is the achievement and maintenance of a sustainable Competitive Advantage, (Varadarajan and Jayachandran, 1999). The actual term Sustainable Competitive Advantage emerged in 1985 when Michael Porter discussed the basic types of competitive strategies firms can posses such as low-cost strategy to achieve Sustainable Competitive Advantage. A firm is said to have a sustained competitive advantage when it is implementing a value creating activity not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy (Barney 1991). It is achieved by continuously developing existing and creating new resources and capabilities in response to changing market conditions.

Coyne (1986) proposes that in order to posses an Sustainable Competitive Advantage, consumers must perceive some difference between a firm's product offering and the competitors offering. This difference must be due to some resource capability that the firm posses and competitors do not posses. Also, this difference must be some product / delivery attributes that is a positive key-buying criterion for the market (Coyne 1986).

Barney (1991) came up with this formal definition, ' that a firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when other firms are unable duplicate the benefits of this strategy. Based on both Barney's work and definitions given by other authors mentioned earlier, the following formal conceptual definition is offered. Sustainable Competitive Advantage is a prolonged benefit of implementing some unique value creating strategy not simultaneously being implemented by any other competitor. In today's business world of hyper competition and globalization, firms strive to attain Sustainable Competitive Advantage through whatever means in order to survive. The tourism sector is not an exemption.

1.1.1 Tourism in Kenya

Tourism in Kenya dates back to Pre-independence days and history has it recorded that as early as the 1930s oversea visitors and explorers had started coming to Kenya mainly for big game hunting expeditions while others came in search of solitude (Ikiara 2002). The tourism sector is made up of a number of bodies playing different roles and just to mention a few we have; Kenya Utalii College, established in 1975 and is charged with the responsibility of training high and middle level personnel for tourism sector. Some of the courses offered include front office operations, tour guide training and hotel keeping, The Kenya Tourist Development Corporation (KTDC) put in 1965 to finance potential investors in tourism especially small and medium scale hotel owners and to invest in tourism on behalf of the Government.

We also have The Bomas of Kenya that Markets cultural resources such as traditional dances, architecture and promote Kenyan culture, The Kenya Wildlife Service, a semi-aoutonous public institution established in 1989 under the wildlife conservation and management Act. It was separated from the ministry in 1991 and is charged with the responsibility of managing and protecting wildlife in national parks and reserves. Finally we have The Kenya Tourist Board, KTB launched in 1997 to co-ordinate promotional activities for tourism both locally and internationally. It also participates in international tourism fairs. The board draws membership from both private and public sectors with the former accounting for 65% of the members (Ikiara 2001).

Currently tourism accounts for about 10% of the Gross Domestic Product (GDP) making it the third largest contributor to GDP after tea and horticulture by generating about 18% of the export revenue. Kenya's tourism sector began to experience a decline in the 1990s due to internal and external factors especially those of security concerns. Both the number of visitors' arrival and earnings peaked in 1994 at just over IM arrivals and earnings of Kenya shillings 28 billion. Since then, the trend has been steadily downward, with arrivals falling to 988,000 in 2002 (Makawiti 2004)

The fall in earnings has been even steeper dropping from Kenya shillings 28.1 billion in 1994 to Kenya shillings 19.5 billion in 2002. The downturn accelerated in the first half of 2003 under the impact of second Gulf war, the issuance of negative travel advisories against travel to Kenya and imposition of flight bans by some countries (Makawiti, 2004). However there has been an impressive upward move in the sector with the number of visitors' arrival rising to 885,600 in 2004 and further to 1,003,384 in 2005 (Economic surveys 2004,2005).

Table 1.1 ***Tourist inflows in East Africa***

Year:	Kenya	Uganda	Tanzania
2000	778,200	192,790	-
2001	728,800	202,012	-
2002	732,600	254,212	160,201
2003	684,000	304,656	105,002
2004	885,600	512,378	290,000

Source: Research data.

(Statistics from Economic surveys, Central Bureau of statistics Kenya, UTB 2005 Uganda, TTB 2005 Tanzania)

The data above obtained from Central bureau of statistics, Uganda Tourist Board and Tanzania Tourist Board reveal that Kenya lead in tourist inflow among the three countries.

1.1.2. The Role of tourism in Kenya

The activity (tourism) has been identified as one of the sectors that is expected to contribute significantly towards poverty alleviation and employment creation as set out in The Economic Recovery Strategy for Wealth and Employment Creation, 2003-2007(GOK, 2003).

Since tourism is essentially a service industry, it provides relatively more jobs than any other economic sector. The industry is labour intensive and hence its expansion generates more job opportunities than an equivalent expansion in other sectors of the economy. Besides, allied improvements in tourism infrastructure also catalyses other economic activities. It is estimated that well over 219,000 people are currently deriving their livelihood from tourism.

The benefits accruing from investments in such infrastructure and superstructure as airports, hotels and restaurants, road network, communications, power and water supply as well as other related public utilities are widely shared with other sectors of the economy. Their development enhances the overall development at the local level and also encourages greater economic diversification.

Tourism has a larger multiplier effects than any other sector since every unit of tourist expenditure goes through several rounds of income creation and expenditure before its effect is exhausted.

For instance, money spent by a tourist on hotel accommodation, food and beverages, shopping, entertainment and transport, does not stagnate but provides an income to hotel staff, taxi operators, shopkeepers and suppliers of goods and services. They in turn spend part of this income on their daily requirements of goods and services. Hence money accruing from tourism circulates through numerous segments of the economy through the multiplier process.

Tourism has been cited as a major promoter of international goodwill and understanding as well as a prime means of developing social and cultural understanding on the local level. Accordingly foreign visitors are considered to be the best ambassadors of their respective countries. In view of the fact that we are living in a global village, thanks to advances in communication technology, the industry contributes significantly to international commerce and good relations among nations.

It is worth noting also that the development of tourism may serve as an important vehicle in promoting economic advancement of less developed areas that are not endowed with alternative resources. In this regard such developments play an important part in redressing regional developments and income distribution imbalances.

1.1.3 Overview of KTB

KTB has significantly contributed to the upswing of the tourism industry in Kenya since its establishment. It secured financial assistance from the European Union amounting to Ksh.1120 million in1999 (Ikiara 2001).

In 2000 KTB co-coordinated an effective team of public and private partners in the World Tourism Market Fair held in London in which Kenya won the 1st prize award.

The vision of KTB is to be premier tourist destination marketing organization in the world while its mission is to support and serve tourism industry through marketing Kenya's unique experience with diligence, dedication and professionalism for the benefit of all stakeholders. The board has fundamental beliefs that guide and shape the organization; these include integrity and professionalism, quality customer service, competence discipline & team spirit, social responsibility, productive partnerships, employee relations, excellence and innovatiness, dynamism & creativity.

KTB began its strategic planning exercise in April 2004 with the following objectives; to develop effective action programmes for addressing critical constraints and challenges facing tourism industry in Kenya, to design action plan programmes for effective and efficient exploitation of the political tourism market opportunities and to deliberate and agree on appropriate strategic direction for KTB for the 2005-2007 plan period. The mandate of the board are, to promote and market Kenya as a tourist destination both locally and internationally, to work in partnership with national, regional and international organizations and local authorities in order to improve the tourism environment, to monitor the quality and standards of facilities available to both local and international tourists and advice the private and government agencies on how to improve the facilities for the targeted market, to establish public relations services to address issues concerning the image of the tourism industry in Kenya and finally to facilitate the resolutions of conflicts within the industry.

KTB is mainly funded by the Government of Kenya and the European Union. Others are 50% of funds collected from Catering Training and Tourism Development. Its organization structure focuses on the future, core business and delivery of quality services in the tourism industry in Kenya and globally

1.1.3 Sustainable Competitive Advantage and Tourism in Kenya

The main tourism boom for Kenya took place between 1968 and 1972. Visitors form North America increased from 40,000 to 81,500 and other European countries from 53,700 to 118,000. From 1973 to 1975 the number of visitors to Kenya increased from 397,700 to 407,000 (Economic Survey 1973, 1976). The decline in 1977 was mainly due to closure of Kenya-Tanzania border after the disbanding of the East Africa Community. From 1978 to1979 total arrivals increased from 360,600 to 383,000 respectively (Economic Survey 1981).

As shown on the tourist inflows table fig 1, the number of tourist arriving in Kenya has risen to 885,600 in 2004 and further to 1003,384 in 2005. Tourism has reported growth not only in Kenya but also in East Africa at large in the recent past. In Uganda tourism contribution to GDP moved from position three to the first position in 2005 (UTB 2006). Report from Tanzania Tourist Board (TTB 2005) show that tourism is the third source of foreign exchange earner after coffee and cotton. TTB plans to make it the county's number one earner by end of the century through intense marketing. The three countries

Kenya, Uganda and Tanzania posses more or less similar tourist attraction site sites and all have plans of improving tourism in order to boost their economy.

Although Kenya currently ranks first in East Africa as the most preferred tourist destination, other nations may outdo it unless the Kenya Tourist Board establishes a Sustainable Competitive edge against other players. Different authors have proposed models through which organizations can guard against competitors and establish a Sustainable Competitive Advantage. Some these models are for example, the Game theory (Shapiro 200), which focuses o analyzing competitor's possible move prior to deciding on the next action. Tang (1995) gives ten principles, which if pursed a firm can dominate the industry. Porter (1995) proposes focus on the value chain so that a firm can attain SCA through cost leadership or differentiation.

Any business strategy, to be capable of sustained success must be grounded in Competitive Advantage (Thompson 1989). Competitive Advantage (CA) is gained when a Company moves into a position where it has an edge in coping with competitive forces and attracting buyers. Companies can develop a competitive edge through a number of ways such as, providing high quality product in the market, providing customer service that is superior to rivals, being the biggest and the best known firm in the market, recognition as a low price seller, being the best geographical location and having a product that does the best job in performing a particular function. Whichever position strategy is pursued, the essential outcome to achieve C.A is that a viable number of customers end up buying the firm's product because of the superior value they perceive it has (Thompson 1989). Kenya's number position in East Africa may be attributed to a number of positioning strategies such as geographical location and unique products. Since a company's prosperity is driven by how powerful and enduring its competitive ad vantages are (Tilson 2000), it is imperative that the Kenya Tourist Board establishes strategies that can prolong the life of this C.A.

1.2 Statement of the Research Problem

Currently Kenya is enjoying the top position in East Africa as the most preferred tourist destination (KTB, UTB, TTB 2005 reports). The Uganda Tourist Board has put efforts to conquer world tourist by signing a 1million USD deal with the Cable News Network (CNN), an internationally acclaimed media house, to market Uganda as the best tourist destination (UTB 2005). News from Tanzania Tourist Board (TTB 2005) show that the country recorded a tourist boom in 2004 with tourist arrival of 290,000.

The board expects the trend to continue and has embarked on aggressive marketing to help achieve the goal. The Kenya Tourist Board, KTB has so far made strides to be the most preferred tourist destination not only within East Africa but world over. It is therefore worth investigating what KTB is doing to sustain this performance and also achieve its vision of being the world's premier tourist marketing board.

There has been impressive performance in the tourism sector in the last two years with tourist arrivals rising to 885,600 in 2004 and further to 1,003,384 in 2005 (Economic Survey 2004,2005). This study aims at investigating what is behind these positive changes and establishes what is being done to sustain it.

With the introduction of performance contract by the GOK in 2002, government officers are compelled to deliver or resign. Owing to performance contracting conditions therefore its needful that KTB establishes a prolonged competitive edge against other players. Occasionally, the board's activities are delayed due to insufficient funding by the government, which is its main source of funding.

Finally tourism in Kenya is bound to suffer the impact of negative political image resulting from corruption. Issues of insecurity such as the latest Armenians' saga cannot be ignored. The board is thus faced with the challenge of marketing a nation engulfed in fraud scandals as a suitable tourist destination

Several researches have been done in the area of sustainable competitive advantage though in different contexts. Hoffman, 2000 carried out a study on an examination of the concept of sustainable competitive advantage. He gave definitions of the concept, sources of sustainable competitive advantage and recommended further research to map how strategy can influence performance by providing firms with sustainable competitive advantage. Makawiti (2000) looked at the factors that affect the demand for domestic tourism among professionals in Nairobi, Kenya. She suggested further research in tourism to determine whether the market segment is a viable and sustainable market.

This study was therefore aimed at answering the following questions;

What is KTB doing to sustain the current impressive tourism performance?

What are the possible impediments that would deter KTB from establishing a Sustainable Competitive Advantage?

1.3 Objectives of the study

i. To determine strategies employed by KTB to establish a Sustainable competitive Advantage for Kenya as a tourist destination.

ii. To establish challenges faced by the board in establishing a Sustainable Competitive Advantage for Kenya.

1.4 Significance of study

This study will be of benefit to:

The academic community

This study will provide a body of knowledge on the benefits accruing to organizations as a result of establishing a sustainable competitive advantage. It will bring out the relationship between organizational resources and sustainable competitive advantage.

Tourist organizations in Kenya

Results from this study may be used by tour firm operators to effectively manage their resources and develop a competitive edge against their competitors.

CHAPTER TWO: LITERATURE REVIEW

2.1 Strategy

Strategy is an action that a company takes to attain one its goals (Hill 2001). According to Johnson and Scholes (2003), strategy is the process that matches resources and activities of an organization to the environment in which it operates. They argue that strategic fit which involves developing strategy by identifying opportunities in the environment and adapting resources and competencies so as to take advantage of them, is essential and must be maintained at all time. Quinn (1999) defines strategy as the pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive whole. A well-formulated strategy helps to marshal and allocate an organization's resources into unique and viable posture based on its relative internal competences and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents.

Today companies regardless of the industry, concentrates on ways of formulating among other objectives develop for themselves a market niche. The wave of globalization and consequently liberalization of the markets even in parts of the market where the economies had hitherto been closed have occasioned these market practices. Porter (1985) acknowledged that firms throughout the world face slower growth because of both domestic and global competition. He argues that competitive advantage is the heart of a firm's performance in the competitive markets. The question that firms continue to ponder over is how to differentiate themselves from competitors and how to defend the competitive position. Porter (1985) identifies two b basic strategies through which firms can attain a competitive position. These are cost advantage and differentiation.

2.2 Competitive Advantage

Porter (1985) a competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and services that justifies higher prices. Hill (2001) identifies four building blocks of competitive advantages as efficiency, quality, innovation and customer responsiveness. According to Porter however there are four generic business strategies that could be adopted in order to gain competitive advantage. The four strategies relate to the extent to which the scope of a business' activities are narrow versus broad and the extent to which business seeks to differentiate its product. The four strategies are differentiation focus, differentiation, cost focus and cost leadership.

Differentiation strategy involves selecting one or more criteria used by buyers in a market and positioning the business uniquely to meet those criteria. This strategy is usually associated with charging a premium price for the product often to reflect the higher production cost and extra value added features provided for the consumer. Differentiation is about charging a premium price that more than covers the additional production costs, and about giving customers clear reasons to prefer the product to other less differentiated products.

In cost leadership the objective is to become the lowest cost producer in the industry. Many market segments in the industry are supplied with the emphasis placed minimizing costs. If the achieved selling price can at least equal the average for the market, then the lowest-cost producer will enjoy the best profits. This strategy is usually associated with large-scale business offering standard products with relatively little differentiation that are perfectly acceptable by majority of customers. Discounts may also be given to maximize sales.

Differentiation focus strategy aims to differentiate within just one or a small number of target market segments. The special customer needs of the segment mean that there are opportunities to provide products that are clearly different from those of competitors who may be targeting a broader group of customers. To adopt this strategy there has to be valid basis for differentiation and that existing competitor products are not meeting the unique needs and wants of the target customers.

In cost focus the business seeks a lower-cost advantage in just a small number of markets. The product will be basic or perhaps a similar product to the higher-priced and featured market leader, but acceptable to sufficient consumers.

The overall efficiency of an organization originates from the various organizational segments such as Marketing Human Resource and Information Communication Technology. Good leadership provides company wide commitment to efficiency and facilitates cooperation among functions. Where appropriate production pursues economies of scale (mass production) and learning economics (increasing production through learning the most efficient way to perform a particular task). Marketing adopt aggressive marketing strategies to bring down the experience curve. Experience curve refers to the systematic unit-cost reductions that have been observed to occur over the life of a product. According to this curve concept, unit manufacturing cost for a product typically declines by some characteristic amount each time accumulated output of the product is doubled. Research and Development design products for ease of manufacture, seek new markets and process innovations. ICT use information systems to automate processes and reduce cost of coordination. In terms of human resource; employee productivity is one key determinant of an enterprise's efficiency and cost structure. The more productive the employees the lower will be the unit costs.

High productivity may be achieved through; employee training, self-managing teams and pay for performance. A company that employs individuals with higher skills is likely to be more efficient than one employing less skilled personnel. Individuals who are more skilled can perform tasks faster and more accurately and are more likely to learn the complex tasks associated with modern production methods than individuals with lesser skills. Training can upgrade employee's skill levels bringing the firm productivity related efficiency gains (Hill 2001). Self-managing teams are relatively a recent phenomenon (Hill 2001). The typical team comprises of five to fifteen employees who produce an entire product or undertake an entire task. Team members learn all team tasks and rotate from job to job. Team members can thus fill in for absent members. Teams also take over managerial duties such as work and vocation scheduling and hiring new members. The greater responsibility thrust on team members and the empowerment it implies are seen as motivators. People work for pay hence linking pay to performance can help increase employee productivity. It is however important to first of all define clearly the kind of performance to be rewarded and how.

Successful innovation of products and processes gives a company something unique that its competitors lack. This uniqueness may also allow a company to charge a premium price or lower its cost structure below that of its rivals. Maintaining a CA through innovation requires a continuing commitment to innovation as it is easily copied.

Companies should however guard against the following five innovation failures whenever in pursuit of new technologies. Uncertainty; the uncertainty of future demand for a new product is much greater if that product represents a quantum innovation (a radical departure from the existing technology) than if it is an incremental innovation (an extension of existing technology) Poor commercialization; this is a condition that occurs when there is an intrinsic demand for a new technology but the technology is not well adapted to consumer needs because of factors such as poor design or poor quality. Poor positioning; arises when a company introduces an intrinsically attractive new product but fail to materialize because of poor positioning in terms of price, distribution, promotion & advertising and product features. Technological myopia; occurs when a company gets blinded by the wizardry of a new technology and fails to consider whether there is consumer demand for the product. Slowness in marketing; companies fail when they are slow to get their products to market. The longer the time between initial development and marketing the more likely it is that someone else will beat the firm to market and gain a first mover advantage.

In pursuing customer responsiveness to attain a CA, a company needs to give customers what they want and when they want. It must ensure a strong leadership, training employees to think like customers, bringing customers into the company by means of superior market research, customizing the product to the unique needs of individual customers or customer groups and responding quickly to customer demands.

2.3 Sustainable Competitive Advantage

A company that is more profitable than its rivals is exploiting some form of advantage. The benchmark for profitability is the company's cost of capital. To consistently make profits in excess of its cost of capital - economic rent - the company must possess some form of Sustainable Competitive Advantage (Wekipedia 2006). It is the future growth and prosperity of the company underlying stock, not its current price that is most important to look for in evaluating a company. A company's prosperity is driven by how powerful and enduring its competitive advantages are (Tilson 2000).

A firm possesses a Sustainable Competitive Advantage when it has value creating processes and positions that cannot be duplicated or imitated by other firms that lead to the production of above normal rents. A Sustainable Competitive Advantage is different from a competitive advantage (CA). However, these above normal rents can attract new entrants who drive down economic rents. A CA is a position a firm attains that lead to above normal rents or a superior financial performance. The processes and positions that engender such as a (CA) position is not necessarily non-duplicable or inimitable. It is possible for some companies to, temporarily, make profits above the cost of capital without sustainable competitive advantage.

A key difference between CA and Sustainable Competitive Advantage is that the processes and positions a firm may hold are non-duplicable and inimitable when a firm possesses a Sustainable Competitive Advantage. Hence a sustainable competitive advantage is one that can be maintained for a significant amount of time even in the presence of competition. A CA becomes a Sustainable Competitive Advantage when all duplication and imitation efforts have ceased and the rival firms have not been able to create the same value that the said firm is creating.

In marketing and strategic management, sustainable competitive advantage is an advantage that one firm has relative to competing firms. The source of the advantage can be something the company does that is distinctive and difficult to replicate, also known as a core competency. To be sustainable the advantage must be distinctive and proprietary.

There are basically three types of assets that help build a Sustainable Competitive Advantage. First, Organization and managerial process, Coordination among teams in organization is key to organizational success. Interdepartmental coordination and resource sharing to reach a common goal is fundamental to creating "value". Integrating resources is key to the success of firms. Firms that are able to integrate resources see synergistic effects of resources coming together. Organizational learning is key to the success of a firm. It determines how a firm collects, distributes, interprets and responds to market based information collection and changes in the environment. These changes in the environment could be customer based changes, technological developments, legal and government restrictions. Firms have to develop robust market sensing and scanning capabilities to effectively collect information. Once they collect information they have embedded this knowledge in the products they produce. Reconfiguring and transformation: The environment for firms is constantly changing and constant reconfiguring and transformation is key to forming Sustainable Competitive Advantage. A double loop learning and transformation is key to producing innovative products. Innovative capacity of a firm determines how it reacts and learns from market information.

Secondly, market positions are the assets of a company such as technological assets financial assets, reputation assets and structural assets. The structure of a company can determine how it performs. The hierarchy of a company can influence its culture, procedure and routines. All these contribute to the attainment of a Sustainable Competitive Advantage.

The third asset is Path dependencies: At birth, a company is usually accompanied with certain orientations. The progenitor brings certain orientations and attributes that stay with the company for a long time. The path the company takes then determines the development of its competencies. Technology development at a time can determine how a firm can exploit opportunities to form Sustainable Competitive Advantage. Very often we see the advent of several technological factors converging into a capability that forms a Sustainable Competitive Advantage (Wekipedia 2006).

Early literature on competition serves as a precursor to the development of Sustainable Competitive Advantage. Alderson (1937) hinted at a basic tenet of Sustainable Competitive Advantage, that a fundamental aspect of competitive adoption is the specialization of suppliers to meet variations in buyer demand. Alderson (1965) was one of the first to recognize that firms should strive for unique characteristics in order to distinguish themselves from competitors in the eyes of consumer. Later Hamel and Prahald (1989), and Dickson (1992) discussed the need for firms to learn how to create new advantages that will keep them one step a head of competitors. Over a decade Hall (1980) and Hernderson (1983) solidified the need for firms to posses unique advantages in relation to competitors if they are to survive. These arguments form the basis for achieving Sustainable Competitive Advantage.

Day and Wensley (1988) focused on two categorical sources involved in creating a competitive advantage i.e. superior skills and superior resources. Barney (1991) states that not all firm resources hold the potential of Sustainable Competitive Advantage instead they must posses four attributes that is, rareness, value, inability to be imitated and inability to be substituted. Similarly Hunt and Morgan, (1995) propose that potential resources can be most usefully categorized as financial, physical, legal human, organizational, informational and relational.

Prahald and Hamel (1990) suggest that firms combine their resources and skills into core competences and distinctive competence. Core competences are those activities that a company does best in relation to others while distinctive competence is what a firm does best than its competitors.

Resources are inputs into a firm's production process such as capital, equipment, the skills of individual employees, patents, finance and talented managers. Resources are either tangible or intangible in nature.

This study highlights the various models of establishing a Sustainable competitive Advantage and investigates on how the Kenya Tourist Board is applying these models integratively to attain a Sustained Competitive Advantage. The choice of this integrative approach is based on the fact that each model focus on one or two aspects of the organization hence applying only one model ignores other aspects. Combing these models therefore provides a more meaningful and exhaustive tool with which SCA can be pursed.

The choice of KTB is based on the fact that tourism sector has improved significantly in the last two years and is currently the leading sector in the economy with 80% of Kenyans saying its performance is very good, (poll results by Stead man group Daily Nation Newspaper 21st July 2006). Secondly the board is the link between Kenya and the international tourists as it is charged with the responsibility of marketing Kenya as a tourist destination.

2.5 Models of Sustainable Competitive Advantage

2.5.1 Resource Based Approach:

The search for sustainable competitive advantage has been the dominant theme in the study of strategy for many years (Bain, 1956; Kay, 1994; Porter, 1980). The "resource-based view" has recently found favor as making a key contribution to developing and delivering competitive advantage. According to this approach SCA is achieved by continuously developing existing and creating new resources and capabilities in response to rapidly changing market conditions.

The opportunity for a company to sustain a competitive advantage is determined by its capabilities of two kinds: distinctive capabilities and reproducible capabilities and their unique combination. Distinctive capabilities are characteristics of the company that cannot be replicated by competitors or can be replicated with great difficulty. They are the company's basis of sustainable competitive advantage. Distinctive capabilities can be of many kinds: patents, exclusive licenses, strong brands, effective leadership, teamwork, or tacit knowledge. A patent is an exclusive right granted for an invention, which is a product or a process that provides a new way of doing something, or offers protection against other competitors from using the same innovation.

Reproducible capabilities are however those abilities that can be copied by competitors. Knowledge may also be a source of competitive advantage .All knowledge is not the same, there is explicit knowledge; the kind that can be easily written down (for example patents, formulas, or engineering schematic) The explicit knowledge can create competitive advantage but its life is increasingly brief as it can be replicated easily by others. Tacit knowledge or implicit knowledge is far less tangible and is deep embedded into an organization operating practices. It is often called Organizational Culture. Because tacit knowledge is much harder to detail copy and distribute it can thus be a sustainable source of competitive Advantage.

Firms rely on their resources to attain a sustainable competitive advantage. The currently dominant view of strategy, the resource-based theory highlights the need for a fit between the external market context in which a company operates and its internal capabilities. According to this view a company's competitive advantage derives from its ability to assemble and exploit an appropriate combination of resources and capabilities in response to rapidly changing market conditions. It is through the synergistic combination and integration of sets of resources that competitive advantages are formed. A capability is the ability for a set of resources to integratively perform a task or an activity. Through continued use capabilities become stronger and more difficult for competitors to understand and imitate. As a source of competitive advantage a capability should neither be so simple that it is highly imitable nor so complex that it defies internal steering and control.

The RBV is grounded in the perspective that a firm's internal environment in terms of its resources and capabilities is more critical to the determination of strategic actions than is the external environment. Instead of focusing on the accumulation of resources necessary to implement the strategy dictated by conditions and constraints in the external environment, it suggests that a firm's unique resources and capabilities provide the basis for a strategy. The strategy chosen should allow the firm to best exploit its core competences relative to opportunities in the external environment. In summary the essential elements of RBV are three namely; first, superior returns i.e. the firm must posses a prolonged competitive advantage in relation to other competitors, secondly the resources must meet certain characteristics i.e. the resources must have the potential to achieve a sustainable competitive advantage, should be of value, inimitable, rare and non-substitutable. Resources are said to be of value if they permit the creation of value (Barney 1991). They must permit the firm to conceive and implement strategy.

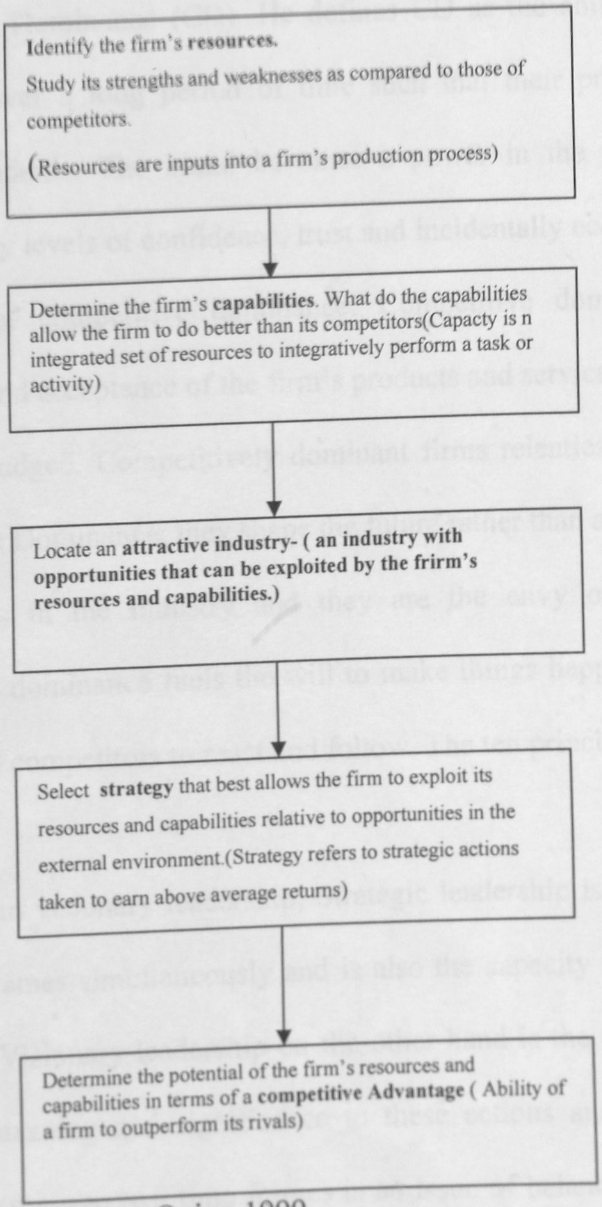
A resource is inimitable if it cannot be clearly identified or if its ability to generate superior performance is unclear. Such is possible where resources are highly tacit. Others such as Patents and copyrights, economic deterrent and large-scale investment may also result to inimitability. Resources are immobile if a competitor cannot hire the same resource from your organization or any other source. Lastly the resource should be non-substitutable. The third essential element is the strategic choices by management. Resources in and out of themselves do not confer competitive advantage. Kay (1993) it is only a competitive advantage when it is applied to an industry or brought to the market. Managers should thus convert resources into something of value to customers.

Organizations may also sustain their competitive advantage through patents. Heterogeneity is a concept meaning that the firms competing in the market place have varying capabilities to compete, and this is seen as the requisite for a firm to have the possibility of gaining sustainable competitive advantage (Peteraf 1993). Patent is concerned with the legal protection of the value-creating aspects of knowledge. A patent portfolio-set of patent held by a firm-is one of its major intellectual property resources. The potential of patents to create sustainable competitive advantage can be verified going through Barneys criteria for a source competitive advantage as discussed in this chapter under SCA. In addition to being used for competitive analysis the methods of technology analysis can also be used to identify important developments in patents and to track and forecast technology (Mogee 1991).

The ability of the patent to provide sustainable competitive advantage depends on a number of factors such as the cope of the patent, whether narrow or broad, the synergy effects among the patents in the patent portfolio, international coverage i.e. whether the patent is registered in multiple jurisdictions and the remaining life of the patent, either the validity period or the period of techno-economic validity.

Fig 2.1 The Resource Based Model of superior returns:

Locate an attractive industry



Source: Quinn 1999

2.5.2 The 10 principles Model

Tang (1995) describes a firm's ability to have a prolonged leadership in the market as Competitive Dominance (CD). He defines CD as the ability of a company to sustain leadership over a long period of time such that their products and services become defacto standards. The brand becomes a power in the market; the brand generates extraordinary levels of confidence, trust and incidentally economic equality. He gives ten principles of competitive dominance. Competitive dominance results in sustained leadership and acceptance of the firm's products and services as the standard by which all others are judged. Competitively dominant firms relentlessly practice the principles of Competitive Dominance; they shape the future rather than adjust to it. They are viewed as role models in the industry and they are the envy of competition. The goal for competitive dominance fuels the will to make things happen and to create a future that will compel competitors to react and follow. The ten principles to competitive dominance are:

Strategic and visionary leadership; Strategic leadership is the competence to manage in two time frames simultaneously and is also the capacity to simultaneously manage two structures. Visionary leadership on the other hand is the unique ability to conceptualize and give meaning and significance to these actions and create a rallying point. The capacity to manage two time frames is an issue of balance. It deals with the capacity to act on issues and decisions of today, which will yield results in a short time, and it also deals with the capacity to act on the tough decisions, which will yield result in a longer time horizon.

Continuous Environmental Scanning: No firm can assume it is competing in a static environment where competitive forces are stable and predictable. Environmental scanning is the means by which a firm can continuously analyze the intensity and direction of existing market and industry forces, the configuration of new market forces and the potential impacts on their ability to sustain Competitive Dominance. New forces are constantly emerging which abolish cherished assumptions, create new industry structures, re-segment the market, re-level the playing field and facilitate entry of hungry and smart new competitors. In recent years the velocity of these changes has accelerated at an unprecedented pace. Therefore any firm that does not wish to be overtaken must be constantly alert for shifts in existing forces and for new emerging environmental shifts. This process requires the continuous analyses and study of industry trends, customer attitudes and values, capabilities of current and new technologies, capabilities of the competitions and positions of important thought leaders such as consultants and other opinion makers (Stant, 1990).

Modeling Trends and Dynamics: Fact-based analysis of trends must consider the past and historical data but must also project into the future through analysis of the dynamics of the forces and trends. Environmental scanning enables a firm to acquire unique insight into the potential configuration of forces and thus develop unique and differentiated strategies.

Listening Posts: Companies must have well deployed listening posts to gather fact-based information about the market and industry. They also have management systems that continuously monitor, analyze and model this information. Listening posts asses the environment and the market to determine if the direction the company is headed is the right one. Examples of such listening posts include; industry guide databases, constant reports, market research studies and competitor analysis. Internal assessment of personnel attitude opinions and concerns must also be monitored continuously to keep a pulse on the support for company goals and the acceptance of change.

Change and Organizational Transformation: This is a call to action for self-renewal through continuous transformation, systematic and thoughtful change. Dominant firms must continuously re-invent themselves to maintain their positions otherwise a smart competitor will predict the dominant firms actions and create a way to improve on the product or service or find a way to deliver more value. Change and organizational transformation is thus imperative for firms that are not dominant but have aspirations to become so.

Customer centric culture: The purpose of business is to keep existing customers and to create new customers by consistently delivering more than the competitors. All too often, successful firms begin to develop an internal view of value and miss the mark with customers. To develop this culture characteristic, an effective approach is to have customers actively participate in key business process of the firm such as product development, product introduction and product planning cycles. This continuous contact with customers re-enforce a market and service orientation.

Unified Systemic Links: To achieve dominance requires the alignment and integration of an extended set of process and resources within the enterprise & outside the boundaries of the enterprise. In effect the processes must be "boundaryless" but they must also be meaningfully linked & integrated. Linking key processes so that in unison they create more customer value or provide sustainability. Competitive Advantages - forms the foundation of dominance & leadership. Unlike product attributes of technology a competitor cannot take a process to a laboratory for reserve engineering or imitation. These unified links enable a firm to provide suspicious seamless & differentiated Customer satisfaction.

Stakeholder Integration: Sustained leadership in impossible without tightly knit participation of stakeholders (Kosynsk 1993). Industry participants who have stake in the success of a firm's product or services are stakeholders. The most significant stakeholders are those that play an active role in the value-chain of the firm's product & services (Norman, Ramurez 1993, Porter 1985). They are important because, collectively with the firm they have the means to create the conditions that can enhance customer satisfaction and individually they are able to improve their competitiveness.

Organization Energetic: Firms that have achieved or are striving for competitive dominance have a discernible and palpable level of energy & enthusiasm. This level of exactment & emotional commitment goes well beyond high morale. They are on a mission and there is purpose in what they do. This special characteristic is called organizational Energistics.

Opportunity Growth: C.D means establishing and gaining market share in new opportunities. It means that the firm is able to increase its customer base at a rate that exceeds the growth rate business. It also means that it is able to create new business before or faster than any competition. The ability for a company to establish & create new businesses is proof that it has been able to anticipate and create new customer value. The company has turned an opportunity into a reality by rapid growth in revenue sources.

2.5.3 Organizational learning and sustainable competitive advantage

The organizational learning is a process that uses the knowledge and the understanding guided to the improvement of the actions (Fiol and Lyles 1995), the same one has its base in the theory of the contingency. Learning here starts on the identification of the most advanced firms and on a comparison of how they achieve that performance and how it is achieved by our enterprise to reach to the learning strategy.

After having known the strategic position of the firm, valuable initial information is already possessed. Nevertheless, it is still necessary to obtain more details, such as: the performance of the best firms in the industry, in such a way that the firm would be in a position to know the strongest competitors' capacities and learn from them. This knowledge will open up opportunities to make a decision: either to equal or to surpass the performance of the target firm. This process will enlarge the intellectual potentialities of the firm. The strategic business units reach the success key factors, and acquire sustainable competitive advantages (Ronda 2002)

Appropriate strategies for the management of knowledge are indispensable so that a company can compete in an effective way. The markets globalization, the intense technological evolution, and the trends toward deregulation have changed the rules of the game in industry. In this new context, the traditional sources of competitive advantage of companies, like physical and financial assets have stopped providing sustainable differentiation, because they are available to all the agents that compete in the industry. For this reason, the development of core capacities to learn from the strongest most developed firms turns into a necessity. These distinctive core capacities should be difficult to assimilate by competitors, and are mostly based on the core competencies of personnel, and in the way strategic process rules the future of the enterprise.

The management of intellectual capital is important as a base for the development of organizational core capacities. This development implies, without any doubt, the daily process of learning, individual and/or collective. The outcome of this process is the ever-growing need of the firms to manage its organizational knowledge and to measure its intellectual capital.

Several authors like Kaplan and Norton (1996) and more recently Arjona (1999) have worried about the analysis of the intangible assets from strategic management. The pattern Intellect of "Measurement of Intellectual Capital" (Euroforum, 1998), developed by the University Institute Euroforum Escorial in 1998 relates the intellectual capital of the enterprises with the process of strategic management. The assets that have been kept in mind are usually those that can be measured clearly, the physical assets (Jacobson, 1992). Other authors like Imai and Roehl (1987) have highlighted the importance of the intangible assets for the creation of sustainable competitive advantages in the time.

Organizational learning is about knowing, studying and learning how the best enterprises make things without coping mechanically neither to extrapolate forms, nor concepts and measures. It is the fundamental element of the benchmarking. It is more relevant to investigate its concrete results, because the most important thing is to appropriate the positive experiences of the best firms, but in a creative and innovative way. That is to say, overcoming them on the base of what has been learned, without copying neither transferring solutions mechanically from place to place. To achieve this strategy Ronda has proposed a leaning matrix guide in executing organization leaning.

Table 2.1 The learning matrix

Key factors of success	Target firm	How does our firm do it?	How does our firm do it?	What to do: equal or ercome the performance of the target firm

Source: Ronda 2002

In using this model, the firm first identifies the key factor or strategic business unit to improve its performance then identifies the most advanced firms in the sector in the international or national environment and in the competition industry. The performance of the firm is assessed in relation to the advanced firm and the learning gap established. The aim is to equal the performance or surpass the performance of the target firm.

This approach allows the positive experiences reached by the advanced firms to generalize and to be implemented with minimum costs, offers a point of reference on how to elevate the general performance of the company and helps to maintain the organizational management.

2.5.4 The Game theory model

If competition is imperfect, firms may have to consider the reactions of rivals when determining pricing and other aspects of business strategy. The tools of game theory are critical in this regard (Shapiro 1999). Game theory is the formal analysis of strategic interdependence. Strategic interdependence refers to situations in which one party's outcome (profits, rewards, benefits and so on) depends crucially on the decisions of one or more other parties and vice versa. In such situations, each party has to anticipate the actions and reactions of all other parties to make an optimal choice.

Game theory emerged as a scholarly field of study in the first half of the 20th century. This theory provides a framework, or formal procedure, for analysing any competitive situation (or "game"). Specifically, it forces you to identify the players in a game (consumers, sellers, input providers, governments, foreign organisations, etc.), their possible actions and reactions to the actions of other players, and the payoffs or rewards implicit in the game.

Through the use of game models, decision-makers can predict the actions and reactions of competitors, partners, customers and others quite accurately. In this way, game theory allows you to approach problems from other people's perspectives, thereby improving your own decision-making abilities.

Game theory can give insights into the strategic interdependence between market participants. Two instances of this are competition in oligopolies and competition in situations where there are network effects. In oligopoly, the interaction is between competitors whereas when there are network effects, the interaction is between complementors. Nonetheless, the same basic tools of game theory can be applied to each situation.

Game theory models reduce the world in which businesses operate from a highly complex one to one that is simpler but nevertheless retains some important characteristics of the original. By capturing and clarifying the most significant aspects of competition and interdependence, game theory models make it possible to break down a complex competitive situation into its key components and to analyse the complex dynamics between players.

In order for game theory to be truly useful in analysing such complex situations, certain assumptions need to be made. The most significant assumption is that the players in a game are choosing their actions optimally; that is, they are choosing their actions in the hope of maximising their ultimate payoff and they assume that the other players are doing likewise. Without this assumption, game theory cannot successfully model real-world situations.

Because game theory can realistically model business situations, it helps businesses to make optimal decisions and choose optimal actions. In other words, by "solving" a game, a business can identify its optimal actions (assuming, as always, that all the other players are also choosing their actions optimally). This is especially valuable because it helps companies choose the right business strategies when confronted with a complex strategic situation.

The nature of the solution(s) in game theory also motivates businesses to analyse how the structure of the game can be altered so that a different (and perhaps a more favourable) game can be played. Because of its systematic approach, game theory allows businesses to examine the consequences of actions that they may not have considered.

It is worth noting here that many games involving business are different from games in other fields. For instance, in business, many players can win (and lose) simultaneously, which obviously is not the case with chess. Additionally, because of the interdependent nature of most business relationships, these games are not always ones of direct competition. Consider a game between manufacturer and supplier — both have incentives to do well, but each also has a vested interest in the success of the other. Furthermore, unlike some other games with fixed rules, the rules of business are continuously in flux. They may be formulated by law, by tradition or by accident. Often, however, players have an influence on how rules are decided.

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2.5.5 Information Communication Technology (ICT) as source of Sustainable Competitive Advantage

Most strategy researchers agree effective management and use of information is a valuable asset that can help gain a sustainable competitive advantage. In some situations, making better, faster, and more effective decisions can actually create decision superiority (Power2001).

ICT of all types create a competitive advantage when three criteria are met. First, once a ICT is implemented it must become a major or significant strength or capability of the organization. Second, the ICT must be unique and proprietary to the organization. Third, the advantage provided by the ICT must be sustainable for at least a few years to insure an adequate return on the investment. Even with rapid technology change a 3-year payback is a realistic goal. Managers who are searching for strategic investments in information technology for decision support need to keep these three criteria in mind.

The widespread usage of computer technology has changed the way companies do business. Information technology has altered relationships between companies and their suppliers, customers and even with their rivals. Porter and Millar (1985) discuss two specific ways that information technology can affect competition: by altering industry structures and by supporting cost and/or differentiation strategies. Michael Porter (1979) argued that the power of buyers, the power of suppliers, the threat of new entrants, the threat of substitute products, and rivalry among existing competitors determines the profitability of an industry. How a company uses information technology can affect each of the five competitive forces and can create the need and opportunity for change. For example, information technology has altered the bargaining relationships between companies and their suppliers, channels, and buyers. Information systems can cross company boundaries.

Inter-organizational systems commonly referred to as decision support systems (DSS) have become common and in some instances they have changed the boundaries of industries. Specific decision support systems can reduce the power of buyers and/or suppliers. Sophisticated decision support systems can erect new barriers that reduce the threat of entrants. For example, data and the system for understanding it becomes a corporate asset that is hard to create for new entrants. Knowledge in a knowledge-driven DSS may only be obtained from experience in the industry. A specific DSS can help differentiate a product or improve service and hence reduce the threat from substitute products. Also, some DSS can help managers reduce the cost of rivalry actions by targeting expenditures and in some cases DSS may reduce the need for competitive actions and reactions

Evans and Wurster (1997) argued in a Harvard Business Review article that the World is in the midst of a fundamental shift in the economics of information. They think major changes will occur in the structure of entire industries and in the ways companies compete. The change that they felt was so important is the widespread adoption of Internet technologies. Internet technologies have opened wide the possibilities for innovative web-based decision support systems. Inter-Organizational ICT can improve linkages with customers and suppliers. In some situations Group ICT and Groupware can remove time and location barriers. Specific ICT can help a firm operate seven days a week, 24 hours a day and without regard to an employee's or a customer's location. In some cases ICT can help integrate a firm's operations. Also, inter-organizational, web-based ICT can create linkages with suppliers or customers that are difficult to overcome.

ICT can potentially help a firm create a cost advantage. ICT can provide many benefits including improving personal efficiency and reducing staff needs, expediting problem solving and increasing organizational control. Managers who want to create a cost advantage should search for situations where decision processes seem slow or tedious and where problems reoccur or solutions are delayed or unsatisfactory. In some cases ICT can reduce costs where decision-makers have high turnover and training is slow and cumbersome, and in situations where activities, departments and projects are poorly controlled.

Also, ICT can create a major cost advantage by increasing efficiency or eliminating value chain activities. For example, a bank or mortgage loan firm may reduce costs by using a new ICT to consolidate the number of steps and minimize the number of staff hours needed to approve loans. Technology breakthroughs can sometimes continue to lower process costs and rivals who imitate an innovative ICT may nullify or remove any advantage.

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Providing an ICT to customers can differentiate a product and possibly provide a new service. Differentiation increases profitability when the price premium charged is greater than any added costs associated with achieving the differentiation. Successful differentiation means a firm can charge a premium price, and/or sell more units, and/or increase buyer loyalty for service or repeat purchases. In some situations competitors can rapidly imitate the differentiation and then all competitors incur increased costs for implementing the ICT.

Finally, ICT can be used to help a company better focus on a specific customer segment and hence gain an advantage in meeting that segment's needs. MIS and DSS can help track customers and ICT can make it easier to serve a specialized customer group with special services. Some customers won't pay a premium for targeted service or larger competitors also target specialized niches using their own ICT.

2.5.6 The I / O (Industrial Organization) Model

From the 1960s through to 1980s, the external environment was thought to be the primary determinant of firms selected to be successful. The model explains the dominant influence of the external environment on firm's strategic actions. It specifies that industry chosen in which to compete has a stronger influence on a firm's performance than do the choices managers make inside their organizations. According to this model a firm's performance is believed to be predicted primarily by a range of an industry's properties including economies of scale, barriers to entry, diversification, product differentiation and the degree of competition. Grounded in the economics discipline the I/O model has four underlying assumptions; First the external environment is assumed to impose pressures and constraints that determine the strategies that would result in above average returns, second most firms competing within a certain segment of an industry are assumed to control similar strategically relevant resources and pursue similar strategies in light of those resources.

The I/O model's third assumption is that resources used to implement strategies are highly mobile across firms. Because of resource mobility, any resource differences that might develop between firms will be short-lived. Fourth, organizational decision makers are assumed to be rational and committed to acting in the firm's best interests as shown by their profit maximization behaviors. The model challenges firms to locate the most attractive industry in which to compete. Because most firms are assumed to have similar strategically relevant resources that are mobile across companies, competitiveness generally can be increased only when the find the industry with the highest profit potential and learn how to use their resources to implement the strategy required by the structural characteristics in that industry.

The I/O model suggests that above average returns are earned when firms implement the strategy dictated by the characteristics of the general industry and competitive environments. Companies that develop or acquire the internal skills needed to implement strategies required by the external environment are likely to succeed while those that do not are likely to fail.

In studying the external environment, look at the general environment, the industry environment and the competitive environment. An attractive industry is one whose structural characteristics suggest above average returns. The strategy selected should be linked with above average returns in a particular industry. Assets and skills are then developed to facilitate the implementation of the chosen strategy. Finally select a strategic action linked with effective implementation of the chosen strategy.

2.5.7 The Competitive Advantage model.

According to this model competitive strategy is about taking offensive or defensive to create a defendable position in an industry in order to cope successfully with competitive forces and generate a superior return on investment. Porter argues that the basis of above average performance within an industry is sustainable competitive strategy. There are two basic types, differentiation and cost leadership. In pursuing differentiation strategy the firm seeks to be unique in its industry along some lines highly valued by buyers. In cost leadership the firm strives to be the low cost producer in the industry (Porter 1995) explains the competitiveness of a firm through the value chain.

He asserts that Competitive Advantage cannot be understood by looking at a firm as a whole. It stems from the discrete activities a firm performs in designing, producing, marketing, delivering and supporting its product. Each of these activities can contribute to a firm's relative cost position and create a basis for differentiation.

A cost advantage for example may stem from such disparate sources as a low cost physical distribution system, a highly efficient assembly process or superior sales force utilization, up-to date technology, high skilled laborers / staff employees. A systematic way of examining all activities of a firm performs and how they interact is necessary for analyzing the sources of competitive advantage. The value chain is one of such basic tool for doing so. It disintegrates a firm into its strategically relevant activities in order to understand the behavior of costs and existing potential sources of differentiation.

A firm therefore gains competitive advantage by performing these strategically important activities more cheaply or better than its competitors. The value chain of firms in an industry differ reflecting their histories, strategies and success at implementation.

One important difference is that a firm's value chain may differ in competitive scope from that of its competitors representing a potential source of Competitive Advantage.

In competitive terms, value is the amount buyers are willing to pay for what a firm provides them. Value is measured by total revenue a reflection of the price a firm's product commands and the units it can sell. A firm is profitable if the value it commands exceeds the costs involved in creating the product. Value activities are the physical and technological distinct activities a firm performs. They are the building blocks by which a firm creates a product valuable to its buyers. Margin is the difference between total value and the collective cost of performing the value chain activities. Every value activity employs purchased inputs, human resources and some form of technology to perform its function.

Each value activity also uses and creates information such as buyer data \ (order entry), performance parameters (testing) and product failure statistics. Value activities are divided into two broad types; primary and support activities. Primary activities are the activities involved in physical creation of the product and its sale and transfer to the buyer as well as after sale assistance. Support activities support the primary activities and each other by providing purchased inputs, technology, human resource s and various firm-wide functions.

Value activities are therefore the discrete building blocks of competitive advantage. How each activity is performed combined with its economics will determine whether a firm is high or low cost relative to competitors. How each value activity is performed will also determine its contribution to buyer needs and hence differentiation.

Identifying value activities requires the isolation of activities that are technologically and strategically distinct. Inbound logistics: Activities associated with receiving storing and disseminating inputs to the product such as material handling warehousing inventory control vehicle scheduling and returns to supply. Operation: Activities associated with transforming inputs into the final product form such as machining, packaging, assembly, equipment maintenance, testing, printing and facility operations. Outbound logistics: Activities associated with collecting, storing and physically distributing the product to the buyers such as finished goods warehousing, material building, delivery vehicle operation order processing and scheduling. Market and sales; Activities associated with providing means by which buyers can purchase the product and inducing them to do so such as advertising, promotion sales force, quoting, channel selection, channel relation and selection. Service; Activities are those associated with providing service to enhance or maintain the value of the product such as installation, repair, training, parts supply and product adjustment.

Procurement: Refers to the function of purchasing inputs used in the firm's value chain not to be the purchased inputs themselves. Technology development; Easy value activity embodies technology be it know-how, procedure or technology embodied in process equipment. Technology development is important to C/A in all industries holding the key in some. Human Resource management; consists of the activities involved in the recruiting, hiring and training, development and compensation of all types of personnel. HRM affects competitive advantage in any firm through its role in determining the skills and motivation of employees and the cost of hiring and training. Firm infrastructure: Consists of a number of activities including general management, planning finance, accounting legal, government affairs and quality management. Infrastructure unlike other support activities usually supports the entire chain and not individual activities.

In conclusion therefore it is important to understand the firm's value chain so that each activity involved in the production process is well taken c are of, this way a competitive advantage can be achieved.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

This was a case study of the Kenya Tourist Board (KTB). Apart from KTB there are a number of players in the tourism sector namely Kenya Tourist Development Corporation (KTDC), Ministry of tourism, Kenya Association of Tour Operators and Kenya Utalii college just to mention a few. KTB was chosen for this study because of its current impressive achievement in marketing Kenya as a tourist destination. The study was an exploratory one aimed at investigating strategies practiced by KTB in marketing Kenya as a tourist destination. It involved an in-depth investigation of the organization's operations. The success of the board depends on the synergistic outcome from the organization's main departments namely; Finance, Human resource, ICT, Marketing and planning hence it's against this notion that these departments were selected for interview. The study was a cross-sectional one. Other studies such as those of (Kombo 1997; Koske 2003 & Machuki 2005) have successfully adopted a similar research design.

3.2Data collection

Pertinent data was collected from the Managing Director, heads of department namely, Human Resource, Marketing, Finance, ICT and Research &Development. This was done through personal interviews using interview guide. Secondary data was obtained from available secondary data such as KTB strategic plan, tourism journals, Internet, media and Economic Surveys from Central Bureau of Statistics. A total of 8 management staff and the Managing Director were interviewed. The interview guide was divided into six sections. Section A consisted of questions intended to provide information on overall organization strategies. This section of the questionnaire was administered to the Managing Director. Section B consisted of questions intended to provide information on the general strategies practiced by the board. Other sections of the interview guide i.e. C, D, E & F consisted of questions intended to provide information on strategies practiced by the various organizational departments. All the interview guides had questions seeking to establish challenges faced in the various departments.

3.3 Data analysis

The nature of the data collected was qualitative. Data was analyzed using content analysis based on analysis of meanings and implications emanating from respondents information and documented data on Sustainable Competitive Advantage.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter highlights how the interview guide was administered and data analyzed. The data gathered in the study are analyzed in this chapter using content analysis in line with the objectives of the study. Secondary data was collected through examining KTB strategic plan, brochures and other written documents. Primary data was collected using face-to-face interviews.

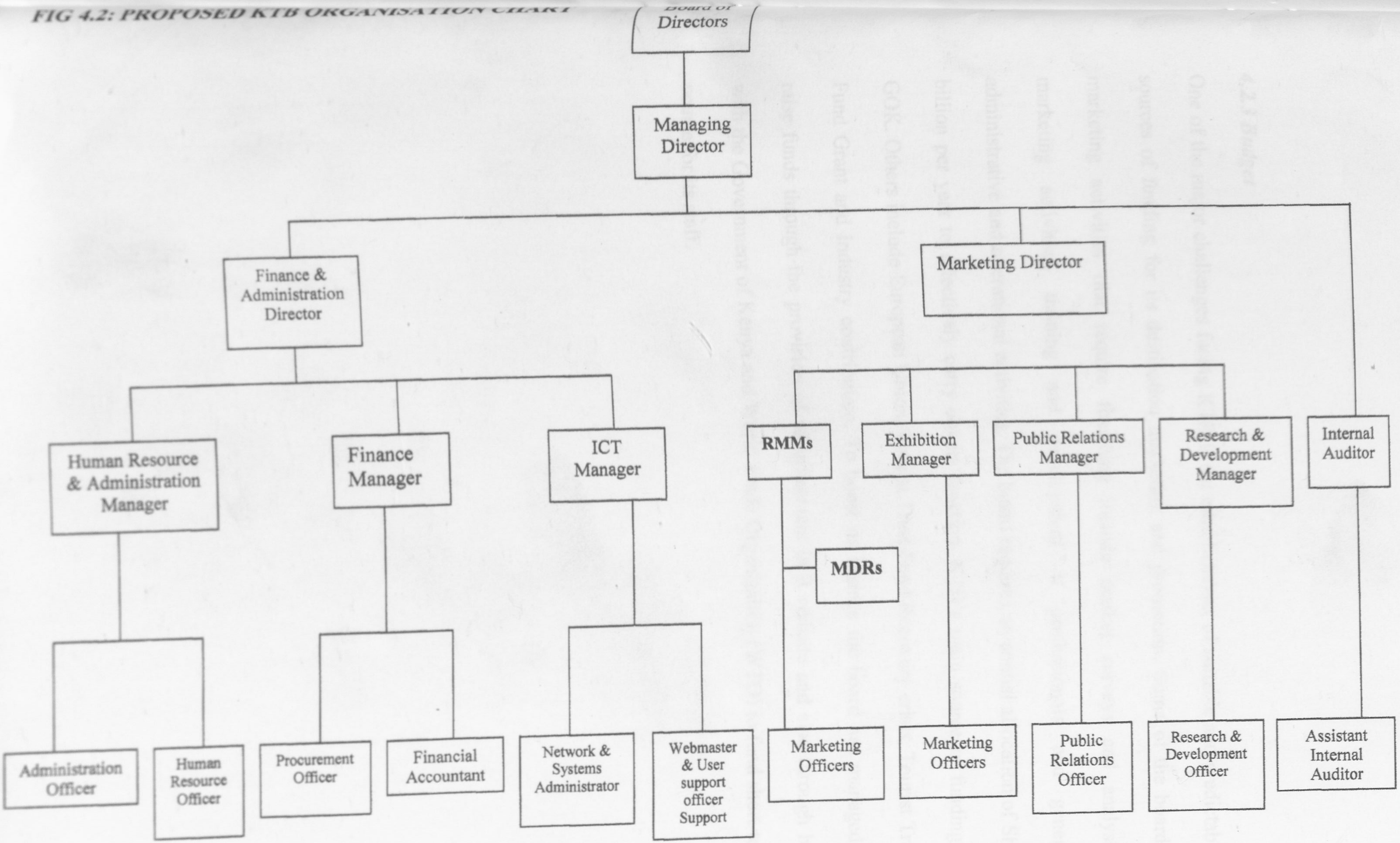
4.2 The Profile of KTB

4.2.1 History and ownership

The Kenya Tourist Board was set up in 1997 with a full mandate of marketing Kenya as a tourist destination both locally and internationally. It was formed a state corporation in 1997. It was aimed at setting up a viable management system that would surmount any challenges in the world of tourism marketing as per the expectations. KTB'S core business is marketing.

The board has divided the marketing effort into five clusters namely; the United Kingdom, (Scandinavia, Italy, Benelux countries and Spain) the second cluster is Germany, which includes; Switzerland and France. Third cluster is the USA, which also takes care of the Canadian market. Others are the merging markets cluster and Domestic market cluster. Each cluster has Regional Marketing Manager (RMM) based in Kenya and Market Development Representatives (MDRs) who represent KTB in the source markets. The board has also developed brochures depicting the destinations attractions, videos and various sales promotion items. The board also organizes familiarization trips for international travel agents, tour operators and journalists. During the trade fairs, the board gets publicity through various articles in publications, advertorials, radio shows and press conferences. KTB is headed by a Managing Director who is selected by the establishment Committee, a panel consisting of stakeholders i.e. KTDC, KTB and the treasury. The organization is currently divided into departments each department being headed by a manager. The board has developed a lean organization structure however has not adopted it pending some changes. Board directors made up of various stakeholders namely; KTDC, The Government of Kenya, KTB, Tour firm operators and other players in the industry also run KTB. There are two key departments at the board namely, Marketing and Finance & Administration. The later consists of Finance, Human Resource and ICT. (*See illustration on the next page*)

FIG 4.2: PROPOSED KTB ORGANISATION CHART



Source: KTB Strategic Plan 2005-2007

4.2.3 Budget

One of the major challenges facing KTB is the establishment of suitable and predictable sources of funding for its destination marketing and promotion. Some of the board's marketing activities that require financing include market surveys and analysis, marketing activities, training and development of professionals and general administrative and operational activities. The board requires an annual allocation of Sh.1 billion per year to effectively carry out its function. KTB's main source of funding is GOK. Others include European Union, Tourist Trust Fund Recovery crisis, Tourist Trust Fund Grant and Industry contribution. To boost its finance the board has managed to raise funds through the provision of advertisement in it website and also through bids with the Government of Kenya and World Trade Organization (WTO) to fund short-term course for its staff.

Table 4.1 KTB BUDGET IN Kenya Shillings Allocation For The Period 2001 – 2007

Fiscal year	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Source						
GoK Grant	156,000,000	153,928,875	190,000,000	170,000,000	1,678,500,000	1,762,425,000
GoK Grant Pending bills		35,000,000	50,000,000			
GoK Grant Recovery crisis			200,000,000			
GoK Grant Crisis		20,000,000				
CLT Contribution	42,545,198	50,243,836	51,000,000	52,570,000	55,387,500	58,156,875
Tourist Trust Fund Recovery Crisis			250,000,000			
European Union	45,650,820					
Tourist Trust Fund Grant			170,000,000	232,904,000	63,548,000	63,548,000
Industry Contribution	28,198,002	29,947,093	22,850,000	34,500,000	3,622,500	38,036,250
Others			2,150,000			
Total	272,394,020	289,119,804	936,000,000	490,154,000	1,833,660,500	1,922,166,125
Marketing	269,344,009	270,595,288	936,000,000	359,169,000	1,696,127,450	1,778,033,823
Operations and Maintenance	76,255,545	88,392,888	813,480,000	130,719,000	137,254,950	144,117,698
Total Expenditure	345,599,554	358,988,176	117,134,000	489,888,000	1,833,382,400	1,922,151,521
Surplus/Deficit	-73,205,534	-69,868,372	5,386,000	266,000	278,100	14,604

Source: KTB Strategic Plan 2005 - 2007

4.3 Strategic Planning at KTB

Strategy formulation at KTB was introduced in 2003 by the current Managing Director. At that time performance in tourism was deteriorating and the plan was intended to give the organization a new direction. The plan was designed at the beginning of April 2004 in a participatory and inclusive manner based on critical assessment of the organization's vision, mandate and overall strengths in delivering the mandate. Also critically looked at was the SWOT analysis of KTB as an institution in relation to the Tourism industry. The plan identified and prioritized the current and future financial needs of KTB, the type and current human resource needs for KTB, activities to be carried out, required inputs and outputs to be produced and outcomes in order to achieve the Government and industry needs. Further the plan addressed key strategic themes and objectives of the organization, which it wanted to achieve within the plan period (2005-2007). The plan created an environment where all staffs were encouraged to develop to their full potential. Employees were to be recruited and promoted based on merit. Recommended also was a strong research and development equipped to be able to provide the right technical support that KTB needs. So far this has not been achieved as the board still lacks sufficient research team to undertake research activities. The board has set out its objectives and strategies in the strategic plan as outlined here below.

Table 4.2: Some strategies currently pursued by KTB

Objectives	Strategies
1.To increase level of funding for marketing and other operations from the current Kshs 265 million to Kshs 1.8 billion by 2007.	- Increase government budgetary allocations. -Initiate voluntary private sector funding. -Enhance KTB's financial resource mobilization capacity. -Establish a steady source of revenue. -Prepare a financial plan.
2. To increase domestic tourism by 10% and increase international market share from 3% to 5% by 2007.	-Intensify marketing effort for the international tourism market -Facilitate improvement of tourism infrastructure. -Carry out a market survey to determine the level of consumption of domestic tourism
3. To ensure that the Board is always managed by competent, motivated, and committed staff.	-Develop and implement a comprehensive human resource management policy and development plan. -Enhance competence in KTB staff. -Develop and implement a competitive compensation and reward system. -Effective sourcing and availability of required staff /skills in the board. -Design programs to enhance HIV/AIDS fighting measures by the Board's employees.
4. To collaborate with the stakeholders to ensure social and economic benefits to local communities increase by 10% by the end of the plan period.	-Lobby for the development and implementation of a national policy that ensure local communities share out in the benefits from tourism. -Create awareness among industry players on the need to share the benefit with local community.

Source: Research data

4.3.2 Strategies adopted by KTB to attain a Sustainable Competitive Advantage:

Initially the board relied on the Central Bureau of Statistics (CBS) for tourism statistics, however today it has a well-established database and web based linkages. The database provides information about tourists broadly i.e. their country of origin, sex and age. With these statistics therefore the board is able to clearly identify countries, sex and ages to target for its market. Through the website the board can now receive enquiries from all over the world. It forwards enquiries that do not concern KTB to relevant bodies for example it may receive enquiries regarding education in Kenya and forward it to the Ministry of Education. The website www.magicalkenya.com also has a list of licensed tour operators, destination sites and hotels so potential tourists can contact the board right from their home countries. Their advanced ICT has enhanced interaction with customers from all over world and made easy communication within the office.

The board updates its computer system every second and disposes computers after every three years to cut on maintenance costs.

KTB has lobbied with other bodies such as Catering Levy Trustees to provide funding to the organization. Other means have been through website advertisement for business operators such as tour firms, hotels and restaurants.

To ensure good performance KTB has adopted a cascaded kind of performance contract in which the MD signs performance contract with the government and further with the various departmental heads. Heads of Department then sign the same with the respective staffs under their department. This ensures that staffs are committed to deliver.

Other measures in place to ensure sustainability are; increasing expenditures from the current 265 million to 1.8 billion by 2007 in various markets to sustain awareness and visibility, diversifying from traditional source markets and establishing new markets and lobbying for product development by private sector. Intense marketing is also expected to increase domestic tourism by 10% and increase international market share from 3% to 5% by 2007.

To ensure that the board is always managed by competent, motivated and committed staff, the board has ensured continuous training of its staff, effective sourcing and availability of required staff skills. Besides, the board is currently in the process of developing a comprehensive human resource management policy and development plan.

The marketing department has developed destinations images, which they use to market KTB. These images cannot be used or copied by any other organization. The images have been used in the website and also in books and journal prepared by KTB. They thus serve as patents to the board. *(See some of these mages on the following pages)*

Since KTB does not directly provide tourism services; it liaises with stakeholders like hotel owners, tour firms' operators and Ministry of tourism to ensure quality services to tourists. They do so through holding dialogue and discussions.

The board has distinct competences in terms of staff skills, level of education and experience. The Human Resource Department carries out training-need identification and consequently conducts training annually. It also bids with funding bodies such as World Tourist Organization (WTO), Government of Kenya and European Union to fund short-term courses to its staff. KTB employs human resource practices geared towards enhancing productivity such as job rotation, job analysis, job enlargement and job evaluation. Recruitment process is through interviews conducted by establishment committees or consultants. The establishment committee is made up various stakeholders namely, KTDC, the treasury and KTB. Ordinarily heads of government parastatals are presidential appointees. However, the position of the Managing Director at KTB is advertised and interviews done by consultants.

4.3.2 Resource Base Approach

Key distinctive capabilities at KTB are destination images used by marketing team, exclusive mandate to market Kenya as the best tourist destination and visionary leadership. The recruitment process at the board is based on merit and this too contributes to the impressive performance.

4.3.3 The 10 Principle Model

There is an element of strategic and visionary leadership at KTB. The MD introduced strategic planning in 2003 with the first draft coming out in 2004 covering the years

2005-2007. The plan outlines current and future goals of the board. However the board has never reviewed the plan to make adjustments despite the changes that have taken place.

KTB operates in a global environment and greatly embraces continuous environmental scanning by conducting research. The website, www.magicalkenya.com and agents at various market centers provide sufficient listening posts for the board. There is however insufficient unified systemic links particularly between the finance department and The Government, which is the main sponsor. The technical staffs are not incorporated in discussions with the treasury, which decides on the amount of money to disburse.

There is stakeholder integration, for example, KTB continuously liaises with hotel owners, tour firm operators and The Ministry of Tourism. Particularly, the board has continued to lobby with the Government to provide a suitable policy framework especially on funding, security and infrastructure.

To gain competitive dominance the board needs to put in place more strategies such as customer-centric culture and organization energetic.

4.3.4 Organization Learning

Although the board identifies competitors, it does not practice organization learning so as to introduce into the organization what best performers in the industry do.

4.3.5 ICT

KTB recognizes the role of ICT and has continued to put efforts on developing ICT to enhance its performance. It has developed a web site www.magicalkenya.com through which potential tourists can contact the board. The staffs are all computer literate and the entire board is sufficiently supplied with a networked computers system.

4.3.6 Industrial organization

KTB recognizes the impact of external environment on its operations hence continuously undertakes environmental scanning.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The two objectives of the study were (i) to establish sustainable competitive advantage and (ii) to establish the challenges faced by the board. To satisfy these objectives data was collected from the board's Managing Director and departmental heads. Interview guides were used to gather data from the respondents. A total of eight management staff and M.D were interviewed. The interview guides were divided into six sections addressing various issues in the departments. All the interview guides had questions seeking to establish challenges faced by the various departments. The nature of data collected was qualitative and was analyzed using content analysis. Research findings revealed KTB has put in place a number of strategies as discussed in previous chapter to ensure prolonged competitive advantage. Major challenges identified are limited funds and understaffing.

5.2 Conclusions

The Kenya Tourist Board has done a remarkable job in the recent past particularly in the past two years. The introduction of performance contract by The Government of Kenya has also contributed to this achievement. Up to date ICT is crucial in today's business operation and more so in a global environment in which KTB operates.

Strategic and visionary leadership is important for the attainment of a sustainable competitive advantage. The appointment of the current KTB Managing Director saw the introduction of strategic planning at KTB for the first time. In the plan the board has identified its Strengths, Weaknesses, Opportunities and Threats and further set objectives and strategies to achieve them.

Employee training, self-managing teams and pay-for-performance are some of the key factors that contribute to high productivity at the board. Although KTB has well educated staff, there is need to align their knowledge and skills to responsibilities assigned to them. The board is understaffed hence need to recruit more staff. The recruitment process should be competitive to ensure only competent candidates get into the workforce.

5.3 Limitations

This study was carried out within limited time and resources. This constrained the scope as well as the depth of the research. In addition case study design was used therefore the research findings cannot be generalized for firms in other industries.

5.4 Recommendations for further Research

Similar study should be done in other organizations within the sector such as Kenya Tourist Development Cooperation (KTDC), Kenya Association of Tour Operators (KATO) etc to establish what is being done so as to collectively sustain the impressive performance.

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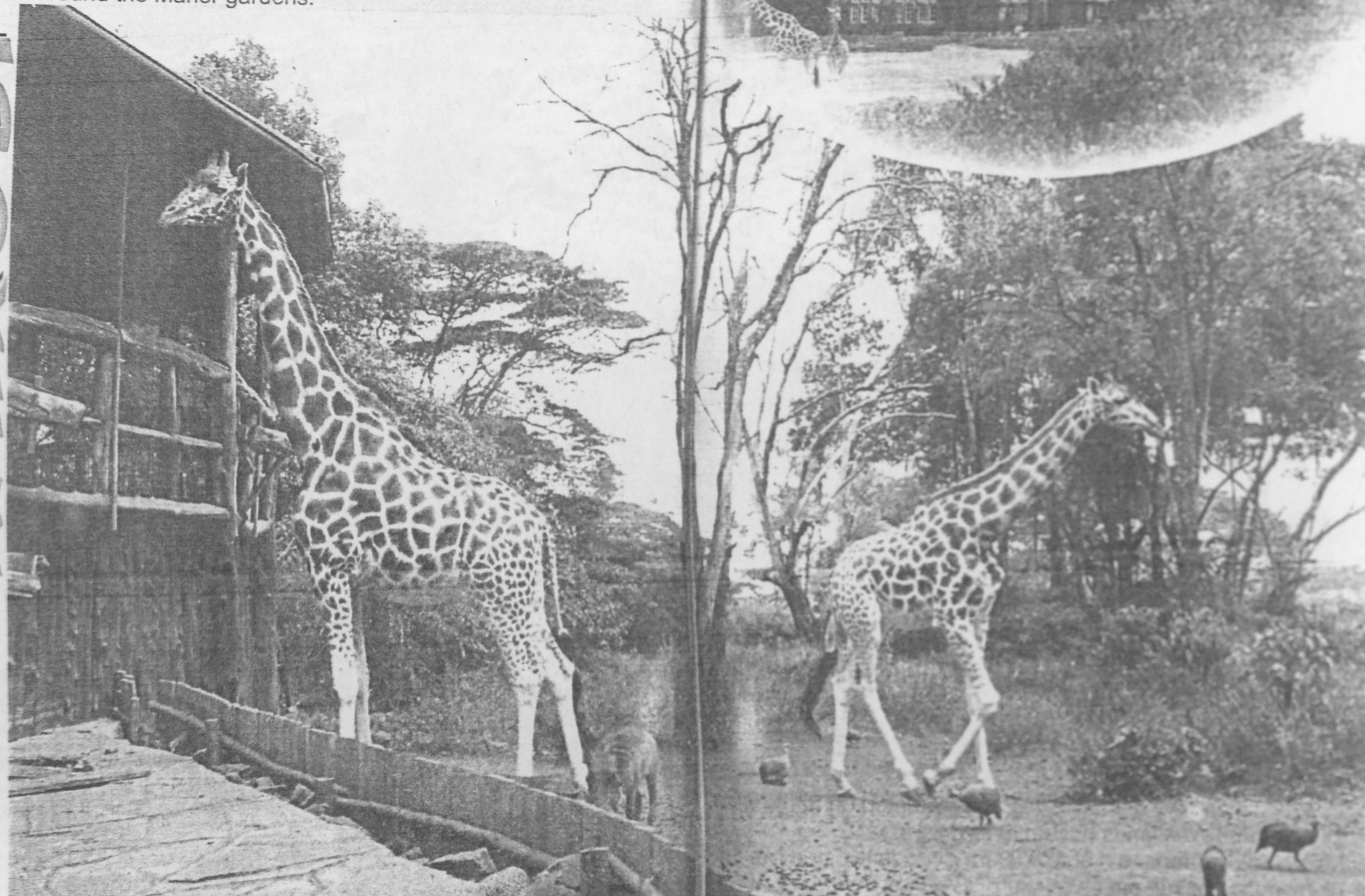
Giraffe Manor (Giraffe Centre)

The Giraffe Manor is situated on 120 acres of land a few kilometres outside Nairobi in Karen. In 1974 Jock Leslie-Melville and his wife Betty bought the land and moved five baby endangered Rothschild Giraffe onto the property where they successfully reared them. The original giraffes have subsequently had their own offspring that now live on the property. It is now open to visitors and guests can feed and photograph the tame Giraffes and Warthogs that wander around the Manor gardens.

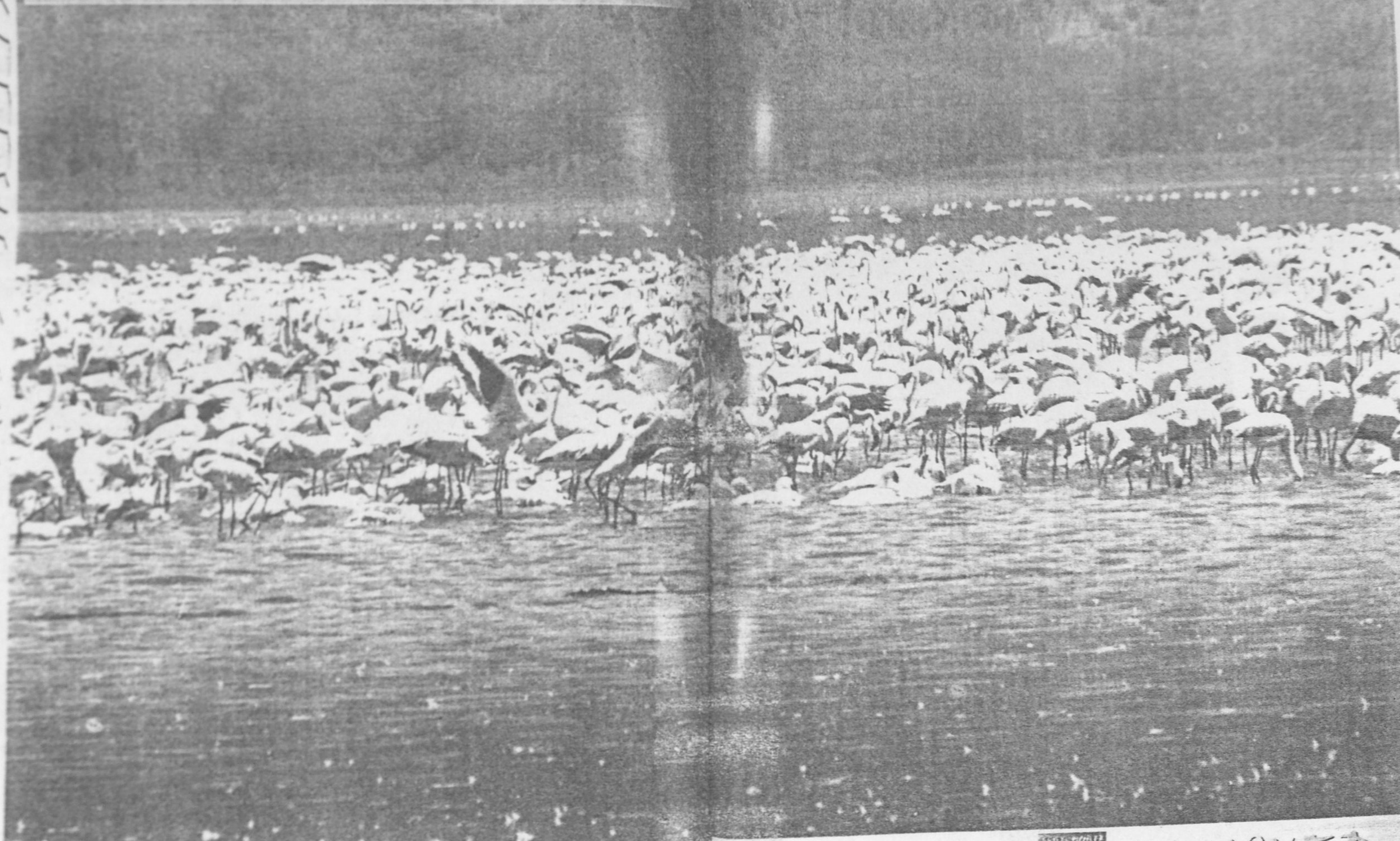
NAIROBI



RIFT VALLEY

- Lake Baringo is at the threshold of Northern Kenya, and its freshwaters are an oasis in the dry plains. The 129 sq Km lake is well stocked with fish, and attracts many Pelicans, Cormorants and Fish Eagles - as well as a healthy population of Crocodiles. The lake itself is truly beautiful, surrounded by volcanic ranges that stretch as far as the eye can see. Boat trips are available and is ideal for bird and hippo spotting making Lake Baringo an ideal stopover on a safari to Northern Kenya. Of the 1200 different species of birds, over 450 of them have been spotted in Lake Baringo. Main road access to Baringo is directly from Nakuru by bus or private transport to the Kampi ya Samaki, the nearest town to the lake.

- Lake Magadi is completely surrounded by vast natural salt flats. These sweltering hot plains prevent any animals reaching the alkaline lake at its centre. For this reason, thousands of flamingos descend on the lake each year to nest on elevated mud mounds at the lake`s edge safe from any potential predators. Freshwater springs at the Lake`s shore attract a host of other birds.

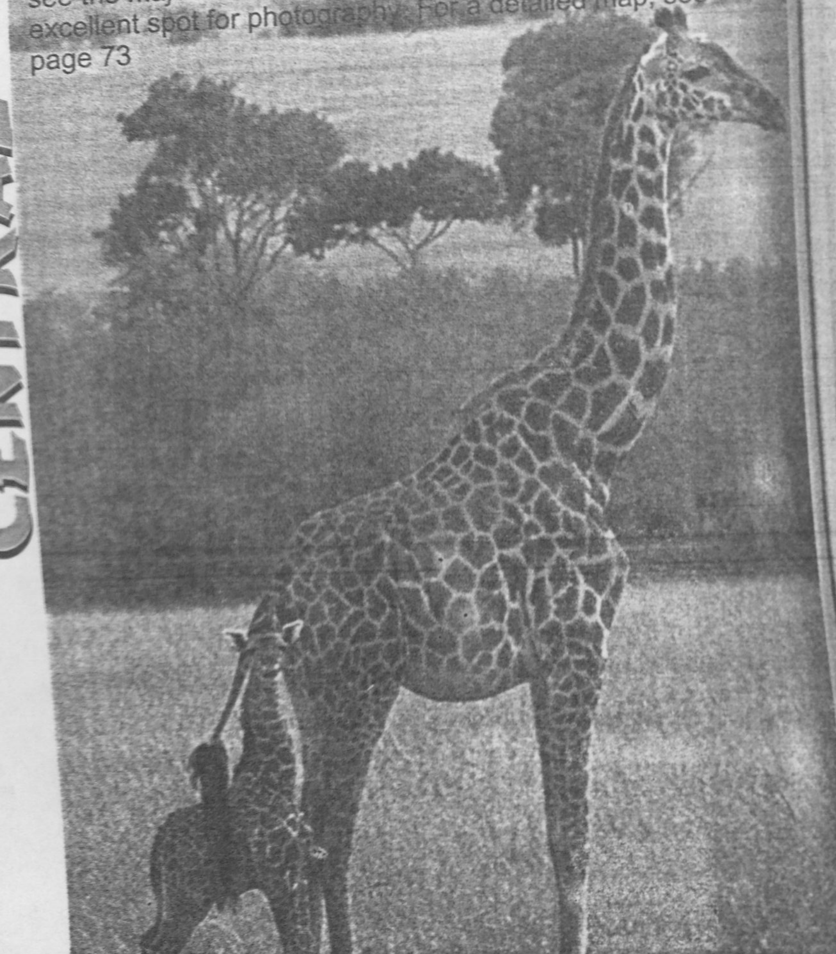


RIFT VALLEY

CENTRAL

Nyeri:

In the early colonial days Nyeri was a garrison, but it soon flourished into a trading centre for the white farmers who produced cattle, wheat and coffee. Today the town is the administrative headquarters of the Central Province and here you will be sure to find banks, vehicle repair shops, bookstores, hardwarestores and a vibrant market. It is also the gateway to the Aberdares and on a clear day, you will see the majestic face of Mount Kenya in the distance, an excellent spot for photography. For a detailed map, see page 73



Aberdare National Park:

The Aberdare National Park was created in 1950 to protect the forested slopes and moors of the Aberdare Mountains. While the park has elephant, lion, rhino, black leopard and the beautiful but elusive bongo antelope, it is rarely visited by safari companies and individual travellers. The main reasons for this is that frequent rainfalls turn the road to mudslides and due to the dense forest, game viewing is tricky. Also, due to the exclusivity, prices tend to be in the higher bracket. It was in the Aberdares where Princess Elizabeth was informed that she was now Queen when her father died in 1952.

CENTRAL

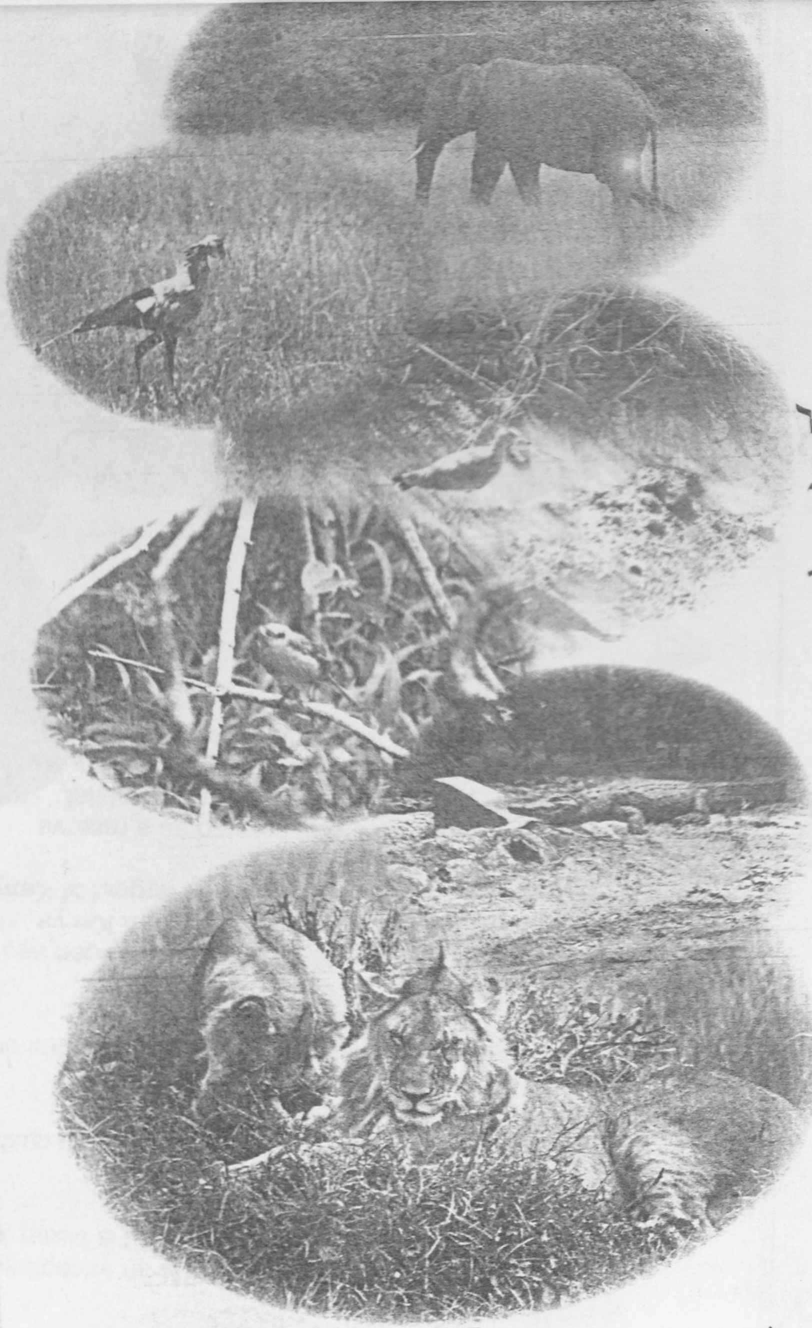
COAST

- North Coast Beaches - this is the closest beach to Mombasa and has an excellent beach.

- Malindi has beaches offering the visitor a range of world-class resorts and quiet relaxing hideaways.

- The 10 sq km Watumu Marine National Park contains unparalleled marine views and it is world-renowned for its deep-sea fishing. The area features crystal clear warm water and white sandy beaches.

- Arabuko Sokoke forest wilderness is nestled beside the beaches of Watamu, just minutes from the waters of the Indian Ocean. In this 400 sq Km reserve there is an untold wealth of natural beauty. The air is filled with butterflies and birds, the trees alive with monkeys and the forest floor home to many smaller mammals. The forest stretches to the headwaters of the mighty Sabaki river, and occasionally herds of elephant pass through the forest en route to the river. This rich forest once hid another secret. The 13th century Swahili town of Gede thrived here for hundreds of years, hidden away from Portuguese sailors and the influence of the outside world. The town was eventually deserted, and today the ruins of Gede, lying among the trees and twisting vines of the forest are a haunting reminder of the past....



COAST

WHAT TO VISIT?

- Hippo Point, just outside Kisumu is an exceptional vantage point for viewing hippo, but currently it is better known for its beautiful sunsets.

- Kisumu Museum, display of local traditional customs and crafts.

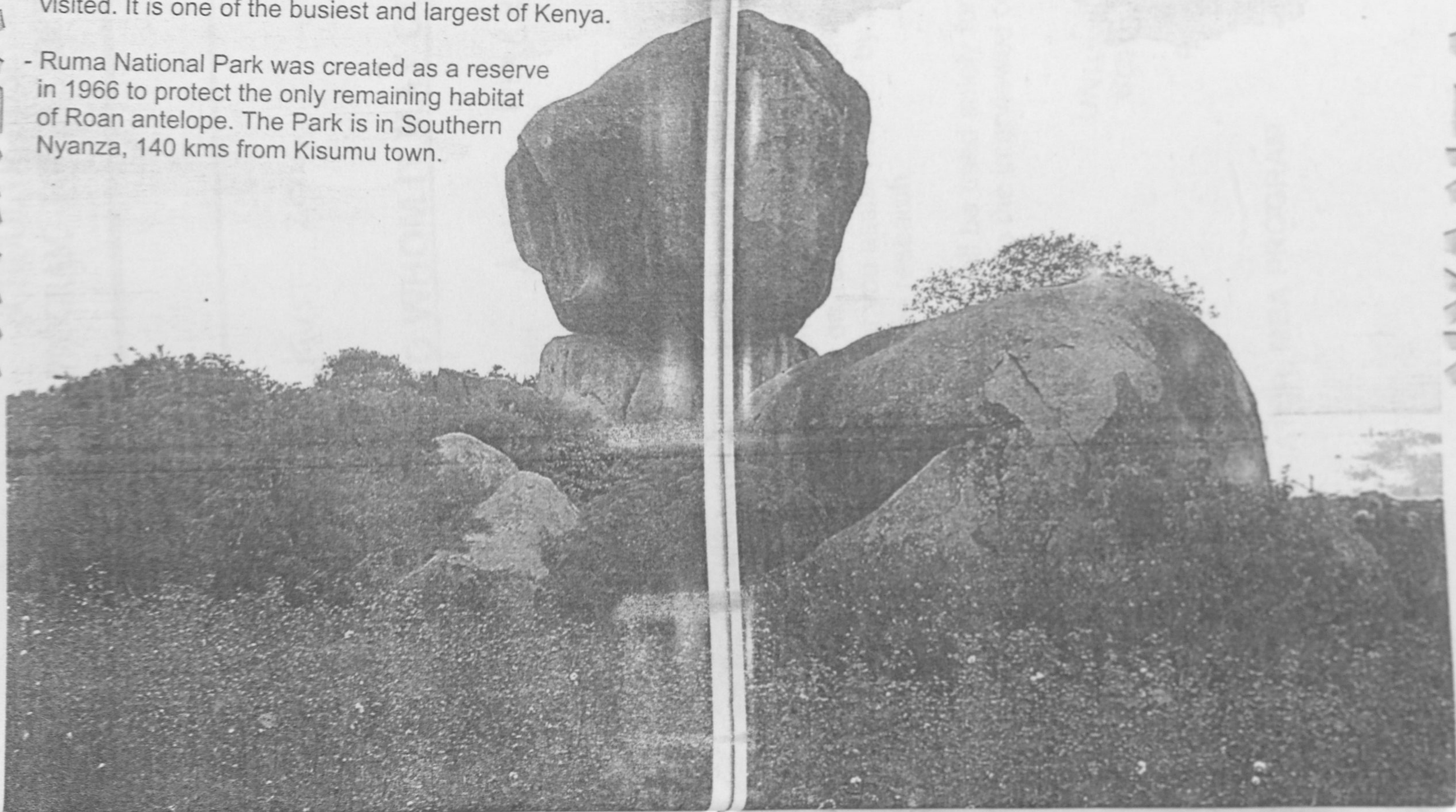
- Kisumu Impala Sanctuary (and also an animal orphanage) is home to the rare Sitatunga antelope.

- The Kisumu (kibuye) Market, where you can see the day-to-day life of the people of western Kenya, should be visited. It is one of the busiest and largest of Kenya.

- Ruma National Park was created as a reserve in 1966 to protect the only remaining habitat of Roan antelope. The Park is in Southern Nyanza, 140 kms from Kisumu town.

- Ndere Island National Park is only 4.2 square Kms. The park is just off the northern shore of Lake Victoria, and is home to the lesser known Spotted Crocodile.

- Rusinga Island is home to an exclusive fishing camp and the tomb of Tom Mboya (1930-1969), the nationalist leader assassinated in Nairobi during the political unrest of the late 60`s.



NYANZA

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

MBA PROGRAM – LOWER KABETE CAMPUS

Telephone: 4184160/5 Ext. 208
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 21st AUGUST 2006

TO WHOM IT MAY CONCERN

The bearer of this letter ANOT MARREN AWUOR

Registration No: D61/7371/04

is a Master of Business Administration (MBA) student of the University of Nairobi.

~~He~~/she is required to submit as part of ~~his~~/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing ~~him~~/her to collect data in your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA OFFICE
P. O. Box 30197
NAIROBI

J.T. KARIUKI
CO-ORDINATOR, MBA PROGRAM

Marren Awuor Anot

C / O MBA Office

University Of Nairobi

P.O Box 30197

Nairobi.

August 2006

Dear respondent,

I'm a postgraduate student studying for Master of Business Administration Degree at the Faculty of Commerce, University of Nairobi. I'm currently conducting research in the area of Sustainable Competitive Advantage (SCA). The topic is: **Strategies employed by the Kenya Tourist Board (KTB) to establish a Sustainable Competitive Advantage for Kenya as tourist destination.**

The purpose of this letter therefore is to request you to respond to the attached questionnaire, the information you give will be treated in strict confidence and will be used for academic purposes only.

Thank you very much in anticipation.

Yours sincerely,

ANOT M.A

Cell. 0724-211362

Email: marrenanot@yahoo.com

INTERVIEW GUIDE

Section A: KTB Managing Director

1. What are the challenges facing the Kenya Tourist Board?

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2.What achievements have you made since you joined the board?

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2. Which people with your organization have signed the Performance contract?

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3. Who are your main competitors?

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4. Does your organization employ any benchmarking practices with the competitor?

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5. Do you have and strategies in place to enable you deliver your services effectively?……………………………………………………………………

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6. Kenya has been recording the highest tourist boom in East Africa. Do you think this trend is sustainable? If yes what measures are you putting in place to ensure this sustainability?

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7. Do you have any patent? If yes of what value (s) is it to the board?

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8. Do you have a change management department? If yes what activities does it undertake?

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Section: B Research and Development

1. What are the key challenges facing the Kenya Tourist Board?

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2. Which people with your organization have signed the Performance contract?

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3. Who are your main competitors and how do you rate yourself against them?

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4. Does your organization employ any benchmarking practices with the competitor? If yes how?

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5. Do you have and strategies in place to enable you deliver your services effectively?

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6. Performance in tourism sector has been impressive particularly for the past 2 years. Do you think this trend is sustainable? If yes what measures are you putting in place to ensure this sustainability?

7. Do you have any patent? If yes of what value (s) is it to the board?

8. Do you have a change management department? If yes what activities does it undertake?

9. How do you liaise with the following tourism stakeholders to ensure quality Services to tourists?

   a) Hotel owners

b) Tour firm operators

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c) Government (Particularly for funding, security and infrastructure concerns)

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d) The ministry Of Tourism and Wildlife

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Section C: Finance

1. Who are your sponsors?

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2. Is the funding usually enough?

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3. What are the key challenges facing your department?

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4. Do you get funding in good time such that no projects are curtailed owing to delayed funding?

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5. How many staff do you have in your department?

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6. How many graduates do you have?

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7. What is your department's target?

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8. How does your activities match the organization's mission?

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Section D: Marketing

1. What are the challenges facing your department?

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2. How many staff do you in your department?

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3. How many graduates do you have?

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4. How often do you conduct your marketing surveys?

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5. Do you have marketing agents at the various market centers?

a) Often b) Sometimes c) Not t all

6. Which is your target market and how do you identify the market?

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7. Have you any marketing strategies in place? If yes mention.

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8. Have you any distinct competence as a marketing department?

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9. KTB does not directly offer tourism services, how do you liaise with tour and hotel operators to ensure quality services to your customers?

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10. Do you undertake follow-ups to establish whether your customers are satisfied or not?

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Section E: Information and Communication Technology (ICT)

1. What are the challenges facing your department?

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2. Do you have Decision Support System (DSS)?

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3. If yes, how has the system improved your efficiency in fulfilling you mission?

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4. Do you have web-based DSS linkage with your suppliers and customers?

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5. How often do you upgrade your computer systems?

a) Often b) Sometimes c) Not at all

6. Does your organization have a website?.

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Section F: Human resource

1. What are the challenges facing your department?

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2. Have you any distinct competencies?

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3. How often do you train your employees?

a) Frequently b) Rarely c) Not at all

4. Does your organization pursue the following human resource practices?

	Yes	No
a. Job rotation		
b. Job analysis		
c. Job enlargement		

5. How do you recruit your staff?

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6. What is your employee annual turnover?

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7. Do you have incentives to reward your employees?

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8. Do you have self-managing teams?

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