

**COMPETITIVE STRATEGIES ADOPTED BY TRIBE
HOTEL IN NAIROBI, KENYA**

BY:

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DECLARATION

This research project is my original work and has never been submitted for examination to any other University.

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This project has been submitted with my authority as the university supervisor.

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DEDICATION

This research is dedicated to my family especially my Dad whose passion motivated me, mum, sisters and brother for moral and financial support.

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ABSTRACT

This chapter consists of the research methodology that will be used in the study. This includes the research design, data collection methods and data analysis. The research was a case study of Tribe Hotel. The study used primary data which was collected through face to face interview with the researcher. An interview guide was used to collect data from the Tribe Hotel. Content analysis was used to analyze the data since that nature of the data was qualitative. The information was analyzed and evaluated to determine their usefulness, consistency, credibility and adequacy of the content analysis. The study further concluded that Tribe Hotel adopted a number of strategies to gain competitive ability for instance human resource practices as part of the strategy to achieve competitive advantage through workforce identification requirements in hiring qualified and experienced employees who were competent to take up the job. Tribe Hotel also adopted the use of information technology to achieve competitive advantage. This was a marketing strategy done using the internet highlighting the range of products and services through electronic commerce (e-commerce). The study recommended that Tribe hotel should focus on relationship marketing, is more personal in the sense, it not only creates and maintains guests, but also builds a strong bond or relationship with the guests for now and the future. The driving force for the development of relationship marketing over traditional marketing has come from better quality services combining potential benefits for the hotel and the guests. This strong bond is possible only when the hotel is in constant and continuous touch with the customer, with the result such constant and continuous contact results in customer value which in turn enables the hotel to find out more ways to develop and foster better values. The study further recommends that Tribe Hotel should be in constant touch with the corporate travelers, both personally and emotionally, since emotional participation satisfies the behavioral part of the guest. All accommodation providers, who want to market for this segment successfully to achieve good yield per room occupied, will have to consider these aspects carefully, and deliver the same to the utmost satisfaction of their guests.

LIST OF ABBREVIATIONS

HR	Human Resource
ICT	Information Communication Technology
IT	Information Technology
NGOs	Non Governmental Organizations
UK	United Kingdom
US	United State

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The intensifying competition on the global tourism market is a great challenge for strategic management. Accelerating changes in industries and economies resulting in global competition have led to an increased popularity of strategic planning (Law and Jogaratnam, 2005). Strategy is about ensuring the survival and prosperity of a firm (Grant, 22005) by implementing strategies to fulfill stakeholder expectations in an uncertain future. Firms that engage in strategic planning and have appropriately designed and applied competitive strategies tend to have higher performance than those that do not. Competitive strategies can lead to high organizational performance, customer satisfaction, and increased competitiveness in the face of other rival businesses.

The key to the resource-based approach to strategy formulation understands the relationships among resources, capabilities, competitive advantage, and profitability. It is particularly important to understand the mechanisms by which competitive advantage can be sustained over time by utilizing internal resources of a firm. Galbreath and Galvin (2004) argue that although resource-based theory generally associates firm performance with intangible resources, which association may not always hold true in practice if tested from an empirical point of view.

In line with Barney's (1991) approach, such competitive strategies are commonly formulated by assessing the internal resources of the firm for example tangible and

intangible assets and organizational capabilities. Enz (2008) argue that a single resource cannot create competitive advantage. Rather, it is the combination of competitive resources like branding, human resources (HR), information technology (IT) innovations, computer reservation systems, niche marketing and advertising, and pricing tactics that can increase a hotel's capabilities and improve performance (Olsen et al., 2008). Tribe Hotels has highly invested in technology and resources that distinguish themselves from their competitors and survive in a competitive environment. Many hoteliers develop competitive strategies that aim to secure a strong market position and achieve profitability outcomes.

1.1.1 Concept of Strategy

Ansoff (1987) defined strategy as a pattern of action and resource allocations designed to achieve the expected goals of an institution. Strategy can also be defined as the way in which a corporation endeavors to differentiate itself positively from its competitors using its relative strengths to better satisfy customers needs. A well-defined strategy integrates organizations major plans, objectives, policies and programs and commitments into a cohesive whole. It marshals and allocates limited resources in the best way, which is defined by an analysis of an organization's unique strengths and weaknesses and of opportunities and threats in the environment. It considers how to deal with the potential actions of intelligent opponents (Snell and Wright 1996).

The understanding of the strategic position of any organization and considering the strategic choices open to it are of little value unless the strategy managers wish to follow can be turned into action (Johnson & Scholes, 1999). Strategies are a critical element in organizational functioning but whereas most organization has good

strategies successful implementation remains a major challenge. Strategy implementation is a very critical issue in the success of any organization since without proper strategy implementation even the most superior strategy is useless. Aosa (1992) states that once strategies have been developed they need to be implemented; they are of no value unless they are effectively translated into actions.

The process of strategy implementation involves creating a fit between the way things are done and what it takes for effective execution of a strategy. Pearce & Robinson (2007), poor implementation of a strategy may cause that strategy to fail, meaning that strategy should be effectively operationalized and institutionalized in the organization for effective implementation. The leaders should full engage and involve employees in implementation of strategies in order to provide an enabling environment for the employees to adapt to these strategies.

1.1.2 Competitive Strategies

Competitive strategies are a broad range of strategies firms resort to in order to cope with competition, beat competition or keep ahead of competitors. There are various models of competitive strategies. One such model is Michael Porter's (Porter, 1988) generic competitive strategies which propose that firms can apply cost leadership, differentiation or focus strategies to gain competitive advantage against competitors. The other is the resource based competitive strategies model which proposes that a firm can compete effectively by capitalizing on its unique resources which competitors may be lacking and may not easily duplicate. These competitive strategies are used by firms as tools to enhance their competitive advantage in order to be able to compete with their competitors in the market place.

There various strategies adopted by organizations to improve their competitive advantage, these strategies must be in line with the goals and the objectives of the firm. Chathoth et al. (2007), suggests that the management of the firm must ensure sustainability of these strategies in the short-term and in the long run. To deal with the challenges of competition in the market place, some scholars have proposed some strategies or models of competitive strategies that firms can use to gain a competitive edge against its competitors. The main models are Porter's generic competitive strategies model, grand strategies (Pearce & Robinson, 1997) and resource based competitive strategies model.

1.1.3 Tribe Hotel in Kenya

Tribe hotel is a new hotel in the hospitality industry; it was born in the tailwind of political strife the riots of 2007 to 2008, this time investment was low. Tribe became the first new high-end boutique hotel to have opened in Nairobi in some 30 years. Tribe Hotel Nairobi is situated in the up-market Gigiri suburb of Nairobi this new hotel is attached to the trendy Village Market shopping and recreation complex, East Africa's largest all-in-one concept centre (Tribe Hotel, 2014). It is also located near to the United Nations and the US Embassy in Nairobi. Tribe hotel has got several awards due to its outstanding performances for instance it was selected as one of the hottest hotels in the world in travelers' hot list 2010 and 2014 (Tribe Hotel, 2014).

Tribe Hotel targets high end customers that were previously underserved; the hotel management employs various strategies to attain competitive advantage for example niche market segment, to position itself competitively, the hotel management seeks to offer world class quality services by attracting both foreign and local customers. Over the last few years, the hotel industry in Kenya has faced immense competition that has

led to adoption of strategies by the management of most hotels in order to cope with the competition in Kenya (Five Star Hotels, 2013).

The need for strategy has been heightened by the need to grow and survive in the market place. The ministry of tourism regulates entry and exit of players in the hospitality industry to ensure that all players comply with the rules and regulations of Hotels to ensure a healthy competition in the market; this enables customers to have access to quality hotel services with confidence (Five Star Hotels, 2013).

1.2 Research Problem

This research will focus on strategies that Tribe hotel employs in view of travel advisories from major countries like the U.S, UK imparting its unique clientele. This is a major problem for a hotel that largely relies on local market. One of the major goals of business managers is to achieve superior performance. Prior research has shown that strategy formulation and implementation are important in accomplishing this goal (Chathoth and Olsen, 2007). Many hoteliers develop competitive strategies that aim to secure a strong market position and achieve profitability outcomes. Some studies have been done locally and internationally on competitive strategies adopted by hotels to gain competitive advantage.

A Study was conducted in Europe on three competitive strategies employed by hotel firms, it was found that brand image, HR, and IT were the main strategies employed by hotels to gain a competitive edge. Keller & Lehmann (2003) investigated the effects of brand on creating value by hotel firms. The study found that branding was one of a hotel firm's most valuable assets (Keller and Lehmann, 2003). According to Ataman and Ulengin (2003), brand image comprises a product's name, its main physical features and appearance, and its main functions. Competitive branding

enables hotels to distinguish themselves from their competitors, to create customer loyalty, to exert greater control over promotion and distribution, and to demand a price premium over their competitors (Holverson and Revaz, 2006).

Some studies have identified a positive correlation between brand image as a competitive advantage by firms (Aaker, 1996; Phillips et al., 2002), with Kim et al. (2003) reports that brand image have the most significant impact on hotels in achieving competitive advantage through reducing costs and increasing firms profitability. According to Kim and Oh (2004) and Wang and Shyu (2008) investing in modern technologies for example ICT highly contributes to organizational performance (Wang and Shyu, 2008).

Tribe Hotel uses its location as a strategy to counter challenges of competition in the Hotel industry among the five star Hotels in Nairobi Kenya, Tribe Hotel is strategically located, it is based in Ginger which is considered the city's diplomatic district, global headquarters for the United Nations Environment Programme (UNEP) and Habitat, multiple NGO's and foreign missions including the US Embassy , Canadian High Commission, Belgium and turkey embassies are all within walking distance from the hotel. Most of these organizations are customers of Tribe Hotel (Tribe Hotel, 2014).Locally, several studies have been done on competitive advantage in the hotel industry, Ayele (2012), Richard (2013) and (Kilonzo, 2012), these studies however have broadly discussed on competitive strategies adopted by five star hotels in Nairobi city centre. However it is apparent that the studies have not addressed the strategies adopted by Tribe Hotel to gain a competitive advantage. The researcher therefore finds it necessary to address this problem by attempting to answer the

research question: What are the competitive strategies adopted by Tribe Hotel to develop competitive advantage?

1.3 Objective of the Study

The objective of this study was to determine the competitive strategies adopted by Tribe Hotel in Kenya.

1.4 Value of the Study

The study is expected to provide insight to other five star hotels in Kenya and the hospitality industry on the influence of various strategies adopted by Tribe Hotel in achieving competitive advantage.

Hotels and Restaurants Authority and the Ministry of Tourism may benefit from this study through setting up proper policies and procedures that prevent unfair competition in the market henceforth, ensure that all hotel businesses comply with the stipulated rules and regulation.

Researchers and academicians interested in this area of study and other related topics may also find the study useful for more focused research. Besides: the findings of this study will provide a basis for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section covers the available literature review of the study; it also provides the theoretical basis of the study. There are various competitive strategies adopted by Tribe Hotel to counter challenges of competition from other players in the hospitality industry as indicated below:

2.2 Theoretical Foundation of the Study

Researchers often draw on the Resource-Based Approach to test a firm's competitive advantage in the marketplace. Barney (1991) defined resources as all assets, capabilities, organizational processes, firm attributes, information and knowledge controlled by the firm that enable the firm to conceive of and implement strategies. Grant (1991) proposed a resource-based framework for strategy formulation that comprises analysis of the firm's resource base, appraisal of its capabilities, strategy selection, and the extension and upgrading of the firm's pool of resources and capabilities. The key to the resource-based approach to strategy formulation understands the relationships among resources, capabilities, competitive advantage, and profitability. It is particularly important to understand the mechanisms by which competitive advantage can be sustained over time by utilizing internal resources of a firm.

Galbreath and Galvin (2004) argue that although resource-based theory generally associates firm performance with intangible resources, which association may not always hold true in practice if tested from an empirical point of view. Because the

strengths of certain resources are dependent upon their interaction or combination with other resources, no single resource intangible or otherwise is the most important to the firm performance. Firms without strong organizational assets may undermine productivity, deliver poor-quality products and services, and employ an inferior talent pool (Grant, 1991).

The four main strategic approaches that an organization might adopt to attain competitive advantage is brand image, HR, IT and market niche draw on the resource based view of the firm. Although many hotels offer similar products, the resource competencies of brand image, HR, IT and market niche can differentiate each from its competitors. Product differentiation is more likely to apply to the choice of a competitive strategy that allows a hotel to compete on the basis of the quality or functionality of the product offering (Hibbets et al., 2003).

According to RBV proponents, it is much more feasible to exploit external opportunities using existing resources in a new way rather than trying to acquire new skills for each different opportunity (Galbreath and Galvin, 2008). In RBV model, resources are given the major role in helping companies to achieve higher organizational performance. There are two types of resources: tangible and intangible (Grant, 1991). Tangible assets are physical things. Land, buildings, machinery, equipment and capital all these assets are tangible (Hibbets, Albright and Funk, 2003). Physical resources can easily be bought in the market so they confer little advantage to the companies in the long run because rivals can soon acquire the identical assets (Grant, 1991). Intangible assets are everything else that has no physical presence but can still be owned by the company. Brand reputation, trademarks, intellectual property are all intangible assets. Intangible resources usually stay within

a company and are the main source of sustainable competitive advantage (Barney, 1991).

2.3 Competitive Strategies

In the hospitality industry, a competitive strategy is a strategy whereby a firm's portfolio of products and services is designed to bring together its unique resources and capabilities to gain advantage in the marketplace (Olsen et al., 2008). Hence, strategic business implementation choices are selected on the basis of each organization's competitive resources. Different resources influence hotel performance in different ways, even when hotels are in similar locations or subject to similar environmental changes (Dev et al., 2002). This study investigates various competitive strategies employed by hotel firms to attain a competitive advantage, these strategies highly contributes in achieving competitive advantage of the hotel business.

Developing the competitive strategy, however, is a challenging task for many hoteliers because the hotel industry is changing dramatically in the face of intense competition, increasing customer sophistication, and rapid technological advances. Harrison (2003) proposed some considerations for a hotel's strategic development before it implements any competitive strategy, such as how can the hotels take advantage of changes that are expected to occur in the industry? Are there any resources or capabilities the hotel could develop to achieve competitive advantages?. Enz (2010) defines the meaning of strategy as a pattern that emerges in a sequence of decision overtime, or an organizational plan of action that is intended to move a company towards the achievement of its shorter-term goals and, ultimately, its fundamental purposes.

Since strategy can be implemented over a short period of time, hoteliers become opportunistic, seizing all possibilities thrown up by the environment. A truly strategic approach would be to take into consideration as many factors as possible that impact on the Hotel's performance regarding the external factors. Porter (1985) proposed the analysis of the industry boundaries based on the five forces of competitions (potential entrants, customers, suppliers, substitutes, and rivalry among existing firms). Below are competitive strategies adopted by Tribe Hotel to counter challenges of competition from competitors?

2.3.1 Branding as a Strategy

Branding is one of a hotel firm's most valuable assets (Keller and Lehmann, 2003). According to Ataman and Ulengin (2003), brand image comprises a product's name, its main physical features and appearance, and its main functions. Competitive branding enables hotels to distinguish themselves from their competitors, to create customer loyalty, to exert greater control over promotion and distribution, and to demand a price premium over their competitors (Holverson and Revaz, 2006). Some studies have identified a positive correlation between brand image and firm performance (Aaker, 1996; Phillips et al., 2002), with Kim et al. (2003) even reporting brand image to have the most significant impact on hotel financial performance of any of the factors they measured.

Brand image makes the hotel to look distinct in the market as a way of positioning itself in the market to target certain customers and increase its market share as a provider of quality services that add value to customers. The disadvantage of this strategy is that it might take a very long period of time before a hotel becomes recognized as a brand in the market (Kim and Kim, 2003). A new hotel business

could be offering quality services in the market but because it's not very popular in the market, it may take some time to gain customer confidence. During this time the business may incur a lot of costs trying to establish itself in the market (Hibbets, Albright and Funk, 2003).

2.3.2 Human Resource (HR) Practices as a Source of Competitive Advantage

HR management practices are also recognized as resources that create competitive advantage (Kim and Oh, 2004; Wang and Shyu, 2008) and make a direct and economically significant contribution to organizational performance (Wang and Shyu, 2008). Because the hotel industry is becoming increasingly complex and requires greater skills among employees at all levels, many hoteliers are attempting to improve employee competency and reduce employee turnover (Olsen et al., 2008). Enz (2008) showed that HR is the most valuable asset in the hospitality industry. An effective HR policy can set a company apart from its competitors.

HR development can lead to a divergence in firm performance, particularly in the hospitality industry due to the service-oriented nature of its business (Crook et al., 2003). Competent and qualified human resources are likely to offer quality services; a hotel business requires high quality services by a team of competent and self motivated employees. This cannot be achieved without competent workers who are able to provide world class services in delivering quality services to their customers. The best hotels in the hospitality industry have a team of competent and efficient employees who play an integral role by providing quality customer services. Crook, Ketchen and Snow (2003) observe that the management of an organization should attract competent employees by providing attractive remuneration and other benefits to retain employees in the work place. The challenge of this strategy is that the firm

may incur a lot expenses paying employees at the expense of other operational costs (Wang and Shyu, 2008).

2.3.3 Information Technology (IT)

IT is another important resource for the hotel business. Advanced IT helps firms to deal with market complexity and to gain competitive advantage (Crichton and Edgar, 1995). Law and Jogaratnam (2005) investigated IT applications in the Hong Kong hotel industry. Their results showed IT to be an essential component of the strategic planning process for boosting hotel business performance and improving customer service, similar conclusions to those drawn by (Jonsson and Devonish, 2009).

Advanced IT can distinguish market offerings, help firms to meet customer expectations, deliver service standards and performance, and mobilize employees and business partners within the organization (Olsen and Ropper, 1998). Information a significant tool in achieving competitive advantage in a hotel business, investment in modern technologies for example ICT to integrate their management systems to enhance sharing of information among the employees in the work place (Olsen, West and Tse 2008). This enhances speed and improved communication procedures that enables the hotel to save costs and improve decision making processes. The challenge of this strategy is that the firm requires a huge amount of capital to invest in modern technologies (Law and Jogaratnam, 2005).

2.3.4 Market Niching Strategy

Market niche play a fundamental role in helping the hotel business to attain competitive ability. Research has shown that one potential decision may be to grow the size or scope of the operation (Phillips, Davies and Moutinho, 2002). Generally,

the goal of the organization is to achieve increased sales, a larger set of employees or capital resources (land, buildings and other improvements), or the diversity and number of enterprises integrated into the operation. The desire for growth is usually driven by optimism for market opportunities, or a new resource or previously untapped resource, such as the business skills of a family member (Olsen, West and Tse, 2008).

Other operations may seek to improve or stabilize their financial returns rather than grow. Most change requires some form of diversification or development of new revenue streams. Most niche-driven change is driven by strong indicators of changing consumer tastes (on the demand side) or changing personnel interests of customers or long-term employees in the business organization (O'Neill and Xiao, 2006).

The organization should assess the availability of its resources as it prepares to position itself strategically in the market. It is important to identify any new or slack resources that will allow for the new niche activities and growth. Beyond resources, an operation considering niche markets must also assess its capabilities, competencies and competitive advantage. The firm's capacity to deploy resources to achieve a competitive advantage against its customers is the primary goal of the firm. To gain a niche in a competitive market may take long before the business is fully established in the market (Phillips Davies and Moutinho, 2002).

2.3.5 Safety and Security

Security and safety is very important in the hospitality industry, the security of a country highly contribute to performance of the hotel. The hospitality industry is likely to perform poorly when a country faces insecurity problems for example

terrorism (Pranicevic, Alfirevic and Stumberger, 2011). Terrorism is an example of a form of insecurity that negatively impacts on the performance of a country's GDP and most importantly the tourism sector. A Firm should consider security as an important in the success of the hospitality industry. Most of the five hotels target the high end customers and tourists. When a country is in a state of insecurity, the intelligence through the embassy issues travel advisory to tourists seeking to tour Kenya (Stumberger, 2011). This order prevents tourists from touring a country and this leads to poor performance due to loss of incomes to the hotel industry and the economy of a country (Punpugdee, 2003).

2.4 Competitive Advantage

Competitive advantage can be put into the following five main categories namely, product advantage, knowledge advantage, cost advantage, relationship advantage and structural advantage (Snow and Hambrick, 1980). An organization will gain product advantage if it is able to develop superior products value higher than its competitors. In the service sector competitive advantage is seen as service advantage (Tse, 1991). A company is able to gain cost advantage if its cumulative costs of operation are lower than its competitors' (Porter 1996). This added advantage enables the organization to offer products and services at a cheaper price than competitors, to control its cost and capacity utilization, to access unique sources of input cheaper than competitors, to gain economies of scale and to gain experience curve economies which support the enterprise to reduce cost over time (Sharma and Upneja, 2005). Competitiveness at firm level represents the potential or capability of a firm to survive and grow, taking into account the competition of other firms for the same profits and in the same market (Prescott, 2001). In most cases organizations compete for markets

and resources and their competitive position is reflected in either market shares, profitability or in the creation and accumulation rate of comparative advantages, like innovative products, processes. Any organization's competitive ability depends on its performance and the direct entrepreneurial environment in which it operates (Taylor and Finley 2009). The entrepreneurial competencies demonstrated may make the much needed thrust for competitive advantage. In trying to develop and sustain competitive advantage, firms must understand the sources of such advantages and utilize them effectively and efficiently (Stevens, 2002).

An organization enjoys knowledge advantage if it has more knowledge than its competitors (Rigdon, 1994). There are three types of knowledge which enables an organization to take advantage over competitors for example product knowledge, market knowledge and technical knowledge (Reid and Sandler, 1992). The company is able to gain sustainable competitive advantage if it has patents or other intellectual property which prevents competitors from replicating (Porter 1990).

This form of relationship is essential in establishing trust which adds a lot of value through supporting the organization to secure its revenue and operations and to minimize transaction costs (Randolph and Dess, 1984). In addition an organization is to achieve relationship advantage if it is able to develop reputations and special relationships with its stakeholders such as customers, suppliers, distributors, investors and employees. A structural advantage involves organizational systems, relationship and communication in an organization. An organization will gain structural advantage if it is flexible, adaptable, speedy innovative and task oriented (Qu and Sit, 2007).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter consists of the research methodology that was used in the study. This includes the research design, data collection methods and data analysis.

3.2 Research Design

The research design was a case study of Tribe Hotel. A case study design is deemed suitable since it entail an analysis of a single unit of study desired as it provides focused and detailed insight to phenomenon that may be unclear. In this study, the focus will be competitive strategies adopted by Tribe Hotel to deal with competition. Kothari (1990) describes a case study as a form of qualitative analysis that involves a careful and complete observation of a social unit, it is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study (Young, 2000).

3.3 Data Collection

The study used primary data which was collected through face to face interview with the researcher. An interview guide was used to collect data from the Tribe Hotel. The content of the interview guide was divided into two sections: Section A sought data on general information about Tribe Hotel; Section B sought data on the major objective of this study on the strategies adopted by Tribe Hotel to cope with competition. The respondents for this study were managers at Tribe Hotel because they were deemed to understand the competitive strategies adopted by Tribe Hotel to deal with competition in the market.

3.4 Data Analysis

Content analysis was used to analyze the data since that nature of the data was qualitative. The information was analyzed and evaluated to determine their usefulness, consistency, credibility and adequacy of the content analysis. To achieve the objective of this study content analysis was in making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate to trends. According to Kothari (1990), content analysis involves analyzing the contents of documentary materials such as books, magazines, newspapers and the contents of all other verbal materials which either spoken or printed. Content analysis examines the intensity with which certain words have been used.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This study sought to obtain information on the two main objectives identified as: to determine the competitive strategies adopted by Tribe Hotel in Kenya. To achieve the intended objectives three respondents were targeted and all of them responded. Respondents interviewed were: The human resource manager, the marketing manager and the finance manager.

4.2 Demographics

An in depth analysis of the organization was done and the findings established that most of the respondents were degree holders from distinguished universities globally. The respondents had a better understanding and experience of the competitive strategies adopted by Tribe Hotel in Kenya. In respect to the length the respondents had served the organization, the findings established that three of the respondents had worked in Tribe Hotel for more than three years while one of the respondents had worked for five years. In their capacity as managers, they had a better understanding of the operations of the company and challenges that Tribe Hotel faced when implementing competitive strategies.

In regard to what the respondents liked best about the positions held, the findings established that most of them enjoyed the autonomy in the work place. The respondents agreed that the most interesting thing about their job was traveling to new places. Most respondents indicated that they enjoyed their work since its entailed dealing with customers especially providing the quality services. The respondents

were asked to comment on what they liked least. The findings established that most of the respondents spent few time with their families due to the nature of their work.

4.3 Competitive Strategies adopted by Tribe Hotel to Achieve Competitive Advantage

When asked whether Tribe used branding to achieve competitive advantage, the respondents indicated that the hotel had branded all its product and services with the name “tribe” and this part of marketing and is also for easy identification. These findings are consistent with Keller and Lehmann (2003) who argued that Branding is one of a hotel firm's most valuable assets brand image comprises a product's name, its main physical features and appearance, and its main functions. Similarly, Ataman and Ulengin (2003), competitive branding enables hotels to distinguish themselves from their competitors, to create customer loyalty, to exert greater control over promotion and distribution, and to demand a price premium over their competitors. According to the findings, the interviews pointed out that brand image made the hotel to look distinct in the market as a way of positioning itself in the market to target certain customers and increase its market share as a provider of quality services that add value to customers.

According to the findings, it was revealed that Tribe Hotel adopted human resource practices as part of the strategy to achieve competitive advantage. The respondents indicated that through workforce identification requirements Tribe hotel ensured that it hired qualified and experienced employees who were competent to take up the job. The processes of hiring and recruitment was undertaken with a lot of care and caution to ensure that only qualified employees qualified for the job.

The human resource manager played a pivotal role in selection of the best talents. New employees underwent a rigorous training to ensure that they are conversant with all the operations of the Hotel. These findings are coherent with the arguments brought out by Kim and Oh (2004), Wang and Shyu (2008) human resource management practices are also recognized as resources that create competitive advantage and make a direct and economically significant contribution to organizational performance. Enz (2008) showed that HR is the most valuable asset in the hospitality industry. An effective HR policy can set a company apart from its competitors.

On the other hand, Crook, Ketchen and Snow (2003) observed that the management of an organization should attract competent employees by providing attractive remuneration and other benefits to retain employees in the work place. The challenge of this strategy is that the firm may incur a lot expenses paying employees at the expense of other operational costs (Wang and Shyu, 2008).

Tribe Hotel also adopted the use of information technology to achieve competitive advantage. This was a marketing strategy done using the internet highlighting the range of products and services through electronic commerce (e-commerce). This enhanced the level of sales since some transactions were deliberated online. Majority of the respondents revealed that most of the clients were international and in most cases booking was done online. Payment was also done through electronic bills which was convenient and costs effective for customers. These findings are coherent with Crichton and Edgar (1995) who argued that IT is an important resource for the hotel business. Advanced IT helps firms to deal with market complexity and to gain competitive advantage. The findings were revealed from a study conducted in Hong

Kong hotel industry. Their results showed IT to be an essential component of the strategic planning process for boosting hotel business performance and improving customer service, similar conclusions to those drawn by (Johnsson and Devonish, 2009).

It was also revealed that advanced IT can distinguish market offerings, help firms to meet customer expectations, deliver service standards and performance, and mobilize employees and business partners within the organization (Olsen and Ropper, 1998).

Information a significant tool in achieving competitive advantage in a hotel business, investment in modern technologies for example ICT to integrate their management systems to enhance sharing of information among the employees in the work place. This enhances speed and improved communication procedures that enables the hotel to save costs and improve decision making processes. The challenge of this strategy is that the firm requires a huge amount of capital to invest in modern technologies (Law and Jogaratnam, 2005).

The findings also revealed that Tribe Hotel had a market niche which was used as a positioning strategy in enhancing competitive abilities by tribe Hotel. The market niche played a significant role in galvanizing its clientele within its proximity. The hotel is strategically located in Kenya diplomatic district. These findings support the studies by Phillips et al.(2002) who contended that market niche play a fundamental role in helping the hotel business to attain competitive ability. Research has shown that one potential decision may be to grow the size or scope of the operation Generally, the goal of the organization is to achieve increased sales, a larger set of employees or capital resources (land, buildings and other improvements), or the

diversity and number of enterprises integrated into the operation. The desire for growth is usually driven by optimism for market opportunities, or a new resource or previously untapped resource, such as the business skills of a family member (Olsen, West and Tse, 2008). Most change requires some form of diversification or development of new revenue streams. Most niche-driven change is driven by strong indicators of changing consumer tastes (on the demand side) or changing personnel interests of customers or long-term employees in the business organization (O'Neill and Xiao, 2006).

The findings confirmed that the Hotel was centrally located to position itself strategically in the market. In reference to Phillips Davies and Moutinho (2002), it is important to identify any new or slack resources that will allow for the new niche activities and growth. Beyond resources, an operation considering niche markets must also assess its capabilities, competencies and competitive advantage. The firm's capacity to deploy resources to achieve a competitive advantage against its customers is the primary goal of the firm. To gain a niche in a competitive market may take long before the business is fully established in the market.

The findings further revealed that the hotel targets corporate business especially the diplomatic community global headquarters for the United Nations Environment Programme (UNEP) and Habitat; ICRAF; multiple NGO's and foreign missions including the US Embassy and Canadian High Commission who are located within the vicinity of Tribe Hotel.

The findings further revealed that security and safety measures were part of the strategy used by tribe hotel to achieve competitive advantage. The respondents

indicated that Tribe Hotel enhanced security and safety measures through the adoption and deployment of modern security equipment for example walk through metal detector to strengthen screening, training of security agents. The hotel also outsources security officers from the national police who are within the jurisdiction of Gigiri.

According to the findings; this was one of the strategies that Tribe implemented to gain a competitive position in the market place through investing in security to foreigners. This highly attracted customers especially foreigners who were afraid of security following the recent attacks by terrorism. These findings are in tandem with Pranicovic, Alfirevic and Stumberger (2011) who contended that security and safety is very important in the hospitality industry, the security of a country highly contribute to performance of the hotel. The hospitality industry is likely to perform poorly when a country faces insecurity problems for example terrorism .Terrorism is an example of a form of insecurity that negatively impacts on the performance of a country's GDP and most importantly the tourism sector. According to Stumberger (2011), a firm should consider security as an important in the success of the hospitality industry. The finding further revealed that when a country is in a state of insecurity, the intelligence through the embassy issues travel advisory to tourists seeking to tour Kenya, this order prevents tourists from touring Kenya and this negatively affects the performance of the tourism industry in Kenya leading to loss of incomes to a country (Punpugdee, 2003).

It was also revealed that tribe Hotel had a striking design décor with a theme of rich and deep mix of colors with natural stone and wood, fabrics and artifacts. Outdoor pool. Friends dine on 'floating' islands just beyond the main restaurant; couples

lounge by a fireplace set inside the swimming pool; guests sunbathe in a tropical setting of waterfalls and beautiful gardens to provide an enabling environment for customers.

4.4 The Influence of Competitive Strategies in Achieving Competitive Advantage Against Competitors by Tribe Hotel.

When asked whether the organization increased customer satisfaction the findings revealed that most customers were happy about the quality of services they got from Tribe Hotel. One of the respondents indicated that they Hotel had not recorded any complaints in terms of the quality of the services offered by Tribe Hotel. This enabled Tribe Hotel to achieve a competitive ability against its competitors being quite new compared to other five Star Hotels in Nairobi County.

With regard to whether the Tribe hotel had acquired a good corporate image that improved its competitiveness against its competitors. The findings revealed Tribe Hotel managed to build a positive reputation with its customers. This was mostly through promotions and sponsorships for example Tribe Hotel participated in major events like stanchart marathon, visit children homes, hospitality rating and classification. It was recently selected as one of the hottest hotel in the world.

The findings also revealed that Tribe Hotel managed to enhance its efficiency by achieving the least amount of resources' through low cost marketing and production to attain its desired goals. With its increased level of efficiency Tribe Hotel was able to cut on its communication costs through an effective form of communication, monitored through sound and effective cost control.

The respondents unanimously agreed that Tribe Hotel was able to increase its profits through branding and marketing strategy. However, it was discovered that following the Westgate attack most of its clients were afraid to tour and visit the Hotel. This negatively impacted on the sales revenues leading to a rapid decrease in profitability. When asked to rate the level of growth and expansion over the last few years, the respondents pointed out that Tribe Hotel had realized positive growth that led brought about expansion phase of development as manifested in upcoming 200 room's hotel at the village market, green hills hotel. The respondents also agreed that the Hotel was in the process of establishing branches in Lamu and Maasai Mara.

With these developments, the respondents acknowledged that Tribe Hotel was had significantly improved its popularity due to quality services and improved levels of customers satisfaction especially due to personalized service and individual attention through giving their customers first priority in all their services.

4.5 Discussion

Competitive strategy in an organization is concerned with how a company uses competitive strategies to compete in a particular business in order to gain a competitive advantage. The intensifying competition on the global tourism market is a great challenge and business in this industry need to be up to the standards .tribe hotel is a five star hotel and the competition among these luxury hotels has increased especially in the Nairobi county. the ministry of tourism listed Grand Regency,Nairobi Serena,Holiday Inn,Nairobi Hilton,the Stanley,The Norfolk,The Nairobi,Safari Club,Hotel Inter-Continental,Windsor Club,Panafric Hotel as the ten dominant player in the 2002, the number of players has increased which means that the firms have has to come up with new strategies that will give its products

competitive edge over the competitors. This position is similar to that posited by Kim et al., (2004) who pointed out that business firms need to consider the overall strategy and provide unique products that will help it capture a particular segment of the market.

Tribe hotel has had to adopt different competitive strategies in order to maintain its clientele and be competitive in the market. These strategies include Human Resource Practices ,the hotel ensures that it hires qualified and experienced employees who are competent to take up with the job and they usually undergoes a rigorous training to ensure that they are conversant with all the operations of the Hotel. These findings are coherent with the arguments brought out by Kim and Oh (2004), Wang and Shyu (2008) human resource management practices are also recognized as resources that create competitive advantage and make a direct and economically significant contribution to organizational performance. Enz (2008) showed that HR is the most valuable asset in the hospitality industry. Market niching is another strategy which the hotel has embraced. The hotel targets corporate business especially the diplomatic community. It is the global headquarters for the United Nations Environment Programme (UNEP) and Habitat; ICRAF; multiple NGO's and foreign missions including the US Embassy and Canadian High Commission who are located within the vicinity of Tribe Hotel. It is strategically located in Kenya diplomatic district. Phillips et al.(2002) who contended that market niche play a fundamental role in helping the hotel business to attain competitive ability. Security and safety measures, is another important strategy that Tribe has implemented to gain a competitive position in the market place through investing in security to foreigners. The hotel has enhanced security and safety through the adoption and deployment of modern security equipment, outsources security officers from the national police who are within the

jurisdiction of Gigiri. This highly attracted customers especially foreigners who are afraid of security state following the recent attacks by terrorism. These findings are in tandem with Pranicevic, Alfirevic and Stumberger (2011) who contended that security and safety is very important in the hospitality industry, the security of a country highly contribute to performance of the hotel. According to Stumberger (2011), a firm should consider security as an important in the success of the hospitality industry. The finding further revealed that when a country is in a state of insecurity, the intelligence through the embassy issues travel advisory to tourists seeking to tour Kenya, this order prevents tourists from touring Kenya and this negatively affects the performance of the tourism industry in Kenya leading to loss of incomes to a country (Punpugdee, 2003). The findings of this study show that a firm should combine several strategies and identify the one that gives it the upper hand in the market against other players.

In the influence of Competitive Strategies in Achieving Competitive Advantage, the strategies adopted by any firm should have positive results and should enable the firm gain competitive advantage. The findings shows that the strategies adopted by tribe hotel have enabled it to increase customer satisfaction, acquire good corporate image that has improved its reputation and has resulted to being recently selected as one of the hottest hotel in the world, to increase its profits though the westgate attack scared most of its clients and this negatively impacted on the sales revenues leading to a rapid decrease in profitability so that's why they have increased security measures. It has realized positive growth that has led to expansion phase of development as and is in process of establishing branches in different parts of the country. The management is highly concentrating on the strategies they have realized to be vital.

CHAPTER FIVE

SUMMARY , CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This final chapter of the study chapter focused on the summary of the research findings, recommendations, limitations of the study, suggestions for further research and conclusions. The findings were presented in respect to the main objective which was to determine the competitive strategies adopted by Tribe Hotel in Kenya.

5.2 Summary

The findings established that most of the respondents were degree holders from distinguished universities globally. In respect to the length the respondents had served the organization, the findings established that three of the respondents had worked in Tribe Hotel for more than three years while one of the respondents had worked for five years. In their capacity as managers, they had a better understanding of the operations of the company and challenges that Tribe Hotel faced when implementing competitive strategies. In regard to what the respondents liked best about the positions held, the findings established that most of them enjoyed the autonomy in the work place. The respondents agreed that the most interesting thing about their job was traveling to new places. The findings further established that most of the respondents spent few time with their families due to the nature of their work.

When asked whether Tribe used branding to achieve competitive advantage, the respondents indicated that the hotel had branded all its product and services with the name “tribe” and this part of marketing and is also for easy identification. According to the findings, it was revealed that Tribe Hotel adopted human resource practices as

part of the strategy to achieve competitive advantage. The respondents indicated that through workforce identification requirements Tribe hotel ensured that it hired qualified and experienced employees who were competent to take up the job. The processes of hiring and recruitment was undertaken with a lot of care and caution to ensure that only qualified employees qualified for the job. Tribe Hotel also adopted the use of information technology to achieve competitive advantage. This was a marketing strategy done using the internet highlighting the range of products and services through electronic commerce (e-commerce). This enhanced the level of sales since some transactions were deliberated online. Majority of the respondents revealed that most of the clients were international and in most cases booking was done online. Payment was also done through electronic bills which was convenient and costs effective for customers.

The findings also revealed that Tribe Hotel had a market niche which was used as a positioning strategy in enhancing competitive abilities by tribe Hotel. The market niche played a significant role in galvanizing its clientele within its proximity. The findings further revealed that security and safety measures were part of the strategy used by tribe hotel to achieve competitive advantage. The respondents indicated that Tribe Hotel enhanced security and safety measures through the adoption and deployment of modern security equipment for example walk through metal detector to strengthen screening, training of security agents. The hotel also outsources security officers from the national police who are within the jurisdiction of Gigiri.

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hospitality rating and classification. It was recently selected as one of the hottest hotel in the world. The discovered that Tribe Hotel managed to enhance its efficiency by achieving the least amount of resources' through low cost marketing and production to attain its desired goals. With its increased level of efficiency Tribe Hotel was able to cut on its communication costs through an effective form of communication, monitored through sound and effective cost control. With these developments, the respondents acknowledged that Tribe Hotel was had significantly improved its popularity due to quality services and improved levels of customers satisfaction especially due to personalized service and individual attention through giving their customers first priority in all their services.

5.3 Conclusions

The study further concluded that Tribe Hotel adopted a number of strategies to gain competitive ability for instance human resource practices as part of the strategy to achieve competitive advantage through workforce identification requirements in hiring qualified and experienced employees who were competent to take up the job. Tribe Hotel also adopted the use of information technology to achieve competitive advantage. This was a marketing strategy done using the internet highlighting the range of products and services through electronic commerce (e-commerce).

The findings also revealed that Tribe Hotel had a market niche which was used as a positioning strategy in enhancing competitive abilities by tribe Hotel. The market niche played a significant role in galvanizing its clientele within its proximity. The findings further revealed that security and safety measures were part of the strategy used by tribe hotel to achieve competitive advantage. The respondents indicated that Tribe Hotel enhanced security and safety measures through the adoption and

deployment of modern security equipment for example walk through metal detector to strengthen screening, training of security agents. The hotel also outsources security officers from the national police who are within the jurisdiction of Gigiri.

5.4 Recommendations

The study recommends that Tribe hotel should focus on relationship marketing, is more personal in the sense, it not only creates and maintains guests, but also builds a strong bond or relationship with the guests for now and the future. The driving force for the development of relationship marketing over traditional marketing has come from better quality services combining potential benefits for the hotel and the guests. This strong bond is possible only when the hotel is in constant and continuous touch with the customer, with the result such constant and continuous contact results in customer value which in turn enables the hotel to find out more ways to develop and foster better values.

The study further recommends that Tribe Hotel should be in constant touch with the corporate travelers, both personally and emotionally, since emotional participation satisfies the behavioral part of the guest. All accommodation providers, who want to market for this segment successfully to achieve good yield per room occupied, will have to consider these aspects carefully, and deliver the same to the utmost satisfaction of their guests.

From the finding, globalization is a leading concept which has become the main factor in business life during the last few decades. These changes are mostly related to increasing competition and the rapid changes of technology and information transfer.

To counter these challenges, the study recommends that Tribe Hotel need to keep in mind various aspects of the main effects of globalization

Customers have a large multitude of choices in the market and this affects their behaviors: they want to acquire goods and services quickly and in a more efficient way than before. They also expect high quality and low prices. All these expectations need a response from the company, otherwise sales of company will decrease and they will lose profit and market share. The study recommends that Tribe Hotel should be ready for price, product and service and customer preferences because all of these are global market requirements.

The study recommends that Tribe Hotel needs employees who have “the right service attitude” for attitude is something that can rarely be taught as it usually comes naturally. If the employees do not have the right attitude towards their work and serving customers they can be the weakening link in the management’s efforts delivering the service quality.

The study recommends that Tribe Hotel should understand the needs of this segment of business and improve their products and services to suit the segment accordingly. It is important for management to understand what is the perception of service quality in the minds of its customer’s visa-vis what the management thinks to be service quality. In order to create and maintain a good quality service as a competitive tool, the management has to have a strategy. A well-managed quality service will ultimately result in customer satisfaction that will eventually make them loyal guests.

5.5 Limitations of the Study

The study findings accuracy was limited to the extent to which the respondents were honest in responding to questions .Given the sensitivity nature of data collection, there may have been likelihood of giving answers for questions that avoid crucial and confidential information.

5.6 Suggestions for Further Study

The study recommends that since this study was limited to a case study, future researchers and academicians should conduct a research on competitive strategies adopted by Five Star Hotels to gain a competitive advantage. The findings and recommendations can be compared and conclusions can be made based on concrete facts.

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APPENDICES
APPENDIX I: LETTER OF INTRODUCTION

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
PO BOX 30197
NAIROBI.

DEAR SIR/MADAM

**RE: RESEARCH ON COMPETITIVE STRATEGIES ADOPTED BY TRIBE
HOTEL IN NAIROBI, KENYA**

I am a postgraduate student at the University of Nairobi, pursuing a master degree in business administration specializing in strategic management.

I intend to conduct a research on the above mentioned topic and am kindly requesting you to allow me conduct in depth interview with the management. I assure you the information given will be confidential.

The results of this study will be purely for academic purpose and a copy will be availed to you upon completion.

Thanks in advance

YOURS SINCERELY

MUSEMBI CELESTINE MUTHEU

APPENDIX II: INTERVIEW GUIDE

Goal of the interview Process

To determine the competitive strategies adopted by tribe hotel in Nairobi, Kenya

Interview questions

The following sections provide sample questions to be used in determining the competitive strategies adopted by tribe hotel in Nairobi, Kenya

A. Respondent Background Interview

1. What is the highest level of education you have achieved?
2. How long have you served in Tribe Hotel?
3. How long have you served in your current position?
4. What do/did you like best about the positions/ you have held?
5. What do/did you like least?

Section B: Competitive strategies adopted by Tribe hotel to achieve competitive advantage in Nairobi, Kenya

1. Does tribe Hotel use branding to achieve competitive advantage?
2. Is human resource practices part of the strategy adopted by Tribe Hotel to achieve competitive advantage?
3. Does Tribe Hotel use information technology to achieve competitive advantage?
4. Is market niche a strategy used by tribe Hotel to achieve competitive advantage?
5. Is security and Safety measures part of the strategy used by Tribe Hotel to achieve competitive advantage?
6. Any other? Please specify?

Section C: The influence of competitive strategies in achieving competitive advantage against Competitors by Tribe Hotel.

1. Does the organization achieve an increase in customer satisfaction?

2. Is the Hotel able to achieve corporate image?
3. Has the Hotel achieved an increase in the level of efficiency?
4. Is the Hotel able to cut on its communication costs?
5. Has the Hotel been able to increase its profits?
6. Has the Hotel experience growth and expansion
7. Has the Hotel been able to improve on customer satisfaction?

THANK YOU FOR YOUR TIME.