

COMPETITIVE STRATEGIES ADOPTED BY TRAVEL
AGENTS IN KENYA //

BY

William KIPRONO MIBEI

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A Management Research Project Submitted In Partial Fulfillment of
the Requirements of the Master of Business Administration (MBA)
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DECLARATION

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

NAME: William KIPRONO MIBEI

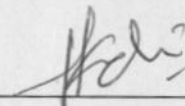
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This research project has been submitted for examinations with my approval as university supervisor

Signature



SUPERVISOR: FLORENCE MUINDI
LECTURER
SCHOOL OF BUSINESS

DEDICATION

To my dear wife Susan and sons Walter, Brian and Victor for their moral and emotional support and encouragement through out this study and the whole period I was at the university. May this be an inspiration to you to strive for greater heights academically and socially.

I also thank the staff for their editorial and proof reading support.

I thank all the classmates for the synergy, editorial and data collection support.

Thank you all and may God reward and shine on you always.

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I acknowledge my supervisor for all her support, guidance, encouragement and patience as I went through this difficult task. You gave me a chance.

I also acknowledge all the lecturers undertaking MBA classes for equipping me with the knowledge that was necessary in fulfilling this task.

I also thank the Air Malawi staff for their editorial and proof reading support.

I thank all the classmates for the synergy, editorial and data collection support.

Thank you all and may God reward and shine on you always.

LIST OF ABBREVIATIONS

KATA- Kenya Association of Travel Agents

BSP- Bank Settlement Plan

IATA- International Air Transport Association

SWOT- Strengths Weaknesses opportunities and Threats

CSF- Critical Success Factors

SPSS- Statistical Package for Social sciences

ABSTRACT

This study sought to determine the competitive strategies adopted by travel agents in Kenya and to establish the challenges faced by travel agents in initiating competitive advantages and applying strategies so formulated. The study will aid management in their steps towards developing competitive advantages and pursuing market leadership.IV

The study has reviewed literature on competitive strategies and strategic management. In addition, the literature review has also explored Porter's model in relating the five forces of competition to the travel agents industry. The study was conducted using a cross sectional survey design. The design is appropriate when the study is largely descriptive and proposes to use sample statistics in making generalizations about population parameters.

The population of interest is all the IATA approved travel agents in Kenya. Simple random sampling method will be used. The main instrument in Data collection was through semi structured questionnaires targeting senior managers in each travel agency such as Chief Executives, General Managers and Marketing managers. Data collected was analyzed based on primary statistics using SPSS Package.I

1.1 Research objectives II

The study found out that the travel agencies use strategies such as engaging highly skilled staff, automation of business processes, intensive staff training, advertisements and publicity and offering wide range of services. The findings of this study have important implications to the management of travel agencies as well as the researcher and academics. III

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1-1.1 Competitive Strategy

Porter (1998) described competitive strategy as "the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs" and further explains that "Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition." This involves identifying sources of competition in the ever changing environment then developing strategies that match organizational capabilities to the changes in the environment. According to Porter (1998), "competitive strategy is about being different". This means deliberately performing activities differently and in better ways than competitors.

Competitive strategy consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson & Strickland, 2002). It concerns what a firm is doing in order to gain a sustainable competitive advantage. Porter (1990) outlined the three approaches to competitive strategy these being: Firstly to be the overall low cost producer, i.e. low cost leadership strategy, secondly Seeking to differentiate one's product offering from that of its rivals, i.e. differentiation strategy and lastly Focus on a narrow portion of the market, i.e. focus or niche strategy.

Frank (1970) argued that competitive strategy enables a firm to define its business today and tomorrow, and determine the industries or markets to compete. Grant (2000) suggested that the intensity of competition in an industry determines its profit potential and competitive attractiveness. Competitive strategy will assist a firm in responding to the competitive forces

CHAPTER ONE: INTRODUCTION

1.1 Background

1.1.1 Competitive Strategy

Porter (1998) described competitive strategy as "the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs" and further explains that "Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition." This involves identifying sources of competition in the ever changing environment then developing strategies that match organizational capabilities to the changes in the environment. According to Porter (1998), "competitive strategy is about being different". This means deliberately performing activities differently and in better ways than competitors.

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1.1.2 Competitive Advantage

Frank (1970) argued that competitive strategy enables a firm to define its business today and tomorrow, and determine the industries or markets to compete. Grant (2000) suggested that the intensity of competition in an industry determines its profit potential and competitive attractiveness. Competitive strategy will assist a firm in responding to the competitive forces

in these industries or markets (from suppliers, rivals, new entrants, substitute products, customers).

The idea of a sustainable competitive advantage surfaced in 1984 when Day Owiye (1999) argued that competitive strategies will be vital to a firm while developing its fundamental approach to attaining competitive advantage (low price, differentiation, niche), the size or market position it plans to achieve, and its focus and method for growth (sales or profit margins, internally or by acquisition)

Porter in his discussion. Barney (1991) came the closest to a formal definition

Porter (1980, 1985) argued that superior performance can be achieved in a competitive industry through the pursuit of a generic strategy, which he defines as the development of an overall cost leadership, differentiation, or focus approach to industry competition. If a firm does not pursue one of these strategy types, it will be stuck-in-the-middle and will experience lower performance when compared to firms that pursue a generic strategy (Porter, 1980). Today Porter argues that the strategy is about selecting the set of activities in which an organization will excel to create a sustainable difference in the market place.

Grabel and Hamel (1990) defined a core competence as an area of

Day and Wensley (1988) focused on two categorical sources involved in creating a competitive strategy; superior skills and superior resources. Other authors have elaborated on the specific skills and resources that can contribute to a design of competitive strategies. For example, Barney (1991) stated that not all firm resources hold the potential of sustainable competitive advantage. Instead, they must possess four attributes: rareness, value, inability to be imitated, and inability to be substituted.

Grant and Morgan (1995) proposed that potential resources can be most

1.1.2 Competitive Advantage

Sources of competitive advantage include high quality products, superior customer service and achieving lower costs than rivals. To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will perceive as superior value. This entails either a good quality product at a low price, or a better quality product that is worth paying more

for. In this manner, firms can focus on collectively learning how to coordinate all employees' efforts in order to facilitate growth of specific core competencies.

The idea of a sustainable competitive advantage surfaced in 1984 when Day suggested types of strategies that may help to "sustain the competitive advantage." The actual term "sustainable competitive advantage" emerged in 1985 when Porter discussed the basic types of competitive strategies firms can possess (low-cost or differentiation) to achieve sustainable competitive advantage. Interestingly no formal conceptual definition was presented by Porter in his discussion. Barney (1991) came the closest to a formal definition by offering the following: "A firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. A sustainable competitive advantage is the prolonged benefit of implementing some unique value-creating strategy not simultaneously being implemented by any current or potential competitors along with the inability to duplicate the benefits of this strategy.

Prahalad and Hamel (1990) defined a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. They further explain that a core competence has three characteristics. First, it provides access to a wide variety of markets, secondly, it increases perceived customer benefits and lastly, it is hard for competitors to imitate. The core competencies provide a base on which firms are able to achieve competitive advantage.

Hunt and Morgan (1995) proposed that potential resources can be most usefully categorized as financial, physical, legal, human, organizational, informational, and relational. Prahalad and Hamel (1990) suggested that firms combine their resources and skills into core competencies loosely defined as that which a firm does distinctively well in relation to competitors. Therefore, firms may succeed in establishing a sustainable competitive advantage by combining skills and resources in unique and enduring ways. By combining

resources in this manner, firms can focus on collectively learning how to coordinate all employees' efforts in order to facilitate growth of specific core competencies. A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson & Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield long term benefit to the company.

Porter (1980) hypothesized why some nations were more competitive than others. As well as being able to successfully manoeuvre through the environment, he identified that the foundation of success lay in the "diamond" of "home" advantage. To successfully launch an international challenge he identified four "home" prerequisites. These are: the maximum use of endowed resources (natural and human), the forming of domestic networks to fully exploit these resources, domestic demand, and finally, an industry and environmental structure in order that these forces can thrive. In Porter's analysis, industry competitors can be threatened by new or potential entrants and substitutes. In systems, barriers to new entrants can exist, as well as barriers to international competitiveness; these barriers can be related to technical characteristics of commodities, perishability, bulkiness, production characteristics, economies of scale, and laws, rules and standards.

Bharadwaj (1993) suggested that a competitive advantage can be developed from particular resources and capabilities that the firm possesses that are not available to competitors. The transformation of available skills and resources into a strategic position can only take place under conditions that provide a customer benefit and normally requires the transformation of multiple competitive methods. The ability to implant a cost leadership, differentiation, or focus strategy is dependent on a firm's ability to develop a specific set of competitive methods. This becomes the basis for the achievement of above average industry performance.

1.1.3 Travel agents in Kenya

The travel industry is one of the largest and expanding industries in the world. This is mainly because of an increase in the interaction between

different countries and the development of commerce and investments across borders. High degree of social and cultural bonding between people in different nations and increase in prosperity and financial freedom globally also contribute to the development of the travel industry (KATA newsletter 2006).

Travelers require different products and services which are provided by different firms. Each traveler's requirements are determined by the purpose of the journey and other desires the traveler has. Accommodation, food and beverages and transportation are some of the necessary components that constitute a journey.

The travel industry is a term that describes the industry where much of its production is intended for the satisfaction of travelers. These industries include Hotels, Camps and Lounges for accommodation, Restaurants, bars canteens and catering for service. Buses, taxis, airplanes, ferries, cruise for transport and Tour operators, car rental agents and Travel agents for arrangements.

A travel agency is defined as "a business that sells travel related products and services, particularly package tours, to end- user customers on behalf of third party travel suppliers such as airlines, hotels, tour companies and cruise lines"(Renshaw, 1997). There are one hundred and thirty IATA approved travel agencies in Kenya. The travel agencies play a significant role in the refinement and distribution in the travel industry. Their role is primarily to offer travel services to customers on behalf of the suppliers or principals, mainly the airlines. By providing these services, the travel agent is rewarded with commissions by the airlines. Commissions for travel agents in Kenya have for a long period of time been at the rate of 9% of the ticket selling price. This trend has however for the last 10 years been changing with airlines now offering between 4% and 9% with one airline currently offering 1%. There is a move towards zero rate commission leading travel agents to charge their customers a management fee for services rendered.

The principals, i.e. the airlines expect the travel agents to choose a location that can ensure ready availability of the airlines' products and services in the market place. The travel agents have access to the airlines ticket stock through the reservation system. Instant availability allows travel agents to share the booking process with the customers, reinforcing the buying decision. The travel agents take on the role of travel consultants and give the public impartial travel advice while generating business in the local market. Travel agents in Kenya handle 70 – 80% of the air travel journeys (BSP statistics 2006).

Information Technology has brought challenges to the travel agents in Kenya. The emergence of internet has made it possible for customers to make own bookings and pay with a credit card directly to the airline. This reduces the role of travel agents in making travel arrangements for their customers. A good percentage of airline customers also make direct sales further reducing travel agents clientele and commissions to be earned.

The reduction of commissions by airlines, internet access by the general public and e-ticket, and direct sales reduce travel agents profit margins. This leads to stiff competition by travel agents in order to survive in the turbulent environment. To ensure survival and success, travel agents need to develop strategic capability to manage threats and exploit emerging opportunities. This calls for formulation of strategies that match strategic capabilities to environmental requirements.

1.2 Statement of the Problem

Travel agents in Kenya play a significant role in economic development. Their major contribution is the development of air travel and tourism in the country. Tourism is a major foreign exchange earner for the country. Travel agents also provide direct employment to many Kenyans and contribute to the exchequer. Liberalization in the tourism sector has made competition amongst

travel agents stiffer. Each travel agent faces competition from other travel agents as each aims to garner a sizeable market share. This calls for strong product and service offerings. For example, the association of Bunson travel with major international travel organizers like Wagonlit gives the agency an international outlook and perceived superior quality service. This puts other travel agents at some competitive disadvantage.

In order to survive in the competitive environment, it becomes necessary for the threatened travel agents to be aggressive in their search and development of strategies that provide competitive advantage as they step up defensive strategies to protect their competitive advantages held. The stiff competition among the travel agents and the entry of other players into the industry necessitate the design of competitive strategies to guarantee their performance. Successful strategies lead to superior performance and sustainable competitive advantage. The ability of a travel agent to command a competitive advantage depends on the sustainability of the competitive advantages that it commands.

A number of studies have been done on competitive strategies but under different contexts. Murage (2001) analyzed the competitive strategies in the petroleum industry and found that service stations use differentiation as a method of obtaining competitive advantage over other service stations. The companies that deal with petroleum products establish branded service stations and are only supplied by the firm's tankers.

Gathoga (2001) focused on competitive strategies by commercial banks in Kenya. The study revealed that banks in Kenya use various means in order to remain competitive, he also concluded that expansion into other areas by opening new branches has also, been used as a strategy.

Omondi (2006) carried out a study on competitive strategies adopted by airlines in Kenya and found that airlines sought to add value to their products through differentiated customer service. This included providing free

accommodation and allowances to passengers who missed their connections and use of customer loyalty programmes for frequent travelers. Security guarantee and recognition of customers by offering special discounts and gifts are some of the strategies adopted by the airlines.

The study will act as a guide to managers of firms in their steps towards
These studies reveal that firms in different industries adopt different competitive strategies which are unique in each context. No study has been done on competitive strategies adopted by travel agents. There is a need therefore to formulate a study among the IATA approved travel agents in Kenya specifically to understand the nature of competition amongst travel agents, what competitive strategies the travel agents employ, and what factors influence choice of such strategies.

1.3 Research questions

- 1) What are the competitive strategies adopted by travel agents in Kenya?
- 2) What challenges do travel agents face in initiating competitive advantage and applying strategies formulated?
- 3) What are the factors that influence the choice of competitive strategies?

1.4 Research objectives

The study objectives will be as follows:

1. To determine the competitive strategies adopted by Travel agents in Kenya.
2. To determine challenges faced by travel agents in initiating competitive advantage and applying strategies so formulated?
3. To determine the factors that influence the choice of such strategies

CHAPTER TWO: LITERATURE REVIEW

1.5 Importance of the Study

2.1 Strategy and Environment

To management

The study will act as a guide to managers of firms in their steps towards developing competitive advantages and pursuing market leadership in the industry. The study will also be a reference material to such managers.

To researchers and academicians

It will be a reference material for future researchers and academicians. The study will also highlight other important areas that need relational studies; these may include relationship between performance and strategic commitment.

CHAPTER TWO: LITERATURE REVIEW

2.1 Strategy and Environment

A strategy is a long term plan of action designed to achieve a particular goal, most often "winning" (Thompson et al, 2007). Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated and often practically rehearsed. No business exists in a vacuum. It is no doubt being constantly subjected to the forces of change whether they are economic, competitive, environmental, or political. Very few of us can escape change - it is all around us. All organizations regardless of size are environment dependent. They depend on their external environment for their inputs and ultimately their outputs. Ansoff (1987) notes that the environment is constantly changing. In such an environment, organizations have to constantly adapt their operations and internal configurations to reflect the new external realities.

As the external environment changes, organizations find themselves in unfamiliar environment and have to respond by integrating change and internalizing the ability to adapt to the new environment for survival and growth. According to Hill and Jones (1999), Organizations respond to turbulence in the environment by formulating new strategies. These provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment. Pearce and Robinson (1997) argued that organizations have to respond to the turbulence by crafting new strategies that they define as a large- scale future -oriented plans for interacting with the environment.

The study of strategic management therefore emphasizes on monitoring and evaluation of external opportunities and threats in light of a corporation's strengths and weaknesses. This statement emphasizes that the environment is constantly changing and so it is imperative that an organization has to constantly adapt its activities to reflect the new environmental requirements.

Having a strategy enables you to ensure that the day-to-day decisions fit in with the long-term interest of an organization. Without a strategy, decisions made today would have a negative impact on future results (Thompson, 1993).

The major task of managers is to ensure survival of the companies they manage. In order to achieve success, the companies have to adequately adjust to meet environmental challenges. Failure to do this will cause the companies to experience a big strategic problem. Therefore strategy is a tool which offers significant help that enable the firm cope with turbulent environment facing the firm (Johnson and Scholes, 2002). This problem arises out of the mismatch between the output of the company and the demand in the market place. Strategy is useful in helping managers tackle the potential problems that face their companies (Aosa 1998). Strategy is the tool which offers help for coping with the turbulence confronted by the business firms. Strategy requires to be taken seriously as a managerial tool not only for the firm but also for a broad spectrum of social organization (Ansoff and McDonnell, 1990).

2.2 Strategic management

From the concept of strategy comes the aspect of strategic management which can be defined as a set of decisions and actions resulting in the formulation and implementation of strategies designed to achieve the objectives of an organization (Pearce and Robinson, 1999). It involves the management of the strategies in order that they may deliver the intended results. Thus the formulation and implementation of strategies for the organization are core management functions and top management must be involved. Strategy formulation is however an intricate task for the organization's top management who must be involved.

Strategic management also relates to decisions that relate the organization to its environment, guide internal activities and determine organizational long-

term performance David, (1989). Drucker (1974) says that the prime task of strategic management is thinking through the overall mission of business. That is asking the question "What is our business?" This leads to the setting of objectives, development of strategies and making of today's decisions for tomorrow's results. Managers have been faced with the need to adapt increasingly complex organizations to rapidly changing environments. Strategic management helps organizations cope with the turbulence in the environment. It is too important for any organization to ignore.

2.3 Competitive Strategies and competitive advantage

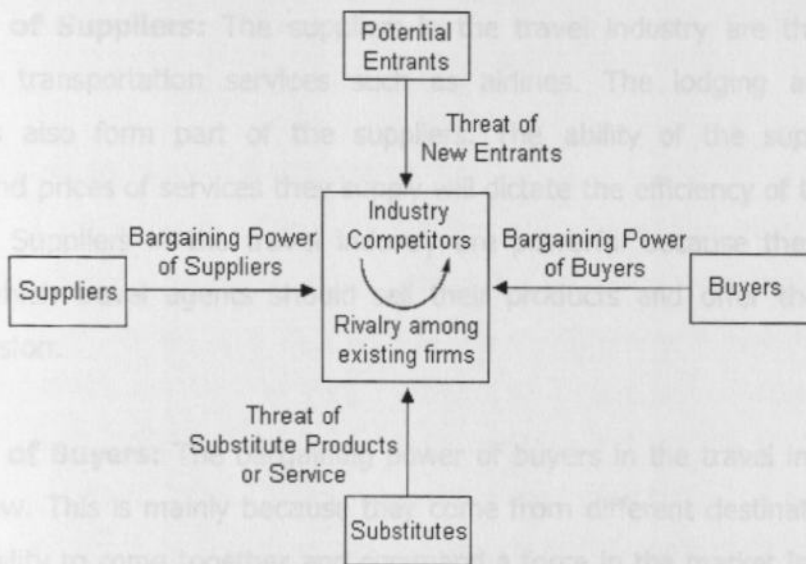
Competitive strategy consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson & Strickland, 2002). A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson & Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield long term benefit to the company. Prahalad and Hamel (1990) define a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. They further explain that a core competence has three characteristics .First; it provides access to a wide variety of markets. Secondly, it increases perceived customer benefits and lastly, it is hard for competitors to imitate. Sources of competitive advantage include high quality products, superior customer service and achieving lower costs than its rivals. To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will perceive as superior value. This entails either a good quality product at a low price or a better quality product that is worth paying more for.

Competitive strategy concerns what a firm is doing in order to gain a sustainable competitive advantage. Porter (1980) outlines the three approaches to competitive strategy these being ; Striving to be the overall low cost producer, i.e. low cost leadership strategy, secondly, Seeking to

differentiate one's product offering from that of its rivals, i.e. differentiation strategy and lastly ,focus on a narrow portion of the market, i.e. focus or niche strategy . The study is based on the competitive strategies being used to cope with the stiff competition.

Competitive strategies adopted by a firm should result in a competitive advantage. Porter (1998) argues that there are three generic competitive strategies which firms can employ. These are cost leadership, differentiation and focus. This generalization was applied in US firms and can be applied amongst travel agents in Kenya. Owiye (1999) however, argues that findings of studies carried out in one culture could not be assumed to apply to other cultures unless that was supported by research. The environment, i.e. cultural context, in USA is very different from that of Kenya.

Porter's Five Force model



Source Porter, 1980

The diagram above shows Porter's five force this will be used to show how the travel agencies are facing the competition from different sources.

Threat of New Entrants: At a glance, one might think that the travel

industry is pretty dormant. There are many non-IATA approved travel agencies operating in the market. These travel agencies are granted approval once they meet the IATA required conditions while some choose to operate outside the IATA conditions. Switching costs in the industry are low making the threat of entry high. Most of the travel agencies have diversified into related industries such as tours. This makes the travel industry attractive for new entrants because they are able to diversify at low cost.

There is also need to consider whether or not there are substantial costs to access bank loans and credit. If borrowing is cheap, then the likelihood of more travel agencies entering the industry is higher. The more new travel agents enter the market, the more saturated it becomes for everyone. Brand name and loyalty programmes play a role in the travel industry. A company with a strong brand name and incentives can win more customers even if their prices are higher.

Power of Suppliers: The suppliers in the travel industry are those who provide transportation services such as airlines. The lodging and hotel services also form part of the suppliers. The ability of the suppliers to command prices of services they supply will dictate the efficiency of the travel agents. Suppliers in the travel industry are powerful because they dictate rates which travel agents should sell their products and offer the agents commission.

Power of Buyers: The bargaining power of buyers in the travel industry is quite low. This is mainly because they come from different destinations and their ability to come together and command a force in the market is difficult. In Kenya for example, the tourists come from diverse locations such as the United States, the United Kingdom and also the Asian countries. Their travel needs from Kenya to various destinations are usually at the rate set by suppliers in the country. Tourists tend to visit destinations that are cheaper and avoid those that are expensive. It is upon the suppliers to offer competitive rates in order to attract the tourists rather than the tourists

lobbying for lower rates.

Availability of Substitutes: Substitutes of services provided by the travel agents are provided by non IATA approved agents who usually transact on cash basis and are offered low commission rates by suppliers. Suppliers themselves are also able to provide travel arrangements to their customers. The introduction of internet has also provided customers with the opportunity of making their own travel arrangements. The non IATA approved agents, the principals and the internet are substitutes to the IATA approved travel agents' services. Use of substitutes in the travel industry is determined by availability of time, loyalty program rewards, personal preference, and convenience.

Competitive Rivalry: Highly competitive industries generally earn low returns because the cost of competition is high. This can spell disaster when times get tough in the economy. In the travel agency industry, there is high competition because of the high number of travel agents participating in the industry and the low growth of the market. A high number of players are competing for a portion of the market share.

2.4 Business -Level Strategies

Business level strategy differs from corporate strategy in that whereas corporate strategy involves decisions about the entire organization, strategic decision under the business units are basically concerned with how customers' or clients' needs can best be met. According to Johnson and Scholes (2002) "Business unit strategy is about how to compete successfully in particular markets". Hill and Jones (1999), states that strategic choice is a process of choosing among the alternatives generated by a SWOT analysis. The strategic alternatives generated can encompass business level, function level and global strategy. According to Thompson and Strickland (2001), Business-level responses refers to plans of action the strategy manager adapt for using a company's resources and distinctive competences to gain a competitive advantage over it's rivals in the market or industry. Companies therefore pursue a business level strategy to gain a competitive advantage that allows

them to out perform rivals and achieve above average returns.

2.4.1 Focus strategy

According to Hill and Jones (1999), focus strategy concentrates on serving particular market niche which can be defined geographically by type of customer or by segment of the product line. It is directed towards serving the needs of a limited customer group or a segment hence the company is specialized in some way. A focus strategy provides an opportunity for an entrepreneur to find and then exploit the gap in the market by developing an innovative product that a customer cannot do without. The company has enormous opportunity to develop its own niche and compete against low-cost and differentiated enterprises which tend to be larger.

2.4.2 Cost-leadership Strategy

A company's goal in pursuing a cost leadership strategy is to out perform competitors by doing everything it can to produce goods or services at a cost lower than theirs. The cost leader chooses a low level of product differentiation. The cost leader chooses low level of product differentiation. The cost leader aims at a level of differentiation not markedly inferior to that of differentiator but maintain a level obtainable at low cost. (Hill and Jones, 1999)

2.4.3 Differentiation Strategy.

The objective of differentiation strategy is to achieve a competitive advantage by creating a product (goods and services) that is perceived by customers to be unique in some important way. The strategy seeks to provide products and services that offer benefits which are different from those of competitors and are valued by most buyers. Competitive advantage would be achieved by offering the valued products or services at same price or at a slightly higher price. The differentiated company's ability to satisfy a customer's need in a

way that the competitors cannot match means that it can charge a premium price (Johnson and Scholes, 2002).

2.4.4 Cost-Leadership and Differentiation

Recent changes in production techniques particularly development of flexible manufacturing technologies have made the choice between cost leadership and differentiation strategies less clear-cut. With technological development, companies can now easily obtain the benefits of both strategies as the new flexible technologies allow firms to pursue a differentiation strategy at a low cost since the two strategies can be combined. A company can also reduce both production and marketing costs if it limits the number of models in the product line by offering packages of option rather than letting the consumer decide exactly what options they require. Just-in-time inventory system too can help reduce cost as well as improve on the quality and reliability of a company's products (Hill and Jones, 1999).

2.4.5 Niche strategies

Here the organization focuses its effort on one particular segment and becomes well known for providing products/services within the segment. They form a competitive advantage for this niche market and either succeeds by being a low cost producer or differentiator within that particular segment. Examples include Roll Royce and Bentley. With both of these strategies the organization can also focus by offering particular segments a differentiated product/service or a low cost product/service. The key is that the product or service is focused on a particular segment.

2.4.6 A Combination of Generic Strategies

These generic strategies are not necessarily compatible with one another. If a firm attempts to achieve an advantage on all fronts, it may achieve no advantage at all. For example, if a firm differentiates itself by supplying very

high quality products, it risks undermining that quality if it seeks to become a cost leader. Even if the quality did not suffer, the firm would risk projecting a confusing image. For this reason, Michael Porter argued that to be successful over the long-term, a firm must select only one of these three generic strategies.

Otherwise, with more than one single generic strategy the firm will be "stuck in the middle" and will not achieve a competitive advantage. Porter argued that firms that are able to succeed at multiple strategies often do so by creating separate business units for each strategy. By separating the strategies into different units having different policies and even different cultures, a corporation is less likely to become "stuck in the middle."

However, there exists a viewpoint that a single generic strategy is not always best because within the same product, customers often seek multidimensional satisfactions such as a combination of quality, style, convenience, and price. There have been cases in which high quality producers faithfully followed a single strategy and then suffered greatly when another firm entered the market with a lower-quality product that better met the overall needs of the customers.

2.5 Competition

One of the environmental influences to a business arises from competition. Increased competition threatens the attractiveness of an industry and reducing the profitability of the players. It exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the competitive environment. Firms therefore focus on gaining competitive advantage to enable them respond to and compete effectively in the market. By identifying their core competences, firms are able to concentrate on areas that give them a lead over competitors and provide a competitive advantage. According to Johnson

and Scholes (1997), core competences are more robust and difficult to imitate because they relate to the management of linkages within the organizations value chain and to linkages into the supply and distribution chains.

Firms respond to competition in different ways. Some may opt for product improvement, divestiture, and diversification, entry into new markets or even merging or buying out competitors. Porter (1980) postulates that the essence of strategy formulation is coping with competition.

2.6 Identifying Factors that lead to strategic success

According to Wheelen (1995) success factors are the elements that determine a company's strategic success or failure, emphasizing its distinctive competence to ensure competitive advantage. Research indicates that organizations that possess strength in their official success factor outperforms the competition. These factors vary from company to company and from one industry to another (Wesley, 1995). As a guideline for decision making, policies can therefore be based on a corporation's critical success factor.

Rockart (1979) developed a three-step method for determining which factor contributes to meeting organizational goals. He had found that many executives tend to think in terms of what it takes to be successful rather than in terms of grand strategy, goal, and objectives. Therefore Rockart developed a method that would help executives to derive a strategy, goal and answer to the question "What does it take to be successful in this business?" Rockart termed the answer critical success factors. Once the critical success factors for business are identified, executives can use them to develop strategies.

The method can be applied by strategic planners within the company or by an outside management consultant or other advisor. The three steps in Rockart's method are:

General success factor: In applying this approach in an organization, the

strategic planner (advisor) meets with the organization's CEO and asks, "what does it take to be successful in the business?" The answers are recorded as they are given in a stream of consciousness fashion. A free flow of ideas is encouraged. The result is a preliminary list of critical success factors (CSF).

environment in order to adjust to new realities such as increased competition.

Refine CSFs into goal and objectives: The advisor reviews the CSFs and evaluates and restates them in clear and more precise language. Then the advisor asks for each CSF, "what should the organization's goal and objectives be with respect to this critical success factor?" Once the list of CSFs is refined and the goals and objectives are stated for each one, the advisor meets again with the CEO. During the session, each CSF is discussed and restated. Unimportant factors are eliminated. If possible, the list is pared down to seven to ten critical factors.

Identify measures of performance: At this stage, the advisor reviews the organizations information system and other available sources of data to determine how to measure each CSF. The question in this step is "How will we know whether the organization has been successful with respect to this factor?" (Snow and Miles, 1978). The advisor constructs an indicator or measure that makes use of available data sources. In a third session with the CEO, the proposed measure of performance for each CSF is discussed and refined. If "hard" data are available, this process may be short and straight forward. If "soft" data must be used, the effort may be more time consuming and will generally result in the identification of some indices, benchmark, or milestones that can be used as indicator of how well the organization is doing in achieving its Cafés (Robinson, 1997).

2.7 Competitive Strategies and environment

This being the link between the competitive strategies used to the performance achieved, it' is evidenced that strategy is a game plan that creates a match between a firm's capabilities and the environment. It is an action plan that a firm takes in order to achieve a set of goals aimed at

responding to changes in the environment. Strategy guides firms to superior performance through establishing competitive advantage. In this process, companies consider alternative courses of action and choose a set of strategies for their business units. Firms employ strategy in a dynamic environment in order to adapt to new realities such as increased competition.

Porter (1980) summarized the value of strategic management thus: Firstly, an increase in competition in the industry has led to travel agents to adopt strategies that would ensure that they remain in business even with low profit margins. Some of the strategies include offering a wide range of services, reducing operating staff, sharing commission earned with clients, offering free transport to and from the airport and engaging highly skilled staff. The travel agents are also involved in publicity and advertising and automation of their business processes.

All organizations are faced with the challenge of managing strategy. Strategic issues are by nature future oriented, affecting the firm's long term prospects and therefore having enduring effects. Some of the environmental factors that affect strategy adoption include: pricing, consistency in service delivery, quality of products offered, customer service, office location and caliber of the employees (Migunde 2002). In a turbulent environment, a firm will succeed only if it takes a proactive anticipatory strategic approach.

It is worth noting that strategic issues need to be considered within the context of the organization. Different organizations are likely to emphasize on different aspects of strategy because their contexts and environments differ. For some, according to Johnson and Scholes (2002) it is competitive strategy, for others, it is understanding their competencies while others stress on creating strategic fit. Others talk of innovation. Strategic responses grow out of a firm's assessment of its current situation. Pearce and Robinson (2002) indicate that such decisions have broad implications and need power to authorize the necessary resource allocations. Strategic responses are therefore the choices that firms make in an attempt to address the key issues that arise from internal and external analysis of the firm and its business

environment. In developing strategy, organizations carry out an analysis of their external and internal environment and see where they can outperform their competitors and vice-versa. This enables the company to outperform competition. The goal is to help secure a competitive advantage over rivals.

Classified into two groups being Analytical and Behavioral.

Porter (1980) summarized the value of strategic management thus: Firstly, an organization's strategy provides the central purpose and direction (vision, mission and objective) to the activities of the organization, to the people who work in it, and often to the world outside. The company is able to perform current activities whilst at the same time viewing them in terms of their long-term implications. Secondly, strategic management enables organizations to adapt under conditions of externally imposed threats or crisis because of the changing environment.

It is an analytical process of the

Organizations can and do often create their environment besides reacting to it by focusing on strategic issues. The third value is that strategic management helps companies develop sustainable competitive advantage. Fourthly, that strategic management is important for the management of the organizations boundaries interface. This sustains the legitimacy of the organization and enhances the quality of its relationship with the outside environment (effective / futuristic orientation). Lastly, strategic management helps organizations to be more focused in their efforts and effective in resource allocation and key success factors. It helps to cultivate a culture of forward thinking and therefore creating a culture of learning organizations.

The basic task of strategic management is thinking through the overall mission. That is thinking about the firm's long-term direction, strong identity, deciding WHO we are, WHAT we do and WHERE we are headed. Formal strategic management seems to have its beginning in the 1950's in the United States of America, through writers such as Drucker (1954), Chandler (1962), and Ansoff (1965). Studies conducted in the late 1960's and early 1970 have indicated that corporate planning was practiced in the United States and

(Mintzberg, 1967). They are a result of deliberate decisions to focus resources

abroad. Managers increased their familiarity with strategic planning and increasingly adopted it in their organizations. Relatively stable external environments characterized this period. Approaches to strategic management that mention the origin and dynamic process in strategy formulation can be classified into two groups being Analytical and Behavioral.

Both approaches would be of key consideration in this research, as demonstrated in the process of donor funding strategy formulation. The analytical approach emphasizes the importance of analysis in strategy development. This approach focuses on techniques like portfolio planning, forecasting, competitor analysis and environment scanning. Strategy, formulation, is seen as a formal, deliberate, disciplined and rational process (Ansoff, 1984). Deliberate strategy is a purposefully planned direction towards a set of objectives by an organization. It is an analytical process of the organization realigning its operations to fit well with the opportunities and threats existing in the external environment. It takes into consideration the structure of the organization, its culture, systems, capacity in light of the environmental forces, and the current situation within the industry.

The behavioral approach lays its emphasis on the behavior of the people in the organization. This process states that strategy is influenced by the power relationships and behavioral factors in a firm (Mintzberg, 1984). The emphasis is on multiple goals of the organization as well as the political aspects of strategic decisions and the importance of bargaining and negotiation and the role of coalitions in the strategy making process.

Mintzberg also points out that not all realized strategies are intended. Realized strategy is often emergent in nature. Strategy "emerges" out of an organization's day to day activities. The organization does not have any objectives to pursue. As it goes along its daily activities, the dynamic external environment forces inevitable impact on its operations and at that point the management formulates a strategy for the organization. Emergent strategy is therefore based on responses to emerging opportunities and threats (Mintzberg, 1987). They are a result of deliberate decisions to focus resources

in order to pursue a new direction whilst modifying some aspects of earlier strategic intent.

2.8 challenges in the implementation of competitive strategies

The implementation of strategies may be hindered by competitive challenges which reduce the effective utilization of strategies developed. Lamb and Boyden (1984) identified three competitive challenges that may hinder an organization's ability to take advantage of new opportunities. The challenges are financial requirements, government and industry imposed regulatory issues, and the ability of the firms' owners and managers. Challenges faced by firms when implementing strategies include availability of financial resources, high cost of borrowing funds, marketing abilities, staff skills, changing customer and external environmental needs, government regulation, and the complexity of coordinating all the firms's activities in pursuit of the agreed strategy (Porter 1998; Ansoff and McDonell, 1990). They also points out that the real challenge in implementation of a generic strategy is in recognizing all the supportive activities and putting them in place properly.

Thompson and Strickland (2003) points out that the major fits are between strategy and organizational capabilities, between strategy and reward structures, between strategy and the internal support systems and between strategy and organizational culture. The organization's practices should fit what is required for strategic success in order to ensure that the organization has a unified stand towards the accomplishment of strategy.

The major challenge with cost leadership strategy is the ability of competitors to produce a similar product at a lower cost. The success of competitors in realizing this would put the cost leader at par with competitors rendering the strategy unsustainable. The ability of competitors to imitate a firm's production process and product also renders the strategy unsustainable. This

strategy therefore places high demands on an organization to invest in new technology and modern equipment in order to sustain the strategy. Porter (1980) points out that another great risk of the strategy is the desire to reduce costs which may lead to loss of sight in changes to customers needs.

The major challenge with the differentiation strategy is the firm's ability to maintain its product's perceived uniqueness. Competitors may imitate and copy the product thus eroding the uniqueness held by the firm. Another risk lies with the cost differential between low cost competitors and the differentiated firm. When the difference in cost is high, it may be difficult to hold brand loyalty of buyers who may perceive cost savings as a motivator to switch loyalty to the low cost competitors (Porter, 1980). A major challenge with the focus niche is that it can easily be eroded by technological changes and changes in consumer tastes. Once focused in a niche market, it is not easy to move to new niches because of the enormous resources and competencies concentrated in one or few niches. Differentiators can also compete for the same niche targeted by a focuser by offering products that satisfy the demands of the focuser's customers.

3 Sample design

The random sampling method was used. Systematic random sampling was used to select the sample from the list of travel agents. Every one institution was selected after every other. This led to a total of 65 travel agents. The sample was representative of the population given that any sample size above 30 is considered representative.

4 Data collection

The main instrument in Data collection was through semi structured questionnaires targeting senior managers in each travel agency such as Chief executives, General Managers and Marketing managers. Questionnaires were either dropped and picked later or emailed to the respondents.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study was conducted using a cross sectional survey design. The design is appropriate when the study is largely descriptive and proposes to use sample statistics in making generalizations about population parameters. Omondi (2006) and Kitoto (2005) successfully used a similar design for a similar study.

3.2 Population

The population of interest was all the IATA approved travel agents in Kenya. There were a total of 130 IATA approved travel agents in Kenya as at end of July 2007.

3.3 Sample design

Simple random sampling method was used. Systematic random sampling was used to select the sample from the list of travel agents. Every one institution was selected after every other. This led to a total of 65 travel agents. The sample was representative of the population given that any sample size above 30 is considered representative.

3.4 Data collection

The main instrument in Data collection was through semi structured questionnaires targeting senior managers in each travel agency such as Chief Executives, General Managers and Marketing managers. Questionnaires were either dropped and picked later or emailed to the respondents.

3.5 Data Analysis

CHAPTER FOUR: DATA ANALYSIS AND

Data collected was analyzed using SPSS Package. This package enabled the generation of frequencies and percentages from the responses given. Data was then presented in terms of tables and graphs. Pie charts and bar graphs have also be used to indicate the pictorial impression of the results. The percentages and means generated from each response show the weight of each response.

by the managers. 45 questionnaires were collected from the respondents and all were found to be fit for analysis. This represents 69.2% response rate. The results are presented in tables, graphs and pie-charts.

4.2 Profile of respondents

All the respondents were managers in the respective organisations. This indicates that they were all involved in the process of strategy formulation from their top posts.

4.2.1 Period of holding position

All respondents were required to indicate the period for which they had served in the organisation. The results were as in the table 1 below.

Table 1 Period of holding position

Period of Occupation	Percentage
Up to four years	65
More than 4 years	25
Less than two years	10
Total	100

The table above shows that 65 per cent of the managers had served in the organisation for up to four years, 25 per cent had served for more than 4 years, while 10 per cent of the respondents had been in the organisation for a period less than two years. This finding indicates that the respondents had been involved in strategy development during their time in the office because

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter presents the analysis of the data collected through semi-structured questionnaires. 65 questionnaires were sent out to 65 companies to be filled in by the managers. 45 questionnaires were collected from the respondents and all were found to be fit for analysis. This represents 69.2% response rate. The results are presented in tables, graphs and pie-charts.

4.2 Profile of respondents

All the respondents were managers in the respective organisations. This indicates that they were all involved in the process of strategy formulation given their top posts.

4.2.1 Period of holding position

The respondents were required to indicate the period for which they had served in the organisation. The results were as in the table 1 below .

Table 1 Period of holding position

Period of Occupation	Percentage
Over four years	65
Four years	25
Less than two years	10
Total	100

The table above shows that 65 per cent of the managers had served in the organisation for up to four years. 25 per cent had served for more than 4 years while 10 per cent of the respondents had been in the organisation for a period less than two years. This finding indicates that the respondents had been involved in strategy development during their time in the office because

strategy takes more than one year and all the respondents had been in the organisation for more than a year.

The relationship between the period of holding position and strategy adoption was sought. The results for the period of occupation were matched against the extent of adoption of strategies. It was realised that significant strategies such as engagement of skilled staff, automation of business policies, intensive staff training, advertisements and offering wide range of services have been appreciated by employees who have been in their position for over four years.

Figure 1: Ownership in the firms

This implies that experience in the work place is important in strategy adoption. This may be attributed to the fact that strategy takes time to develop and an employee must have been involved in its formulation and implementation which take a period five years and above in most organisations.

4.2.2 Number of employees

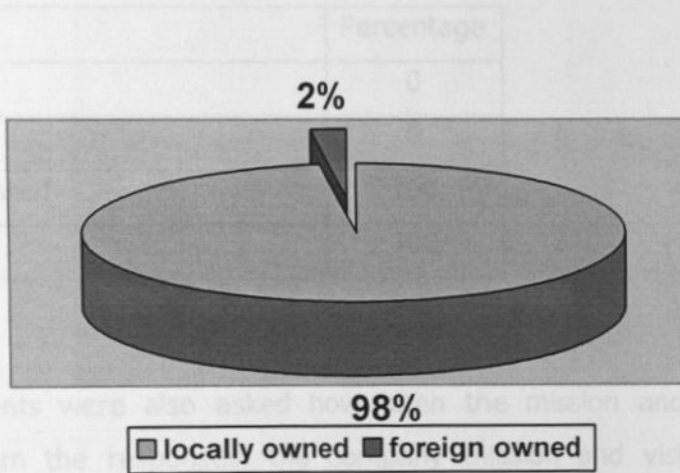
The study found out that 74 per cent of the firms have less than 15 employees. Only 26 per cent of the firms have more than 15 employees. This indicates that low cost strategy is undertaken by the travel agents in their operation. Travel agents with less than 15 employees spend little money on employee expenses and allowances. Low cost strategy is achieved by the travel agents leading to competitive advantage.

Low level of staff poses the challenges of man power shortages which may limit the extent of strategy implementation. Firms with employees of below 15 experience difficulties in undertaking strategies that require skilled man power such as business automation and intensive training. The firms in an effort to mitigate the effects of employee shortages adopt strategies such as automation of business processes where customer transactions are mostly computerised.

4.2.3 Ownership and Structure

The researcher also sought to find out the ownership structure of the travel agencies. The study found out that all the firms studied were private limited companies. 98% of the companies are wholly locally owned while only 2% of the firms are partly owned by foreigners in terms of shares. Public companies are exposed to public scrutiny. Strategies in such companies are subject to company discussions by the boards that are in charge. Strategy in privately owned firms is normally made by small board members who are closely related.

Figure 1: Ownership in the firms



4.2.4 Mission and vision

The respondents were also asked if their organisations had a formal documented mission and vision statements. All the respondents said that they had documented mission and vision statements. This indicates that all the respondents undertook strategic management in their firms and therefore designed competitive strategies to counter competition. This is indicated in the table below.

Table 2 Respondents with documented mission and vision

	Percentage
Does your organisation have a formal documented mission and vision statements	100

People involved in formulation of mission and vision

It was found that the directors and staff were involved in formulation of company mission and vision. The involvement of top management and staff in the formulation of vision and mission implies that the process of strategic management is all inclusive and therefore the outcome should be unanimously accepted. This is indicated by the table below

Table 3 People involved in mission and vision

	Percentage
Consultants	0
Shareholders	0
Directors and staff	100
Total	100

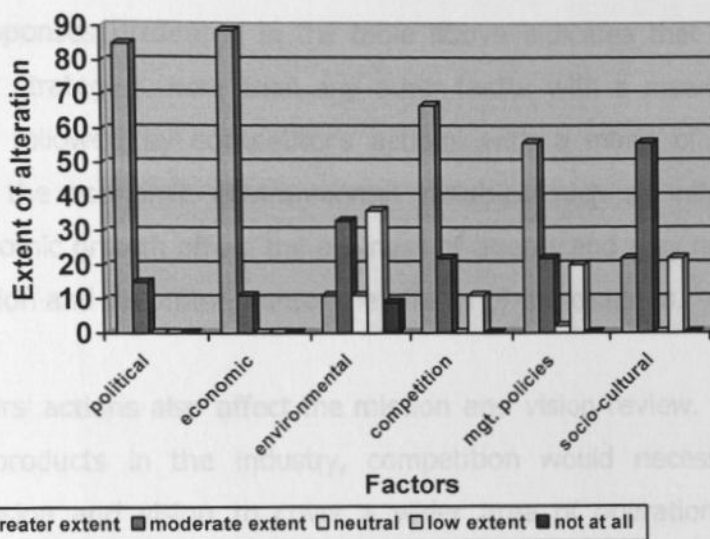
The respondents were also asked how often the mission and vision are reviewed. From the responses, the company mission and vision are not reviewed on a definite time period. This implies that the operating environment is not highly dynamic and therefore the change in mission and vision is not necessary.

Annual Turnover

The respondents were also asked to indicate the annual turn over for their firms. Out of the 45 travel firms, only 15 indicated their turn over. The amounts ranged between 35 million shillings to 70 million shillings. The majority were not willing to divulge information regarding their turn over hence it was not possible to find a relation to strategy adoption.

Environmental factors and change in mission and vision

Figure 2: Extent to which environmental factors affect strategy alteration.



The graph above presents the findings regarding the extent to which the environmental factors affect strategy. The findings indicate that economic changes, political changes, competition and management policies to a greater extent affect strategy alteration. This may be attributed to the fact that business environment consists of the main determinants consisting of political changes, economic changes and competition environment.

Table 4: Statistical measures on environmental factors influencing alteration of company mission

	Mean	Standard deviation
Economic changes	4.9	0.206
Competitors actions	4.4	0.827
Management policies	4.0	0.721
Social-cultural factors	3.8	1.529
Political changes	2.9	0.262
Physical environmental changes	2.5	1.362

MISS represents the variables that lead to alteration of mission and vision while ENVIR represents environmental variables that affect competitive

The respondents were asked to rate on a scale of 1- 5 the extent to which the listed environmental factors caused alteration of company's mission and vision. The responses presented in the table above indicates that economic changes affect strategies more than any other factor with a mean score of 4.9. This was followed by competitor's actions with a mean of 4.4 .This indicates that the economic environmental variables such as inflation and stages of economic growth affect the business of agents and may necessitate review of mission and vision to counter the effects of the changes.

The competitors' actions also affect the mission and vision review. Given the similarity of products in the industry, competition would necessitate the review of mission and vision to cover a wider area of operation. Political environment has less effect on mission and vision statement. This may be attributed to the Kenyan political environment that has been stable overtime. Physical environment also had a lesser effect this may be attributed to the limited changes that occur overtime.

The variables that affect competitive strategy as indicated in table 5 were correlated with the following variables in table 1: economic changes, political changes, competitors' actions and management policies. The correlation results below indicate that there is significant relationship between mission and environment. The Pearson correlation coefficient of 0.658 show that 65.8% of the variables that lead to the alteration of mission and vision also affect competitive strategy.

Table 5: Correlation between mission and environment

		MISS	ENVIR
MISS	Pearson Correlation	1	0.658
	N	4	4
ENVIR	Pearson Correlation	0.658	1
	N	4	4

MISS represents the variables that lead to alteration of mission and vision while ENVIR represents environmental variables that affect competitive strategy. The variables that affect competitive strategy as indicated in table 5 were correlated with the following variables in table 1: economic changes, political changes, competitors' actions and management policies.

The correlation results above indicates that there is significant relationship between mission and environment. The Pearson correlation coefficient of 0.658 show that 65.8% of the variables that lead to the alteration of mission and vision also affect competitive strategy.

4.3 Competitive strategy

Section C of the questionnaire contained questions on competitive strategies. The respondents were asked to what extent their firms adopted basic strategic practices as identified by Renshaw (1997) to remain competitive in the market. They were supposed to rate the factors from greater extent to no extent on a five point likert scale.

The study found out that the most adopted strategic practices in the industry were engaging highly skilled staff which scored a mean of 4.9, automation of business processes with a mean of 4.9, and intensive staff training with a mean of 4.8. Advertisement is also highly practiced in the industry as it had a mean score of 4.8. Offering of a wide range of services and publicity with mean of 4.7 and 4.4 respectively are also largely adopted by the travel agents. Offering free transport and mergers were listed as least used in the industry with mean scores of 1 and 1.4. The table below presents these findings.

Table 6: Extent of adoption of strategies

	Mean	Standard deviation
Engaging highly skilled staff	4.9	0.173
Automation of business processes	4.9	0.173
Intensive staff training	4.8	0.263
Advertisements	4.8	1.293
Offering wide range of services	4.7	0.283
Use of publicity	4.4	0.202
Avoiding loss making areas	3.4	1.284
Reducing operating staff	3.2	1.592
Outsourcing support staff	2.4	0.173
Sharing commissions earned	1.9	0.372
Acquiring or merging with competitors	1.4	0.183
Offering free transport	1	1.273

Engagement of skilled staff and intensive training are applied to a greater extent. This may be attributed to the fact that the travel agents business involves high customer contact and the kind of staff involved dictate the extent of business a travel agent can obtain. These findings indicate that travel agencies seek to develop their competences through highly skilled staff and use of technology to cut operating costs. Staff skills are not easily copied by competitors and use of technology produces quality services that may not be imitated easily. This leads to competitive advantage.

Advertisements and publicity are also highly adopted by the travel agents. Both strategies create awareness and enhances the image of the travel agents leading to long term relationships with their customers.

The agents also seek to provide a wide range of services to their clients in order to retain their loyalty. Some of these services may include reconfirmation of flights and dropping air tickets at their premises. As a strategy offering free transport and sharing commissions are applied to a

lesser extent because they can lead to adverse financial effects on the business. Outsourcing of support staff and reducing operating staff are also applied to a lesser extent because the staff requirements as was established is not highly varied in the industry. They remain constant over a long period of time.

The environmental factors may influence the extent of adoption of strategies. Specifically the firms that experience economic challenges and competition adopt strategies such as engaging of high skilled staff and automation to be able to mitigate the effects of the challenges. Intensive staff training and advertisements are also adapted to a greater extent as strategies to reduce the negative effects of such changes.

Table 7 Correlation between environmental factors and Extent of Strategy adoption

Strategies	Mean	Standard deviation	Environmental factors	Mean	Standard deviation
Intensive staff training	4.8	1.243	Economic changes	4.9	1.025
Engaging highly skilled staff	4.9	0.472	Competitors actions	4.4	0.382
Automation of business processes	4.9	0.629	Management policies	4.0	1.482

The above table shows that the strategies selected have relatively the same mean score indicating greater effect. All the above factors have a mean score of above 4 indicating that the strategies are adapted to a greater extent. Environmental factors above also have a score of above 4 and to a greater extent affect strategy adoption.

4.4 Relationship between experience and the extent of strategy adoption

Table 8: Responses of Respondents with over 4 years experience

Strategy	Frequency	Percentage
Engaging skilled staff	12	26
Automation of business processes	10	22
Intensive staff training	9	21
Advertisements	7	15.5
Offering wide range services	7	15.5
Total	45	100

The above table indicates the responses of respondents with over four years experience to extent of strategy adoption. The results in the table above indicate that 12 out of the 45 respondents engage skilled staff as their strategy representing 26% of the respondents.

10 out of the 45 respondents representing 22% of the respondents adopt automation of business to a greater extent. 9 out of the 45 respondents representing 21% of the respondents also showed that intensive staff training as a strategy was used by their firms to greater extent. This was closely followed by advertisement and offering a wide range of services indicated by 15.5 % indicated by 7 out of 45 respondents.

Table 9: Responses of employees with four years experience

Strategies	Frequency	Percentage
Engaging skilled staff	13	29
Automation of business processes	11	24
Intensive staff training	10	22
Advertisements	6	13
Offering wide range of services	5	12
Total	45	100

The above results show that employees with up to four years experience also equally consider the strategies as considered by the those employees who have more than four years experience. This correlation indicates that despite experience, the strategies adopted by the travel agents still remain relatively the same. This can be attributed to the fact that involvement of all staff in strategy formulation and implementation brings strategies that are acceptable by all employees in the travel agents industry.

4.5 Competition

The respondents were asked to rate how the variables as identified by Omondi (2006) affected competition in the industry. The ranking was done on a five point likert scale. Diversification by rival firms came out as the factor that most affected competition as it scored the highest mean score of 4.9 with a standard deviation 1.425. Ability of the firm to differentiate its products scored a mean of 4.7 while ability to imitate core competence scored a mean of 4.6. The factors are listed in the table according to the extent they affect competition in the industry.

Table 10: Variables affecting competition in the industry

	Mean	Standard deviation
Diversification by rival firms	4.9	1.425
Ability of the firm to differentiate its products	4.7	0.296
The ability to imitate a core competence	4.6	0.103
Recognition by customers of the competences existing	4.6	0.271
The availability of supply chains	4.4	0.193
Profitability of the rival firms	4.1	0.115
Availability of core competence areas	4.1	0.173
Ability to improve service provision	3.8	0.271
Buy out by competing firms	3.4	0.728

Diversification by rival firms ensures financial security of the diversified firms. This strategy cushions them from the effects of shifts in the business. Ability of firms to differentiate its products can create significant business for the differentiated firms. It is therefore applicable in the industry because of the similar characteristics that the products in the industry have.

Imitating a core competence can eliminate a competitive position of a given firm. This will narrow the competition. When customers recognize the existing competencies in a given firm, they tend to highly regard the firms above the other competitors. They tend to retain their loyalty for the firm's products creating a competence that is unmatched by other competitors.

Supply chains ensure accessibility to the services by clients at convenient locations and times. This therefore determines level of competition in the industry.

The researcher sought to investigate the relationship between the significant environmental factors influencing alteration of company mission and vision and significant variables affecting competition in the industry.

Table 11: Correlations between competition and Financial challenges

		COMP	CHALL
COMP	Pearson Correlation	1	.249
	N	8	8
CHALL	Pearson Correlation	.249	1
	N	8	8

COMP represents the variables that affect competition and CHALL represents the industry challenges that are experienced in the implementation of the strategy. The eight financial challenges were correlated with all the variables affecting competition except "buy out by competing firms."

The Pearson's correlation is indicated by 0.249. The results show that only 24.9% of the variables that affect competition also pose as challenges in the implementation of strategy. It can therefore be concluded that variables that affect competition make a lesser part of the financial challenges in strategy implementation.

4.7 Competitive Strategy and environment

4.6 Identification of Factors that lead to strategic Success

The researcher set to establish steps used by the travel agents in identifying the factors that lead to strategic success of the travel agents. Using a likert scale, the respondent was required to indicate the extent of application of the steps indicated as identified from the literature.

Table 12: Steps in identifying factors leading to strategic success.

Steps	Mean	STD DEV
General success factors are considered before critical evaluation	3.54	0.571
The organization refines the general success factors into CSF	3.77	0.530
The goals and objectives are stated for each of the critical success factors	3.21	0.412
Each critical success factor is discussed by CEOs and advisors	3.42	0.439
The list of CSF is always ten and below	3.78	0.187
For each factor, the measures of performance is identified	3.22	0.232
Each measure of performance is critically discussed and approved by top management	3.19	0.313

According to the findings above, no response was given as significant. All the steps scored a mean of below 4. This could be attributed to the respondents not being sure of what was required in the question.

4.7 Competitive Strategy and environment

The respondent was asked to indicate their level of agreement with the statements regarding strategy and environment. The 5 point likert scale was used to rank the responses. The results are indicated in the table 13 below.

Table 13: Competitive Strategy and Environment

Statements	Mean	STD DEV
The competition makes part of environment	4.82	0.27
We change strategy with environment	4.25	0.312
Our strategy is guided by the environmental variables	3.4	0.461
The industry has a dynamic environment that is hard to deal with	3.28	0.331

The results show that the respondents agreed that competition was part the environment and that they changed strategy with changes in the environment. This is indicated by a mean of 4.82 and 4.25 respectively. The two factors are more significant in gaining competitive advantage. Competitive strategies must therefore address the complications that originate from environment and competition.

4.8 Challenges in implementation of strategies

The researcher set to determine the challenges experienced by the travel agents in the implementation of competitive strategies. The researcher set the various challenges that may be experienced from the industry. The respondents were asked to show the extent to which the challenges were experienced in implementation of the competitive strategies in their firms.

Table 14: Challenges in the implementation of the strategies

Challenges	Mean	STD DEV
Industry challenges		
Inability to differentiate products	4.78	0.667
Increased number of competitors	4.72	0.762
Meeting and maintaining IATA conditions and rules	4.47	0.331
Imitation from other travel agencies	4.41	0.331
Technology	4.37	0.452
Airlines' move towards zero rate Commission	4.21	0.441
Attracting large number of customers	3.91	0.213
Constant changes in customer needs	3.12	0.562
Foreign competition	2.87	0.563
Financial challenges		
Huge financial requirements	4.67	0.674
Rapid changes in interest rates	4.49	0.352

High cost of maintaining quality service	3.23	0.312
Government challenges		
Unpredictable government policies	3.43	0.441

The table 14 above shows the findings of the study. Significant industry challenges include inability to differentiate products which is attributed to the homogeneity of the products being offered by the industry. There is little chance to alter the packaging or branding of the products being offered in this field.

Descriptive Statistics

Increased number of competitors as a challenge was ranked second. This may be attributed to the large number of firms in the business who are competing for the same customers.

Meeting and maintaining IATA conditions and rules as a challenge was ranked third. This may be due to the fact that these conditions require strict adherence to the most acceptable codes of practice by the members and meeting these conditions require certain commitments that may stretch the travel agents ability.

Imitation from other travel agents was also a significant challenge in the implementation of the strategies. This may be due to the inability of the travel agents to patent their products and the inability to make the products unique. Strategies adopted by one travel agent like hiring highly skilled staff and intensive training or use of technology may be imitated easily by competitors.

The airlines move towards zero rate commission was found to be a significant challenge. This could be attributed to the loss of revenue and customers' anticipated unwillingness to pay a management fee which has not been in place previously.

The financial challenges also affected strategy implementation. The most significant was the huge financial requirements. Strategy implementation

requires huge input in terms of finances for the purchase of equipment and other resources that may be required for implementation.

Rapid changes in interest rates was also cited as a significant challenge. This may be due to the fact that high interest rates lead to higher borrowing rates for firms that would like to obtain resources to fund their strategy.

4.8.1 Financial challenges and the extent of strategy adoption.

Descriptive Statistics

Variable	Mean	Std. Deviation	N
EXTENT	4.8667	.05774	3
FIN	4.1300	.78460	3

The EXTENT represents the extent of adoption of competitive strategies, FIN shows the financial challenges regressed. The mean for the variables regressed above are 4.8667 for the dependent variable and 4.13 for the independent variable. The standard deviation as indicated above is significantly different with the independent variable being highly varied. This implies that the means for financial challenges are significantly different while for extent of adoption, the means are relatively similar given the smaller standard deviation.

Model Summary

Measure	R	R Square	Std. Error of the Estimate
Model			
1	.397	.158	.07493

The model summary above shows the regression model between the two variables, Extent of adoption being the dependent and financial challenges being the independent variable. R square is 0.158 indicating that 15.8 % of the extent of adoption is determined by the changes in financial challenges. This indicates that the relationship between the two variables is very weak. The model cannot be used to estimate accurately the two variables. The

standard error of estimate is 0.07493. This implies that the regression results are highly accurate given the less error in estimation.

4.9 Important Environmental factors affecting strategy adoption

The researcher sought to investigate the important environmental factors in strategy adoption by the travel agents. The respondents were asked to show how significant the factors were in the process of competitive strategy adoption.

Table 15: Significance of Environmental factors in the strategy adoption

Factors	Mean	STD DEV
Pricing	4.45	0.532
Products	4.37	0.197
Employees	4.23	0.146
Customer service	3.91	0.213
Location	3.23	0.236
consistency	2.46	0.465

The findings indicate that pricing was considered the most important environmental factor in strategy adoption. This may be due to the fact that strategy is guided by its effects on the price of the products being offered by the firm. A good strategy should factor in its specific effects on pricing.

Products were also considered another important environmental factor in strategy adoption. This may be attributed to the product being one of the determinants of company success. Quality, variety and benefits of the product are highly considered by customers. Employees were also considered important factor that determine strategy adoption. This is attributed to the inability of competitors to copy employees' skills in their firms. Employees are considered one of the cornerstones of successful strategy.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The objectives of the study were to determine the competitive strategies adopted by Travel agents in Kenya, to determine challenges faced by travel agents in initiating competitive advantage and applying strategies formulated and to determine the factors that influence the choice of such strategies. The findings of the study were guided by the research objectives.

All the respondents were managers in the respective organisations. The majority of the respondents had been in the firms for four years and above. This means that the respondents had been involved in strategy development during their time in the office. The majority of the firms have less than 15 employees. This shows that strategy development and implementation is undertaken by few employees hence reducing complexity of the implementation and follow up activities.

The study found out that all the firms studied were private limited companies. The majority of the companies are wholly locally owned while only a few were partly owned by foreigners in terms of shares. The ownership structure established implies that all the firms are not to a large extent open to international competition. Given that the majority are locally owned, the competition is rather national and not international. The strategy development is therefore dictated by local environment.

The respondents indicated that they had a documented mission and vision statements. The entire respondent in this regard therefore undertook strategic management in their firms and therefore designed competitive strategies to counter competition.

The study also established that directors and staff were involved in formulation of company mission and vision. This implies that the process of strategic management is all inclusive and therefore success is attainable because all the staff own the vision and mission. Employees are aware of where their organisations are headed to and participate fully in ensuring the success of the strategies developed.

The respondents indicated that the company mission and vision are not reviewed on a definite time period. This implies that the operating environment is not highly dynamic and therefore the change in mission and vision is not frequently undertaken.

The respondents indicated that economic changes affect strategies more than any other factor. This was followed by political changes and physical environmental changes. This indicates that the economic environmental variables such as inflation and stages of economic growth affect the business of agents and may necessitate review of mission and vision to counter the effects of the changes. The researcher investigated a relationship between the variables that affect competition in the industry and the environmental factors that alter company mission and vision. It was established that these variables form part of the competition as well as economic changes that affect environment.

The research findings also indicate that competitive strategy is influenced by the environment. The majority of the respondents strongly agreed that their organizations change strategy with the environment and their strategies are guided by environmental variables. The respondents also agreed that competition makes part of the environment. The majority of the respondents also showed that industry has a dynamic environment that it deals with hence dictating their competitive strategy. This implies that strategy in the industry is influenced by environmental factors.

The study established many challenges in implementation of strategies. It was

established that most of the travel agents face challenges such as meeting and maintaining IATA conditions and rules, the airlines move towards zero rate commission, high costs of maintaining quality service, and cost of attracting and maintaining skilled staff. In addition, technology and increased number of competitors and inability to differentiate products are also additional challenges that are experienced. The above challenges act as barriers to entry and exit in the industry. Competitive strategies therefore should be designed to respond to these challenges and reduce their effects on the firms.

Changes in competitors' actions and management policies also affect alteration of

The researcher also established the importance of various factors in influencing competitive strategy adoption. It was established that pricing, the products, customer location and employees are most important in the adoption process. Pricing and products offered by travel agents are important in developing and implementing competitive strategy.

It is noted that the factors that affect alteration of mission and vision also make a greater part of the variables

5.2 Conclusion

All the firms studied were private limited companies with the majority of the companies being wholly locally owned while only a few were partly owned by foreigners in terms of shares. This indicates that competition amongst the travel agents is intense because each agent aims at acquiring a sizeable market share locally before moving to International markets.

26 % of the respondents had experience of more than four years. In correlating the responses to the extent of strategy adoption to the experience, it can be concluded that despite experience, strategies adopted by managers in the industry still remains the same. This may be attributed to the involvement of all employees in strategic process.

From the study it can be concluded that most of the travel agents have below 15 employees and are aiming at cutting down their expenses hence adopting low cost strategy in order to remain competitive.

The respondents had a documented mission and vision statements. This implies that the firms undertook strategic management in their firms. The

study also established that directors and staff were involved in formulation of company mission and vision. This implies that the process of strategic management is all inclusive and therefore owned by all employees in the organisation. According to the study it can be concluded that economic changes as an environmental factor influences mission and vision more than any other factor. Economic environmental variables such as inflation and stages of economic growth affect the business of agents and may necessitate review of mission and vision to counter the effects of the changes. Competitors' actions and management policies also affect alteration of company mission and vision. Therefore these can be concluded to be the most important environmental factors.

From the correlation of factors that affect alteration of mission and vision and the variables that affect competition, it can be deduced that the factors that affect alteration of mission and vision also make a greater part of the variables that affect competition.

The strategies such as engaging highly skilled staff, automation of business processes, intensive staff training, advertisements, offering wide range of services and use of publicity are significant in response to environmental factors such as economic changes and competitors actions.

The respondents adopted the strategies such as engagement of highly skilled staff, automation of business processes, intensive staff training, advertisements, offering a wide range of services and use of publicity. This implies that these are the most important strategies that guide adoption of strategies by the travel agents.

The variables affecting competition were identified to be diversification by rival firms, ability of the firms to differentiate products, the ability to imitate a core competence, recognition by customers of the competence existing and the availability of supply chains. In addition, profitability of the rival firms and the availability of core competence areas also affect competition in the industry.

The steps identified by the study in identifying the general success factors are not applied by the respondent in the study, the response had less significance. The environment influences competitive strategy adoption. The travel firms change their strategy with the environment; in addition competition also makes part of the environment. This implies that strategy adoption and implementation must be matched with environmental forces for success to be achieved.

The travel agents experience challenges in the implementation of the strategies. Technology, inability to differentiate products and increased number of competitors are also faced by the firms in travel agent industry. The above challenges therefore limit the entry and exit of firms into the industry. In addition meeting the IATA conditions and rules, airlines move towards zero rate commission and high cost of maintaining quality service are also significant challenges.

The researcher sought to establish the steps applied in identifying factors that lead to strategic success. The study findings indicate that the majority of the travel agents use the steps established in developing success factors to a moderate extent. The fact that the firms are less complex implies that the sophisticated steps are not followed to the letter.

The most important environmental factors influencing the adoption of competitive strategies by the travel agents are such as pricing, location, employees and customer service and products. To attain strategic success, travel agents should match their strategic capabilities with the environmental changes.

5.3 Recommendations

Given that the travel agents' industry has only a limited number of services to offer, it is critical for the firms to design the best means to make their services better than those of the other firms. Many options are available to

the travel agents. The provision of the services can be differentiated by a properly selected team of employees with the required qualification and capability to undertake successful service delivery.

It is also important that the firms that would want to remain competitive in the industry make available other complementary traveling services such as visa application and processing, land arrangements and hotel bookings at destination points, and travel and health insurance provision. Apart from increasing revenues, this will also serve as a marketing tool for the travel companies.

5.4 Limitations of the study

This study suffered from limitations related to data collection. The respondents were not willing to fill in the questionnaire as they did not believe the intentions of data collection even after the researcher explained to them that this was for academic purposes only and even after producing the authorization letter from the university. They had therefore to be persuaded to comply.

It also took a lot of time before most of the questionnaires were filled hence extending the time that had been earlier allocated. As the response rate reveals in chapter four, not all the questionnaires were filled even after extending the period for collection of data.

The questionnaire was constructed such that the respondents were supposed to give some financial information. This section was left blank by the respondents making it difficult to use financial data for analysis. Thus, it was not possible to relate the choice of strategy to the financial performance of travel agents in Kenya.

5.5 Areas for further research

For future research, the study recommends that a similar study be carried out in other industries to establish their approach to competitive strategy adoption. The inter industry comparison will aid conclusions regarding the influence of industry characteristics in competitive strategy adoption.

As has been explained in the third limitation above, it was not possible to bring out the relationship between choice of strategy and performance of a firm. Studies should be done to ascertain this relationship using secondary data as it will be impossible to gather financial data from the primary data.

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APPENDIX 1. Questionnaire

Section A: General information

1. Travel agency name-----
2. Year of incorporation -----
3. The position you occupy in the travel agency-----
4. Period for which you have held the position -----
5. How many employees are there in your travel agency?
6. What is the annual turnover of the company?

7. Ownership structure (Tick)	Moderate	Neutral	Not at all	Low extent
Private ltd Company	()			
Public ltd company	()			
Locally owned	()			
Foreign owned	()			
Foreign and locally owned	()			

Section B: Vision and Mission

8. (a) Does your organizations have a formal documented mission and vision statements?

Yes	()			
No	()			

(b) If Yes in 7(a) above, please indicate those that were involved in the formulation of the company's mission and vision.

- Consultants ()
- Shareholders ()
- Directors ()
- Staff ()
- Others? Please specify

SECTION C:

(c). How often are the missions and vision statements reviewed?

To After every 5 Years () the following strategies to remain

Annually ()

Semiannually ()

Quarterly ()

Any other period? Please specify

9. To what extent do the following factors cause the alteration of the company's mission and vision?

Factors	Greater extent	Moderate extent	Neutral	Not at all	Low extent
Political changes					
Economical changes					
Physical environmental changes					
Social Cultural factors					
Competitors actions					
Management policies					
Any other? Please specify					

SECTION C:

10. COMPETITIVE STRATEGY

To what extent do you adopt the following strategies to remain competitive in the market?

5 4 3 2 1

Strategies	Greater extent	Moderate extent	Neutral	Low extent	No extent
Offering a wide range of services					
Reducing operating staff					
Sharing commissions earned with clients					
Offering free transport to and from Airport to customers					
Engaging highly skilled staff					
Use of publicity					
Outsourcing support staff					
Intensive staff training					
Automation of business processes					
Avoiding loss making areas					
Acquiring or merging with Competitors					
Advertisements					

11. Competition

How do the following variables affect competition in the Industry?

Indicate the extent to which the following variables are applied by your firm

Variables	5 Greater extent	4 Moderate extent	3 Low extent	2 Not at all	1 Neutral
Profitability of the rival firms					
Availability of core competence areas					
The ability to imitate a core competence					
Diversification by rival firms					
Buy out by competing firms					
Ability to improve service provision					
The availability of supply chains					
Recognition by customers of the competencies existing					
Ability of the firm to differentiate its products					

12. Identification of factors that lead to strategic Success

Indicate your level of agreement with the following statements?

Indicate the extent to which the following steps are applied by your firm in identifying factors that lead to strategic success?

	5	4	3	2	1
Factors	Greater extent	Moderate extent	Less extent	No extent at all	Neutral
General success factors are considered before critical evaluation					
The organization refines the general success factors into CSF					
The goals and objectives are stated for each of the critical success factors					
Each critical success factor is discussed by CEOs and advisors					
The list of CSF is always ten and below					
For each factor, the measures of performance is identified					
Each measure of performance is critically discussed and approved by top management					

13. Competitive Strategy and the environment

Indicate your level of agreement with the following statements?

	5	4	3	2	1
Statements	Strongly agree	agree	Neutral	Disagree	Strongly disagree
We change strategy with environment					
Our strategy is guided by the environmental variables					
The competition makes part of environment					
The industry has a dynamic environment that is hard to deal with					

14. Challenges in implementation of strategies

To what extent do you face the following challenges when implementing competitive strategies?

	5	4	3	2	1
Challenges	Greater extent	Moderate extent	Neutral	Low extent	Not at all
Meeting and maintaining IATA conditions and rules					
Airlines' move towards zero rate Commission					

High cost of maintaining quality service					
Attracting large number of customers					
Inability to differentiate products					
Increased number of competitors					
Imitation from other travel agencies					
Huge financial requirements					
Foreign competition					
Unpredictable government policies					
Rapid changes in interest rates					
Constant changes in customer needs					
Technology					

15. In your own opinion, is adoption of competitive strategies of any value to your travel agency?

Yes ()

No ()

16. Rank the environmental factors below in terms of their significance in strategy adoption.

- (5) Most Significant
- (4) More significant
- (3) Significant
- (2) Less Significant
- (1) Insignificant

	5	4	3	2	1
Factors	Most significant	More significant	Significant	Less significant	Insignificant
Pricing					
consistency					
Products					
Customer service					
Location					
employees					

Thanks for your response and cooperation.

APPENDIX 2: LIST OF THE POPULATION OF INTEREST

1. Elite Travel Services Ltd
2. Eagle Travel service
3. Fly Air Ltd
4. Lake travels Ltd
5. Jet Travels Ltd
6. Noor Travels Ltd
7. Somak Travel Ltd
8. Senator Travel Service Ltd
9. The travelMart Ltd
10. Rickshaw Travels (Kenya Ltd)
11. Falcon Travel service
12. Senator Travel Service Ltd
13. Lets Go travel Ltd
14. Crater Travel Agencies
15. Kambo Travel Agency Ltd
16. Summit Travel services Ltd
17. Sirocco Travels Ltd
18. Shiva Travels Ltd
19. Ameet travel and tours Ltd
20. Vogue Tours and travel
21. Satguru Kenya Ltd
22. Vintage Travel and tours Ltd
23. Speedbird Travel and Safaris
24. Pollman's tour and Safaris Ltd
25. African tropical safaris Ltd
26. Kisumu Travels Ltd
27. Bunson travel service
28. Avandu General Merchants Ltd
29. Express Travel Group
30. Akarim Agencies Ltd - Mombasa
31. Muthaiga Travel Ltd

32. Crown Tours and Car hire Ltd
33. Acharya Travel Agencies Ltd
34. Mosana Travel Ltd
35. Charleston Travel Ltd
36. Shoor travel and tours Ltd
37. Akarim Agencies Ltd- Nairobi
38. Just Travel and Tours Ltd
39. Shah Travel Agencies
40. Famous Travels Ltd
41. Uniglobe Northline Travel Ltd
42. Key tours and travel
43. Travellers Den Ltd
44. Nordic Tours and Safaris Ltd
45. Imperial Air Services Ltd
46. Intra Safaris Ltd
47. Travel Creations Ltd
48. Debonaire tours and Travel
49. Palbina Travel Ltd
50. Shoor Travel and tours
51. Taipan Vacations and Travel Ltd
52. Discount Tour and travel Ltd
53. Holiday Bazaar Ltd
54. North Coast Travel Services
55. Twin Travel and Tours Ltd
56. Simoun Travel Ltd
57. Going Places Ltd
58. Mantra marketing and Travel Ltd
59. Catalyst Travels Ltd
60. Sea Rock Tours and Travel Ltd
61. Archers Tours and Travel Ltd
62. Prep Safaris International
63. Silverbird Travel Plus Ltd
64. Basel Tours and Travel Ltd

65. The Ticket Co. Ltd
66. Uniform Travel Centre Ltd
67. Venture Africa Safaris Ltd.
68. Daymu Travel and Safaris Ltd
69. Tripple Tours and Travel Ltd
70. Phoenix Safaris (K) Ltd
71. Fin Razel Ltd
72. Sagal Travel and Tour Agency
73. Travel Mall Africa Ltd
74. Shimasy Travel CO. Ltd
75. Roskar Travel Ltd
76. Tamana Travels and Tours
77. Travel 'N Style Ltd
78. Pago Airways Travel Services Ltd
79. Raydoll Tours and Travel Ltd
80. Select Travel and Tours Ltd
81. North and South Travel Ltd
82. Fourways Travel Service
83. Highlight Travel Ltd
84. Arrow Travel Services
85. Cotts Travel and Tours Ltd
86. Taylers Nakuru Travel
87. Dodoworld Kenya Ltd
88. Travel point
89. Travelshoppe Co. Ltd
90. Furaha Travels Ltd
91. Masaaba Travel Ltd
92. Travel Plaza Ltd
93. Crane Travels Ltd
94. Air Masters Ltd
95. KATE Freight and Travel Ltd
96. Kilindini Travel Centre
97. Travel Care Ltd

98. Escape Ltd
99. Maniago Travel and Cruises Ltd
100. Skyview Travel Ltd
101. Equatorial Travels Ltd
102. Southern Travel Services Ltd
103. Brightways Travels and Tours
104. Travel Associates Ltd
105. Kenya China Travel and Tours Ltd
106. Amazing Tours and Travel
107. Aeromarine Freighters and Travel Ltd
108. African Touch Safaris Ltd
109. Twin Buffalos safaris Ltd
110. Express travel - USAID
111. Barbra Travel Ltd
112. Chronicle Investments Ltd
113. Rajair Travel and Tours Bureau
114. Lets Go Travel Ltd -Karen
115. Shian Travel and Tours Ltd
116. Express Travel Ltd - Mombasa
117. Pel Travel Ltd
118. Bunson Travel - Gigiri
119. Fleet Travel Ltd
120. Acharya Travel - Gigiri
121. Tulip Travel LTD
122. Bunson Travel - Mombasa
123. Incentive Travel Ltd
124. Bunson Travel - World Bank
125. Travel Affairs Ltd
126. Bunson Travel - Village Market
127. Tour Africa Safaris Ltd
128. Muthaiga Travel - Fairview Hotel
129. Elgeyo Travel and Tours
130. Good Hope Travel

Appendix 3: List of IATA approved travel agencies selected for use in the survey

IATA numeric code	Name of travel agency
1. 41-2 0001	Elite travel services Ltd
2. 41-2 0002	Fly Air Ltd
3. 41-2 0006	Jet Travel Ltd
4. 41-2 0017	Somak Travel Ltd
5. 41-2 0019	The Travelmart Ltd
6. 41-2 0021	Falcon Travel service Ltd
7. 41-2 0023	Lets Go Travel Ltd
8. 41-2 0025	Kambo Travel agency Ltd
9. 41-2 0045	Sirocco travels Ltd
10. 41-2 0054	Ameet Travel and tours Ltd
11. 41-2 0060	Satguru Kenya Ltd
12. 41-2 0061	Speedbird travel and Safaris
13. 41-2 0063	African Tropical Safaris Ltd
14. 41-2 0083	Bunson travel Service Ltd- Nairobi
15. 41-2 0085	Express Travel group Ltd - Nairobi
16. 41-2 0086	Muthaiga Travel Ltd
17. 41-2 0095	Acharya Travel agencies Ltd
18. 41-2 0111	Charleston Travel Ltd
19. 41-2 0114	Akarim Agencies co. Ltd- Nairobi
20. 41-2 0262	Shah Travel Agencies
21. 41-2 0986	Uniglobe Northline Travel Ltd
22. 41-2 0990	Travellers Den Ltd
23. 41-2 1009	Imperial Air services Ltd
24. 41-2 0993	Travel Creations Ltd
25.. 41-2 1001	Palbina Travel Ltd
26. 41-2 1007	Taipan Vacations
27. 41-2 1010	Holiday Bazaar Ltd
28. 41-2 1012	Twin Travel and Tours Ltd
29. 41-2 1015	Going Places Ltd

30. 41-2 1019	Catalyst Travels Ltd
31. 41-2 1023	Archers Tours and Travel Ltd
32. 41-2 1028	Silverbird Travel plus Ltd
33. 41-2 1045	The ticket co. Ltd
34. 41-2 1030	Venture Africa Safaris
35. 41-2 1055	Tripple Tours and travel Ltd
36. 41-2 1059	Fin Razel Ltd
37. 41-2 1068	Travel mall Africa Ltd
38. 41-2 1073	Roskar Travel Ltd
39. 41-2 1464	Travel 'N Style Ltd
40. 41-2 2044	Raydoll tours and travel Ltd
41. 41-2 2261	North and South Travel Ltd
42. 41-2 2347	Highlight Travel Ltd
43. 41-2 2674	Cotts Travel and Tours Ltd
44. 41-2 4271	Dodoworld Kenya Ltd
45. 41-2 4598	Travelshoppe Co. Ltd
46. 41-2 5814	Masaaba Travel Ltd
47. 41-2 6800	Crane Travels Ltd
48. 41-2 6970	KATE Freight and Travel Ltd
49. 41-2 7035	Travel Care Ltd
50. 41-2 7514	Maniago Travel and Cruises Ltd
51. 41-2 2670	Equatorial Travels Ltd
52. 41-2 1027	Brightways Travels and Tours
53. 41-2 1052	Kenya China Travel and Tours Ltd
54. 41-2 1065	Aeromarine Freighters and Travel
55. 41-2 1067	Twin Buffalos Safaris Ltd
56. 41-2 8528	Barbra Travel Ltd
57. 41-2 9197	Rajair Travel and Tours Bureau
58. 41-2 1057	Shian Travel and tours Ltd
59. 41-2 0092	Pel Travels Ltd
60. 41-2 0110	Fleet Travel Ltd
61. 41-2 1016	Tulip Travel Ltd
62. 41-2 1056	Incentive Travel Ltd

63. 41-2 7908
64. 41-2 0053
65. 41-2 1004

Travel Affairs
Tour Africa Safaris Ltd
Elgeyo Travel and Tours