

**GLOBALIZATION STRATEGIES ADOPTED BY FIVE STAR HOTELS IN
NAIROBI, KENYA TO GAIN COMPETITIVE ADVANTAGE**

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DECLARATION

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

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D61/64365/2013

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

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DEDICATION

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ABBREVIATIONS AND ACRONYMS

RBV:	Resource Based View
SCA:	Sustainable Competitive Advantage
UNWTO:	United Nations World Tourism Organization
C.A:	Competitive Advantage

ABSTRACT

The hospitality industry is highly competitive and is subject to risks relating to competition that may adversely affect the operation of firms. Competition has been further increased with the advent of globalization hence need to identify strategies to enable organizations gain competitive advantage in the market. Most strategies remain as just good ideas unless they are implemented and translated into the organization. Globalization strategy is an organization's strategic guide to globalization. It involves thinking in an integrated way about all aspects of a business from the perspective of both domestic and international market standards. The purpose of this study was to identify the globalization strategies adopted by five star hotels to gain competitive advantage. The research adopted a cross sectional survey. It was a census study of all the eight gazetted five star hotels in Nairobi as per the Restaurant and Hotel Act Cap 494. Data from the survey relied on primary data collected by use of semi structured questionnaires filled by the Marketing Managers of the hotels. Data was analyzed using SPSS and presented using tables, charts and graphs. The results confirm that the hotel industry in Kenya is highly competitive and as a result of globalization and increased competition hotels employ globalization strategies. The study established that implementation of the globalization strategies by the five star hotels enabled them to gain competitive advantage in the industry. There was need for the hotels to identify their core competencies and capitalize on them in order to sustain the competitive advantage gained. The study recommended a participatory organization structure where employees and relevant stakeholders are adequately represented in the policy and strategy formulation and use of feedback from clients to modify policies. On managerial practice the research the study suggests that organizations need to frequently benchmark with other organizations within the same industry so as to gauge their overall performance, it further suggests that management should identify effective strategies to be adopted for maximum returns to the organization and they should provide adequate support to the implementers.

CHAPTER ONE

INTRODUCTION

1.1 Background

Tourism one of the world's largest, lucrative and multinational economic activities ranks among the major export industries for most countries, Kenya included. It involves a great flow of goods, services and people across countries and is therefore the most visible expression of globalization. Globalization has opened new opportunities for tourism development, most especially the hotel industry. It has facilitated growth in tourism through developments in electronic technology, communication and transportation. Tourism industry as the largest export service industry and one of the largest employers in the world is at the very core of globalization in international business and has become a major force in the rapidly evolving contemporary global market place (Hitt et al., 2001) Competitive advantage implies the creation of a system that has a unique advantage over competitors (Porter, 1986). With the advent of globalization, competition has become stronger and can be located anywhere in the world.

There are a number of theories which support the concept of globalization strategies and how organizations gain competitive advantage over their competitors. These theories include; the theory of core competencies, dynamic capability theory and the Resource Based View theory. The theories give insight on how organizations gain competitive advantage in the industry.

Globalization has been a major phenomenon in the modern times. In the late 19th and early 20th century, the connectedness of the world's economies and cultures grew very quickly (Hitt et al., 2001). Due to globalization hotels are increasingly exposed to competition both locally and internationally hence the motivation to study how they apply globalization strategies to gain competitive advantage. The study is exploratory, aimed at establishing how the strategies enhance competitive advantage in the hotel industry.

The Hotel industry in Kenya has been rocked by various challenges brought about by globalization, the major one being stiff competition in the industry. In the last two years the hotel industry has witnessed the emergence of new entrants (Kamau and Waudu. 2012). Some of the new hotels which have ventured into the Kenyan hotel industry in the last two years are Weston hotel, Villa Rosa Kepinski and Ole Sereni Hotel.

1.1.1 Concept of Strategy

Strategy is the direction and scope of an organization over the long term which achieves advantage in a changing environment through its configuration of resources and competences with an aim of fulfilling stakeholder expectations (Johnson et al., 2008). According to Thompson and Strickland (1987) it is a game plan used by management to position the organization in its chosen market arena, enabling it to compete successfully, pleasing customers and achieving good business results. Rugman (1980) defines strategy for a multinational firm as the long term planning basically qualitative and pragmatic, which integrates and directs the functional area into an overall company goals.

Strategy can also be defined as the balance of actions and choices between internal capabilities and external environment of an organization. Accordingly, strategy can be seen as a plan, play, pattern, position and perspective (Mintzberg, 1994). Bateman and Zeithman (1993) define strategy as a pattern of actions and resource allocations designed to achieve the goals of the organization.

Johnson, Scholes and Whittington (2008) define strategy as “the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholders’ expectations”. They state that various levels of strategies exist at a number of levels in an organization (Johnson et al., 2008). Corporate level strategy is concerned with the overall scope of an organization and how value will be added to the different parts of the organization. Business level strategy is about how to compete successfully in particular market and operational strategies are concerned with how the component parts of an organization deliver effectively the corporate and business level strategies in terms of resources, processes and people.

An organization should implement a strategy directed toward building strengths in areas that satisfy the wants and needs of consumers and other key actors in the organizations’ external environment. A strategy therefore forms a comprehensive modern plan that states how the organization will achieve its mission and objectives, maximizes competitive advantage and minimizes competitive disadvantage.

1.1.2 Globalization Strategies

Globalization is a process of international interaction and integration among people, companies and governments of different nations, a process driven by international trade and investment and aided by information technology. It arises from the interchange of world views, products, ideas and other aspects of culture. Advances in transportation and telecommunications infrastructure development of the internet are major factors in globalization generating further interdependence of economic and cultural activities ([http://en.wikipedia.org/global strategy](http://en.wikipedia.org/global_strategy)).

Globalization is also defined as the process of international integration arising from the interchange of world views, products, ideas and other aspects of culture. Over the past few decades policies and technological developments have spurred an increase in cross border trade, investment and migration. Author Thomas Friedman (2005) said that today globalization is “farther, faster, cheaper and deeper.” He gives an example that since 1950 the volume of world Trade has increased by 20 times and from 1997 to 1999 flows of foreign investment nearly doubled from \$ 468 billion to \$ 827 billion.

Globalization Strategy is defined in business terms as an organization's strategic guide to globalization. It involves thinking in an integrated way about all aspects of a business, its suppliers, production sites, markets, competition and assessing every product or service from the perspective of both domestic and international market standards. It means meeting world standards even before seeking world markets, being world class even in local markets and deepening the company's understanding of local and cultural differences so as to become truly global (https://en.wikipedia.org/wiki/Global_strategy).

Global strategies require firms to tightly coordinate their product and pricing strategies across international markets and locations, and therefore firms that pursue a global strategy are typically highly centralized (Porter,1986).

1.1.3 Competitive Advantage

A competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices. There are two basic types of competitive advantage a firm can possess: low cost or differentiation. The two basic types of competitive advantage combined with the scope of activities for which a firm seeks to achieve them, lead to three generic strategies for achieving above average performance in an industry: cost leadership, differentiation, and focus (Porter, 1986).

Competitive advantage can be viewed as the value an organization is able to create to differentiate itself from its competitors (Dubé & Renaghan, 1999). The value that is created by an organization is measured by the price customers are willing to pay for its particular service (Passemard & Kleiner, 2000). If customers perceive the service as producing the required benefits, they will purchase that service, and, more importantly, will continue to do so over time (Wood, 2004). Hitt et al., (2001) view competitive advantage, and sustainable competitive advantage, as more or less synonymous. The authors define it as ‘something’ that occurs when an organization puts a value-creating strategy in place. This should be a strategy whose benefits cannot be copied, or which would simply be too expensive to copy.

1.1.4 Globalization Strategy and Competitive Advantage

There is a strong link between competitive advantages brought about by globalization strategies. There are studies that concluded about the positive association between unique advantage and the strategy management in the organization. Strategies place organizations at a better position and improve their overall performance.

Morgan, Kaleka, & Katsikeas (2004) measured product competency in terms of higher product quality, packaging, design and style. The study illustrated a significant association of services based advantage on the organizational strategy consequences. Companies gained benefits from services as competitive edge contrast to their rivals such as consistency and better delivery speed.

Wang & Lo (2003) have boast the linkage of unique advantage and the sales performance of organizations depending on the strategy applied by the firm. This relationship will be exaggerated by moderating variables such as age and size of firms. Raduan et al., (2009), concluded that there is a positive relation between unique edge and organizational success. The above studies suggest that competitive advantage or the unique edge of an organization is greatly improved as a result of strategy implementation.

1.1.5 Hospitality Industry in Kenya

Hospitality economic sector is a service-giving sector, which evolved in line with the coming of transportation industry and start of trading, Kamau and Waudu (2012). Medliks & Ingram (2000) noted that hotels not only provide accommodation but also provide different facilities for holding business transactions and meetings, facilities for entertainment and recreation purposes.

According to UNWTO over the decades, tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world (Ayele, 2012). However the 2009 global economic crisis significantly impacted tourism, causing a decline in international tourism. The global hotel industry bottomed out and suffered a decline in revenues and profits. The year was characterized by a stalled global economic recovery, major political changes in the Middle East and North Africa and natural disasters in Japan. Most properties experienced decline in revenue from 2008 to 2009 (Ayele, 2012). The global threat of terrorism also caused a significant decrease in hotel occupancy due to disruptions in travel patterns and concerns about travel safety.

The Global Hotels industry however has undergone a sustained recovery since the recent global economic downturn. Travel spending has picked up quickly and the number of global tourist arrivals has grown. As a result of increased demand for hotel and resort accommodations, room rates have increased, driving industry revenue growth. (Kamau and Waudu, 2012).

Tourism is Kenya's most important industry, after agriculture. According to Wadongo et al., (2010), the hospitality industry made a significant contribution for the economic development of the Country, the sector is dynamic and growing fast. Hotels in Kenya present a diverse range of services to suit tastes of customers.

Kenya has relied heavily on international tourists in the past. Consequently, the hotel industry has suffered a great blow after acts of terrorism, and due to imminent terror alerts from intelligence (Wadongo et al., 2010). Western governments led by the United States and Britain, issued travel advisories to all their citizens against travelling to Kenya. Following increased acts of terrorism, such as the recent Garissa University Massacre (2015), the Westgate siege (2014), Massacre of miners in Garissa (2015), bombing of the United States embassy in Nairobi (1998) and the bombing of Paradise beach hotel in Mombasa, the bed occupancy in hotels has greatly diminished.

1.1.6 Five Star Hotels in Nairobi County

The Restaurant and Hotel Act Cap 494 is in charge of licensing of Kenyan hotels and restaurants and also regulates the way hotels are operated in the country. The Act defines a hotel as a premise other than those specified in the third schedule on which accommodation is supplied or available for supply with or without food services in exchange for money ([http://kenyalaw.org/pepealedstatutes/hotelsandrestaurant Acts](http://kenyalaw.org/pepealedstatutes/hotelsandrestaurantActs)) .

The hotels are classified as per the Hotel and restaurant act using star ratings. There is no international standard for rating hotels, but the most common system uses stars, ranging from one to five star hotels. Star ratings are a way of classifying hotels based on standard upheld and amenities it contains.

Five star hotels are those that offer only the highest level of accommodations and services. The properties offer a high degree of personal service. The hotel lobbies are sumptuous, the rooms complete with stylish furnishing. The hotels feature up to three restaurants all with exquisite menus. Room service is usually available 24 hours a day. Fitness Centers and valet and/or garage parking are typically available. A concierge is also available to assist clients (Forbes travel guide, 2014).

As per the Kenyan Gazette Notice No. 3976 (Vol. CV- No. 62) there are currently sixteen five star hotels in the country and eight of them are situated in Nairobi. The hotels have a bed capacity ranging from forty six beds to seven hundred beds. See Appendix III listing the gazetted five star hotels in Nairobi County.

1.2 Research Problem

Strategies are long term action plans that are devised to help a company gain competitive advantage over its rivals, define its goals and plan on how to achieve those goals (Mintzberg, 1994). As a result of globalization, organizations have faced many challenges in the past few years, such as; insecurity and increased competition. Globalization strategies such as multinational and international strategies are employed to cope with globalization and gain competitive advantage.

Five star hotels in Nairobi present diverse range of services to suit tastes of customers. Class, elegance, ambiance and quality services, major distinguishing factors of the hotels which operate in high competition (<http://www.kenya space.com/hotels.html>). Despite the high quality and good facilities, competition for resources and market share is becoming extremely high. Hotels face globalization resulting in competition for skilled labor and market share. Customers' expectation and preferences are also increasing from time to time; hence, the hotels have to revise their strategy to compete effectively.

In the past there has been numerous research studies conducted on the subject of globalization and strategic responses and competitive advantage of the hotel industry. Whitla et al., (2007) studied the global strategies in the international hotel industry, Shrivastava (2012) globalization influences of hospitality industry, and Philips (1999) studied hotel performance and competitive advantage while Yun (2000) researched on globalization strategy of hotel companies. Several studies have been carried out in Kenya focusing on the aspects of local hotels, strategic responses and competitive advantage (Ayele, 2012; Tsuma, 2014; Ongori et al., 2013; and Jepngetich & Njue, 2013).

Though there has been great interest and attention to globalization, there is still inefficient research and supply of literature review on the topic and especially on the Kenyan market, Aosa (2000) observes that there is an apparent inadequacy of literature on strategy. The studies cited above indicate that there has been no study focusing on globalization strategies employed by five star hotels in Nairobi County to gain competitive advantage.

As a result of globalization, five star hotels have to identify their core competences and unique resources to facilitate adoption of strategies to gain competitive advantage in the highly competitive market. It is in light of this, that a research need arises seeking to understand the strategies implemented by hotels to gain competitive advantage amidst globalization. The study therefore sought to answer; what are the globalization strategies adopted by five star hotels in Nairobi County, to gain competitive advantage?

1.3 Research Objective

The main objective of the study was to establish the globalization strategies employed by five star hotels in Nairobi to gain competitive advantage.

1.4 Value of the Study

The study sought to enable the creation of formal and informal policies by government agencies and policy makers. The policies formulated shall incorporate global strategies identified in the study and ensure they are well implemented to enable sustainable competitive advantage for the hotels both globally and locally.

The study contributed in ascertaining the relevance of the strategic management theories mentioned and the implication of their application. It also demonstrates how strategic responses are actually applied in the business environment as compared to the existing strategic management theories.

The research problem study sought to contribute to the hotel management and marketing department staff to better understand the concept of the globalization strategies and their facilitation to gain competitive advantage in the industry. Thus assist managers in making major business decisions.

1.5 Chapter Summary

In summary chapter one introduces hospitality industry as one of the most visible form of globalization given that it promotes the flow of people, services and goods across countries. The study was guided by three theories; the theory of core competencies, dynamic capability theory and the resource based view theory. The researcher established the relationship between competitive advantage and globalization strategies as a positive relationship, that there is a strong link between competitive advantages and implementation of globalization strategies.

The chapter outlines how the hospitality industry suffered losses in the past but has recently undergone a sustained recovery and gives a description of the hospitality industry with the main focus on Kenya. Number of five star hotels is listed as eight in Nairobi County and the objective of the research was to establish the globalization strategies employed by five star hotels in Nairobi. The chapter concludes by emphasizing on the value of the research study to managerial practice, the theories and policies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents an account of what has been published by different scholars and authors on the topic. It begins with a discussion of the theoretical framework followed by a literature on globalization strategies and competitive advantage.

2.2 Theoretical Foundation

Theories that have been discussed below to enable a better understanding of globalization strategies and competitive advantage, they are; core competencies theory, RBV and dynamic capability theory. They are suitable for the study since they are predominant paradigms for the explanation of competition, C.A and superior firm performance. Core competencies theory prescribes actions taken by firms to gain C.A, RBV theory emphasizes resources as key to C.A. and Dynamic capability theory focuses on competitive survival of a firm.

2.2.1 Theory of Core Competencies

A core competence is a concept in management theory introduced by, C.K Prahalad and G. Hame (2009). They defined core competency theory as a theory of strategy that prescribes actions to be taken by firms to achieve competitive advantage in the market place. The core competence concept states that firms must play to their strengths or those areas in which they have competences.

Competencies result from a specific set of skills or production techniques that deliver additional value to the customer, hence enables an organization access a wide variety of markets. According to Prahalad and Hamel (2009), core competencies fulfill three criteria; they provide access to a wide variety of markets, should make a significant contribution to the perceived customer benefits of the end product and are difficult to imitate by competitors. This theory advocates for firms to concentrate on activities that are core to the firm and which assure the organization of gaining competitive advantage against its competitors and source out the non-core activities of the firm.

2.2.2 Resource Based View Theory

RBV has emerged in recent years as a popular theory of competitive advantage. Fahy (2000) reasoned that the principal contribution of the RBV of the firm has been as a theory of competitive advantage. The theory holds that an organization can attain a competitive advantage if it contains a unique combination of competencies, which can be tangible or non-tangible resources.

RBV assumes that the desired outcome of managerial effort within the firm is a sustainable competitive advantage (SCA). Achieving an SCA allows the firm to earn above-average returns. In turn, this focuses attention on how firms achieved and sustain advantages. The theory contends that the answer to this question lies in the possession of certain key resources, that is, resources having the characteristics of value, barriers to duplication and appropriability (Fahy, 2000). He further observes that RBV emphasizes strategic choice, charging the firm's management with the important tasks of identifying, developing and deploying key resources to maximize returns.

2.2.3 Dynamic Capability Theory

The concept of dynamic capability theory is defined by Teece et al. (1997) as "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments." The main difference between the resource-based view of the firm and dynamic capabilities view is the fact that the latter focuses more on the issue of competitive survival rather than achievement of sustainable competitive advantage (Ludwig & Pemberton, 2011).

The concept of dynamic capabilities has become the predominant paradigm for the explanation of competitive advantages. According to Teece et al., (1997) three dynamic capabilities are necessary in order to meet new challenges; Organizations and their employees need the capability to learn quickly and to build strategic assets, new strategic assets such as capability, technology and customer feedback have to be integrated within the company and existing strategic assets have to be transformed or reconfigured.

Teece's et al., (1997) concept of dynamic capabilities essentially says that what matters for business is corporate agility: "the capacity to sense and shape opportunities and threats. Secondly, to seize opportunities and lastly maintain competitiveness through enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise's assets (tangible and intangible).

2.3 Strategies in the Global Environment and Competition

The current wave of globalization has been driven by policies that have opened economies domestically and internationally. Years after the Second World War many governments adopted free market economic systems vastly increasing their own productive potential and creating a myriad of new opportunities for international trade and investment. Governments also have negotiated dramatic reductions in barriers to commerce and have established international agreements to promote trade in goods and services and investment. A defining feature of globalization therefore, is an international industrial and financial business structure (Friedman, 2005).

The global business environment is the environment in different sovereign countries with factors exogenous to the home environment of the organization, influencing decision making on resource use and capabilities (Passemar and Kleiner, 2000). To function effectively companies operating globally must understand the environment of the host country they operate in.

Globalization strategy involves assessing every product or service from the perspective of both domestic and international market standards. It means embedding international perspectives in product formulations at the designing point, meeting world standards even before seeking world markets and being world class even in local markets. It means deepening the company's understanding of local and cultural differences in order to become truly global (Kante & Dretler, 1998).

Globalization strategy, as defined in business terms, is an organization's strategic guide to pursuing various geographic markets (Rugman and Hodgetts, 1994). Globalization Strategy covers three areas: global, multinational and international strategies. These three areas refer to strategies designed to enable an organization achieve its objective of international expansion (Rugman and Hodgetts, 1994).

International strategy is where the organization's objectives relate primarily to the home market, however, there are some objectives with regard to overseas activity and therefore need an international strategy. Importantly, the competitive advantage is developed mainly for the home market. An international strategy is a strategy through which the firm sells its goods or services outside its domestic market (Rugman & Hodgetts, 1994).

One of the primary reasons for implementing an international strategy as opposed to a strategy focused on the domestic market is that international markets yield potential new opportunities. Rugman & Hodgetts, (1994) name benefits that firms get from using international strategies as: "increased market size; greater returns on major capital investments or on investments in new products and processes; greater economies of scale, scope, or learning; and a competitive advantage through location for example, access to low-cost labor, critical resources, or customers."

Global strategy applies when the organization treats the world as largely one market and one source of supply with little local variation. With competitive advantage developed largely on a global basis Porter (1986) states that it is appropriate in industries where firms are faced with strong pressures for cost reduction but with weak pressures for local responsiveness.

Globalization therefore allows these firms to sell a standardized product worldwide. By expanding to a broader consumer base, these firms can take advantage of scale economies (cost advantages that an enterprise obtains due to expansion) and learning-curve effects because they are able to mass-produce a standard product that can be exported provided that demand is greater than the costs involved (Porter, 1986).

Differentiation strategies also enable economies of scope, either fulfilling different needs in different markets with a similar series of products, or developing new products based upon the needs and consumption habits of a new market. Differentiation as part of a global strategy will often require localization, as organizations must adapt to consumer tastes better to compete in the new country. For example, Coca Cola tastes different depending on the country where it is bought because of differences in local preferences (Passemar and Kleiner, 2000).

A firm using a global strategy sacrifices responsiveness to local requirements within each of its markets in favor of emphasizing efficiency (Whitla et al., 2007). Minor modifications are made to products and services in various markets, but the stresses the need to gain economies of scale by offering essentially the same products or services in each market. Microsoft, for example, offers the same software programs around the world but adjusts the programs to match local languages (Thomson and Strickland, 1987)

Multinational strategy is when the organization is involved in a number of markets beyond its home country. But it needs distinctive strategies for each of these markets because customer demand and perhaps competition are different in each country (Bartlett & Ghoshal, 1989). It is advertising and selling products and services to customers around the world. It is also called global marketing because it allows companies, even smaller-sized ones, to expand into new markets via the Internet, international distribution and competitive pricing. Key strategies underlying a business' approach to multinational marketing are standardization versus localization, competitive pricing and strategic alliance (Porter, 1986).

According to Leontides, (1987) balancing the need for standardization of business processes with a localized approach to selling and marketing is one of the key strategies in multinational marketing. This can be tricky for businesses seeking to attract new customers in local markets while trying to reduce costs and implement more effective planning processes.

Leontides (1987) further states that standardization cuts back on hierarchy and unnecessary spending, with company-wide approaches to customer service. Implementing the same plan in every marketplace, however, is risky because it may ignore the wants and needs of local customers. Finding a balance between company policies and localized customer service is the key.

Competitive pricing is another common globalization strategy. It is setting the price of a product or service based on what the competition is charging and is used more often by businesses selling similar products, since services can vary from business to business while the attributes of a product remain similar. This type of pricing strategy is generally used once a price for a product or service has reached a level of equilibrium, which often occurs when a product has been on the market for a long time and there are many substitutes for the product (Whitla et al., 2007)

Businesses have three options when setting the prices. They can set it below the competition, at the competition or above the competition (Leontides, 1987). Selling a product for the same price in every market limits the potential for that product to earn higher revenues in more demanding locations, prices sometimes must be lowered in order to gain a competitive advantage hence competitive pricing.

Leontides (1987) states that many businesses, particularly smaller-sized ones, cannot afford to directly market their products in every location they may desire. Forming strategic alliances with other vendors or with multinational marketing agencies allows companies to market internationally without the need to set up operations globally. A company may wish to sell its products or services to enter new geographical market but may not be able to justify setting up a new branch. Leontides (1987) further states that to rectify this, the company can join with an existing distributor in the area and begin to market and sell its products/services there. The distributor may take a small commission or percentage of sales, but this will be minimal compared to the cost of setting up a new branch.

2.4 Empirical Studies and Knowledge Gaps

Several studies have been conducted both locally and internationally on globalization strategies and the hotel industry. However, there has been little empirical evidence of the effect of adoption of globalization strategies by hotels so as to gain competitive advantage. In a study by Hyun Jin Yun (2000) on the globalization strategy of hotel companies, he established that hotels employed strategies such as strategic alliances, mergers and acquisitions. In addition they emphasized on consistent delivery of products and services in the host countries.

Whitla et al., (2007) established that global strategy is most influenced by market factors, other drivers such as resources having much less influence. They observed that globalization is mostly marked in the thrust for a broad geographic presence in key overseas markets and that most customers especially those doing single sourcing settle on brands with a broad geographic availability.

In the study of how globalization influences the hospitality industry, Shrivastava (2012) concluded that increasing levels of globalization in the hospitality industry calls for hotel companies to learn different strategies and management practices to survive and gain competitive advantage in the industry. Philips (1999) stated that performance measurement is an important managerial activity. The study shows how a performance measurement system has the potential to deliver competitive advantage and speculates that competitive advantage can be achieved if inputs, processes, outputs, markets, environmental characteristics are congruent with business objectives.

Ongori et al., (2013) studied factors affecting performance of hotels in Kenya and concluded that the C.A of most hotels relies on offering unique quality services to a specific class of customers at affordable cost for high and sustainable performance. They observed that newly established hotels with modern facilities and located in spacious conducive environment had high customer turnover.

Tsuma (2014) studied the globalization strategies adopted by five star hotels in Nairobi and suggested that due to increased globalization hotels are all practicing some form of global sourcing; indicating that they are going beyond borders to source for services, products due to lack of the products in the country but also in search for superior quality, cost friendly products.

In studying positioning strategies adopted by five star hotels in Nairobi, Abebaw (2013) concluded that five star hotels employ positioning strategies on the basis of quality customer service, physical attractiveness, and range of product offerings, unique product features and information technologies to gain a competitive edge.

The above studies have addressed the issue of globalization, influences of globalization, strategic responses and the performance of hotels. Unfortunately there has been a scarcity of hospitality related research to assess globalization and competitive advantage. The aspect of globalization strategies employed by five star hotels to gain competitive advantage has not been tackled. Hotels operate in a global village hence need to adopt globalization strategies in a bid to gain competitive advantage.

2.5 Chapter Summary

Chapter two gives an in-depth description of the topic of study and an explanation of the theories. Theory of core competences explains that firms must play to their strengths and areas of competencies to gain C.A whereas RBV states that an entity attains C.A only if it contains a unique combination of competences. Dynamic capability focuses on the issue of a firm's competitive survival. The above theories give a better understanding of competitive advantage in the industry.

The chapter points out the need for organizations to understand their global and local business environment in order to survive. The globalization strategies cover; global, multinational and international strategies which are aimed at enabling an organization achieve C.A. The strategies are broken down into standardization, localization, strategic alliances, competitive pricing and differentiation.

The chapter identifies empirical studies and knowledge gaps by pointing out the various research studies carried out both locally and internationally on the hotel industry, globalization strategies employed by the hotels and competitive advantage gained by hotels. The study concluded that there was very little information if any, on the globalization strategies adopted by hotels and the resulting competitive advantage gained.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used in gathering the relevant data. It shall focus on the research design, the target population, methods of data collection and how data was analyzed.

3.2 Research Design

Research design refers to the way a researcher intends to plan and conduct his or her work, the procedures and techniques to be employed to answer the research problem or question (McMillan & Schumacher, 1984). According to Kothari (2004) a research design is the “arrangement of conditions for collection of analysis of data in a matter that aims to combine relevance to the research purpose with economy in procedure”.

The study was a cross-sectional survey. Cross sectional surveys are used to gather information on a population at a single point in time or over a short period of time. It is used when the purpose of the study is to find the prevalence of the outcome of interest, for the population or sub-groups within the population at a given point in time. Usually there is no sub group as such, but the aim is to describe a population or a sub- group within the population with respect to an outcome and a set of risk factors (Kothari, 2004).

Mugenda and Mugenda (2003) note that a survey research seeks to get opinions from a section or the entire population. Surveys assist in gathering information not available from other sources, ensure an unbiased representation of population of interest, allow the same information to be collected from every respondent and are used to complement existing data from secondary sources. Thus, cross sectional survey design was deemed the most appropriate for this research.

Cross- sectional design was preferred because surveys describe the characteristics of a population and high reliability is easy to obtain by presenting all subjects with a standardized stimulus which ensures that observer subjectivity is greatly eliminated (Mugenda and Mugenda, 2003).

3.3 Population of the Study

A research population is a well-defined collection of individuals or objects known to have similar characteristics. All individuals or objects within a certain population usually have a common, binding characteristic or trait (Kothari, 2004).

The target population for this study was all the five star hotels operating in Nairobi Kenya. As per the Kenyan Gazette Notice No. 3976 (Vol. CV- No. 62) they are eight in number, as listed in Appendix III. The study was exploratory and a census study as the population was relatively small in size.

Lavrakas (2008) defines a census study as involving collection of data from every member of the population being studied. It is a study of every unit in a population. Bryman and Bell (2003) indicate that a census is a collection of information from all units in the population or a 'complete enumeration of the population'.

Kothari (2004) points out that a census study is a complete enumeration of all items in a population. He acknowledges that when all items are studied, no elements of chance are left and the highest accuracy is obtained. He further states that when the population is small, it is no use resorting to a sample survey.

The pros of a census study is that it increases confidence interval because it often results in enough respondents hence a higher degree of confidence and ensures that there is no bias since every population element is included in the study thus provides a true measure of the population (Lavrakas, 2008).

3.4 Data Collection

The researcher used primary data for the study. Mugenda and Mugenda (2003) define primary data as the data that the researcher collects for the first time from target respondents. Primary data was collected using semi structured questionnaires primarily due to their practicability and applicability to the research problem. Questionnaires give the researcher comprehensive data on a wide range of factors (Kothari, 2004).

Kothari (2004) defines a questionnaire as a set of questions for gathering information from individuals. Mugenda and Mugenda (2003) observed that the prerequisite to questionnaire design is the definition of the problem and the specific study objectives. They observed that it is relatively quick to collect information from a group of people using a questionnaire if the return rates are high.

The questionnaires were administered using drop -and- pick- later method or sent to the respondent via email where deemed convenient. The questionnaire is attached as Appendix II, it sought to establish variables on the levels of competition and globalization strategies applied by the various hotels.

The respondents of this study were Marketing Managers of the hotels since they oversee formulation and implementation of strategies to gain competitive advantage in the industry. To ensure full cooperation and support from the respondents and to offer credibility to the research an introduction letter was provided by the university, attached as Appendix I.

3.6 Data Analysis

Data analysis is the process of systematically applying statistical and/or logical techniques to describe, illustrate, condense, recap and evaluate data (Shamoo &Resnick, 2003). Data and information obtained through the questionnaire was first checked for completeness. Respondents were presented with various choices and asked to select the choice that best describes or closely relates to their organization.

The questionnaires found to be correctly filled and fit for analysis data were summarized, coded and tabulated. Coding was according to each variable of the study to ensure the margin of error is minimized and accuracy achieved.

The data collected was analyzed using the Statistical Package for the Social Sciences (SPSS) based on the questionnaire. Percentages and frequency distribution were used to summarize the responses. Results were presented in terms of graphs, tables and charts.

3.7 Chapter Summary

In summary, the chapter presented the research methodology used in gathering relevant data for the study. The research design was a cross sectional study because of reliability and description of the characteristic of the population. The population of study was all the five star hotels in Nairobi which are eight in number according to the Kenyan Gazette Notice No. 3976. The study was therefore a census study.

The researcher used primary data which was collected using semi structured questionnaires administered through drop and pick later. Respondents for the study were Marketing Managers or heads of the marketing department, data was later analyzed using SPSS software and presented through tables, charts and graphs.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis, findings and discussion of the study on globalization strategies employed by five star hotels in Nairobi to gain competitive advantage as set out in the research objective.

4.2 Findings

Upon data collection and analysis using SPSS, the findings of the study based on percentages, mode and frequency distribution were presented in tables, charts and graphs as per variables and each response item in the questionnaire.

4.2.1 Response Rate

The research was a census study, it targeted all the eight gazetted five star hotels in Nairobi that have with a physical address, email and telephone lines. The respondents compromised the Marketing Managers of the hotels.

Eight questionnaires were administered to the selected hotels, out of which all eight were filled and returned thus giving a 100% response rate. The response was made a reality after the researcher dropped the questionnaires and made personal visits, sent emails and made phone calls to the respondents, who then completed the questionnaires. The questionnaires were considered authentic if they contained the organizations' rubber stamp and an official email confirming their participation in the survey.

4.2.2 Length of Continuous Service in the Organization

The survey sought to establish the number of years the respondents had worked in the organization (length of service). It was noted that 37.5% have less than five years' experience while another 37.5% have another 5-10 years' experience. Two respondents (25%) stated that they have worked in the organization for more than 10 years.

This information depicts that majority of the respondents (62.5%) had worked in the various hotels for five years and more. This gives credibility to the information they provided to the study having served the organization long enough to understand the processes and subject of the study.

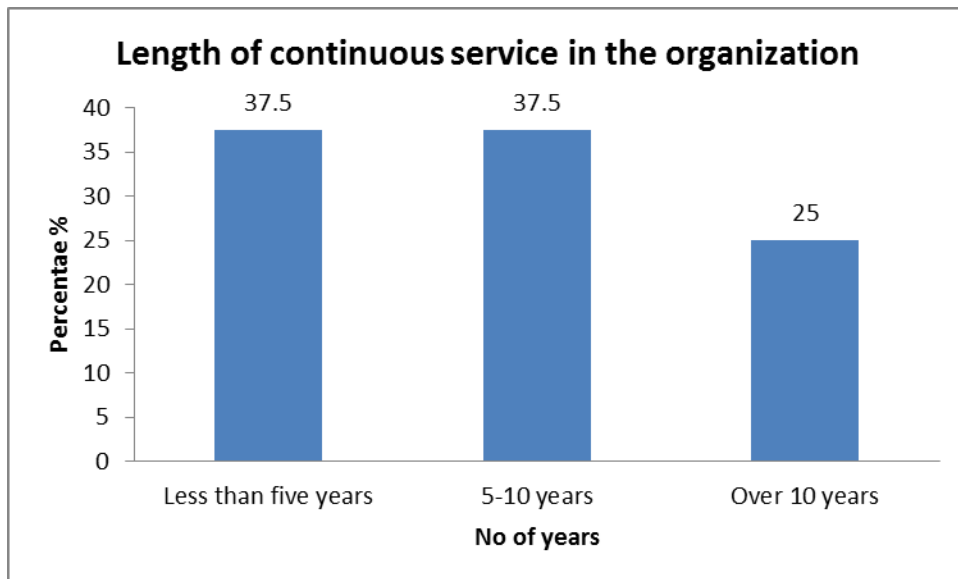


Figure 4.1: Length of continuous service in the organization

Source: Primary data, Survey 2015

4.2.3 Length of Hotel Operation Within Kenya

The study sought to establish the number of years of operations of the hotels where the respondents worked. Table 4.2 shows the findings.

Table 4.1: Length of operation within Kenya

For how long has your organization been in operation in Kenya?	Name of the organization								Total
	F	H	I	LR	SP	SS	Se	W	
Over 20 years	1	1	1	1	1	1	1	1	8
Below 20 years	0	0	0	0	0	0	0	0	0

Source: Primary data, survey 2015

From the study, it was evident all the eight hotels have been in existence and in operation for the last 20 years. The hotels are represented as: Fairmont (F), Hilton (H), Intercontinental (I), Laico Regency (LR), Safari Park (SP), Sarova Stanley (SS), Serena (Se) and Windsor (W).

4.3 Globalization Strategies

The study sought to establish how many hotels employed globalization strategies. The respondents were required to give a true or false response. The findings revealed that all organizations interviewed have employed global strategies. Thus 100% of the respondents agreed to employing globalization strategies.

Table 4.2: Employment of globalization strategies

We employ Globalization Strategies	F	H	I	LR	SP	SS	Se	W	Total
True	1	1	1	1	1	1	1	1	8
N									
%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	100%
False	0	0	0	0	0	0	0	0	0

Source: Primary data, Survey 2015

4.3.1 Globalization Strategies Employed by the Hotels

On globalization strategies employed by their organizations, the respondents were required to select the choices that were applicable to their respective hotels. Five options of globalization strategies were given and the respondents were required to select the one used by their organization and if not on the list fill it as other. The responses obtained by the researcher were shown in figure 4.2



Figure 4.2: Globalization Strategy Employed

Source: Primary Data, Survey2015

Figure 4.2 above shows the strategies employed by the different hotels. A total of 28% employ competitive pricing to gain advantage while another 28% equally employ localization of services to meet requirements of specific target market. A further, 16% market services outside domestic market and 17% employ standardization of services to cut costs as key globalization strategies. Only 11% stated that they employ Strategic Alliances.

From the above results it is clear that the highest percentage of hotels employ competitive pricing and localization as globalization strategies. The organizations also moderately practiced standardization of services to cut costs and marketing of services outside the domestic market. The least practiced strategy was strategic alliances.

4.3.2 State of Competition in the Industry

The study sought to establish how the respondents view the level of competition in the industry. Figure 4.3 indicates a representation of the level of competition in the industry and the name of the organization.

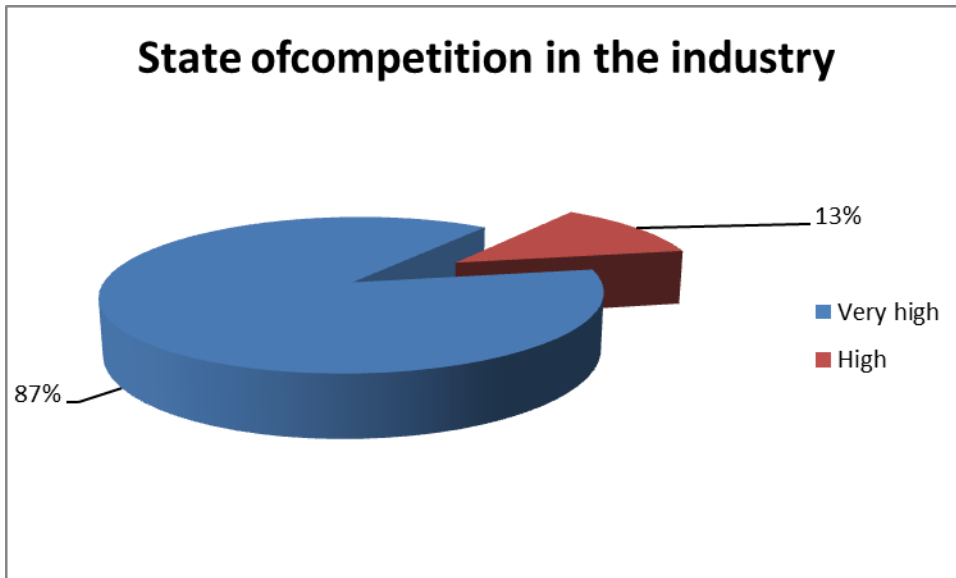


Figure 4.3: State of competition in the industry

Source: Primary data, Survey2015

87% of the respondents viewed the industry as highly competitive while the remaining 13% stated that it was competitive. The findings therefore indicate that the industry is a highly competitive industry.

4.3.3 Competitive Advantage as a Result of Globalization Strategies

The respondents were required to highlight the level to which the globalization strategies their organizations employed resulted to a competitive advantage in the industry. The options were; very high, high, uncertain, moderate or low.

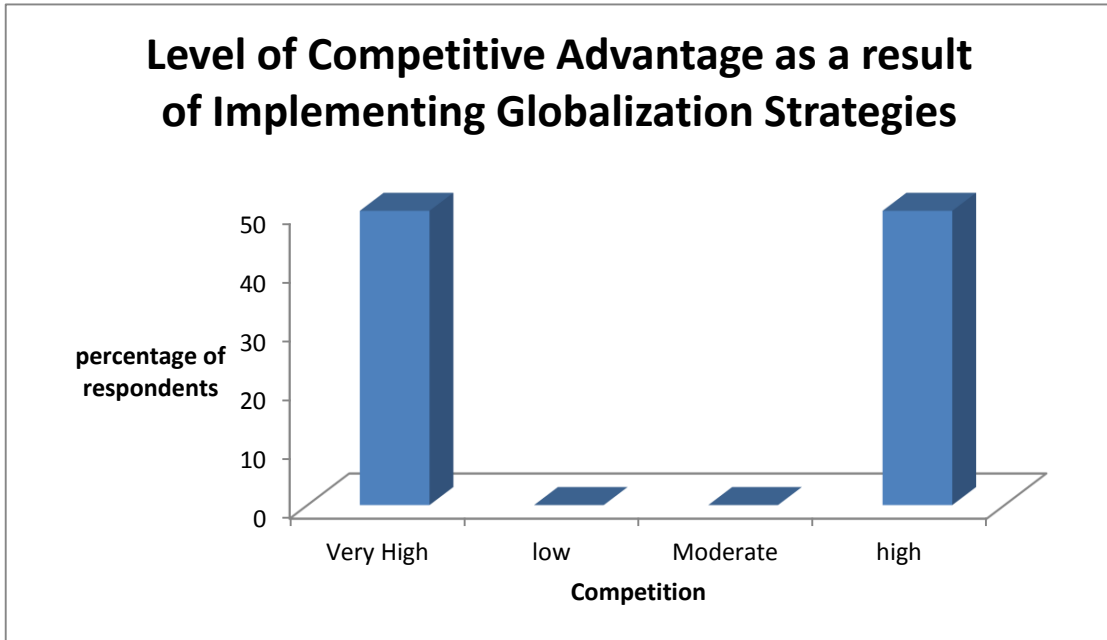


Figure 4.4: Level of C.A as a result of global strategies

Source: Primary Data, Survey 2015

When asked to rate to what extent the globalization strategies employed gives the organization a competitive advantage, half of the respondents (50%) stated very high while another 50% stated high, indicating that globalization strategies result to competitive advantage for the organizations.

4.3.4 Competitive Advantage Gained in Implementing Global Strategies

When asked to rate to what extent the globalization strategies employed gives the organization a competitive advantage, majority of the respondents (50%) stated very high while another 50% stated high, as highlighted in table 4.3 below.

Table 4.3: Extent of globalization strategies impact on competitive advantage

Level of C. A due to globalization Strategy	Frequency	Percentage	Cumulative Percentage
Very high	4	50.0	50.0
High	4	50.0	100.0
Total	8	100.0	

Source: Primary Data, Survey 2015

4.3.5 Competitive Advantage Gained

The study sought to establish the competitive advantage the organization gained as a result of implementing globalization strategies. The response was 4 hotels (28.6 %) stated that they gained cost competitive advantage, 4 hotels (28.6%) stated Brand popularity, while 3 hotels (21.4%) stated service differentiation and superior service and customer support respectively. The frequencies are represented below.

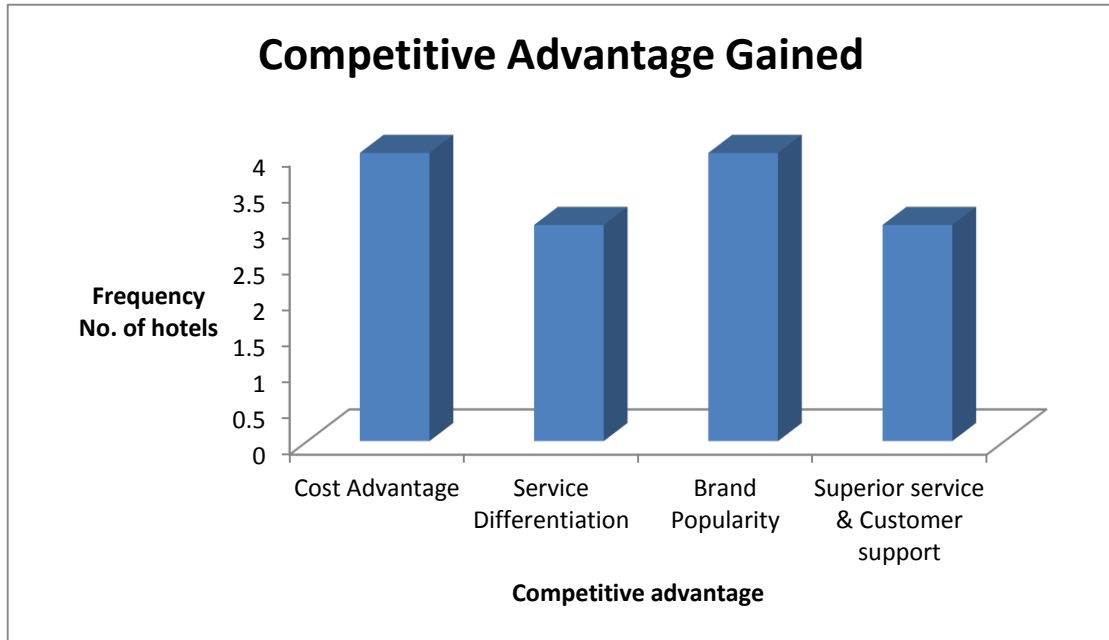


Figure 4.5: C.A gained

Source: Primary Data, Survey 2015

4.3.6 Core Competences of the organization

When asked about the core competencies the organization possesses, majority of the respondents stated customer service at 31.8% as a core competency. 27.3% stated quality and strategic customer targeting respectively as a key competency. 9.1% stated flexibility as an essential competency and 4.5% stated innovation.

The results could be attributed to the fact that the hospitality industry is mostly a service driven industry hence their major priority is to ensure that the clients get satisfactory or above average customer service so as to ensure that they get return clients and in the process boost their brand image. Strategic customer targeting was also popular given that the five star hotels tend to target high end clientele who value class, comfort and status.

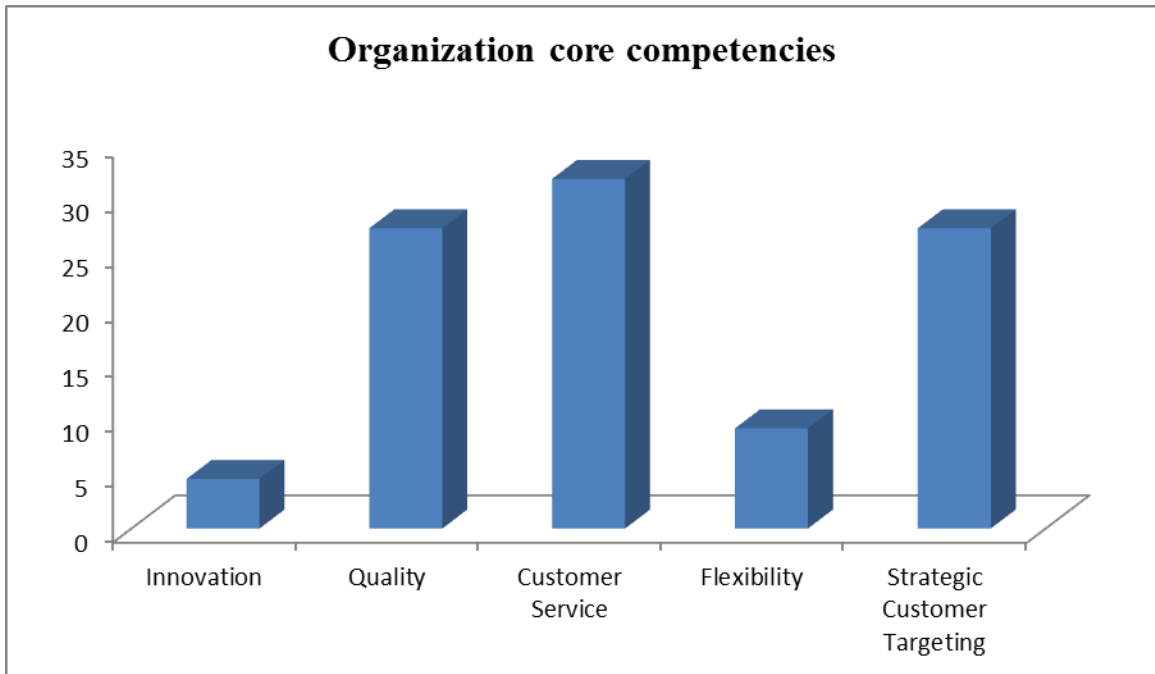


Figure 4.6: Core Competencies of the organization

Source: Primary data, Survey 2015

4.3.7 Determining Competitive Advantage

The respondents were required to select their method of competitive advantage analysis based on the options given or give any other method. The options given were; customer satisfaction, improved profits and increased market share.

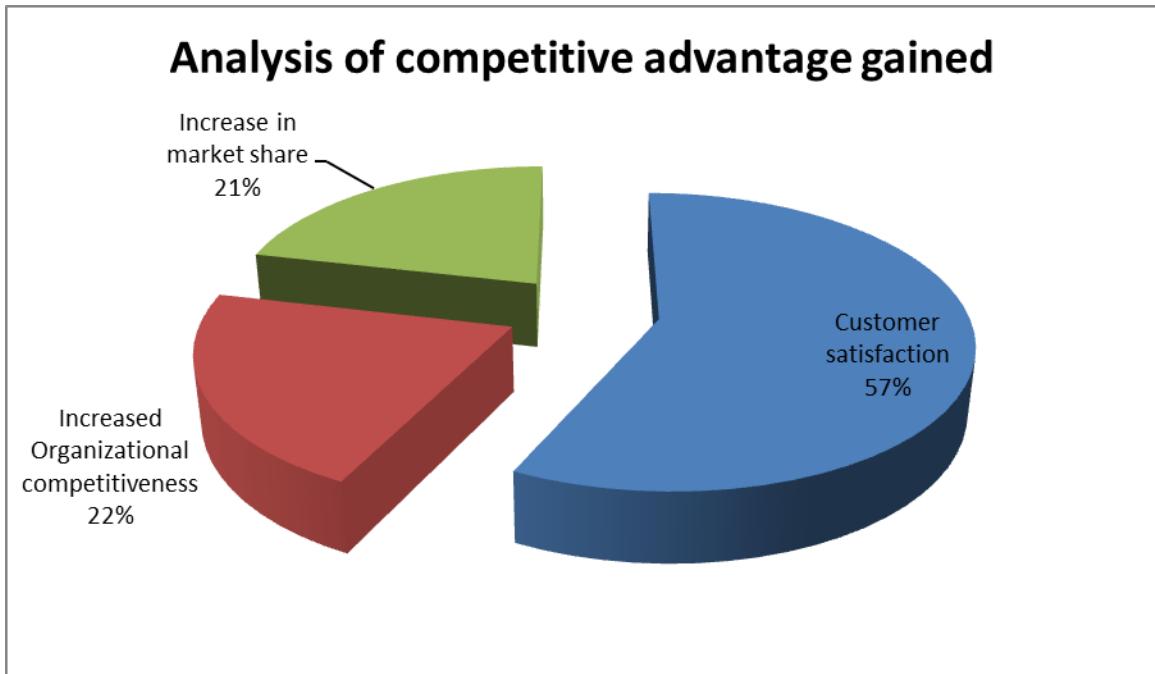


Figure 4.7: Determining competitive advantage

Source: Primary Data, 2015

As shown above majority of the respondents 57.2% stated that they used customer satisfaction as a means of determining competitive advantage. Customer satisfaction was said to be rated using customer feedback, hotel rating of the (range of one to five star, five being the highest rate) by customers on the Kenyan hotels website and receiving awards during annual competitions such as Taste Awards and Restaurant awards whereby the customers get to vote for the best hotel.

Increase in market share was also used to gauge competitiveness of the hotels in the industry (21.4%). A company's market share is the percentage is the percentage it controls of the total market for its products and services. It is calculated by measuring the percentage of sales or percentage of units sold (Prahalad and Hamel, 1990).

21.4% of the respondents opted for increased organizational competitiveness as a means of determining competitive advantage in the industry; they described it as increase in visibility and brand awareness in the industry resulting to increased patronage of the hotel by customers.

4.4 Discussion of the Findings

The objective of the study was to establish globalization strategies employed by five star hotels in Nairobi to gain competitive advantage. The respondents were asked to indicate whether there is competition in the industry in which they operate. The researcher listed five globalization strategies from which the respondents were to highlight the ones employed by their organization and asked to state if the strategies led to competitive advantage. They were also asked to indicate the core competences possessed by their organization and the competitive advantages experienced by their firms as a result of employing globalization strategies. The findings of the study have shown that the hospitality industry is highly competitive hence the need to strategically manage the hotels so as to compete in the market. Thompson and Strickland (1987) define it is a game plan used by management to position the organization in its chosen market arena, enabling it to compete successfully.

The study has established that all the hotels employ globalization strategies most of them attributing this to increased globalization which has resulted to stiff competition from both local and international hotels. Friedman (2005) defines globalization strategy as an organizations strategic guide to globalization. The findings of the study have confirmed Friedman statement that firms employ globalization strategies so as to deal with globalization this includes competition arising from the world being a global village.

All respondents affirmed that their organizations employed Globalization strategies and that this resulted to them gaining competitive advantage. The globalization strategies employed include; competitive pricing, standardization of services to cut costs, localization of services to meet requirements of specific target markets, marketing services outside the domestic market and strategic alliances.

50% of the respondents stated that they enjoyed very high competitive advantage as a result of employing globalization strategies while the other 50% stated that they enjoyed high competitive advantage. The most common competitive advantage enjoyed as a result of employing global strategies was cost competitive advantage and brand popularity. According to Porter (1986) there are two basic types of competitive advantage a firm can possess: low cost or differentiation. These findings confirm the theory dynamic capability which states that an organization should be able to adapt to changes in its environment using its functional or managerial capability for optimal functioning.

The theory of core competences which states that firms must play to their strengths or the areas in which they have competences so as to gain competitive advantage (Prahalad and Hamel, 2009) is also supported by the study. When asked about the core competencies the organization possesses, all the respondents indicated that their organization had at least one core competency. A core competency can be defined as a harmonized combination of multiple resources and skills that distinguish a firm in the marketplace (Prahalad and Hamel, 1990).

Core competences are the things that an entity can do better than its competitors. They allow businesses to deliver value to their customers by facilitating seamless implementation of the globalization strategies by the organization. Prahalad and Hamel (1990) emphasize that it is essential to Identify and capitalize on core competences in order to sustain the competitive advantage gained.

Findings from the research concurred with several studies conducted locally and internationally. Shrivastava (2012) in his study of how globalization influences the hospitality industry concluded that increasing levels of globalization in the hospitality industry calls for hotel companies to learn different strategies and management practices to survive and gain competitive advantage. Ongori et al., (2013) in his study concluded that the competitive advantage of most hotels relies on offering unique quality services to a specific class of customers at affordable cost for high and sustainable performance.

Whitla et al., (2007) established that global strategy is most influenced by market factors, other drivers, such as resources having much less influence. Hyun Jin Yun (2000) in his study on the globalization strategy of hotel companies established that hotels employed strategies such as strategic alliances, mergers and acquisitions, in addition they emphasized on consistent delivery of products and services in the host country.

4.5 Chapter Summary

In summary chapter four analyses the responses of the filled in the questionnaires by the various marketing managers. The data is summarized in forms of tables, graphs and charts which are interpreted. The data collected in the research affirms that the five star hotels apply globalization strategies which in turn bring about competitive advantage for the entities.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section summarizes the findings of the research, presents the conclusions drawn from the study and makes recommendations derived from the experiences encountered by the various five star hotels. The conclusions and recommendations were drawn after addressing the research question. The chapter also looks at the limitations of this study and makes recommendations for future research.

5.2 Summary

The study aimed at establishing the globalization strategies adopted by five star hotels to gain competitive advantage. From the information discussed in chapter four above, the study established the following:

The hospitality industry has been facing very stiff competition in the recent past, this has motivated the implementation of strategies in order to gain competitive advantage in the industry. For an entity to achieve competitive advantage in the industry, management needs to identify the most effective strategies to be adopted to be adopted for maximum returns to the organization at a given point in time. This is because various strategies adopted by the organization towards attainment of competitive advantage produces different results at the same time(Mwaniki,2014).

The research established that due to increased competition, various hotels have resulted to adoption of globalization strategies given that the world has become a 'global village' hence the need to compete globally. The globalization strategies employed include; competitive pricing, standardization of services, localization of services, marketing services outside the domestic market and strategic alliances. The respondents were required to state whether or not their organization employed globalization strategies. 100% of the respondents agreed to employing globalization strategies.

Overall the process of implementing globalization strategies has led to increase in competitive advantage for the hotels such as cost advantage, brand popularity, service differentiation and superior service and customer support.

The study also confirms that globalization strategies have been a major boost in the attainment of competitive advantage for the hotels. The global strategies range from competitive pricing, marketing of the various hotel services to targets outside the domestic markets, standardization of services to the various markets served so as to cut costs, localization of services to meet requirements of specific target markets to finally strategic alliances by some of the organizations. Most of the hotels agreed to use customer satisfaction as the major determinant for competitive advantage in the industry, given that it is a customer oriented and service based industry. They pointed out that a higher number of customers in terms of restaurant and bed occupancy reflected an edge over their competitors.

5.3 Conclusion

The study concludes based on the summary of the findings that the hotel industry is a highly competitive industry that continues to face increased competition both locally and internationally. It establishes that five star hotels studied all employ globalization strategies to enable them to compete within and outside their domestic markets. When correctly implemented the strategies give the organizations competitive advantage in the industry.

The study established that for an organization to achieve competitive advantage, first, management needs to identify effective strategies to be adopted for maximum returns to the organization. The creation of an effective strategy is critical for the company's competitive advantage because as Porter (1987) said 'strategies are designed to generate sustainable competitive advantage that achieves desired results for the organization in the industry'.

The hotels gained competitive advantage as a result of employing globalization strategies. The most common competitive advantages gained by the hotels as a result of globalization strategies were cost advantage which refers to the advantage that a firm has over its competitors allowing it to make greater sales and retain more customers.

Brand popularity was another key advantage the respondents related to, as a result of implementing globalization strategies the organization gained popularity both locally and internationally. Other competitive advantages gained include service differentiation and superior service and customer support.

Majority of the hotels used customer satisfaction as a measure of the competitive advantage. This included positive feedback from clients, high ratings by clients on the Kenyan hotel website and winning of awards as a result of voting by customers. The other tool used was increased market share and increased organization competitiveness.

5.4 Implications of the Study on Policy, Practice and Theory

The recommendations below indicate how the study would contribute towards theory, policy, managerial practice and theory.

The researcher recommends a participatory organization structure where employees and relevant stakeholders are adequately represented in the policy formulation and decision making especially when formulating strategies. All the relevant stakeholders should be involved in advance to help forecast uncertainties and risks that may arise. Feedback from clients serves as a basis to know how to modify policies.

On the managerial practice perspective the study recommends that hotels in the country need to frequently benchmark with other organizations in the same industry so as to gauge their performance. It further recommends that management should identify effective strategies to be adopted for maximum returns to the organization and they should provide adequate support to the implementers (employees).

The research was supported by three theories; dynamic capability theory, resource based view theory and theory of core competency and concurs with their contribution on competitive advantage and competition. It agrees that a firm can attain a competitive advantage if it contains a unique combination of competencies and that firms must learn quickly and build strategic assets so as to survive in a competitive environment.

5.5 Limitations of the study

For the purpose of this research a limitation was regarded as a factor that was present and contributed to the researcher getting inadequate information or if otherwise the response given would have been totally different from what the researcher expected. Main limitations of the study were:

There was the limitation of getting the researcher to sit through filling an entire questionnaire. The respondents could not finish filling the questionnaire in one sitting due to their busy schedule. To address this, the researcher was forced to drop the questionnaire and pick them later hence consuming more time.

The potential for respondent bias and lack of honesty cannot be ruled out. The bias depended on the willingness of the respondents to disclose information in regards to actual and accurate business strategies. Others felt that the information may be sensitive hence not giving accurate answers. As a result it was difficult to establish how honest the respondents were in their responses. To mitigate this however validity and reliability of the questionnaires was done to confirm that they met the required standards.

The other limitation of the study was the limited sample representative consisting of only Marketing Managers charged with the strategy formulation and overseeing the Marketing department. This sample did not involve middle and lower level managers and employees who are responsible for strategy implementation.

The study strictly focused on the globalization strategies and how they affect competitive advantage of five star hotels. As a result the findings of the study cannot be generalized to represent one to four star hotels or all the other strategies. There is need for more studies to be done before general conclusions can be drawn.

Nevertheless the limitations did not compromise the quality of the research. The respondents provided adequate information to enable the researcher understand the topic of study.

5.6 Areas for Further Research

The study focused on globalization strategies and five star hotels only. The findings were not enough to generalize the results since different hotels employ different strategies to cope with competition, not necessarily globalization strategies. The researcher therefore suggests further research to be conducted on the other hotels (one star hotel to five star hotels) and to consider other strategies that may be applied to gain competitive advantage.

There is need to conduct further research to establish if implementation of globalization strategies by the hotels is cost effective compared to other strategic management approaches employed by various hotels in Kenya.

There is need to find out the popularity of globalization strategies in the entire hotel industry, that is, how many hotels adopt them, how often they are implemented and their effect in the general operation of the hotel not just competition. This will help establish the popularity and effectiveness of globalization strategies.

5.7 Chapter Summary

Chapter five summarizes the findings of the study and presents the conclusions that the researcher made from the study. The researcher concluded that globalization strategies play a big role in facilitating the five star hotels with a competitive advantage hence sustaining them in competitive industry.

The chapter also looks at the various limitations faced by the researcher while conducting the study such as time, a limited sample size and potential respondent bias. It also highlights areas of study the researcher feels should be addressed and studied further so as to reduce knowledge gap.

Recommendations on the implications of the study on policy, managerial practice and theory are made in this chapter. It seeks to confirm if the intended value of the study was achieved. In this case the researcher achieved the intended value of the study in areas of policy practice and theory. The objective of the study was also met as noted in the conclusion.

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APPENDICES

APPENDIX I

INTRODUCTION LETTER


UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE: 31/07/2015

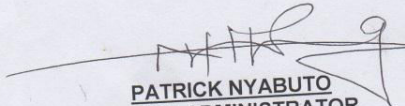
TO WHOM IT MAY CONCERN


The bearer of this letter DORCAS NAFOLA KANYIRIRE
Registration No. BG164365/2013
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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

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

Thank you.


PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS



APPENDIX II
QUESTIONNAIRE

Please give an answer in the spaces provided and tick in the box () that matches your response to the questions where applicable.

Section I: General Information

- 1. Name of interviewee (optional).....
- 2. Name of the organization.....
- 3. Department.....
- 4. Length of continuous service in the organization
 - a) Less than five years () c) Over 10 years ()
 - b) 5-10 years ()
- 5. For how long has your organization been in operation in Kenya?
 - a) Under 5 years () b) 6-10 years ()
 - c) 11-15 years () d) Over 20 years ()

Section II: Globalization Strategies and Competitive Advantage

- 6. Your organization employs globalization strategies?
 - True () False ()
- 7. Which globalization strategy does your organization employ?
 - a) Competitive pricing to gain advantage ()
 - b) Marketing services outside domestic market ()
 - c) Standardization of services to cut costs ()
 - d) Localization of services to meet requirements of specific target markets ()
 - Strategic Alliances ()
 - Other.....

8. Using a scale of 1-5 tick the appropriate answer from the alternatives, 1-Very high, 2-High, 3-uncertain, 4-Moderate, 5-low

Indicate the state of competition in the industry in which your organization operates

a. Very High () b. High () c. Uncertain () d. Moderate () e. Low ()

9. To what extent does globalization strategies employed give your organization a competitive advantage?

a. Very High () b. High () c. Uncertain () d. Moderate () e. Low ()

10. What competitive advantages does your organization enjoy as a result of implementing globalization strategies as compared to your competition?

a) Cost competitive advantage () c) Brand popularity ()

b) Service differentiation () d) Superior service and customer support ()

11. What core competences does your organization possess?

a) Innovation () e) Strategic Customer Targeting ()

b) Quality () f) Advanced Technology ()

c) Customer Service () g) Superior Internet Presence ()

d) Flexibility () h) Other

12. How do you analyze competitive advantage gained?

a) Customer satisfaction ()

b) Improved Profits ()

c) Increased market share ()

d) Other

THE END...THANK YOU

APPENDIX III

LIST OF FIVE STAR HOTELS IN NAIROBI

	NAME OF HOTEL	LOCATION	TELEPHONE
1	Intercontinental Hotel Nairobi	City Hall Way Nairobi, Kenya	020-320000
2	Hilton Hotel Nairobi	Mama Ngina Street, Nairobi, Kenya	020-2288000
3	Fairmont the Norfolk Hotel	Harry Thuku Road, Nairobi, Kenya	020-2265555
4	Safari Park Hotel	Thika Road, Nairobi, Kenya	020-3633000
5	Nairobi Serena Hotel	Processional Way, Nairobi, Kenya	020-2822000
6	Laico Hotel	Uhuru Highway, Nairobi, Kenya	020-211199
7	Windsor Hotel & Golf Club Kenya	Kigwa Lane, Ridge ways off Kiambu Road, Nairobi, Kenya	020-2338093
8	Sarova Stanley Hotel	Kimathi Street, Nairobi, Kenya	020-2757000

Source:<http://kenyalaw.org/kl/fileadmin/pdfdownloads/RepealedStatutes/Hotels> and
Restaurants Act_Cap494_pdf