RESPONSES OF KENYA WILDLIFE SERVICE TO INCREASED COMPETITION IN THE TOURISM INDUSTRY
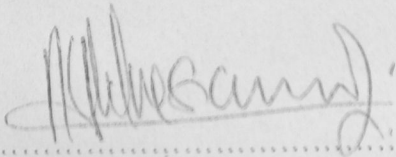
BY

LERESIAN R. LESIYAMPE

A Management Research Project Report Submitted in Partial Fulfillment of the Requirements of the Degree of Master of Business Administration, (MBA) School of Business, University of Nairobi

September, 2006

DECLARATION

This Research Project is my original work and has not been presented for a degree in any other University.
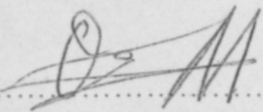
Signed.. Date. 16·11·2006

LERESIAN RICHARD LESIYAMPE

D61/7498/04

This Research Project has been submitted for examination with my approval as the University Supervisor.

Signed.. Date. 16/11/2006

Dr. Martin Ogutu,

Senior Lecturer,

Department of Business Administration

School of Business,

University of Nairobi.

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DEDICATION

This study is dedicated to my dear wife Caroline, children Edwin, Elliud, Elvis, Elsie, Elena and Emily.

ACKNOWLEDGEMENTS

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LIST OF ACRONYMS AND ABBREVIATIONS

EMCA: Environmental Management and Co-ordination Act

BoT: Board of Trustees

Gok: Government of Kenya

ICT: Information Communication and Technology

NGO's: Non-Governmental Organizations

ABSTRACT

Kenya's tourism industry continues to grapple with uncertainties that have dogged the country for some time. Competition in the tourism industry has increased over the years. This is in line with world trends of competition. In deed, gone are the days of protected markets and dominant market positions. Instead, markets have been opened up thus inviting many players that offer the customer wider choice. In such circumstances, it is for the organization to be ahead of the environmental developments in the industry for it to realize success. This case study sought to establish the responses that the KWS has adopted to cope with increased competition.

Data for this study was primary, collected by the researcher through personal interviews both at corporate and functional levels of management at KWS. These included the director, deputy directors and senior management officers at the organization. A total number of 45 members of the management team were interviewed.

Findings from the study indicated that the response strategies have been reactive in nature. For the organization to achieve a competitive advantage, there is need for a proactive business approach to be adopted. The organization needs to formulate suitable competitive strategies to defend its market share and realize success in the tourism industry.

The study recommends that a study should be carried out to find how effective these adopted responses are in ensuring that the KWS achieves its vision as world-class conservation and Tourism body.

CHAPTER ONE: INTRODUCTION

1.1   Background

Organizations without exception depend on the environment as a source of inputs in the form of resources and as outlets for their outputs after a transformation (Porter, 1995). Because all organizations are environment serving or dependent, the environment within which companies operate is constantly changing presenting opportunities, challenges and hurdles that a manager must jump at the right time (Mintzberg, 1987). Failure to adapt the organization to its environment leads to a strategic problem evidenced by a mismatch between what the organization offers and what the market demands. In order to achieve their desired corporate goals in the increasingly competitive and interconnected business environment, organizations have found it necessary to engage in strategic management in order to be proactive to the changing environment. The role of strategy therefore is to link the organizations' capabilities and its environment (Ansoff and McDonnell, 1959).

One of the challenges presented by a dynamic environment is increased competition. Competition is indeed a very complex phenomenon that is manifested not only in other industry players but also in form of customers, suppliers, potential entrants and substitute products. Competition remains a fairly   unclear concept whose practical meaning varies across settings. Firms in dynamic industries respond to competitive forces in different ways. Responses can be operational or strategic by nature. Strategic responses differ from operational responses in many ways. While operational responses are short term and more concerned with efficiency of operations, strategic responses are long-term in nature and embrace the entire organization. Strategic responses also involve large amounts of resources and decisions relating to them are usually made at the corporate and business levels (Pearce and Robinson, 1997).

1.1.1   Competition and Organizational Responses

According to Hunger and Wheelen (1999), the environment consists of variables that form the context within which the firm exists. As Pearce and Robinson (2000) noted, a firms' environment can be divided into two main subsets: internal and external environments. They point out that the internal environment comprises of factors such as the organizations' competitive capabilities and both tangible and intangible

resources that affect the firms' abilities to meet its objectives. These include the organization's culture, structure and resources (Wheelen and Hunger, 1990). Competition exists when different organizations seek commitments of time and energy from the same target markets and an organization faces competition when its success depends upon the behavior of other actors who are trying to fulfill similar customer needs.

As Porter (1979 noted, it is prudent for any firm to understand the underlying sources of competitive pressure in its industry in order to formulate appropriate strategies to respond to competitive forces. Firms often respond to such environmental changes through strategic responses and operational responses (Bartol and Martin, 1998). Ansoff and McDonnell (1959) view responses as the activities that either the total organization or its building blocks carries out so as to handle change. According to them, the role of the general management in strategic response is about setting the right climate (will to respond), competence (ability to respond) and capacity (volume to respond).

According to Pearce and Robinson (1991), strategic responses are the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a firms' objectives. It's thus a reaction to what is happening in the organization's environment. Porter (1980), points out that knowledge of the underlying sources of competitive pressure provides ground work for strategic agenda in action. As Ansoff (1990) noted, strategic responses require organizations to change their strategy to match the environment and also transform or redesign their internal capability to match this strategy. Greenstein (2001) notes that generic strategies, collaborative strategies, restructuring and diversification constitute strategic responses that should be understood to better understand how firms behave when the environment changes.

Hunger and Wheelen (1990), note that operational responses are concerned with developing and nurturing a distinctive competence to provide an organization with a competitive advantage. They observed that these operational responses include marketing and financial strategies. As they noted, marketing strategy deals with pricing, selling and distribution of a product. A company can also examine the

financial implications of corporate and business unit options and identify the best financial course of action. As Hunger and Wheelen (1990) noted, the key issue here is the trade-off between the desired debt-to-equity ratio and relying on internal long-term financing via cash flows.

1.1.2 Competitiveness in the Tourism Industry

The Kenyan business environment has been undergoing changes with the liberalization of the economy, globalization, price control and introduction of government regulations. One of the challenges presented by a dynamic environment is increased competition. The Kenya Wildlife service is one of the organizations in Kenya that is under pressure to respond to increased competition in the tourism industry. For instance, other tourist destinations are maturing globally. In particular, the emerging and huge economies of China and India are luring ever-greater numbers of tourists for both business and travel. In Africa, Kenya is facing competition from other destinations for the reduced international tourists. According to the WTO report of 2003 the tourist arrivals and receipts for top African destinations, in 2002, Kenya had only $ 838, 297 millions as compared to the highest South Africa with $65, 502,719 millions. Others were Mauritius with $ 682,612; Morocco with $ 41, 932, 152, Tunisia with $ 50,641, 422 and Egypt with $49, 063,764 millions.

International tourists to Kenya have different interests. Some are attracted by the country's warm beaches, some come to visit Kenya's National Museums while others come for game drives. These are among the competing tourism destinations in Kenya. According to the statistics of 2005 by the Kenya Tourism Board, most international tourists who come to Kenya for holiday are interested in game drives and most f tem visit more than one park. According to the statistics, 77% of international tourists were attracted by Kenya's Wildlife and out of the 832, 229 international visitors to Kenya in 2005; about 640, 529 of them visited the Kenya Wildlife Service Parks. In spite of all this, KWS is facing stiff competition on the local front in its quest to maintain its position as the key destination for the tourists. For instance, it is facing competition from community based conservation efforts as well as private ranges such the community based conservation like the Northern Rangelands Trust based at Lewadown, supporting 10 community based conservatries competing with national parks for tourists. Others are private ranges such as the Olpejeta Rangers. This in turn

may lead to a reduction of the revenue that is generated from visits in the national parks for game drives.

1.1.3 Overview of the Tourism Industry

Tourism in Kenya dates back to pre-independence days and history has it recorded that as early as the 1930's, overseas visitors and explorers had started coming to Kenya mainly for big-game hunting expeditions while others came in search of solitude. These expeditions were locally referred to by the Swahili word "Safari" thus bequeathing to the travel world literature with a new vocabulary. However, soon after independence, the Kenya Government realized the enormous potential of the nascent tourism industry and hence undertook to upgrade the existing infrastructure and superstructure as well as investing in additional facilities. To achieve its goal, the Government encouraged local and foreign entrepreneurs to invest in the tourism and hospitality industries thus paving the way for the future development of the sector (www.un.org/esa/agenda21).

Tourism in Kenya is mainly based on natural attractions, which include wildlife in its natural habitats as well as idyllic beaches. Approximately 10% of the country has been set aside for conservation of wildlife and biodiversity. Game viewing is a very popular pursuit since most visitors to Kenya are predominantly interested in seeing "the big five" namely the Elephant, Rhino, Lion, Buffalo, and the Leopard, not to mention other lesser and unique game the Africa's savanna and forests. In view of the proven potential of the tourism sector, the Government formulated Sessional Paper No.8 of 1969 on the Development of Tourism in Kenya. The Government policy as outlined in this historic document covered the following main fields: type of tourism to be encouraged; protection and development of Kenya's tourist attractions; protection and development of tourist infrastructure and superstructure as well as other tourist facilities; training and manpower development for the sector; promotion and marketing in the tourist generating markets and research. The Tourism industry in Kenya operates within a liberalized economic environment that is characterized by active partnership between the Government and the private sector. While the private sector is expected to be the motive force, the Ministry of Tourism is charged with the responsibility of formulation and implementation of policies a kin to tourism as well

as co-ordination of planning, development, promotion and marketing of tourism and its attractions in the country (www.un.org/esa/agenda21).

1.1.4   Overview of the Kenya Wildlife Service (KWS)

KWS was established in 1989 by parliament as a quasi-government institution. As a reincarnation of the Wildlife Conservation and Management Department (WCMD), its mandate was to manage the national parks and curb poaching, especially of elephants and rhinos throughout the republic. As such, KWS had considerable autonomy in running its affairs financially and in terms of its staff matters. KWS soon began to show results and attract donor and government funds under the PAWS (Protected Area and wildlife Service) Project. The $143 million five-year programme began in 1992 with the intention of rehabilitating national parks, eliminating poaching, building a viable conservation institution and establishing it as a financially self-sustaining body operating along commercial lines by 1996. KWS scored some quick and notable successes under the PAWS project. The heavy investment of capital quickly refurbished ailing parks, roads, buildings and transport. Subsidization of staff and field operations raised morale and performance. Consequently, elephant poaching was quickly reduced, also due in no small measure to a global ivory ban. The control of poaching in turn improved tourist security in and outside parks. In short, KWS became one of the most respected and effective parastatal institutions in Kenya.

Despite the heavy injection of donor funds and evident successes, KWS faces growing, globally common threats to wildlife, namely human population growth, land pressure and antipathy to wildlife among landowners adversely affected by it. These threats were particularly grave in Kenya where most wildlife is still found outside parks and the ecological vitality of the parks relies on continued migrations beyond their boundaries. A Community wildlife Service Project established under PAWS recognized and began to address these problems on a pilot basis. But, being a small pilot effort, it did little to dispel the human-wildlife conflict accelerated by the democratic tide in Kenya. Yet another threat lay in Kenya's ailing tourist industry.

1.2   Statement of the problem

The role of the Kenya Wildlife Service in the Kenyan economy has increased significantly in the recent years. Established in 1989 following wanton poaching of Kenya's big game, the semi-autonomous parastatal organization has been credited for conserving and maintaining Kenya's biological diversity represented by the variety of ecosystem in forest reserves, terrestrial and marine parks. The Kenya Wildlife Service, being a semi-autonomous parastatal is in a complex phenomenon resulting from very large socio-political contents of its environment. Also, its objectives fluctuate in their supposed order of priority almost from day to day at the whim of the public and parliamentary opinion. Moreover, the management does not have the freedom to optimize its performance in pursuit of a single objective, even in pursuit of a number of stable and compatible ones.

With the liberalization of the Kenyan economy, more players (both local and international) continue to enter the tourism sector and provide competitive products. Furthermore, at local level, group ranchers and community conservation provide an alternative experience to the traditional park based safaris. Consequently, since its inception, Kenya Wildlife Service has been recording deficits due huge operating and security related expenses making it elusive to make it a financially sustainable organization. As a result of the increasing and ever changing environment, the parastatal's management has been challenged to rethink its strategies to be able to ensure continued sustained operations and effectiveness while adhering to government regulations and policies. By adopting strategic responses, Kenya Wildlife Service would be more focused on effectiveness, as its management would be required to change the organizations' strategy to match the environment and also transform or redesign its internal capability to match the adopted strategy.

Various researchers have provided insight into the area of strategic response to various environmental factors. Kandie (2001) studied the strategic responses by Telkom (K) Ltd in a competitive environment and found out that financial constraints and lack of managerial empowerment construed on the capacity to respond to environmental changes. Abdulahi (2000) carried out a study of the strategic responses by Kenya Insurance Companies following liberalization. He concluded that a good percentage of insurance companies considered plans as important but overlooked the

image of mergers and strategic alliances. Other studies include those done by Kombo (1997); Njau (2000); Mwarania 2003); Mugambi (2003); and Mutua (2004). In these studies, it was generally found out that firms made adjustments to their strategic variables depending on their uniqueness to ensure survival.

Given the role played by the Kenya Wildlife Service in the Kenyan economy in addition to the need to make itself financially sustainable, there is need for Kenya Wildlife Service management to formulate effective strategic responses to the changing environment. While appreciating the role played by strategic responses in bringing a match between organizations' internal capabilities with its strategy in relation to the environment, the former studies were based in different contexts/industries. Findings from these studies may not be generalized to fairly represent the Kenya Wildlife Service. The uniqueness of each industry or sector may necessitate a separate study. This study sought to fill the gap by providing answers to the following question:

What strategies has KWS adopted to cope with increased competition in the tourism industry?

1.3   Objectives of the Study

The objective of the study was to establish the responses of KWS to increased competition in the tourism industry

1.4   Importance of the study

The results of this study will be of use to:

   i.   The KWS, in adopting responses to competition for it to remain self-sustaining in maintaining Kenya's flora and fauna for increased tourist activities in the parks.

  ii.   Other quasi institutions in designing responses to competition in the macro environment.

 iii.   Future scholars and researchers as they may use the results as a source of reference.

 iv.   The Ministry of Tourism and Wildlife in drawing up relevant legislation to govern the various stakeholders in the tourism sector to ensure fair competition for all conservatries of wildlife.

CHAPTER TWO: LITERATURE REVIEW

2.1   The Business Environment and the Organization

Hunger and Wheelen (1995) observed that the environment consists of variables that form the context within which firms exist. For survival, an organization must maintain a strategic fit with both the external and internal environments. An organization's external environment includes economic forces, social-cultural, demographic, political and technological forces, while its internal environment includes the organizations' systems, policies, resource capabilities and corporate culture (Pearce and Robinson, 1991).

As Ansoff and McDonnell (1990) argued, business firms are in a constant two-way interaction with the environment. They receive an assortment of resources from the environment, and after a transformation, deliver them back to the environment in the form of goods and services. The connection of the external environment and the organization is an input-throughput-output process where inputs are received from the environment and released back into the same environment after being processed by the environment. What is released back can only be consumed by the organization if it fits the environmental requirements and needs (Porter, 1985).

According to Grand (2000), an organization survives and succeeds when it creates and maintains a match between its strategy and the environment, and also between its internal capability and the strategy. The environment is not static but turbulent. Discontinuous and uncertain strategic response calls for organizations to change their strategy to match the environment and also to transform or redesign their internal capability to match this strategy. Organizations are environment dependent. When there is a shift in the environment, an organization is pressed to shift its strategy. As such, this will enable it support the newly adopted strategic responses effectively (Ansoff and McDonnell, 1990). An organization's competitive strategy may thus reside as much in the environment as it is in the individual organization. The challenge to organizations is to continuously match strategy environment, their internal capabilities in order to survive, succeed and to remain relevant (Porter, 1985).

2.2   Impact of Competition on Organizations

It has been observed that changes in the external environment including competition have an impact on organization. (Chandler 1962) points out that firms are environment dependent, and changes in the environment shape the opportunities and challenges facing the organization. This understanding is important in defining the firm's objectives and in developing competitive strategy and enhances competitive advantage. This is essential if the organization is to be efficient enough to succeed (Muturi, 2000). For instance, despite the heavy injection of donor funds and evident successes, KWS faces growing, globally common threats to wildlife, namely human population growth, land pressure and antipathy to wildlife among landowners adversely affected by it. These threats were particularly grave in Kenya where most wildlife is still found outside parks and the ecological vitality of the parks relies on continued migrations beyond their boundaries. For example, it is facing competition from community based conservation efforts as well as private ranges such the community based conservation like the Northern Rangelands Trust based at Lewadown, supporting 10 community based conservatries competing with national parks for tourists. Others are private ranges such as the Olpejeta Rangers. This in turn may lead to a reduction of the revenue that is generated from visits in the national parks for game drives.

Porter (1990) describes the competitive forces that determine the state of competition in an industry. He classifies these factors into five basic components: the bargaining power of suppliers, the bargaining power of buyers, threat of new entrants, threat of substitute products or services and rivalry among existing firms. As Migunde (2000) noted, the forces do not operate in isolation. Collective strengths of the forces determine the industry attractiveness. However, for the purpose of analysis, firms need to dissect each of the forces to understand the effect it has on their business and what they need to do to influence the force. Only then will they be able to draw conclusions on the collective strengths of the forces.

Any corporate strategist tries to look for a position in the industry where his company can best defend itself against the forces above or to influence them (Migunde, 2000). To do so, there is need to understand the underlying pressure. This knowledge provides the groundwork for a strategic agenda for action. A firm needs to understand

the competitiveness of its industry. Competitive rivalry encompasses all the other contending forces highlighted earlier. However, as Johnson and Scholes (1997) observed, it also considers the market growth rates and the level of differentiation. The most competitive conditions are those in which entry is likely, substitutes threaten, buyers and suppliers exercise control, product differentiation is minimal and the market has matured. They state that the key questions to ask are what rivalry is based on, its trend of intensity, and how it can be influenced.

Ansoff (1999) conceptualized the effect of environmental changes on the organizational strategy and capability. He stated that for a given environmental change, an organization must come up with a suitable strategy. He proposed that there has to be a fit between the existing strategy and the prevailing environmental characteristic for the organization to remain successful. He further states that once the strategy has changed to fit with the environment, such a change requires a corresponding change in the internal capability of the firm. But the most important aspect of managing changing environmental conditions is real-time response. According to Muturi (2000), this refers to the immediate changes that involve internal capability transformation as soon as the environment changes. Despite the strategic plan, informal changes must be undertaken to respond to environmental changes as they happen or are about to happen.

2.3   The Concept of Strategy
Strategy is a multi-dimensional concept that has been defined differently by various authors. Thomson and Strickland (1993) define strategy as the pattern of organizational moves and approaches devised by management to achieve organizational objectives and pursue organizational mission. It is the match between an organization's resources and skills and the environmental opportunities the organization wishes to accomplish (Schendel and Hofer 1979). As Jauch and Glueck (1988) observed, strategy is a unified, comprehensive and integrated plan that relates the strategic advantage of the firm and to the challenges of the environment and that it is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

According to Johnson and Scholes (1999), strategy is the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of markets and fulfill stakeholder's expectation. Webb (1989) defines strategy as the process of deciding a future course for a business and so organizing and steering that business as to attempt to bring about that future course. Schendel and Hofer (1979) observed that strategy is meant to provide guidance and direction for activities of the organization. Since strategic decisions influence the way organizations respond to their environments, the purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment.

Strategy is a multidimensional concept embracing all critical activities of the firm, providing it with a sense of unity, direction and purposes as well as facilitating the necessary changes induced by its environment (Hax and Majluf 1996). They argue that strategy is the means of establishing the organizational purpose in terms of its long-term objectives, action programs and resource allocation; a response to external opportunities and threats, and internal weaknesses and strengths and a way of to define managerial tasks with corporate businesses and functional perspectives.

Lynch (2000) observed that corporate strategy is concerned with an organization's basic direction for the future: its purpose, its ambitions, its resources and how it uses them to interact with the world in which it operates. According to Quinn (1980), strategy is a plan or pattern that integrates organizations' major goals, policies into a cohesive whole and helps marshal and allocates resources into a unique and viable posture based upon its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents.

The essence of strategy is to relate the organization to the changes in the environment (Ansoff, 1990). Strategy is therefore a fundamental framework through which the organization can simultaneously assert its vital continuity and facilitate its adaptation to the changing environment. It is a tool of the top management team for coping with both external and internal changes (Wanjohi 2002). Organizations therefore have to

respond with relevant strategies that match the changed environment. Failure to respond may lead to organizational decline or obsolescence.

2.4 Response to Increased Competition

Firms must adapt their new strategies to new environments. The change in the competitive environment will require new strategies, which in turn, call for reformed organizational capability (Ansoff, 1999). According to Thompson and Strickland (1999), one way to predict future driving forces is to utilize environmental scanning techniques. Such scanning involves studying and interpreting social, political, economic, ecological and technological events in an effort to spot budding trends and conditions that could eventually affect the industry. Muturi (2000) argued that environmental scanning raises a managers' awareness of potential developments that could have an important impact on industry conditions posing new opportunities and threats.

As Wheelen and Hunger (1990) noted, change in the environmental conditions shape a firm's opportunities, challenges and threats. In order for these firms to survive, it is necessary for them to formulate appropriate strategies to respond to competitive forces and as Bartol (1998) observed, firms often respond to environmental changes through strategic responses and operational responses. However, as Byars (1991) observed, there is a difference between the two. Operational responses are concerned with efficiency of operations. On the other hand, strategic responses long-term in nature and embrace the whole organization, and involve large amounts of resource s and decisions relating to them are usually made at corporate and business levels of the organization.

2.4.1 Strategic Responses

According to Ansoff (1998), firms must adapt new strategies to new environmental condition. The change in competition will require strategies, which in turn call for reformed organizational capabilities. Firms in industries that are fast changing respond to changes in different ways. While some may resort to improving current market and products, divestiture and diversification, others use techniques that ensure operational effectiveness. All organizations are faced with the challenge of managing strategy. Strategic issues by nature are future oriented and require large amounts of

the firms' resources. They often affect the firm's long-term prosperity and therefore have enduring effects on firms for better or worse. They are based on what managers forecast, and not what they know. In a turbulent competitive world, a firm will succeed only if takes a proactive (anticipatory) stance towards change (Migunde, 2000).

Strategic issues need to be understood in terms of the particular context of an organization. Different organizations are likely to emphasize different aspects of the strategic management process. They will therefore be faced with different challenges. For some it is competitive strategy, others understanding competencies, still others creating a fit as well as innovation (Johnson and Scholes, 2001). Strategic responses grow out of a firms' assessment of the current situation. Strategic responses require top managements' decision. By nature such decisions have broad implications and need power to authorize the necessary resource allocation (Pearce and Robinson, 1997). Strategic responses are therefore the choices that firms' make in an attempt to address key issues that arise from internal and external analysis of the firm and its business environment (Migunde, 2000). According to Ansoff (1990), strategic responses require organizations to change their strategy to match the environment and also transform or re-design their internal capability to match this strategy. The organization therefore has to harness both its tangible and intangible assets to maintain a strategic fit in its environment and strategy.

As Migunde (2000) noted, the following actions, which constitute strategic responses, should be considered to better understand how firms behave when the environment change. Porter (1998) formulated three generic competitive strategies: cost leadership, differentiation and focus. These generic strategies must be taken into account when the firm has to change its strategy. The strategic response reflects the firm's competitive position in the industry. If the environment is very turbulent, the firm may have to change its position. Such a change in the position will involve a change in its strategies as well.

According to Porter (1998), a competitive position could be built on around three variables. The first one is cost leadership where the firm strives to become the most efficient producer in the market and has the ability to charge the lowest price. If the

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firm decides to charge higher prices, the margins are increased significantly. Cost leadership can be achieved through installation of new and different plants and machinery. It may also be achieved through aggressive sourcing of inputs from the less expensive suppliers. Mugambi (2003) argues that cost leadership can be achieved by a firm adopting functional policies and resorting to aggressive construction of efficient scale facilities. The quality assurance process may also be elaborate to reduce costs of customer delays and cost of errors. The efficient production would enable the firm to respond to price cut demand due to price sensitive customers or as a result of competitive onslaught.

Porter also put forward the argument for company and product differentiation as a way of gaining competitive advantage. Differentiation can be achieved by creating the perception of uniqueness about a product or service. This can be achieved through special design and creation of innovative features in a product or a service. Differentiation can also be created through aggressive marketing campaign. Such accompanies tend to be on a strong brand identification and greater customer loyalty. According to Barman (2002), differentiation is a strategy used by non-profit organizations when a crowded market faces them and firms seek to assert uniqueness and superiority over their rivals by constructing a hierarchical based on a certain criteria. The differentiation strategy so adopted may be broad or narrow. The current realization is that broad differentiation affords a firm a broad market share upon which long-term profitability base can be developed.

The focus strategy is about identification of a particular customer segment, geographical market and coming up with products suitable for that segment. Once the segment has been identified, then the firm may pursue either cost or differentiation strategies. According to him, a focus strategy rests on the choice of a narrow competitive scope within the industry. He argues that a focuser selects a segment or group of segments and tailors a firm's strategy to serve them to the exclusion of others. He further argues that a focus strategy could take the form of cost focus where the focuser seeks a cost advantage in that segment or a differentiation focus by seeing differentiation in its segment. Firms should narrow their operations to target specific markets so as to develop a competitive edge (Mugambi 2003).

Ansoff (1999) put into perspective the role of general management in a firm's strategic response. According to him, general management is the propensity and the ability of the firm to engage in behaviors, which will optimize attainment of the firms' near-and long-term objectives. General management is about setting the right climate (will to respond), competence (ability to respond), and capacity (volume to respond). He states that these three components are essential if the firm is to implement a strategic response. Climate setting involves the mentality and power positions of the managers. This determines the organizational culture. Competence involves the talents, skills and knowledge of the management. It will determine the organizational structures, systems and shared knowledge. Capacity involves the personal and organizational capability to accommodate the various management challenges as may arise from time to time.

Another way that firms respond to changes in their environment is through structural and process reorganizations such as restructuring (reengineering), total quality management (TQM), rightsizing, and outsourcing and others. These are measures that firms take in order to improve their efficiency of operations and are therefore related in one way or another. These measures have long-term term effect and involve a lot a firm's resource and therefore can be considered as strategic decisions (Muturi, 2000).

According to Pricewaterhouse (1997), reengineering is the fundamental thinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance such as cost, quality, service and speed. It is about changing the way we do things. It forces us to look at what we do and ask why we do it. If it still required, then is there a better way of doing it? According to Pearce and Robinson (1998), restructuring is based on the notion that some activities in a business' value chain are more critical to the successes of its strategy than others.

Firms often consider outsourcing when they need to concentrate on their core businesses for competitive advantage. In such cases, non-core business activities in the value chain are sourced from external companies (Migunde, 2000). Rightsizing involves establishing the optimum number of staff that a firm requires to operate effectively and efficiently. Total quality management is centered on customer needs.

It embraces continuous improvement and participative management style; all geared towards satisfaction of customer needs.

Furthermore, with changes in the environment, firms also enter into collaborative agreements with other players in the industry in the form of strategic alliances, mergers and acquisitions, licensing, and franchising. According to Shollei (1999), more and more firms seek collaboration with other firms to enable them compete effectively in those markets as a result of increased forces towards globalization. He argues that pooling of resources is necessary since some market opportunities are too massive for a single firm to exploit and that collaboration also reduces the cost of differentiation and enhances competitive advantage.

Diversification is another strategy that is resorted to in times of changing environmental conditions. As defined by Jauch and Glueck (1990), it refers to the changes in products, markets and functions that can be done internally or externally, horizontally or vertically; and it can involve related and unrelated changes. They argued that diversification occurs when a company decides to make new products for new markets. Related diversification is development beyond the company's present market, but still within the broad confines of the industry. It therefore builds on the assets or activities that the firm has developed. Horizontal integration is development into activities that are competitive with or complementary to a company's present product. Vertical integration occurs when a company becomes its own supplier or distributor. Unrelated diversification is development beyond the present industry into products or markets, which at face value, may bear no close relation to the present products or market (Johnson and Scholes, 1997).

2.4.2 Operational Responses

According to Hunger and Wheelen (1990), firms can respond to environmental changes by crafting new operational strategies, which are taken by functional areas of the organization to achieve corporate and business unit objectives by maximizing resource productivity. They note that operational responses are concerned with developing and nurturing a distinctive competence to provide an organization with a competitive advantage. They observed that these operational responses include marketing and financial strategies. As they noted, marketing strategy deals with

pricing, selling and distribution of a product. By adopting a marketing development strategy, a company can nurture a share of existing market for current products through market saturation and market penetration. As Kotler (1990) observed, the company could also develop new markets for current products. Using the product development strategy, a company can develop new products for existing markets or develop new products for new markets. A company can use "push" and "Pull" marketing strategies for advertising and promotion. A company can also examine the financial implications of corporate and business unit options and identify the best financial course of action. As Hunger and Wheelen (1990) noted, the key issue here is the trade-off between the desired debt-to-equity ratio and relying on internal long-term financing via cash flows.

Companies can also adopt operational strategies and purchasing strategies (Hayes et al, 1996). They argue that operations provide powerful sources of competitive advantage as a subordinate to finance, marketing and Research and Development functional areas of the organization. Byars (1991) notes other operational strategies to include Research and Development strategies, human resource strategies and purchasing strategies. According to him, the human resource strategy is concerned with determining the human resources that the organization needs to achieve its objectives as it could decide to use low-skilled or skilled employees. He observes that the Research and Development strategies are an effective way to safeguard the organization against either product or production process obsolescence. For the purchasing strategy, he notes that they deal with the obtaining of raw materials, parts, and supplies needed to perform operational functions.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1   Research Design

This study was conducted through a case study design. This was deemed an appropriate design, as the study involved an in-depth investigation of the phenomenon of strategic responses to increased competition in the tourism industry with particular emphasis on the Kenya Wildlife Service. The study made a detailed examination of a single subject, strategic responses. Both Young (1960) and Kothari (1990) concur that a case study is a very powerful from of qualitative analysis that involves a careful and complete observation of a social unit, be it a person, a family, an institution, a cultural group or even the entire community. It is a method that drills down rather than casts wide.

The research design was chosen rather than for instance, the cross-sectional survey because the objectives of the study required an in-depth understanding of the challenges facing the Kenya Wildlife Service and the specific strategic responses it has made in the context of changing competitive environment. The tourism industry whose strength is based mainly on the country's natural resources, which include game, is the second largest contributor to Kenya's economy. A case study of the KWS was justified because it manages these resources, which are the backbone of the tourism industry in the country.

3.2   Data collection method

This study used primary data to obtain the strategic responses to increased competition in the tourism industry by the Kenya Wildlife Service. The data was obtained through personal interviews guided by an interview guide. The guide was used to interview the respective management team members. Part one of the interview guide obtained information from the corporate management while part two of the guide was for the middle level management (Functional Managers and Departmental Heads). The respondents of this study were drawn from the corporate and functional levels of management. These included the director, deputy directors and senior management officers at the organization. A total number of 45 members of the management team were interviewed.

3.3   Data analysis

The collected data was analyzed using content analysis because the study solicited for data that was qualitative in nature, and given that it was a case study where respondents were drawn from a single organization. Furthermore, this type of analysis was deemed appropriate, as it did not limit the respondents on the answers. Analysis of the collected data was guided by variables such as improvement in processes and procedures by the body in relation to increased competition and variation in the body's long-term plans.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1   Introduction

The major objective of this study was to establish the responses of the Kenya Wildlife Service (KWS) to increased competition in the tourism industry. To achieve the stated research objective, primary data was collected by the researcher conducting personal interviews with a total number of 45 members of the management team including the director, deputy directors and senior as well as functional management officers at the organization.

To capture the required information, the data was recorded by writing the responses as provided by the respondents during the interviews, after which it was analyzed using content analysis. This chapter presents the analysis of the data and findings from the analysis of the collected data pertaining to the responses by the Kenya Wildlife Service to increased competition in the tourism industry.

4.2   Institutional Review

According to the respondents, since its inception in 1989, KWS Board of Trustees has been changed more than six times in the last 10 years. Similarly, KWS has had about eight directors in the same period. Senior management turn over has also been the same in that turnover has been very high. For instance, the respondents indicated that eight persons have served as the Head of Human Resource and Administration. Similar turnover has been experienced in Finance, Tourism and Marketing Departments. It was established that the consequences of these frequent changes is that different Boards of Trustees give different orientation in terms of wildlife conservation policy as well as facilitating KWS management to strategically position itself in the face of competition from other players in the tourism industry.

The respondents indicated that, the different directors assuming office occasionally dismantled previous organizational structures and redeployed staff at their own whim. In essence, it was established that organizational structures have been changed at the same rate the BOT or Director has been changed.

The Board of 1994-1997 focus and wildlife management philosophy was for KWS to market its products (wildlife) and compete with other players in the tourism industry.

As a result of the intense competition emanating from individual and community conservancies, the respondents indicated that the BoT had recognized the need to involve local communities in the management of wildlife through its philosophy of "Parks beyond Parks". Respondents indicated that the then BOT and Director effected new structures at the KWS Headquarters as well as in the Fields in order to instill new orientation and offer new conservation and management direction.

The study established that KWS has had no stable organizational structure since 1994 and has no continuity of direction. Further, it was established that KWS lacks a strategic positioning to face competition from other industry players and it has failed to meet its goal of being financially sustainable on its own. Moreover, findings indicated that KWS has been in deficit from 1994 to date except for 2001 when it had a surplus. There has been a manifestation of low staff morale, lack of organizational cohesiveness and identity, difficulties in mainstreaming projects, bloated support staff establishments, lack of standard policies and procedures, salary disparities, general financial inadequacy and reduced effectiveness in KWS supervisory and regulatory roles.

In contrast, the study found out that the board of 1999-2003 held a strategic direction that KWS was not to get involved in the promotion of its products and tourism. Instead, the Kenya Tourist Board was to do the job. Findings indicated that the same Board dissolved the Tourism and Marketing Division at KWS. It discouraged KWS to venture into any commercial activities. As such, the KWS Airwing, with 16 aircrafts was only to focus on wildlife conservation, human wildlife conflict and wildlife security matters. The wildlife management orientation of this board was to concentrate only on protected areas and less emphasis on wildlife dispersal areas. Furthermore, the study established that this Board ignored employee welfare, training and personal development, which were key to the organization's performance in the tourism industry.

In the day-to-day activities, the management is faced with issues relating to duplication of duties and unclear reporting lines contributing to apathy and low productivity within the ranks of certain cadres of employees in the organization. Furthermore, authority and resources have been consolidated at the KWS

Headquarters especially departmental heads leading to slow decision making and mismatch of the responsibilities and authority especially for senior officers at the headquarters and the Field managers of Parks and Stations.

Moreover, findings indicated that implementation of information technology capabilities has been haphazard and mainly limited to few users. Information sharing and exchange has not been exploited to the full potential. In addition, research has not necessarily been internally driven or customized for use by staff in the field. Instead, the research has been donor- driven.

The organization's financial plans have been elusive forcing the organization to continue operating with budgetary deficits. Finally, the human-wildlife conflict, poaching and the increasingly sophistication of security threats, declining wildlife population and habitat destruction continue to be a major challenge facing KWS.

4.3   Description of Tourism's Competitive Environment

The objective of this study was to establish the responses of the Kenya Wildlife Services to increased competition in the tourism industry. To achieve this objective, respondents were asked to provide a description of the organization's competitive position, which would in turn lead to the establishment of the planned course of action in the tourism industry. Data for this objective was captured through personal interviews with the respondents.

From the interviews conducted, most respondents at the corporate level recognized that KWS faces staff competition emanating from various other tourist destinations. In the African region, Kenya faces competition from other tourist attracting nations such as South Africa, Botswana, Namibia, Egypt, Morocco and Zimbabwe. Within the East African region, Most of the competition for tourists has been from Tanzania although Uganda is proving to be strong in the industry. Table 1 depicts the average annual arrivals per country in Africa in 2002.

Table 1: Tourist arrivals and receipts for top African Destinations (2002)

Country Arrivals ('000)	Receipts ($ millions)
Kenya	838,297
Mauritius	682,612
Morocco	41,932,152
South Africa	65,502,719
Tunisia	50,641,422
Egypt	49,063,764

Source of data: WTO 2003

It can be seen from Table 1 above that South Africa, Tunisia, Egypt and Morocco were by far the most tourist destinations in Africa over the period 1996 to 2002. Respondents indicated that other African countries such as Tanzania and South Africa have encouraged sport hunting and that is why they are attracting more tourists and earning huge tourists receipts than Kenya.

It was noted that in Kenya, sport hunting was banned since 1976 due to poaching that almost decimated wildlife numbers. Respondents further indicated that Elephant and Rhino population came down from a population of about 167,000 to about 16,000 and 2,500 to under 300 respectively.

Kenya's tourism is not up to the competition in the region and the respondents observed that it is KWS that is underperforming. The reason attributed to KWS's underperformance is in relation to its orientation to total wildlife conservation without regard to conservation costs. It was established that, KWS only allowed limited wildlife consumptive utilization or cropping as a pilot project.

Locally, KWS faces stiff competition emanating from various other tourist destinations. From the interviews conducted, the study established that the other destinations completing for the same tourists with the KWS include: Local Authorities' National Reserves like the Maasai Mara, Samburu and Shaba. The Maasai Mara was singled out as the greatest threat with the Big Five. The Mara was considered a threat because of the spectacle of the Wild beast crossing the Mara River

annually. Others are individual and community wildlife conservancies such as the Lewa Wildlife Sanctuary, Olpejeta, Kisima Farm, Mugie Ranch and Namunyak conservancies. Competition facing KWS further comes from Ostrich Farms; cultural tourism resorts like the Bomas of Kenya; National Museums; the Mamba Village; The Giraffe Center; Bamburi Nature Trails; and other resorts offering weekend out door activities.

4.4   Description of KWS's Competitive Position

Respondents were asked to describe KWS competitive position in terms of its organizational structure, systems and policies; organizational processes and procedures, staff and skills, and in terms of the organizational resources. From the respondents, it was established that the organization has got various strengths as well as weaknesses, which describe its competitive position in the tourist industry. In terms of strengths, the study revealed that KWS has unique wildlife resources and landscapes; good infrastructure development in protected areas and it is recognized as the lead agency for international conventions and treaties.

The respondents noted the ownership and control of National Parks and Reserves having the Big Five as a competitive strength for KWS in the tourism industry. Further, KWS has beautiful sceneries such as the life Marine Coral reefs; Mt Elgon caves; Mt Kenya's snow; savannah of Tsavo with lions, Elephants and Rhinos; Siliboi's cradle of man and beautiful and rich bio-wetlands such as Lake Nakuru, Lake Naivasha and Lake Turkana. Furthermore, Kenya is known as a safari country because of KWS parks.

The study established that KWS presents a national image and has a committed and competent staff to effectively and efficiently perform in the competitive tourism sector. In addition, it was revealed that KWS enjoys support and good will from Kenyans, the government and other international agencies. It was established that KWS has specialized and strategic national programmes for conservation, and has the ability to attract financial support from donors.

Despite the aforementioned strength of KWS in the competitive tourist industry, the interviews also revealed that the organization's competitive position is reflected in the

organization's structural weaknesses. The weaknesses identified during the interviews include: Ineffective operational process; lack of schemes of service and organizational structures; poor communication channels internally and externally; and inadequate information technology.

In terms of the structure, the study established that KWS is characterized by a tall and bureaucratic structure that inhibits faster decision-making. In addition, it was established that the organization's structure is heavy and bloated at the Headquarters but lean at the bottom. The authority, resources and decision-making have been concentrated at the Headquarters. The field officers on the ground where competition is operational, lack resources and requisite manpower and are not empowered to make decision for KWS.

KWS is also weak in terms of its structure because of its failure to formalize its organizational structure as a vehicle for KWS to achieve its mandate. This is as a result of the high turnover rate of its Chief Executive Officers. The study established that this high turnover leads to a discontinuity in policies as every newly appointed Director assumes office with a new team of management.

KWS is faced by problems in its operations because of inadequate information technology. KWS has failed to embrace the latest technology in terms of upgrading computer systems and the semi automatic PABX telephone. It was established that KWS has failed to network its Parks and Stations. In addition, majority of the processes at the organization's Headquarters and within all its 125 stations are manual. Also, KWS is still utilizing manual ticketing at Park entries except for six major Parks. It was established that the financial returns or revenue details as well as purchasing and store management are done manually and brought to the Headquarters for reconciliation. Due to the deficiency in ICT, the organization's computer system such as the Smart Card has not been upgraded since its inception six years ago. Hence, the system was broken into and KWS lost millions of Shillings to fraudsters.

In terms of its human recourses, the study established that there is neglect of staff welfare and lack of regular refresher and advanced training. It was established that since 1997, the organization has adjusted the reviewed salaries and terms and

conditions of service only twice. The employees have to content with poor housing and utilities, lack of recreational facilities and are made to work without proper working gear leading to lower staff morale. This in turn limits the ability to perform in the competitive tourism industry.

Other weaknesses as established by the study through the interviews conducted include: reliance of the organization an outdated wildlife legislation; under-exploitation of its revenue base; inadequate financial resources to cope with its mandate; and lack of standardization of vehicles and equipment; inadequate co-operation between departments and lack of team spirit; poor public relations with communities; lack of marketing of KWS services and its products to the public; lack of biodiversity inventory; and fear among the staff hindering them making decisions "outside their box".

In terms of marketing, KWS has several weaknesses. It was established that it has no fully fledged tourism business and marketing department to market its tourism products. In addition, there is very little information in the market about KWS Parks and Reserves and the wildlife they hold. Furthermore, there is little if any advertisements or promotion of KWS's products through electronic or mass media.

4.5   KWS's Strategic Responses

The objective of this study was to establish the responses of the Kenya Wildlife Service to increase competition in the tourism industry. To accomplish the research objective, data was captured through personal interviews. As per the interviews, KWS has adopted various methods in an attempt to respond to increased competition in the tourism industry. The endeavor to undertake various responses has enabled KWS to reposition itself in the tourism industry as well as to enhance its values of conserving and managing Kenya's Wildlife scientifically, responsively, and professionally. The responses adopted are discussed below;

4.5.1 Strategic planning

From the interviews conducted, the study established that the organization had no approved strategic plan since 1997. Some respondents indicated that the "Zebra Book", which gave detailed issues concerning conservation, community-wildlife

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issues and tourism was supposed to be KWS's strategic approach to manage Parks and Reserves. It was established from the interviews that, through consultative efforts involving BoT, senior management, field officers and other stakeholders, KWS has put in place, a five-year strategic plan to guide and integrate its corporate mission and objectives in the competitive tourism environment.

The strategic plan looks at all KWS activities and functions, all embraced in its mission and vision statements. As a future orientation for the organization, KWS seeks to be a world leader in wildlife conservation by sustainably conserving and managing Kenya's wildlife and its habitats in collaboration with stakeholders for prosperity. Thus, the strategic plan was to focus on the mission and vision to ensure that the functions and activities match KWS's new strategy.

It was established that to effectively address its mandate and become the leader in wildlife conservation, the management had to develop the strategic plan to focus the organization on commercialization and outsourcing of non-core activities. As a move to enhance service delivery to tourists in its Parks, it was established that KWS intends to commercialize its Airwing for hire.

It was noted that the developed plan is to focus KWS to mobilize resources from the government, develop appropriate partnerships, revise the wildlife policy and legislation, minimize human-wildlife conflict, enhance wildlife and visitor security, security of wildlife habitats, undertake demand-driven research, acquire and develop appropriate staffing levels, and ensure cost effective and efficient use of limited resources. It was established that the strategic plan is to enable KWS become proactive in its operations by providing direction and ensure continuity on agreed goals and objectives. The research established that the management at KWS anticipates to annually review and monitor the plan.

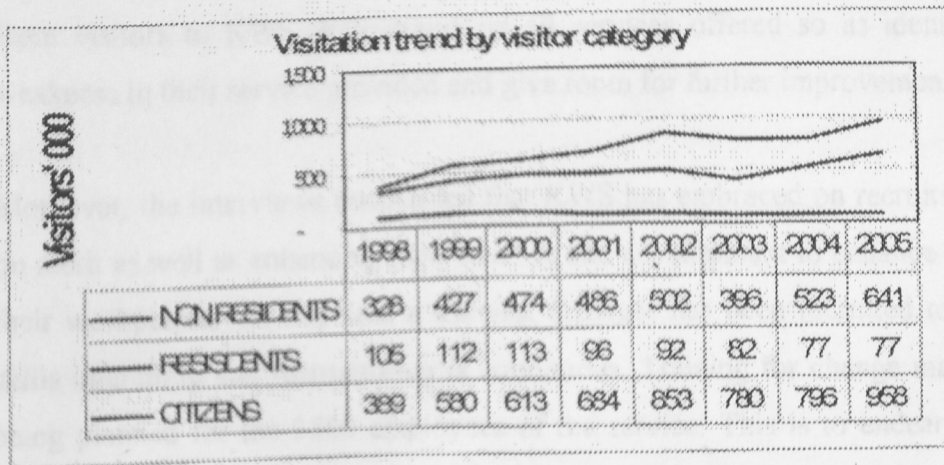### 4.5.2 Strengthening of the Organization's Internal Capabilities and Competencies

Respondents were asked to indicate if KWS had strengthened its internal structure and competencies to stand the challenges of increased competition in the tourism industry. From the interviews, the study established that KWS has strengthened its internal

capacity so as to attain its operational and fiscal stability. In line with the same, it was established that KWS had developed a Corporate Headquarters structure with five Divisions headed by Deputy Directors who were competitively recruited and interviewed based on professionalism and competence.

Management has also reviewed a field structure and has recommended for approval of seven conservation areas to be managed by Assistant Directors across the country. However, some respondents support the structure but a few felt that it was not responsive to competition. The reasons cited by the respondents are that the structure did not recognize marketing and promotion of tourism. In addition, the structure has failed to diversify KWS's revenue base and that the seven areas do not have structures to market and promote their products but rely on KWS Headquarters. The study established that the seven conservation areas have no authority to use funds they generate to plough back into the tourist facilities such as maintenance of Bandas, roads and picnic sites.

Respondents indicated that KWS is in the process of filling all vacant positions created by the new structure; it has also embarked on a job evaluation exercise to streamline salary disparities and grade jobs appropriately and establish optimum staffing requirements. It was established that KWS intends to conduct a staff skills' audit to establish the missing skills in the organization and provide appropriate training. From the interviews it was established competition in the industry is stiff as manifested in the declining trends in the number of residents visitors to KWS parks. Table 2 depicts the average annual arrivals in the national Parks from 1998 to 2005.

Table 2: Visitation by Visitor Category

Visitation trend by visitor category							
	1998	1999	2000	2001	2002	2003	2004	2005
NON RESIDENTS	328	427	474	486	502	396	523	641
RESIDENTS	105	112	113	96	92	82	77	77
CITIZENS	389	580	613	684	853	780	796	958

Source: KTB, 2005

According to the figures in Table 2, residents tourists visiting KWS Parks has been on a downward trend since the year 2000. The respondents of the study content that the reduction is a pointer that they must be opting for other destinations offering products and facilities that are not offered within KWS Parks and Reserves.

As a response, a department of Business Development, Tourism and Marketing has been established and will be strengthened to market KWS Parks and Reserves. In the same vein, KWS has also established a Corporate and Communication Division to enhance KWS image and improve internal and external communication.

Competition in the tourism industry has forced KWS to redefine its decision-making policies. The Assistant Directors in the field are now empowered to make decisions. The study noted that KWS is defining its organizational policies so as to develop and implement its rationalized organized structure to decentralize and devolve its operations to parks and Reserves.

In relation to the organization's internal capabilities and competences, the study established that KWS had enhanced on the recruitment of staff from the private sector to infuse profit minded ideas into this quasi organization.

The study revealed that a tool been a developed to monitor and facilitate feedback from visitors to KWS destinations on all services offered so as identify areas of weakness in their service provided and give room for further improvements.

Moreover, the interviews established that KWS has embraced on recruitment of staff on merit as well as enhancing their training and development to enhance teamwork in their workplaces. To this end, a training manager has been recruited to ensure that skills upgrading and restructuring is continuous. Training for change management is being planned for the 3500 employees of the service. This is to endear them to the changing and competitive tourism industry.

To standardize operations and ensure consistency, the study established that each department has now been tasked to develop or review all its operating manuals. It was established that already some are in the process. These are: the Human Resources and Development 1, Stores and Inventory, Disaster and Risk management manuals, the financial operating and Procurement manuals and Research and Development protocols.

4.5.3 Outsourcing

For KWS to become more efficient and effective, it has no focus on its core business of wildlife conservation and tourism. The respondents indicated that, KWS is now outsourcing its non-core business activities such as the Gift and Souvenir shops and leases at competitive rates idle facilities in the stations. It was further noted that, office and grounds cleaning and garbage collection services are to be outsourced. The study established that KWS is intending to outsource mailing services as well as medical treatment services for both in-patients and out patients.

It was further established that the following are potential for being outsourced. These are printing and photocopying and transport and public relations services. This will allow KWS to engage in activities that add value and profit and improve revenue generation.

4.5.4 Restructuring

From the respondents, the study revealed that KWS has responded to competition in the tourism industry by adopting new organizational structures. As indicated, the new structure was developed through elaborate and consultative efforts between the BoT, senior management, Field officers and consultants. This is the first structure ever approved by the BoT since 1997. This structure is leaner than the one in 1997, which had 14 Deputy Directors and Divisional Heads. Thus, the current one has merged similar activities and related functions together.

The study revealed that KWS has embarked on organizational restructuring such as establishment of new departments and synchronization of others in order to strengthen its overall institutional cohesiveness so as to improve on its service delivery to its visitors as well as employees to the satisfaction of tourists in the Parks.

It was established furthermore, that KWS is restructuring its fields and Parks on a region based structure. The criteria for these regional structures are similarities in ecosystems, geographical proximity and conservation activities. The motive behind this decentralization of activities to conservation areas is to facilitate faster decision-making. As a result, this has enhanced communication and information flow within the organization to provide satisfactory services to tourists in Parks and Reserves and to compete with other tourist destinations.

4.5.5 Use of Superior Technology

According to the respondents, the rapid change in information technology has had a great impact on the organization as it is reshaping transactions in the tourism industry. Service delivery to tourists, internal operations at the organization, product and marketing strategies are heavily dependent on it. KWS has sought to improve the efficiency and effectiveness of its staff by implementing Information Technology based service delivery systems. As a result, KWS has embarked on enhancing the organization's systems and policies by embracing modern technology such as the introduction of the electronic ticketing systems (SMART-Card systems) to guard against frauds. It has also put in a mechanism to ensure the system is continuously upgraded to enhance its revenue collection. In addition, the study revealed that KWS is upgrading its radio system to enhance its operations in the Parks. Furthermore, it

was established that KWS has set up an effective and interactive website for all its activities.

KWS has embraced new technology to keep in touch with the competitive tourism industry. All employees are being trained to become computer literate. It was established that there has been provision of computer for all offices at the Headquarters as well as other Field stations. KWS is also upgrading its financial system and network, computerizing procurement and stores management and it is acquire a Human Resources Management information System (HRMIS).

4.5.6 Diversification of Tourism Products

The wildlife Act has been an impediment on diversification of tourism activities that cannot be undertaken in KWS Parks and Reserves. The act only allows viewing wildlife inside a vehicle within a park. However, there is stiff competition from private conservancies. Consequently, KWS has embraced diversification of revenue generating activities including new and expanded tourism and non-tourism facilities and products such as Horse-riding, walking Safaris and hiking, snorkeling, scuba diving, rock climbing, night game drives, park night dinners as well as cycling within the national parks. This is only in three parks. Apart from the parks and other conservation areas that are key to the revenues of KWS, the study established that KWS has established new revenue streams through the commercialization of their activities such as the Airwing services. Through these new streams of revenue for the organization, it is expected that KWS will be able to adequately sustain its operations despite the dwindling support from the government.

4.5.7 Revision of Wildlife and Legislation

The Act has never been reviewed neither has the wildlife policy since 1996. The Act has been a stumbling block to KWS to efficiently position itself to meet emerging conservation, tourism and competition issues. The study established that a team has been set up that comprise the Ministry of Tourism, KWS and other stakeholders to review the wildlife policy to make it possible for KWS to face challenges in the tourism industry.

4.5.8 Research and Development

To sustainably conserve flora and fauna, it is imperative that KWS encompasses scientific methods to solve and develop new products to remain relevant, competent and operate sustainably. To this end, the study established that the research department has been reconfigured and restructured with additional researchers recruited to enable the department meet its objectives. It was established that there is an attempt by the management to make research by KWS business-driven rather than donor-driven.

Research findings did establish that KWS is attempting to stop Bio-Piracy, which exists in the country. To this end, it is recruiting a Bio-Prospector and developing a framework and guidelines for approving research that is conducted in KWS areas to reduce rampant and uncontrolled Bio-Piracy.

4.5.9 Marketing and Branding

The respondents observed that KWS has increased its marketing due to the increased competition in the tourism industry. Improved signages through branding of National Parks to enhance their image among existing and potential tourists confirm this. The study also established that KWS has made marketing and tourism promotions. Respondents indicated that KWS intends to be more pronounced on promotion of domestic tourism with increased production of branded materials such as cookery, glassware, pottery, T-shirts.

Branding entails office renovation and refurbishments; renovation of gates; improvement on signage; beautification of the compound, offices, and sanitary facilities; and renovations and painting of all staff houses and offices. To enhance the profile of KWS, the study revealed that KWS has branded its Parks and has its flag and emblem.

Furthermore, findings revealed that KWS has agreed and approved designed logos, has standard brand image and colours, as well as the letterheads to be used in all publications and letters for the organization. Recently, KWS painted the entry points to all its conservation stations so as to enhance their image to the visitors and tourists to those sites.

It was also established that the management has agreed on number of press releases and feature articles that are to be written and distributed to the media houses in the country so as to increase the awareness by the public of KWS activities. Also, KWS embraced the idea of deploying armed guards in all the Parks to enhance security of tourists to market itself as a safe destination for tourists.

In addition, the research established that in order to enhance service to the visitors and tourists to its designated areas, KWS has introduced customer care employees trained to professionally serve customers so as to ensure satisfaction of those visiting its Parks and Reserves. The study revealed that there has been a replacement of armed game rangers with customer care executives at entry gates of all Parks and Reserves.

The study established that to market KWS and its products, the management is making attempts to recruit more professionals in marketing and promotion. Findings indicated that KWS intends to recruit a Head of Marketing and Business Development and a Marketing and Promotion managers to take charge of marketing KWS and its tourist products. Respondents further indicated that the management has allocated the marketing unit Ksh.40 millions during this financial year.

4.5.10 Collaboration

The study revealed that KWS is entering into collaborative arrangements in order to improve on its recognition, linkages and relationships with stakeholders so as to achieve its mandate. Well-structured linkages and relationships are critical to the attainment of the organization's mandate. As a public corporation involved in a unique industry, KWS attracts sustained interest and coverage from local and international media and public. Accordingly, KWS is formalizing and improving management of relationships with communities, the private sector, NGOs, GoK and its agencies and the scientific community. To achieve this, KWS has advertised and is recruiting three professionals in Corporate and Public Relations department.

4.6 Factors that have influenced KWS response to increased competition

Interviews with the various respondents revealed a number of factors that influenced the organization's response to the increased competition in the tourism industry.

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These can be grouped into political, economic, socio-cultural, legal and environmental factors, which are external to KWS.

4.6.1 Political Factors

Politically, KWS depends on the Kenyan government for funding. As a result, the organization is greatly affected by the political goodwill and support from the government so as to sustain its campaigns against the competition onslaught from other tourist destinations. Furthermore, both international and regional relations have an impact on KWS's response to competition in the industry. Furthermore, the legislation and institutional framework impact on its ability to respond to competition in the tourism industry. For instance, the KWS cannot adequately vary the pricing of its entry fees into its Parks as it is regulated by the Ministry of Wildlife and Tourism.

Respondents noted the fact that the BoT and KWS Directors have always been appointed based on political orientation rather than performance. It was established that the signing of performance contracts between the Director and the Board and between the Director and other senior officers is hoped to be the basis of changing the Director rather than political expediency. As earlier noted, KWS has had more than nine Directors since it was established. Respondents further pointed to the fact that there is political interference in the affairs of KWS. Most noted was the recent case of Amboseli National Park where the President directed that it would be managed by a local authority. This meant that KWS would loose about Kshs. 100million annually as revenue.

4.6.2 Economic Factors

Economically, KWS is affected by the inflation rates and trends as it cannot adequately operationalize its strategies without them heavily impacting on its set budget for the same. In addition, the interviews confirmed that KWS is affected by the increases gap between the poor and the rich in addition to the inequitable distribution of wealth in the country. The study established that, response to competition is subject to foreign exchange rates. This is because residents and foreigners tourists pay back fees in dollars. Furthermore, economic factors reduce government's subvention or support to KWS. The Government's support to KWS is between 200 million and 700 million annually depending on economic performance.

4.6.3 Socio –Cultural Factors

Socio-culturally, the demographic changes have seen population explosions in the country that have increased the human-wildlife conflicts. As a result, KWS does not adequately respond to the increased competition in the tourism industry as it has to take care of the conflicts by setting some funds in its budget for compensation purposes in the case of death or injury to human caused by wildlife. For instance, recently, there was an increase in compensation amounts for the same. The study established that the poverty levels in the country cannot allow sizeable Kenyan population afford Park entry fees or use the park facilities for holidays.

Respondents indicated that 60%-75% of wildlife exists outside protected areas. This leads to explosive human-wild life conflict. As a result, it was established that KWS is forced to use huge amounts of resources as per its mandate to protect life and property. Due to population explosion, wildlife corridors are now being settled in and making it difficult for Parks and Reserves such as Nairobi National Park, which relies on the Kitengela corridor on migration of wildlife. It was established that soon, the Park might become a zoo and hence less visitation.

4.6.4 Technological Factors

The respondents revealed that technology is essential as it is key in the innovation in communication and information management and security through remote sensing to reduce operational costs. They revealed that this can be through e-commerce and Internet advertising, website and telemarketing, networking all stations and research (innovations, discoveries, findings, recommendations and implications). However, KWS lacks the ICT strategy that is necessary to adequately respond to its needs. KWS uses obsolete technology and is faced with inadequacy of financial resources to keep pace with advanced technological changes and thus does not adequately respond to the increased completion in the tourism industry.

4.6.5 Environmental Factors

The study established that wildlife in Parks and Reserves can only exist or survive if areas adjacent to the same are utilized in land use that is compatible to wildlife conservation. However, Kenya has no comprehensive land use policy and hence wildlife areas have been acquired for agricultural or commercial activities. Research

findings indicated that demand for grazing and agricultural land has been increasing in several protected areas such as Tsavo's, Chyulu, Mt. Kenya Parks to name but a few. Environmentally, the respondents indicated that KWS lacks sectoral environmental guidelines, lacks awareness and implementation of the EMCA-1999 and lacks the skills in waste and disposal management. As a result, from the interviews, KWS cannot formulate adequate strategies to withstand the competition in the tourism industry as the existing environmental Acts limit it.

Deforestation and excision of forest covers and water catchment areas has led to drying up of rivers that flow from protected areas hence displacement of wildlife. Respondents noted that the excision of various forests for human settlement such as the Mt. Kenya, Mau and Aberdares has had devastating environmental effects. It was established that KWS has no legal authority to control or demand involvement in management of forests or land use matters.

4.7   Challenges to the Established Respondents

Kenya's tourism industry continues to grapple with uncertainties that have dogged the country for some time. Respondents were asked to indicate the challenges KWS face in the formulation and implementation of its response strategies. According to the respondents, there are challenges encountered by the organization's management in responding to the competitive pressure in the tourism industry despite putting in place the response mechanisms. The study established that despite the responses, the organization has various challenges it faces in combating the competitive pressures in the tourism industry.

The study established that KWS's ability to respond to competition in the tourism industry is constraint by staff resistance to change. Respondent indicated that staff are not supportive and some attempt to sabotage new structures or strategies, some have resigned while others attempt to use political patronage for various appointments within the organization. According to the respondents, this was due to the fact that some feel their positions and power bases are threatened.

Moreover, it was established that substantial amount of resources are required to implement the new changes, thus donor and government support is critical. Other

challenges include: the restrictive land use policy; slow or bureaucratic process of reviewing the inhibitive government rules and regulations established; and the product prices are controlled by the Ministry of Tourism and Wildlife. Last but not least, respondents indicated that other challenges encountered include little or no funding for non-protected areas or non Parks, which are all managed by KWS, lack of funds by the Kenya Tourism Board to facilitate an aggressive marketing of Kenyans Tourism Board, conflict of interest between conservation and profit making as well as the consumptive wildlife utilization.

The study established that KWS lacks resources to acquire State-of-the-Art technology in Human Resource Information Management, computerization and networking. Although KWS desires to fully implement electronic ticketing, it is expensive. Furthermore, the cost of recruiting professionals and vacant positions are so high that KWS may not sustain.

CHAPTER FIVE: SUMMARY, DISCUSSIONS AND CONCLUSIONS

5.1 Introduction

This chapter gives a summary of the findings, discussions, conclusions and recommendations drawn. The chapter also provides recommendations for policy and practice.

5.2 Summary, Discussions and Conclusions

In this section, the results of the study are summarized, discussed and conclusions drawn in line with the research objective. The results indicated that competition in the tourism industry has increased over the years. This is in line with world trends of competition. In deed, gone are the days of protected markets and dominant market positions. Instead, markets have been opened up thus inviting many players that offer the customers with wider choice.

Other players offering substitute tourist attractions have acquired a sizeable market share and continue to threaten the success of KWS as a leader in wildlife conservation. As indicated by the respondents, KWS faces stiff competition emanating from various other tourist destinations. From the interviews conducted, the study established that the other destinations competing for the same tourists with the KWS include: individual and group ranches, sanctuaries and conservatries; private tour companies and resorts; hotels and lodges offering accommodation services; Local Authorities' natural reserves; pricing policies; Ostrich farms; cultural tourism like the Bomas of Kenya; National Museums; resorts offering weekend out door activities; and Community Sanctuaries.

From the foregoing discussion, it can be conclude that KWS faces stiff competition emanating from various other tourist destinations. The organization's position as the leader in leader in wildlife conservation is under threat arising from the great extent to which most of the other industry players are performing.

This study had one major objective to establish the strategic responses of the Kenya Wildlife Service to increased competition in the tourism industry. One of the response

strategies adopted by KWS is the use of superior technology. This strategy was basically to enhance the organization's systems and policies to improve the efficiency and effectiveness of its staff. This strategy worked for KWS although it has not been fully implemented.

The organization has also made efforts towards collaborative arrangements with stakeholders aimed at improving its recognition, linkages and relationships with stakeholders so as to achieve its mandate. Such collaboration took the form of improving the management of relationships with communities, the private sector, NGOs, Gok and its agencies and the scientific community. However, the organization is slow and lacks the necessary operational policies for the same.

Kenya Wildlife Service also increased its marketing strategy due to the increased competition in the tourism industry. Kenya Wildlife Service has made marketing and tourism promotions more pronounced with a lot of emphasis on promotion of domestic tourism with increased production of branded materials such as cookery, glassware, pottery, T-shirts. However, it lacks the required funds to adequately operationalize these strategies.

Diversification has also been resorted to by the organization as a response to the increased competition in the tourism industry. Kenya Wildlife Service has embraced diversification of revenue generating activities including new and expanded tourism and non-tourism facilities and products such as Horse-riding, walking Safaris, game viewing, hiking, and underwater viewing. Kenya Wildlife Service has also strengthened its internal capacity so as to attain its operational and fiscal stability, develop and implement its rationalized organized structure, devolve its operations to parks and stations and purchase, improve and codify its physical facilities and equipment. However, the organization still lacks the needed skilled human resources and policies to effect the strategy.

In addition, the KWS has put in place a five-year strategic plan to guide and integrate its corporate as well as departmental operations in the competitive tourism environment. This strategic plan is to focus the organization on commercialization of non-core activities, resource mobilization, development of appropriate partnerships,

revision of the wildlife policy and legislation, minimization of the human-wildlife conflict, enhancement of wildlife and visitor security, security of wildlife habitats, undertaking of demand-driven research, acquisition of and development of appropriate staffing levels, and ensuring cost-effective and efficient use of the limited resources. However, the organization is yet to fully establish the needed structures to ensure the plan's full implementation.

Furthermore, KWS has responded to the needs of the conservatory regions by developing organization-wide human resources systems, policies and procedures manuals empowering the organization's conservatory regions to devolve them with area wardens. In addition, it was established that KWS is regrouping its Fields and Parks on regional basis with similarities in ecosystems, geographical proximity and conservation activities and decentralizing its structures in order to facilitate faster decision-making. They have enhanced communication and information flow within the organization and are in the process of establishing administrative policies and procedures to guide their operations.

From the discussions above, KWS response to increased competition in the tourism industry have been reactive in nature. For the organization to achieve a competitive advantage, there is need for a proactive business approach to be adopted. The organization needs to formulate suitable competitive strategies to defend its market share and realize success in the tourism industry.

5.3   Limitations of the Study

One major limitation of the study was the fact that deputy directors as well some heads of departments were not available for the interview. As a result, the researcher was forced to interview other officers in their offices. Secondly, the time allocated for the study was limited. The environmental changes are still taking place presenting various competitive elements for the organization and KWS is still responding to the competitive forces.

Thirdly, the study focused on management perspective. It would have been of value to obtain the views of other stakeholders such as tourists, suppliers of the organizations as well as other suppliers of alternative tourist destinations.

5.4 Recommendations for Further Research

The environment is changing and continuously presents new challenges, opportunities and peculiarities. A study should be carried out to find how effective these adopted responses are in ensuring that the KWS achieves its mandate as per the Wildlife (Conservation and Management) Act.

5.5 Recommendations for Policy and Practice

The policy and legislative framework under which KWS operate has not kept pace with the changes in the operating environment. The organization's capacity to fulfill its mandate has therefore been curtailed. KWS needs to be proactive in policy and legislative reviews and enforcement to ensure its sustainability.

KWS needs to assume the leadership in conservation and natural resource management by raising the profile of science in it operations and improve on the effectiveness and adaptability of management and security functions. The capacity of KWS needs to be enhanced all round in order to equip it sufficiently to deliver its mandate. Appropriate change management activities need to be identified and included in the strategic plan to focus and control the envisaged changes.

Furthermore, KWS needs to introduce operational systems; ensure that financial and human resources systems are in place; review and document organizational systems, procedures and policies; put in place a system to review and audit organizational skills; focus employee training on customer care; focus the organization's operations on profitability; realign organizational systems and plans; conduct customer satisfaction surveys; diversify into other products such as cycling in parks, rock climbing and provide camping gears for hire and use in the parks; and enhance Corporate social responsibility campaigns so as to improve on its pubic image.

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APPENDICES
APPENDIX 1: LETTER OF INTRODUCTION

Dear Colleague,

I am a student pursuing Masters Studies in Business Administration [MBA], Strategic Management in the School of Business, University of Nairobi. The title of my study is "Strategic Response by KWS to increased competition in the Tourism Industry".

The questionnaire attached asks questions about KWS's capability in responding to the environmental change in the Tourism Industry. Based on your experience and knowledge, please indicate the most appropriate Response.

Your participation is essential to this study and will enhance our knowledge of strategic management operations management in Kenya. I also wish to assure you that all information with respect to this research will be treated with the strictest confidence it deserves and will only be used for academic purposes, and in no circumstance will your name be mentioned in the report without your prior permission. If you would like, we can send you the report of the findings on request.

Kindly assist in providing the required information. Thank you very much.

Leresian Richard Lesiyampe.

APPENDIX 2: INTERVIEW GUIDE

Part A: Corporate Management (Director, Deputy Directors)

1. Does KWS have a vision/mission statement?

2. If yes, is the vision/mission statement implicit or explicit (unwritten or written?)

3. Does the organization have strategic objectives?

4. If yes, how are the objectives developed?

5. What is your role in KWS's strategic planning process?

6. Does the organization have a strategic plan?

7. If yes, for what period is it developed to cover?

8. How often is the strategic plan reviewed to reflect changes in the environment?

9. In your view, how would you describe KWS's competitive position? (Describe it in reference to organizational structure, organizational systems and policies, organizational processes and procedures, and organizational staff and skills, and organizational resource base)

10. What is your general description of the competitive environment in which KWS is operating?

11. What is the corporate response to the competitive pressure that KWS in under? (Also make reference to organizational structure, organizational systems and policies, organizational processes and procedures, and organizational staff and skills and organizational resource base)

12. According to your own assessment, has KWS strengthened its internal capabilities and competencies to stand the challenge of increased competition?

13. What corporate level challenges does KWS face in the formulation and implementation of its response strategies? (Describe their source and nature)

14. Are there any mechanisms put in place to address such challenges (if any)?

Part B: Middle Level Management (Functional Managers, Departmental Heads, Any other)

15. Do you develop department-specific and/or functional long-term objectives?

16. If yes, do these objectives reflect KWS corporate mission?

17. What is your role in KWS's strategic planning process?

18. Do you have autonomy in making decisions that are within the province of your department?

19. How would you describe your department's role in KWS's achievement of its long-term goals?

20. How has your department been instrumental in analyzing the changes in KWS's operating environment?

21. Do you think there is increased competition in the tourism industry?

22. What are the sources of this competition or who are the competitors?

23. With specific reference to your department, how has this competition impacted on KWS?

24. Does your department play any role in the betterment of KWS's competitive position?

25. If yes in 24 above, what specific responses has your department initiated to counter increased competition?

26. Comment briefly how each of the following has contributed to the competitive environment in which KWS operates:

i. Liberalization of the economy

ii. Economic factors (foreign exchange rates, income levels, tax rates etc)

iii. Globalization

iv. Socio-cultural factors

v. Legal-political factors

vi. Infrastructural factors

vii. Inter-territorial conflicts and/or agreements

27. According to you, how would you describe the level/degree and/or rate of KWS's response to increased competition?

28. How would you rate top management's support towards your department's contribution to KWS's strategic responsiveness