E-SERVICE OPERATIONS STRATEGIES AND PERFORMANCE OF TOURISM FIRMS IN NAIROBI, KENYA

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DECLARATION

I hereby declare that this management research project is a presentation of my original work and it has never been presented in any other university or any other higher learning institution for examination purpose.

Signature…….. Date…….

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D61/71043/2014

This research project has been submitted for examination with my consent as the supervisor.

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DEDICATION

I dedicate this project to God the creator for giving me strength and wisdom, and my family for being supportive and patient during the course of the research project writing.

ABSTRACT

This research study was conducted to ascertain the relationship between e-service operations strategies and performance of the tourism firms in Nairobi, Kenya. The objective of the study was, to determine e-service operations strategies used by tourism firms in Kenya and to establish the relationship between e-service operations strategies and the performance of the tourism firms. The problem statement explains why the research was necessary. The research seeks to assist policy and decision makers to base their decisions on empirical evidence. The research design involved a sample of 35 tourism firms in Nairobi. Collection of data was done using questionnaires that ware distributed through "drop and pick" technique. Collected data was analyzed employing MS excel and SPSS version 20. The research finding revealed that there is a significant relationship between e-service operations strategies and firm performance explained by the four independent variables quality enhancement strategy, cost reduction strategy, service flexibility strategy and service delivery speed strategy. The study also shows that most of the firms used cost minimization strategy. This was in agreement with the other studies carried out on service operations and firm performance as shown in chapter two under review of the literature. The study only concentrated on the tourism firms in Nairobi. The researcher recommends further research on realigning the various e-service operations strategies.

TABLE OF CONTENT

LIST OF TABLES

LIST OF FIGURES

ABBREVIATION AND ACRONYMS

ATM: Automated Teller Machine

CRM: Customer Relationships Management

E-Service: Electronic Service

IATA: International Air Transport Association

ICT: Information and Communication technology

IT: Information Technology

KTB: Kenya Tourism Board

OTA: Online Travel Agency

RBV: Resource Based View

SPSS: Statistical Packages of Social Sciences

CHAPTER ONE: INTRODUCTION

1.1 Background

Business organizations are concerned on their survival and prosperity in the future. An organization's operations are strategically key on the grounds that most activities involves the everyday exercises in the operations function (Barney, 1991). The potential to attain long-term success or even survival is determined by the relationship between organizations' strategy and operations. Hayes et al. (2005) notes that a firm is most probably going succeed if its short term operations goals are in line with its long term organizational goals and contribute to competitive advantage. Slack et al. (2004) list five objectives of operations, they include: The capability to provide products at the lowest cost, at right quality, doing things quickly in reaction to customer demands, capability to change operations' flexibility and the level of dependability.

The relationship between e-service operations strategies and firm performance is anchored on two theories. These theories are; Resource based-view and theory of Innovation diffusion. The resource based-view stress on firm's resources as the main determinant that defines both competitive advantage and performance. Galbreath (2005) affirms that the firm should identify key and potential resources which should be rare, valuable, inimitable and that cannot be substituted by firm's competition in the area in which the firm operates. On the other hand Innovation Diffusion Theory explains persons' intention to utilize technology as a mode to conduct a traditional activity. The main factors that lead to adoption of any innovation are: relative advantage compared to the traditional method, compatibility, complexity, triability and observability (Rogers, 1983).

1.1.1 E-Service Operations Strategy

E-service is the utilization of IT in the development of the service delivery system (Boyer et al., 2002). E-service operations is an interactive information service where services are delivered through electronic systems. Here, the service providing organizations and customers apply gathered information to develop a service system with greater experience (Boyer, Holloswell and Roth, 2002). Therefore e-service operations strategy is the application of IT to develop a service delivery system so as to align customer desire with customer perception.

Barnes and Vidgen (2002) identified a number of dimensions of e-service operations strategy and they include: trust, usability, information empathy and design. Santos (2003) identified eleven determinants of e-service operations strategy. They include; incentive, appearance, content, layout, structure, linkage, layout, support, efficiency, reliability, security and communication.

Boyer at al. (2001) notes that e-services gives an organization a unique opportunity to develop and provide new models for new service development and service design strategies. Further, if customers perceive that electronic service is offering higher value compared to other options available, then there is a likelihood for them to purchase more. E-services benefits include: greater accessibility to a big customer base, minimizing entry barriers to new markets and lowering cost of customer acquisition, increasing the market reach, offering an alternative customer communication channel, improving company perceived image, enhancing services to customers, potential for increasing customer knowledge and gaining competitive advantages (Lu, 2001).

1.1.2 Firm Performance

Firm performance is how well a firm achieves its financial goals and market oriented goals (Yamin, 1999). Koufopoulos et al. (2005) notes that, measuring performance of the firm is a more critical role in comparison to accounting and quantification in any business management.

Kaplan and Norton (1992) listed various methods of measuring the firm performance. This include; operational performance (customer satisfaction and stakeholder performance, market share), market based measures (return on shareholder performance), accounting measures (profitability measures, leverage, growth measures, cash flow measures and liquidity), survival measures and economic value.

Measuring firm performance is important for effective management of any firm (Demirbag et al., 2006). It is not possible to improve any process without measuring its outcome. Therefore, improving organization performance requires measurements, so as to identify the level to which the organization's resource utilization impact the performance (Gadenne and Sharma, 2002). Measuring the firm's performance determines its success. Measuring performance also enables the firm to compare its performance over time period, hence better decision making.

1.1.2 Tourism Firms in Kenya

Tourism is the second biggest foreign exchange revenue earner in Kenya after agriculture (KTB, 2015). The Ministry of Tourism classifies tourism firms into: those firms which facilitate tourists to travel to and from the destination for example airlines and tour operators, government agencies, those firms that are part of the product at the

destination for example accommodation and attractions, regional tourism organizations, industry training organizations and professional associations.

Tourism operations includes offering a range of services, mainly: Services related to transport and services related to accommodation and destination (Chand, 2000). There are a number of aspects to consider when looking at the management of operations of tourism firms such as logistics, marketing, strategy, staffing, finances, sustainability and culture. Tourism is a service-driven industry and at the same time very dynamic. A successful tourism firm needs to deliver great products and high-quality customer service, be it immediate feedback to an email inquiry or being able to offer an ice-cold drink at the center of the desert. Hence tourism firm operations can build or break a business (Negi, 2008).

The Kenyan government through the Ministry of Immigration has implemented a number of e-services strategies to promote tourism in Kenya. One of them is the introduction of e-visa system, this allow the foreign tourists to apply for their visa and make payments in advance online. This has eased the process and made it more efficient to serve many tourists (KTB, 2016). Chudhary (2000) argues that with airlines rapidly expanding their network and operations, there is a call to integrate the airline tickets booking with technology. Thus, hundreds of airlines have a solution through Global Distribution System (GDS) for booking a ticket, cancelling and making payments. E-service business concept creates an automatic link between the airline carrier and customers so as to save time (Negi, 2008). Operators of the hotels see IT as an important resource in improving employee efficiency, enhancing the customer service experience and improving revenue generation. In the past decade, lodging industry plans, controls and management of operations have changed

significantly with advancement in IT. For example, the hotel sector has started to utilize self-service innovation and kiosks (Carlin, 2007). Adoption of self service kind of innovation in hotel industry has expanded over time, mostly, self check in, foodservice kiosks and in room checkout (Kasavana, 2005).

1.2 Research Problem

E-service operations strategy offers a unique chance for organizations to provide new service development and models for service design strategies. First, all service providers, whether modern or traditional, now they can compete through more delivery channel options available. Second, through technology services can be offered less costly with both product variety and broader geographic reach (Boyer et al, 2002).

Today, governments are showing great interest in tourism for diversification and growth since it is the largest industry in the world in jobs creation (Christie and Crompton, 2001). Tourism has been one of the major contributors towards the economy and one of top industries in Kenya as well (Gitu, 2003). With increase in competition intensity within the industry over time, there is need for tourism firms and organizations worldwide to adopt technologies and strategies to increase revenue and improve customer retention (Christie and Crompton, 2001). To accomplish this, organizations must know their clients first through the adoption and use of CRM systems.

Studies have been done globally and locally: Boyer et al. (2002) demonstrated generally e-services leads to loyalty and profitability but the study did not focus on e-services operations strategies. Lorena et al. (2009) established that E-services are

providing efficiency, speed, innovation and flexibility to both employees and customers, but they did not focus on e-service operations strategies. Kiprutto et al. (2011) found out that e-tourism lead to reduced costs of a service but they did not focus on e-services operations strategies. Kiiru (2014) established that IT leads to value creation but the study did not focus on e-services operations strategies. Okungu (2014) found out ICT adoption has led to the generation of more profits, increased interest margins and thereby influencing achievement of competitive advantage but the research did not focus on e-services operations strategies.

Through the review of past studies, it is evident that there are limited studies done on e-services operations strategies and performance of the tourism firms. This research therefore attempted to find an answer to these research questions: What are the e-service operations strategies used by tourism firms in Kenya? Is there a relationship between e-service operations strategies and the performance of the tourism firms in Kenya?

1.3 Research Objectives

The research objectives included:

a) To determine e-service operations strategies used by tourism firms in Kenya.

b) To determine the relationship between e-service operations strategies and performance of tourism firms in Kenya.

1.4 Value of the Study

In Practice, this research is of importance to the Ministry of Tourism as they will be able to highlight the extent to which Tourism organizations have adopted the e-service operations strategies and the impact it has had on the performance of the sector and

therefore come up with viable policies and practices to strengthen the adoption and application of electronic service operations strategies to promote productivity in the industry. The study will also be significant to Hospitality key players such as Hotels, Tour operators and Restaurants, as the information generated by this study will give more insights into Operations management issues in the Tourism industry as well give more information to the need and application of e-service operations strategies in the Tourism industry.

In theory, the research study will be of value to academicians as they will benefit from the information and contribute to the already existing body of knowledge.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter entails the theoretical foundation discussion, e-service operations strategies, e-service operations strategies and Performance of the tourism firms, empirical literature review and the conceptual framework.

2.2 Theoretical Foundation

2.2.1 Resource Based View

The research study was anchored in the RBV of the firm. Crook et al, (2008) notes that RVB indicates that firms compete in an ever changing and dynamic business environment. RVB as a basis of competitive advantage lies in the application of the valuable resources in the production of goods and services. The firm has to select the key resources which are rare, valuable, non substitutable and in imitable by organization's competitors in the area in which the firm operates (Galbreath, 2005).

Competitive advantage is most likely be produced by intangible resources because their value is more difficult to imitate and their function(s) more difficult to substitute (Hitt et al, 2006). Operations strategy is the effective utilization of inputs and capability of process to produce outputs to achieve both business and corporate goals. These goals include customized products, innovation, product flexibility, quality, product reliability, response, after sales service and delivery reliability. (Prahalad and Hamel, 1990).

Prahalad and Hamel (1990) focus their consideration on the collective learning processes of the firm on the advancement of skills and innovation integration. One of the targets of the theory is to help management acknowledge why competency can be seen as an organizations' most important resource and in the meantime, to see how

those benefits can be utilized to enhance business performance. Feeny and Willcocks (1998) express that core IT abilities are those vital and adequate to guarantee that a firm can exploit changing markets of technology services to accomplish business advantage through IT after some time. Mata et al (1995) clarify that IT management skills are a source of upper hand on the grounds that these are socially complex. Porter (2001), recognizes IT advancement and Internet, as an open system whose innovative advancement level most businesses' playing fields hence increasing competition and decreasing barrier to entry.

2.2.2 Innovation Diffusion Theory

The theory explains people's intention to embrace an innovation as a methodology to do traditional activities (Rogers, 1983). The basic elements that determine the adoption of a technology at the general level are: compatibility, relative advantage, observability, triability and complexity (Rogers, 1995). The nominalized elements are triability, complexity and observability.

2.3 E –Service Operations Strategies

E-service operations can be defined as IT application to the service system development with the aim of matching customer desire with customer perceptions (Boyer et al., 2002). Parker (2015) argue that a key feature of a successful e-service operations strategy is to help customers improve their business experience. It is possible to enhance relationship with clients by streamlining their business processes, including support and training. Parker (2015) further argues that technology provides a valuable support to personal skills in delivering the highest standards of customer service.

2.3.1 Quality Enhancement Strategy

In service, quality is meeting or surpassing customer desires (Grönroos, 1983). This definition draws on the broadly accepted thought of customer perceived quality. E-service quality is general customer assessments and judgments on the excellence and quality of delivery (Lee and Lin, 2005).

Barnes and Vidgen (2002) listed 5 (five) e-service quality dimensions. They are design, usability, information, empathy and trust.

Self-service through innovation naturally places customers in a coproduction part, changing significantly the way the service is administered. This results in customers having desires and perceptions related to their own particular capacities and execution that will impact their general evaluation of service delivery past what the service provider may do (Parasuraman et al., 2005).

Customer expectations must be evaluated precisely before the development of new services and tracked after introduction (Zeithaml et al., 2009). Technology has influenced how firms know their customers through, online customer research and technology-powered CRM which is an essential and powerful type of relationship-building that was incomprehensible before advances in innovation (Li and Von Boskirk, 2005).

Technology has additionally influenced the real procedure of service development easing some traditional obstructions to new services design. It has also been utilized to connect with customers more efficiently in the design process by permitting them to communicate continuously with the service, offering prompt input that can be fed into the following cycle of service design (Bitner et al., 2008).

In most service delivery systems, customers are participants in service production and value creation (Vargo and Lusch, 2004) therefore, assume a key part in the service delivery process. For quite a long time airline carriers have given technological solutions to travelers to “check-in” online, ahead of time of arriving at the terminal and print their own tickets. Services produced completely by the customers through Self-service innovations with no involvement of organization's workers has additionally improved the quality of customer experience (Meuter et al., 2005).

2.3.2 Cost Reduction Strategy

Competitive advantage is created through the use of technology in lowering of costs and enhancement of differentiation (Porter and Millar, 1985). Porter (2001) credits IT with delivering sustained competitive advantage through efficient operations (doing what your rivals do, however better) or strategic positioning (doing things differently compared to your competitors).

Barnes et al. (2003) notes that operations managers in organizations that compete on cost prioritize their decision making based on reducing costs and enhancing productivity by: guaranteeing stable production processes with constrained interruption, guaranteeing all resources are utilized to optimum capacity, always searching for opportunities to streamline production processes, updating office facilities and equipment, more proficient innovation and giving training and development to enhance the skills and capacity of workers.

To optimize operations, operations managers have to utilize facility design and layout. Utilizing IT in design and layout expands organization's capacity to coordinate its activities, therefore lowering the firm's production cost (Sarkar, 2012).

Introduction of Lean service leads to competitive advantage in service operations (Sarkar, 2012). Lean services is the utilization of the lean manufacturing idea to service operations. Lean IT's central concern, is the elimination of waste (Hanna & Julia, 2007). They further argue that, Lean IT includes a technique of value-stream mapping, diagramming and analyzing services value streams and wiping out any steps that don't add value.

Huber (1990) notes that the rise of new system advancements and development of the web can enhance a company's internal and external communications abilities. Reduced information processing costs make coordination and process adjustment efficient hence enhancing organization's performance. He further argues that the performance effects should be pronounced in organizations that adhere to decentralized strategic decision making.

Bakos and Treacy (1986) proposed bounded rationality as one of the theoretical links between IT and competitive advantage. They explained that organizational rationality has direct impact on both bargaining power and efficiency as it affects the cost of search and transaction costs in the organization.

2.3.3 Service Flexibility Strategy

Flexibility is broadly viewed as the capacity to respond to new situations (Noori and Radford, 1995). Nowadays, the changing environments make flexibility a competitive priority that most organizations have to manage in their service operations. (Harvey et

al, 1997). Flexibility is a useful tool to improve firm's competitive position therefore an important consideration on what kind of technology to adopt and implement in the organization (Fitzsimmons et al., 2006).

Service flexibility includes the introduction of new service designs quickly into service delivery system, modify capacity quickly, customize services, handle changes in the service mix rapidly and control variations in delivery schedules (Fitzsimmons et al., 2006). At the core of flexibility is improving allocation of resource and timing of allocated resources to perform a certain process, this avoids employing resources when not needed (Duclos et al., 1995).

ITs provide an organization with a new market opportunity without investing a lot in flexibility. Following this, Harvey et al. (1997) suggested a service flexibility model where innovation controls reduction in variability through, time, volume and place dimensions. Further, organizations are capable of designing a delivery system in which customers are involved. This makes flexibility less complex and simpler to execute given that the customer come up with specific activities of the service delivery system (Bowen and Lawler, 1995).

2.3.4 Service delivery Speed Strategy

This is the capacity to do things quickly in response to customer demands hence offering short lead times between customer request and when the service is delivered (Johnson et al., 2005).

Morgan (2000) argues that the productivity of operations process rises with the speed by which inputs flows through a system and falls with increases in variability on the process or steps in the process itself. ICT has been technically integrated in the firm if

the staff access internet and e-mail, increase in transaction speed, availability of a network installation and computers interlinked by the network, availability of computer applications appropriate to the organization and backups for the purpose of security (Meuter et al, 2000).

Organizations are experiencing efficiency, speed, innovation and flexibility through e-services. With innovation there is minimal environmental effect since its generally paperless and in most cases it is accessible 24/7 and from any location (Fitzsimmons et al., 2006). The advances in cell phones innovation have expanded the usefulness of mobile phones.

The advances in cell phones innovation has expanded the usefulness of mobile phones. It has led to the improvement of just in time services, or mobile services that offer access to services like mobile commerce and mobile banking, provided the phone is connected to the internet (Bowen, 1995).

According to Fitzsimmons et al (2006), service delivery process levels range from face to face to completely self-service channels. Through IT, face to face contacts can happen with the customer physically present or through virtual experiences. In self-service technology services, back room operations are obviously important operations practices and facilities.

2.4 E-Service Operations Strategies and Firm Performance

Adoption of e-service technology is redefining the way firms compete hence improving performance. Towards the recent decades of the twentieth century, the level of competition among organizations is going worldwide and turning out more severe. This worldwide commercial center is portrayed by extraordinary social,

economic, and innovative changes. Technology assumes a vital part in enhancing and sustaining the performance of firms by adjusting to changes in the immediate environment (Gopalaskprishnan and Damanpour, 1997).

E-service impacts organizational performance by empowering organization's learning and information management (Parker, 2003). E-service technology has provided new capabilities that deliver values by making more effective markets, enabling easier access, creating value and making supply chains more efficient, disrupting pricing power, empowering mass customization, and expanding reach. Firms that embrace e-service early will cumulate more knowledge and thus can compete better in the new economy (Mustonen-Ollila and Lyytinen, 2004).

Technology additionally impacts organization performance by changing business process (Wu et al, 2003). It improves business communications, supply chain processes and order taking hence enhancing collaborative commerce and create values (Gibson and Edwards, 2004). Buying online and payment make transaction more accurate, cheaper, and faster, increase customer satisfaction and increase profitability of the organization (Laudon and Traver, 2004).

2.5 Empirical Literature Review

Past studied have been conducted both globally and locally on e-services and technology. Boyer et al (2002) conducted research on Adopting of e service and he found out that generally e-services contributes to customer loyalty and increase in profitability. He further discovered from data collected that innovation has expanded consumer, which has thus expanded client loyalty to the organization. Lorena et al (2009) conducted research on e-service quality management and established that E-services are

offering innovation, speed, flexibility and efficiency to the customers. Data collected indicated that awareness, expectation, accessibility, trust and reliability among the factors to consider.

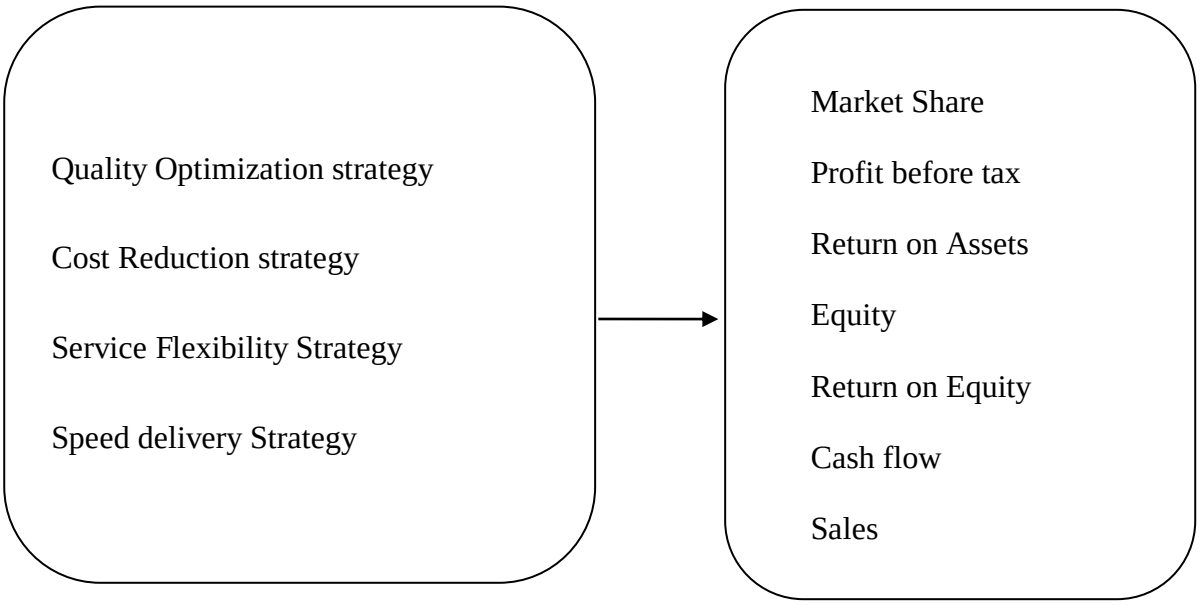
Kiprutto et al (2011), conducted research in e-tourism implementation and its impact, he found out that e-tourism lead to reduced costs of a service. Kiiru (2014) conducted research on IT and tourism sector, he established that IT leads to value creation. Okungu (2014), conducted a research on adoption of ICT in the banking sector he found out ICT adoption has led to the generation of more profits, increased interest margins and thereby influencing achievement of competitive advantage but the research did not focus on e-services operations strategies. Most of the empirical investigations or studies focused on establishing whether e-service or ICT adoption enhance competitive advantage.

2.6 The Conceptual Framework

In this research study firm performance depends on the outcome of e-service operations strategies. The performance of a firm depends on the success of e-service operations strategies.

Independent Variable: **Dependent Variable:**

E-service operations strategies **Firm performance**



Source; researcher (2016)

Fig 2.1: Conceptual Model

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter entails the research design, population, data collection techniques and the procedure for data analysis that were used.

3.2 Research Design

This research used descriptive research design because research focused on providing accurate description on e-service operations strategy and performance of tourism firms in Nairobi, Kenya. This design was chosen because of its effectiveness to analyze non-quantified data and opportunity to integrate both the quantitative and qualitative methods of data collection (Mugenda and Mugenda, 2003).

3.3 Population

The study population consisted of all the tourism firms in Nairobi. In total there are about 339 firms in Nairobi according to Ministry of Tourism, Trade and Industry and KATO (2016). This area was chosen because it is where most of the large tourism firms in various sectors are concentrated thereby giving a big population where a proportionate sample can be derived.

3.4 Sampling

To build a sample, stratified random sampling was employed because the population of tourism firms was regarded heterogeneous hence ensuring that every subsector was represented (Cooper and Schindler, 2006).

In research at least ten percent (10%) of the population targeted is crucial (Mugenda and Mugenda, 2003). The research therefore studied 35 tourism firms in Nairobi.

3.4.1 Sampling frame

Table 3.1: Sampling frame

Sector	**No. of Firms**	**%**	**Respondents**
Hotels and Restaurants	114	33.8	12
Airlines	25	7.3	3
Tour Operators	200	58.9	20
TOTAL	**339**	**100**	**35**

Source; Researcher (2016)

3.5 Data Collection

The research utilized primary data collected by self-administered questionnaires consisting of closed ended questions designed to elicit specific responses for quantitative analysis. The questionnaires contained three parts. Part one had questions on the tourism firms' general information, part two; had questions on electronic service operations strategies and finally part three had questions on performance of the tourism firms. "Drop and pick" later technique was employed to administer the questionnaires. The study picked head of Operations, head of finance and head of information technology department or their equivalents in each of the tourism firms that took part in the study.

3.6 Data Analysis

Before processing the responses, collected questionnaires were altered for consistency and completeness. Descriptive statistics (specifically mean and standard deviation)

was used to analyze objective one which was to determine e-service operations strategies applied by the tourism firms. Inferential statistics was used to analyze objective two, which was to determine the relationship between e-service operations strategies and the performance of the tourism firms. Specifically a dimension level analysis was performed using regression analysis which is instrumental in indicating whether the independent variables- e-service operations strategies significantly predict the dependent variable firm performance.

Regression model- $Y=q_0+q1x1+q2x2+q3x3+q4x4 + e$ where Y = Firm performance; q_0= the y intercept when x is zero; q1, q2, q3, q4, are regression coefficients of the following variables respectively; x1- Quality enhancement strategy ; x2- Cost reduction strategy ; x3-Service flexibility strategy ; x4- delivery speed strategy.

Table 3.2: Data Analysis

Objective	**Data Collection**	**Data Analysis**
E-service operations strategies used by tourism firms in Kenya.	Questionnaire	Mean, Standard deviation
Relationship between e-service operations strategies and performance of tourism firms in Kenya.	Questionnaire	Regression analysis

Source: Researcher, (2016)

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The chapter includes analysis of data gathered through questionnaires. SPSS (version 20.0) and Microsoft excel were utilized in the analysis of this data. Descriptive statistics, specifically mean and standard deviation were utilized to analyze the Likert scale data and regression analysis to determine the relationship.

4.2 Response per category of firm

The questionnaire targeted to receive data from a sample of thirty five (35) tourism firms (12 hotels, 3 airlines and 20 tour operators) in Nairobi. Responses were received from twenty one (21) firms (10 hotels, 3 airlines and 8 tour operators) which represent 62% response rates. Mugenda & Mugenda (1999), affirms that fifty percent (50%) rate of response is sufficient for analysis and reporting.

4.3 E-Service Operations Strategies used by Tourism Firms

4.3.1 Application of quality enhancement strategy by tourism firms

Quality enhancement strategy leads to delivery of a service desired by the customers (Bitner et al., 2008). The respondents were requested to show to what degree their firm was implementing quality enhancement strategy. They responded to various elements under the variable using a 5 (five) point likert scale. (5 being “Very large extent”, 4: “large extent”, 3: “Moderate extent”, 2: “Small extent”, 1: “Very Small extent”). The findings are as in table 4.1 below

Table 4.1 Application of quality Enhancement Strategy by tourism firms

Quality Enhancement Strategy	N	Mean	Std. Deviation
The firm allow customers to deliver immediate feedback on the quality of the service delivery system	21	4.10	.831
The firm takes into consideration customer evaluations and judgement in its service delivery systems	21	4.00	.632
The firm considers attractiveness, ease of use, secure transactions, communication and personalization in its service delivery systems	21	3.95	1.284
The firm measures customer expectation before developing new service system	21	3.95	.973
The firm conforms to customer specifications in its service operations	21	3.86	.793
The firms meets or exceeds the customer expectations in its service operations	21	3.68	.966
The firm's technology integration that allow customers to interact with service delivery system	21	3.62	.865
The firm has in place technology integration that creates a communication link with customers 24/7	21	3.57	1.121
The firm's technology integration allow customers to conduct self-service e.g placing an order, in the service delivery	21	3.52	1.078
The firm tracks the performance of the service delivery system in place	21	3.29	1.007
The firm's technology integration meet or exceed customer expectations in terms of design, usability, trust and empathy	21	3.24	.625
Overall Mean		3.707	

Source: Researcher, (2016)

To a great extent (mean $\geq$ 3.5) firms applied quality enhancement strategy in its operations processes. The respondents agreed to a great extent that the firms allow customers to deliver immediate feedback on the quality of the service delivery system (4.10), the firms takes into consideration customer evaluations and judgement in its

service delivery systems (4.00), the firms considers attractiveness, ease of use, secure transactions, communication and personalization in its service delivery systems (3.95), the firms conforms to customer specifications in its service operations (3.86), the firms meets or exceeds the customer expectations in its service operations (3.68), the firm's technology integration that allow customers to interact with service delivery system (3.62), the firm has in place technology integration that creates a communication link with customers 24/7 (3.57), the firm's technology integration allow customers to conduct self-service e.g placing an order, in the service delivery (3.52). Further, the respondents agreed to a moderate extent that the firms track the performance of the service delivery system in place (3.29) and the firms' technology integration meet or exceed customer expectations in terms of design, usability, trust and empathy (3.24).

This means that the tourism firms are applying quality enhancement strategy to a great extent with an overall mean of (3.707). This is in line with Boyer et al (2002) who found out that innovation has enhanced customer satisfaction, hence optimizing customer loyalty. This implies that e-service is important in enhancing quality of service delivered.

4.3.2 Application of cost reduction strategy by tourism firms

Cost Reduction strategy is one of the strategies employed by tourism firms in Nairobi to achieve Competitive advantage. The respondents were requested to show to what degree their firm was implementing cost reduction strategy. They responded to various elements under the variable using a 5 (five) point likert scale. (5 being "Very large extent", 4: "large extent", 3: "Moderate extent", 2: "Small extent", 1: "Very Small extent"). The findings are as in table 4.2 below

Table 4.2: Application of cost reduction strategy by tourism firms

Cost reduction strategy	N	Mean	Std. Deviation
The firm's technology integration has increased speed and quality of passing information hence reduction of transaction costs and cost of information sharing in operations	21	4.50	.644
The firm's Technology integration has led competitive advantage in service operations	21	4.14	.793
The firm is using technology integration to reduce costs in its service operations	21	3.96	.889
The firm is constantly reducing costs to create competitive advantage	21	3.95	.966
The firm practice Lean service(waste elimination) in creating competitive advantage of its service operations	21	3.72	.590
The firm has technology integration that assure that all resources are utilized to their optimum benefit, updating facilities with most recent innovation and giving continuous training and development to employees	21	3.57	1.165
The firm use IT in facility design and layout to optimize its service operations	21	3.53	.811
The firm analyze services value streams and removing any step or even entire process that add no value in its service operations	21	3.52	.750
The firm prioritize their decision making on minimizing costs and enhancing productivity of its service operations	21	3.33	1.065
Overall Mean		3.828	

Source: Researcher, (2016)

To a great extent (mean $\geq$ 3.5) firms applied cost reduction strategy in its operations processes. The respondents agreed to a great extent that the firms' technology

integration has increased speed and quality of passing information hence reduction of transaction costs and cost of information sharing in operations (4.50), firms' Technology integration has led competitive advantage in service operations (4.14), firms are using technology integration to reduce costs in service operations (3.96), the firms are constantly reducing costs to create competitive advantage (3.95), firms have technology integration that assure that all resources are utilized to their optimum benefit, updating facilities with most recent innovation and giving continuous training and development to employees (3.57), the firms use IT in facility design and layout to optimize service operations (3.53) and the firms analyze services value streams and removing any step or even entire process that add no value in service operations (3.52). Further, the respondents agreed to a moderate extent that the firms prioritize decision making on minimizing costs and enhancing productivity of service operations (3.33).

This means that the tourism firms are applying cost reduction strategy to a great extent with an overall mean of (3.828). This corresponds with Kiprutto et al (2011), who found out that e-tourism lead to reduced costs of a service.

4.3.3 Application of service flexibility strategy by tourism firms

Service flexibility strategy is one of the strategies employed by tourism firms to quickly come up with new designs in service operations. The respondents were requested to show to what degree their firm was implementing service flexibility strategy. They responded to various elements under the variable using a 5 (five) point likert scale. (5 being "Very large extent", 4: "large extent", 3: "Moderate extent", 2: "Small extent", 1: "Very Small extent"). The findings are as in table 4.3 below

Table 4.3: Application of service flexibility strategy by tourism firms

Service Flexibility strategy	N	Mean	Std. Deviation
The firm has improved timing and quantity of resource allocation through technology integration instead of employing more employees to perform a service	21	4.00	.949
The firm has achieved new market opportunities for its service operations due to technology integration	21	3.95	1.161
The firm controls variability in volume, time and place dimensions through technology integration in service operations	21	3.81	.750
The firm practice flexibility as a competitive priority in its operations	21	3.71	1.146
The firm introduces new designs quickly into the service system, update capacity often, personalize services and manage any variation in delivery	21	3.67	.658
The firm has designed a delivery system in which customers are able to conduct self Service.	21	3.52	1.209
The firm responds or conforms to new situations in its service operations	21	3.48	1.250
The firm consider flexibility in the decision making on technology adoption and implementation	21	3.38	1.244
Overall Mean		3.69	

Source: Researcher, (2016)

The respondents agreed to a great extent that the firms have improved timing and quantity of resource allocation through technology integration instead of employing more employees to perform a service (4.00), the firms have achieved new market opportunities for its service operations due to technology integration (3.95), the firms

controls variability in volume, time and place dimensions through technology integration in service operations (3.81), the firms practice flexibility as a competitive priority in operations (3.71), the firms introduces new designs quickly into the service system, update capacity often, personalize services and manage any variation in delivery (3.67) and the firms have designed a delivery system in which customers are able to conduct self Service (3.52). Further, the respondents agreed to a moderate extent that firms responds or conforms to new situations in its service operations (3.48) and the firms consider flexibility in the decision making on technology adoption and implementation (3.38).

To a great extent this means that the tourism firms are applying service flexibility strategy with an overall mean of (3.69). This corresponds with Fitzsimmons et al. (2006), flexibility is a useful technique to enhance the competitive position of an organization.

4.3.4 Application of service delivery speed strategy by tourism firms

Tourism firms in Nairobi are applying service delivery speed strategy to achieve speed, efficiency, flexibility and innovation to their employees. Service flexibility strategy is one of the strategies employed by tourism firms to quickly come up with new designs in service operations. The respondents were requested to show to what degree their firm was implementing delivery speed strategy. They responded to various elements under the variable using a 5 (five) point likert scale. (5 being “Very large extent”, 4: “large extent”, 3: “Moderate extent”, 2: “Small extent”, 1: “Very Small extent”). The findings are as in table 4.4 below

Table 4.4: Application of service flexibility strategy by tourism firms

Service delivery speed	N	Mean	Std. Deviation
The firm has realized increase in productivity due to the speed by which inputs flow through the system	21	4.14	.793
The firm does things quickly in response to customer demands	21	4.10	1.179
The firm offers shorter lead times between customer order and service delivery	21	4.00	1.000
The firm has installed PCs interconnected with a network, has a backup plan, employees have access to internet and emails and there is use of customer relations system.	21	3.95	1.322
The firm offers speedy service to create competitive advantage in its service operations	21	3.95	1.071
The firm has achieved speed, efficiency, flexibility and innovation of the employees through technology integration	21	3.71	1.007
The firm has channels for the customers to conduct self-service e.g placing an order, Making a booking	21	3.67	.913
The firm's services are available 24hrs and accessible from any location	21	3.62	1.117
The firm's service can be accessed via mobile device by customers e.g emails via smartphone, dials	21	3.62	1.161
Overall Mean		3.762	

Source: Researcher, (2016)

The respondents agreed to a great extent that the firms have realized increase in productivity due to the speed by which inputs flow through the system (4.14), the firms does things quickly in response to customer requests (4.10), the firms offers shorter lead times between customer order and service delivery (4.0), the firms have

installed PCs interconnected with a network, have a backup plan, employees have access to internet and emails and there is use of customer relations system (3.95), the firms have achieved speed, efficiency, flexibility and innovation of the employees through technology integration (3.71), the firms have channels for the customers to conduct self-service e.g placing an order, Making a booking (3.67), the firms' services are available 24hrs and accessible from any location (3.62), the firms' services can be accessed via mobile device by customers e.g emails via smartphone, dials (3.62).

To a great extent the tourism firms are applying service flexibility with an overall mean of (3.862). This corresponds with findings of Lorena et al (2009) service delivery speed strategy can lead to efficiency, speed, innovation and flexibility of employees and customers.

4.4 Relationship between e-service operations strategies and performance of tourism firms

Multiple Regressions was conducted to determine the relationship between e service operations strategies and performance. Each dependent variable (Market share, Profit before Tax, Equity, cash flows and Sales) was used to regress on the independent variable firm performance as shown using the model below.

$Y=q_0 +q1x1+q2x2+q3x3+q4x4$

Where: Y- is the dependent variable

q_0 -is the constant

q1 - effect adopting Quality enhancement strategy on dependent variable Y

q2 - effect of adopting cost reduction strategy on dependent variable Y

q3 - effect of adopting service flexibility on dependent variable Y

q4 – effect of adopting service delivery speed strategy on dependent variable Y

4.4.1 Dependent Variable Market share

A regression analysis was run to determine the association between e-service operations strategies and market share as a measure of performance. The results are as shown below

Table: 4.5: Regression analysis on Market share

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.097	.034		-2.890	.011
Quality Enhancement Strategy	.305	.199	.153	1.532	.045
Cost Reduction strategy	.446	.200	.333	2.230	.040
Service Flexibility Strategy	.484	.160	.387	3.034	.008
Service delivery Speed Strategy	.140	.114	.127	1.228	.237

Source: Researcher, (2016)

Y=-0.97+0.35x1+0.446x2+0.484x3+0.140x4

$Y=q_0 +q1x1+q2x2+q3x3+q4x4$

Where Y- is the dependent variable

q_0 -is the constant

q1 - effect adopting Quality enhancement strategy on dependent variable Y

q2 - effect of adopting cost reduction strategy on dependent variable Y

q3 - effect of adopting service flexibility on dependent variable Y

q4 – effect of adopting service delivery speed strategy on dependent variable Y

Holding all other factors constant, for every unit increase of quality enhancement strategy market share improves by 0.97%, for every unit increase in cost reduction strategy, market share improves by 0.35%, for every unit increase in service flexibility strategy implementation, market share increases by 0.484% and for every unit increase in service delivery speed strategy, market share increases by 0.14%.

It is also evident that there is a significant relationship between Market share and, Cost enhancement strategy and Service flexibility strategy as the $p=0.045<0.05$ and $p=0.040<0.05$ respectively. This may be attributed to the fact that Cost elimination and flexibility of service is key in creating competitive advantage. For the other variables, service delivery speed, quality enhancement strategy and performance (market share) the relationship cannot be supported as $p=0.237>0.05$ and $p=0.08>0.05$ respectively.

4.4.2 Dependent variable profit before tax

A regression analysis was run to determine the association between e-service operations strategies and Profitability as a measure of performance. The results are as shown below

Table 4.6: Regression analysis for dependent variable profit before tax

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.051	.276		-.184	.857
Quality Enhancement Strategy	.610	2.466	.031	.247	.808
Cost Reduction strategy	15.355	2.415	.923	6.358	.000
Service Flexibility Strategy	.543	.815	.041	.666	.515
Service delivery Speed Strategy	.052	.469	.005	.110	.914

Source: Researcher, (2016)

Y=-0.051+0.610x1+15.355x2+0.543x3+0.052x4

$Y=q_0 +q1x1+q2x2+q3x3+q4x4$

Where Y- is the dependent variable

q_0 -is the constant

q1 - effect adopting Quality enhancement strategy on dependent variable Y

q2 - effect of adopting cost reduction strategy on dependent variable Y

q3 - effect of adopting service flexibility on dependent variable Y

q4 – effect of adopting service delivery speed strategy on dependent variable Y

Holding all other factors constant, for every unit increase of quality enhancement strategy implementation profit before tax increases by Ksh. 0.610 million, for every

unit increase in cost reduction strategy implementation, profit before tax increases by Ksh. 15.355 million, for every unit increase in service flexibility strategy implementation, profit before tax increases by Ksh. 0.543 million and for every unit increase in service delivery speed strategy implementation, profit before tax increases by Ksh. 0.052 Million.

It is also clear that there is a significant relationship between profit before tax and Cost enhancement strategy as the $p=0.00<0.05$. This may be attributed to the fact that Cost elimination creating competitive advantage hence improves profitability. For the other variables, Quality enhancement strategy, service delivery speed and performance (profit before tax) the relationship cannot be supported as the $P=0.808>0.05$ and $P=0.515>0.05$, and $P=0.914>0.05$ respectively.

4.4.3 Dependent Variable Equity

A regression analysis was run to determine the association between e-service operations strategies and Equity as a measure of performance. The results are as shown below

Table 4.7: Regression analysis for dependent variable equity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.933	29.339		.134	.895
Quality Enhancement Strategy	26.676	262.154	.133	.102	.920
Cost Reduction strategy	193.554	256.785	1.151	.754	.049
Service Flexibility Strategy	-26.802	86.694	-.201	-.309	.761
Service delivery Speed Strategy	-9.617	49.915	-.086	-.193	.850

Source: Researcher, (2016)

Y=-3.933+26.675x1+193.554x2-26.802x3.9617x4

$Y=q_0$ +q1x1+q2x2+q3x3+q4x4

Where: Y- is the dependent variable

Q_0 -is the constant

q1 - effect adopting Quality enhancement strategy on dependent variable Y

q2 - effect of adopting cost reduction strategy on dependent variable Y

q3 - effect of adopting service flexibility on dependent variable Y

q4 – effect of adopting service delivery speed strategy on dependent variable Y

Holding all other factors constant, for every unit increase of quality enhancement strategy implementation equity increases by Ksh. 26.76 million, for every unit increase in cost reduction strategy implementation, equity increases by Ksh. 193.554 million, for every unit increase in service flexibility strategy implementation, profit before tax decreases by Ksh. 26.802 million and for every unit increase in service delivery speed strategy implementation, profit before tax decreases by Ksh. 9.617 Million.

It is also clear that there is a significant relationship between profit before tax and Cost enhancement strategy as the $p=0.00<0.049$. This may be attributed to the fact that Cost elimination creating competitive advantage hence improves both profitability and equity. For the other variables, Quality enhancement strategy, service delivery speed and performance (equity), the relationship cannot be supported as the $P=0.920>0.05$ and $P=0.761>0.05$, and $P=0.850>0.05$ respectively.

4.4.3 Dependent variable sales

A regression analysis was run to determine the association between e-service operations strategies and sales as a measure of performance. The results are as shown below

Table 4.8: Regression analysis for dependent variable sales

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	4.310	29.000		.149	.884
Quality Enhancement Strategy	-2.533	259.125	-.004	-.010	.992
Cost Reduction strategy	561.662	253.818	1.118	2.213	.042
Service Flexibility Strategy	-35.957	85.692	-.090	-.420	.680
Service delivery Speed Strategy	-8.136	49.339	-.024	-.165	.871

Source: Researcher, (2016)

Y=4.310-2.533x1+561.662x2-35.957x8.136x4

$Y=q_0 +q1x1+q2x2+q3x3+q4x4$

Where: Y- is the dependent variable

Q_0 -is the constant

q1 - effect adopting Quality enhancement strategy on dependent variable Y

q2 - effect of adopting cost reduction strategy on dependent variable Y

q3 - effect of adopting service flexibility on dependent variable Y

q4 – effect of adopting service delivery speed strategy on dependent variable Y

Holding all other factors constant, for every unit increase of quality enhancement strategy implementation sales decreases by Ksh. 2.533 million, for every unit increase in cost reduction strategy implementation, sales increases by Ksh. 561.662 million, for every unit increase in service flexibility strategy implementation, sales decreases by Ksh. 35.957 million and for every unit increase in service delivery speed strategy implementation, sales decreases by Ksh. 8.136 Million.

It is also clear that there is a significant relationship between sales and Cost enhancement strategy as the $p=0.00<0.049$. This may be attributed to the fact that Cost elimination creates competitive advantage hence increasing both sales and profitability. For the other variables, Quality enhancement strategy, service delivery speed and performance (sales), the relationship cannot be supported as the $P=0.920>0.05$, and $P=0.761>0.05$, and $P=0.850>0.05$ respectively.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter discuss the summary of findings for the two objectives, the conclusions, recommendations and suggestions for further research as far as this research is concerned.

5.2 Summary of findings

The study confirmed that tourism firms in Kenya had adopted the various e-service operations strategies with a mean of means of 3.697. It was also clear from the study that the 4 independent variables; quality enhancement strategy, Cost reduction strategy, service flexibility strategy and service delivery speed strategy impact organization performance; however, cost reduction strategy had the greatest impact.

All the dependent variables had a positive impact on Market share and profitability as a firm performance measure. On the other hand only quality enhancement strategy and cost reduction strategy had a positive impact on equity and sales. This can be attributed to the fact that cost minimization is core of the firms operations hence has a higher impact on the performance of any firm.

Through the analysis of the relationship between e service operations strategies and organization performance, it was demonstrated that the strategies directly influence organization performance. Therefore e service operations strategies are important to the firms.

5.3 Conclusions

The study concludes that most tourism firms in Nairobi, Kenya have adopted the various e-service operations strategies. The strategies have assisted the tourism firms to enhance the performance of their organizations. This is supported by the results from a regression analysis conducted that indicated that there is a strong relationship between e-service operations strategies and most of firm performance measures. The study has confirmed that e-service operations strategies are very significant in enhancing the performance of firms as today`s competition is moving from among organizations to the core of operations. More and more firms are adopting e-service operations strategies in order to reduce operational costs, enhance speed of service delivery, achieve service flexibility and offer great service quality hence great competitive advantage over the competition.

5.4 Recommendations

The study has confirmed that e-service operations strategies are significant in enhancing firm performance. All the tourism firms are encouraged to adopt e-service operations strategies as they enhance the competitive edge of the firms. Though cost minimization strategy is the strongest, the firm's decision on which e-service strategy to pursue depends on its core competency. The regression result also shows that there is tradeoff when the firms tries to achieve all the strategies, because different strategies have different impact on various performance measures.

5.5 Limitations of the Study

The research findings and application are limited to tourism firms in Kenya. They may not be applicable directly to other organizations operating outside the Kenyan

tourism industry. It is therefore important to note that they can only be used for comparative purposes and not any direct application in another industry or country.

Tourism firms mostly work under high level of confidentiality especially accessing some financial information regarding the variables under study. It was therefore difficult for some the firms to release data before signing a non dis closure agreement (NDA) and this took days for approval from the senior management.

5.6 Suggestion for further study

Since this research focused on e-service operations strategies, in future researchers should consider exploring on realigning the various e-service operations strategies. This is because most of the strategies as shown in the regression analysis appear to have a tradeoff hence having different impact on different firm performance measures. More in depth research also need to be done to establish whether the findings of this research were true.

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Appendix I: Introduction Letter

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DATE 18/10/2016

TO WHOM IT MAY CONCERN

The bearer of this letter CYRUS O. ONYIEGO

Registration No. D61/71043/2014

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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

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

Thank you.

RSITY OF NAIROBI
18 OCT 2016
P.O. Box 30197 - 00100, NAIROBI

PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

Appendix II: Research Questionnaire

The purpose of this questionnaire is to establish the link between e-service operations strategies and performance of tourism firms in Nairobi, Kenya. Kindly go through the questionnaire carefully and respond to each question as required. The information gathered will only be utilized for this research purposes.

SECTION I: DEMOGRAPHIC INFORMATION

(Instruction – Tick where appropriate)

1. Organization
   - ☐ Hotel
   - ☐ Tour Operator
   - ☐ Airline

2. Education Level
   - ☐ College
   - ☐ University
   - ☐ Postgraduate

3. Work Experience
   - ☐ Less than 5 years
   - ☐ 6-10 years
   - ☐ 11-20 years
   - ☐ 20 years and above

4. Department
   - ☐ Operations
   - ☐ Finance
   - ☐ Administration
   - ☐ Others

SECTION II: E-service Operations Strategies

5. To what extent has your firm implemented the following elements of Quality Enhancement Strategy? Please tick the appropriate box. (1=Very small extent, 2= small extent, 3= moderate extent 4= large extent 5=very large extent)

Quality Enhancement Strategy	Very small extent	Small extent	Moderate extent	Large extent	Very large extent
The firms meets or exceeds the customer expectations in its service operations	1	2	3	4	5
The firm conforms to customer specifications in its service operations	1	2	3	4	5
The firm takes into consideration customer evaluations and judgement in its service delivery systems	1	2	3	4	5
The firm considers attractiveness, ease of use, secure transactions, communication and personalization in its service delivery systems	1	2	3	4	5
The firm's technology integration meet or exceed customer expectations in terms of design, usability, trust and empathy	1	2	3	4	5
The firm's technology integration allow customers to conduct self-service e.g placing an order, in the service delivery	1	2	3	4	5
The firm has in place technology integration that creates a communication link with customers 24/7	1	2	3	4	5
The firm measures customer expectation before developing new service system	1	2	3	4	5
The firm tracks the performance of the service delivery system in place	1	2	3	4	5
The firm's technology integration that allow customers to interact with service system	1	2	3	4	5
The firm allow customers to deliver immediate feedback on the quality of the service system	1	2	3	4	5

6. To what extent has your firm implemented the following elements of Cost Reduction strategy? Please tick the appropriate box. (1=Very small extent, 2= small extent, 3= moderate extent 4= large extent 5=very large extent.)

Cost Reductions Strategy	Very small extent	Small extent	Moderate extent	Large extent	Very large extent
The firm is constantly reducing costs to enhance competence	1	2	3	4	5
The firm is using technology integration to reduce costs in its service operations	1	2	3	4	5
The firm's Technology integration has led competitive advantage in service operations	1	2	3	4	5
The firm's decision making is prioritized on minimizing costs and enhancing profit	1	2	3	4	5
The firm has technology integration that ensure all resources are used to their optimum capacity, updating facilities with recent and continuous employee training	1	2	3	4	5
The firm use IT in facility design and layout to optimize its service operations	1	2	3	4	5
The firm practice Lean service(waste elimination) in creating competitive advantage of its service operations	1	2	3	4	5
The firm analyze services value remove any steps that add no value in service operations	1	2	3	4	5
The firm's technology integration has increased speed and quality of passing information hence reduction of transaction costs and cost of information sharing in operations	1	2	3	4	5

7. To what degree has your firm implemented the following elements of Service flexibility strategy? Please tick the appropriate box. (1=Very small extent, 2= small extent, 3= moderate extent 4= large extent 5=very large extent)

Service Flexibility Strategy	Very small extent	Small extent	Moderate extent	Large extent	Very large extent
The firm responds or conforms to new situations in its service operations	1	2	3	4	5
The firm practice flexibility as one of the competitive priorities in its service operations	1	2	3	4	5
The firm consider flexibility in the decision making on technology adoption and implementation	1	2	3	4	5
The firm introduces new designs quickly into the service system, update capacity often, personalize services and manage any variation in delivery	1	2	3	4	5
The firm has improved timing and quantity of resource allocation through technology integration instead of employing more employees to perform a service	1	2	3	4	5
The firm has achieved new market opportunities for its service operations due to technology integration	1	2	3	4	5
The firm controls variability in volume, time and place dimensions through technology integration in service operations	1	2	3	4	5
The firm has designed a delivery system in which customers can perform a self service	1	2	3	4	5

8. To what degree has your firm implemented the following elements of Service delivery speed? Please tick the appropriate box. (1=Very small extent, 2= small extent, 3= moderate extent 4= large extent 5=very large extent)

Service delivery Speed	Very small extent	Small extent	Moderate extent	Large extent	Very large extent
The firm does things quickly in response to customer demands	1	2	3	4	5
The firm offers shorter lead times between customer order and service delivery	1	2	3	4	5
The firm has installed PCs interconnected with a network, has a backup plan, employees have access to internet and emails and there is use of customer relations system.	1	2	3	4	5
The firm has realized increase in productivity due to the speed by which inputs flow through the system	1	2	3	4	5
The firm has achieved speed, efficiency, flexibility and innovation of the employees through technology integration	1	2	3	4	5
The firm's services are available 24hrs and accessible from any location	1	2	3	4	5
The firm's service can be accessed via mobile device by customers e.g emails via smartphone, dials	1	2	3	4	5
The firm has channels for the customers to conduct self-service e.g placing an order, Making a booking	1	2	3	4	5
The firm offers speedy service to create competitive advantage in its service operations	1	2	3	4	5

SECTION C

Firm Performance

9. Kindly indicate the financial performance of your firm for the years 2011-2015

Financial Performance Measures	**Measure**	**2011**	**2012**	**2013**	**2014**	**2015**
Market share	%					
Profit before Tax	Ksh.					
Return on Assets	Ratio/%					
Equity	Ksh.					
Return on Equity	Ratio/%					
Cash flow	Ksh.					
Sales	Ksh.					

THANK YOU!

Appendix III: Tourism Firms in Nairobi, Kenya

Sector: Hotels and Restaurants (114)	
Eastland hotel	Meltonia Luxury Suites
Hotel Emerald	Boni House Bed & Breakfast
Ngong Hills Hotel	Nairobi Serena Hotel
Comfort Gardens	The Strand Hotel
KIVI MILIMANI HOTEL	Kenya Comfort Hotel Suites
PrideInn Hotel Lantana	Central Park Hotel
PrideInn Hotel Raphta	The Heron Portico
PrideInn Hotel Westlands	Panari Hotel
Nairobi Safari Club	Ambassadeur Hotel
Hennessis Hotel	Ndemi Place
Tribe Hotel	Best Western Premier Hotel
Hotel Green Garden	Hillpark Hotel Nairobi
The Boma Nairobi	Chester Hotel & Suites
Sarova Panafric	The Clarion Hotel
Sarova Stanley Hotel	Nanchang Hotel
Milele Hotel	Nairobi Tented Camp
Pearl Palace Hotel	Mash Park Hotel
SUNSTAR HOTEL	Sandton Palace Hotel
Hemingways Nairobi	Clarence Hotel and Apartments
The Luke-Roasters-Hotel	Sunrise Hotel
Utalii Hotel	Tara Suites
Marble Arch Hotel	Grand Royal Hotel
Nomad Palace Hotel	LAICO Regency Hotel
Maanzoni Lodge	Ole Sereni Hotel
Sentrim 680 Hotel	Wasini All Suites Hotel
Oakwood Hotel	DusitD2 Nairobi
Hotel La Mada	Hadassah Hotel
Sentrim Boulevard Hotel	Kiota Guest House
Tropical Towers	The Emakoko
Progressive Park Hotel	Hotel Rio
Cloud Hotel & Suites	Nairobi Upperhill Hotel
Jacaranda Hotel	The Monarch Hotel
Gracia Gardens	The Bedelle
Sportsview Hotel – Kasarani	Salonika Villas
Bidwood Suites	Sankara Nairobi
Hotel Royal Orchid Azure, Nairobi	Windsor Golf Hotel And Country Club
Norfolk Towers Apartments	Qaribu Inn
La Maison Royale Hotel	Palacina Hotel
Villa Rosa Kempinski	Amber Hotel
Meridian Hotel	Golden Tulip Hotel Westlands
The White Resort	Space International Hotel
Emeli Hotel	Wida Resort

The Zehneria Portico	The Concord Hotel & Suites
Yaya Hotel and Apartments	Tune Hotel - Nairobi
Fairmont The Norfolk	West Wood Hotel
Eron Hotel	After 40 Hotel
Mimosa Court Apartments	Eka Hotel Nairobi
Homestays Nairobi	Mayfair Hotel and Suites
WestEnd Hotel	Hilton Hotel Nairobi
Saab Royale Hotel	Crown Plaza Hotel
Flora Place	Intercontinental Hotel
Methodist Guest House and Conference	Safari Park Hotel Nairobi
Hurligham State of The Art	Hotel Kipepeo
Radisson Blu Hotel Nairobi Upperhill	Kahama Hotel Nairobi
Lotos Inn & Suites	67 Airport Hotel
Wuduria Hotel	Nairobi Transit Hotel
Dreamplace Bed and Breakfast	Red Ruby Hotel
Tamarind Restaurant	The Carnvore Restaurant
The Talisman	Ocean Basket
Fogo Gaucho	Habesha
Tamambo	Tatu Restaurant
Open House	Brew Bistro
Haandi Restaurant	Marula Mercantile
Hashmin's Restaurant	45 degrees Kitchen
Java House	Art Café
Village Market	360 degrees
Sector: Transport (25)	
Air France	Korean Air
American Airlines	Lufthansa
British Airways	Precision Air
Brussels Airlines	Qantas
DAC Aviation	Qatar Airways
Emirates	South African Airways
Ethiopian Airlines	SWISS
Etihad Airways	Turkish Airlines
Fly540	United Airlines
Iberia	Fast Jet
Kenya Airways	Air Kenya
KLM	Safarilink
Asiana Airlines	
Sector: Tour Operators (302)	
Absolute Adventure Africa Safaris Limited	Baisy Oryx Tours Travel & Safaris
Acacia Holidays Ltd	Balloon Safaris Ltd
Adventure African Jungle Ltd	Bellafric Expeditions Ltd.
Africa Bound Safaris (K) Ltd	Bestway Holidays Ltd
Africa Calling Safaris Ltd	Beyond Safari Consultants Ltd
Africa Celebrity Tours & Travel Ltd	Big Five Tours & Safaris Ltd

Africa Viza Travel Services Ltd	Brisma World Tours and Travel
African Dew Tours & Travel Ltd	Buena Vista Tours & Safaris
African Eco-Safaris	Bunson Travel Service Ltd
African Grand Expeditions Ltd	Bush and Beyond Ltd
African Home Adventure Ltd	BushBlazers Tours Travel & Safaris Ltd
African Horizons Travel & Safaris Ltd	Bushbuck Adventures Ltd
African Latitude (Kenya) Ltd	Call of Africa Safaris
African Quest Safaris Ltd	Camp Kenya Ltd
African Road Safaris	Campofrio Safaris Ltd
African Safari Destinations Ltd	Catalyst Travels Ltd
African Sermon Safaris	Centurion Travel & Tours Ltd
African Spice Safaris	Chameleon Tours
Afriqueen Adventure Ltd	Charleston Travel Ltd
All Seasons Safaris and Tours	Cheli & Peacock Ltd
All Time Safaris Ltd	CKC Tours & Travel
Allamanda Safaris	Classic Safaris
Aloha Tours & Safaris	Concorde Car Hire & Safaris Ltd
Anste Tours & Travel Limited	Cosmic Safaris Ltd
Aramati Safaris	Cottars Safaris Services Ltd
Archers Tours & Travel Ltd.	Cotts Travel & Tours Ltd
As You Like It (Safaris) Ltd	Crown Tours & Car Hire Ltd.
Asili Adventure Safaris	Designer Tours & Travel
Domino Di Doriano	Good Hope Travel & Tours Ltd
Dream Kenya Safaris	Hallmark Travel Planners
Duma Africa Treks & Safaris	Helinas Safaris Ltd
East Africa Adventures Tours & Safaris	Holiday Bazaar Ltd
East African Eagle (K) ltd	Holidee in Africa Consulting Ltd
East African Shuttles & Safaris	Hotel Adventure Travel Ltd
East African Wildlife Safaris	Ideal Tours & Travel
Eastern and Southern Safaris	Impact Adventure Travel
Eastern Vacations Tours Ltd	Imperial Air Services
Easy Go Safaris Ltd	Incentive Travel Ltd
Eco Adventures Limited	Inclusive Holidays Africa
El Molo Tours & Travel	IntoAfrica Eco-Travel Ltd
Elite Travel Services Ltd	Jade Sea Journeys Ltd
Enchanting Africa Ltd	Jambo Travel House Limited
Essenia Safari Experts Ltd	Jawamu Tours & Safaris
Exclusive African Treasures	JMAR Safaris Ltd
Expedition Kenya Safaris	Jocky Tours & Safaris
Explorer Kenya Tours & Travel	Jungle Beach Safaris Ltd
Express Travel Group	K.P.S.G.A
Eyes on Africa Adventure Safaris Ltd	Karisia Limited
Fairways Solutions Tours & Travel Ltd	Kenan Travel & Tours
Farid Kings Tours & Safaris	Kenia Tours & Safaris
Favour Tours & Safaris	Kenor Safaris Ltd
Fidex Car Hire Ltd	Kent Tours & Travel Ltd

Flight & Safaris International Ltd	Kentan Safaris Ltd.
Flying Dove Tours & Travel Ltd	Kenya Expresso Tours & Safaris
Fountain Safaris (K) Ltd	Kenya Utalii College
Four by Four Safaris Ltd	Ker & Downey Safaris Ltd
Gametrackers (K) Ltd	Kibo Slopes & Safaris Ltd
Gamewatchers Safaris Ltd	Kimbla Mantana (K) Ltd
GAT Safaris	Kisima Tours & Safaris
Glory Car Hire Tours & Safaris Ltd.	Kobo Safaris Ltd
Kosen Safaris Africa Ltd	Phoenix Safaris (K) Ltd
Kudu Travels Ltd	Preps International Group Ltd.
Kuja Safaris	Prima Vera Tours & Safaris
Leboo Safari Tours Ltd	Private Safaris (EA) Ltd
Let's Go Travel	Raptim Humanitarian Travel
Liberty Africa Safaris	Rasabi Safaris Ltd
Linderberg Holidays & Safaris	Real Africa LTD
Location Africa Films Ltd	Reny Safaris Ltd
Lowis & Leakey Ltd	Rhino Safaris Ltd
Luca Safari Ltd.	Rickshaw Travels (Kenya) Ltd
Magical Skies Ltd	Right Choice Tours & Safaris
Magical Spots Tours	Riuki Cultural Centre
Maniago Safaris Ltd	Robin Hurt Safaris Ltd
Mara Gates Safaris Ltd	Rollard Tours & Car Rental Ltd
Marble Travel	Safari Mania Ltd
Maridadi Safaris Ltd	Safari Trails Limited
Nature Expeditions Africa	Sentinel Safaris Ltd
Natures Wonderland Safaris	Serene East Africa Safaris Ltd
New African Territories	Shades of Africa Tours & Safaris
New Kenya Travel And Tours Safaris Ltd	Shanzu Kenya Super Safaris
OffBeat Safaris Ltd	Sher Safari Services Ltd.
Pal - Davis Adventures Kenya	Silverbird Travel Plus Ltd
Panorama Car Hire & Tours Ltd	Skyview Of Africa ltd
Papa Musili Safaris LTD	Soin Africa Safaris
PEAK East Africa Ltd	Somak Travel Ltd
Penfam Tours & Travel	Southern Cross Safaris Limited
Star Travel & Tours Ltd	Tripple Tours & Travel Ltd
Steenbok Safaris & Car Hire	Twiga Car Hire & Tours Ltd
Steps Adventures Ltd	Ulf Aschan Safaris Ltd
Sunworld Safaris Ltd	Uniglobe Northline Travel Ltd
The Safari Collection Ltd	Wild Vision Adventures Ltd
The Safari Company Management Ltd	Wild Waters Ltd
The Scott Travel Group Ltd	Wildebeest Travels ltd
Wildlife Safari (K) Ltd	Zaira Tours & Travel Co. Ltd
Wildlife Sun Safaris	Zakale Expeditions Ltd

Source: Ministry of Tourism, (2015) and Kenya Association of Tour Operators, (2015)