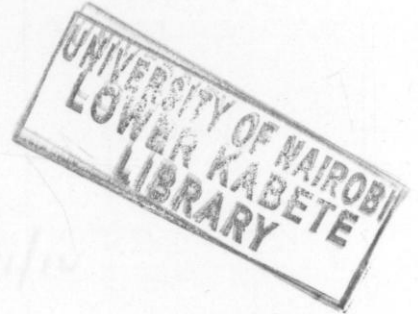


**COMPETITIVE STRATEGIES ADOPTED BY THE
KENYAN MINISTRY OF TOURISM TO ATTRACT
TOURISTS**



BY

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL
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This research project is my original work and has not been presented for the examination in any other university.

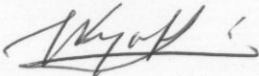
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DEDICATION

To my lovely wife Karimi and son Jens for love, understanding, support, encouragement, time, and finances, to my parents Wanjira and Muruga, for your prayers and believing in me, I dedicate this piece of study.

ABSTRACT

In a dynamic environment, competitiveness of strategies is critical for eventual success of strategies. Tourism industry is quite dynamic and national agencies mandated with tourism development are in constant strategic maneuvers to remain competitive. In Kenya the Ministry of Tourism is the government agency entrusted with the tourism development. The objective of this study was to determine the competitive strategies adopted by the Kenyan ministry of tourism to attract tourist. To collect the required data, a case study was suggested and interview guide used. The unit of study was the Kenyan Ministry of Tourism. A one-on-one interview was conducted with the strategists in the ministry of tourism. The assistant director, personnel manager, the operations manager, and marketing manager were interviewed. Data analysis was carried out by application of content analysis whereby thematic concerns were derived from the responses given during the interview.

The research established that traditional wildlife and beach tourist attraction sites were no longer growing and were constantly under threat of stiff. To remain competitive, the ministry of tourism engaged in new marketing strategies such as use of prominent athletes, product development such as MICE tourism has started taking roots, cultural tourism, eco-tourism and development of local tourism sites has been established. Cost leadership through utilization of the strategic geographic location, developed infrastructure and availability of social amenities and visionary leadership were identified as a competitive edge. The issues of unemployment and poverty, insecurity, technology and internet crimes, cultural degradation, inappropriate standardization, economic recession, climatic variations were identified as some of the most pressing and emerging challenges.

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KTB

Kenya Tourism Board

KTDK

Kenya Tourism Development Corporation

KWS

Kenya Wildlife Service

MICE

Meetings, Incentives, Conferences, and Exhibitions

TTF

Tourism Trust Fund

ABBREVIATIONS AND ACRONYMS

CA	Competitive advantage
KMOT	Kenyan Ministry of Tourism
KTB	Kenya Tourism Board
KTDC	Kenya Tourism Development Corporation
KWS	Kenya Wildlife Service
MICE	Meetings, Incentives, Conferences, and Exhibitions
TTF	Tourism Trust Fund

DEFINITION OF TERMS

Competition

The effort of two or more parties acting independently to secure the business of a third party by offering the most favorable terms

Competitive advantage

Competitive advantage is a situation whereby an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. These attributes can include access to natural resources, such as high grade ores or inexpensive power, or access to highly trained and skilled personnel human resources

Competitive strategy

Competitive strategy refers to how a company competes in a particular business. It is concerned with how a company can gain a competitive advantage through a distinctive way of competing.

Cost leadership

means the lowest cost of operation in the industry cost leadership is often driven by company efficiency, size, scale, scope and cumulative experience (learning curve)

Differentiation

Is the process of distinguishing a product or offering from

others, to make it more attractive to a particular target market. This involves differentiating it from competitors' products as well as a firm's own product offerings.

Diversification

is a form of corporate strategy for a company which seeks to increase profitability through greater sales volume obtained from new products and new markets

Dynamic Environment

A continuously changing set of conditions – Social, Legal, Economical, Political or Institutional that are uncontrollable in nature and affects the functioning of an organization.

Focus strategy

One of the three generic strategies, this strategy rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry and tailors its strategy to serving them to the exclusion of others

Strategy

Strategy is the direction and scope of an organisation over the long-term: which achieves advantage for the organisation through its configuration of resources with a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations

Sustainable tourism

Tourism that takes full account of its current and future

economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities

1.1 Background of the Study

Tourism The environment within which organizations operate are often characterized by the difficult, dangerous, dynamic and diverse circumstances (Tribe, 1999). Over the past few decades, environmental dynamics have created new challenges for all organizations and industries. The environment as an organization has not been spared the pace of change and governmental organizations have been undergoing dramatic restructuring to adapt and cope with changing environment. Organizations that remain static in a dynamic environment experience strategic drift and are likely to fail (Pearce and Robinson, 2005). The emergence of the global economy, advances in technology, increased external demands, and the need to provide more social services with fewer resources, worldwide globalized information systems and heightened media attention critical of government performance have put further pressure for the governments to adopt change management mechanisms.

Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes

Tourists People traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purpose

Traditional source markets These are countries which Kenya has always relied upon in its tourism industry, they include, United states of America, United kingdom, Germany, France and Spain. More than 80% of tourists visiting Kenya come from these countries

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The environment within which organizations operate are often characterized by the difficult, dangerous, dynamic and diverse circumstances (Tribe, 1999). Over the past few decades, environmental dynamics have created new challenges for all organizations and industries. The government as an organization has not been spared the wave of change and governmental organizations have been undergoing dramatic restructuring to adapt and cope with changing environment. Organizations that remain static in a dynamic environment experience strategic drift and are likely to fail. Pearce and Robinson (2005) observes that with the emergence of the global economy, advances in technology, increased societal demands, and the need to provide more social services with fewer resources, accessible globalized information systems and heightened media attention critical of government inefficiencies in service delivery, there has been immense pressure for the government to adopt strategic response mechanisms.

In order to position and relate itself with the environment, ensure its continued success and secure itself from the surprises brought about by the changes in an environment, a firm, government or any other organization is called to devise mechanism that adequately respond and anticipate these dynamics (Pearce and Robinson, 2005). The environment within which tourism exist consist of dynamic physical environment, political, society and economy factors. This calls for deliberate efforts to anticipate, adapt and cope with the changes in the environment within which they exist.

Tourism is one of the fastest growing sectors of the global economy and developing countries are attempting to cash in on this expanding industry in an attempt to boost foreign investment and financial reserves. Although the value of tourism has long been recognized, international attention to the role of tourism development especially in Africa is still lacking. Policies in the public sector are more concerned with the benefits of tourism for the community and have to play a more strategic/coordinating/leadership role in the development of tourism. In the private sector, policies are designed to give corporate direction for a profit motive, and as such are opportunistic (Brown and Essex, 1989). As the environment becomes more dynamic, competition in this industry is getting stiffer.

1.1.1 Concept of Competitive Strategy

Strategy is the deliberate decision made in response to the changing environment. Managers devise organizational decisions to maintain a pace of change in an organization (Mintzberg, 1979). Accordingly managers evaluate and choose strategies that they think will make their business successful and possess advantage against their competitors. Strategy is about creating value and being above the competitors and as Hitt, Ireland and Hoskisson (1997) note strategic competitiveness is achieved when a firm successfully formulates and implements value creating strategy.

Porter, (1996) employs the term competitive strategy to refer as to how a company competes in a particular business and is concerned with how a company can gain a competitive advantage through a distinctive way of competing. When a firm creates a value creating strategy that other firms are unable to duplicate the benefits or find it too costly to imitate the firm gains a competitive advantage. Today organizations in

all spheres must compete to deliver value. Value is the ability to meet or exceed the needs of customers, and do so efficiently. Companies have to deliver value to their customers, and countries have to deliver value as business locations. A firm has a competitive advantage when it delivers products or services at a lower cost or higher quality than that of its competitors, or when it has unique characteristics that cannot easily be replicated elsewhere (Hitt, Ireland and Hoskisson, 1997). How a firm is organized and how it uses its resources and capabilities to create unique, better or lower cost products or services determines its ability to develop a competitive advantage, become an industry leader and create excellent value for its customers and higher profits for itself.

Today's dynamic markets and technologies have brought about a major challenge to the sustainability of competitive advantage. Under pressure to improve productivity, quality, and speed, managers have embraced tools such as Total Quality Management, benchmarking, and reengineering. Although these dramatic operational improvements have resulted, as Porter (1996) notes rarely have these gains translated into sustainable profitability. Porter argues that operational effectiveness, although necessary to superior performance, is not sufficient, because its techniques are easy to imitate. In contrast, the essence of strategy is choosing a unique and valuable position rooted in systems of activities that are much more difficult to match (Porter, 1996).

An industry's competitiveness depends on the ability of firms and other actors in the chain to anticipate and meet buyer demands, take advantage of end-market opportunities, and respond to or influence changes in market demand. An industry can enhance its ability to compete by improving product differentiation, operations or

branding. Though firm-level interventions may improve the competitiveness of individual enterprises in the short term, if industry-wide constraints such as a difficult policy and legal business environment or a lack of supporting markets are not addressed, impact is likely to be limited and of short duration. Business owners can use standard strategies or develop their own strategy. Flexibility is an important feature of competitive business strategies (Porter, 1996).

Cost leadership is a business strategy that allows a company to become the lowest cost production company in an industry. Traditionally, businesses have two options for improving profits: increasing sales or decreasing costs. Cost leadership strategies focus on acquiring raw materials that are the highest quality at the lowest price. The ability to undercut a competitor's price often leads to increases in market share. Business owners use competitive business strategies to differentiate their goods or services from others in the industry. Differentiation may be actual or perceived. Actual differentiation involves creating products that are not currently available in the economic marketplace. Perceived differentiation takes a little more work on the part of companies. Companies typically use advertising messages that describe a product similar to those in the market with a few subtle differences. This strategy encourages consumers to differentiate the product in their minds (Mintzberg, 1979).

The generic strategy of focus rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry and tailors its strategy to serving them to the exclusion of others. The focus strategy has two variants. In cost focus a firm seeks a cost advantage in its target segment, while in differentiation focus a firm seeks differentiation in its target segment. Both variants of

the focus strategy rest on differences between a focuser's target segment and other segments in the industry. The target segments must either have buyers with unusual needs or else the production and delivery system that best serves the target segment must differ from that of other industry segments. Cost focus exploits differences in cost behaviour in some segments, while differentiation focus exploits the special needs of buyers in certain segments (Porter, 1986).

As noted by Tribe (1999) strategy must be competitive. In tourism, like all other industries, strategies are critical in achieving specific objectives that enhances the industry's competitiveness. Revenue goal, attracting a certain number and type of tourists to a destination, obtaining a certain market share, achieving a seasonal spread of tourists, among others are major goals in establishing competitive advantage in tourism industry. Appropriate segments that would eventually influence the growth in tourism industry must be identified and targeted. Porter (1980) proposed the five forces for investigating a competitive environment, and these are the threat of entrants, the power of suppliers, the power of consumers, the threat of substitutes and competitive rivalry.

1.1.2 The Kenyan Ministry of Tourism

Kenya became independent in 1963 from British. The Ministry of Tourism and Wildlife was created in 1966 as the main policy making organ of the Kenyan government to allocate tourism resources to cover activities carried out by other public bodies whose responsibilities impinged on tourism. The Kenya Tourist Development Corporation was set up through an Act of Parliament in 1965, with the aim of closely monitoring the operation of the hotels, lodges, and other forms of

accommodation (Dieke 1991). The Ministry of tourism is responsible for the formulation, coordination and Administration of policy in respect to the tourism sector. This mandate is derived from the Presidential Circular No. 1/2008 of May 2008 and various Acts of Parliament. Further, the Ministry of Tourism has the responsibility to provide an enabling environment for all stakeholders in the sector. Its vision is to make Kenya the destination of choice and a global leader in sustainable tourism, while the mission is to facilitate sustainable tourism for national development and posterity (Republic of Kenya, 2008).

Its core functions include overall tourism policy formulation, implementation, monitoring and review in collaboration with stakeholders, overall coordination, resource mobilization, marketing, regulation and monitoring, product development and diversification and capacity development. In addition the ministry provides overall guidance and policy coordination for eight parastatals namely: Kenya Tourist Development Corporation, Kenya Tourist Board, Catering and Tourism Development Levy Trustees, Kenya Utalii College, Kenyatta International Conference Centre, Bomas of Kenya, Hotel and Restaurants Authority and Tourism Trust Fund (Republic of Kenya, 2008).

During the past few decades, tourism has emerged as one of the world's major industries, exceeding the importance of many manufacturing industries and other services in terms of sales, employment and foreign earnings. Tourism contributors to Sub-Saharan African countries suggest that the industry's role is very significant. In Kenya, for example, the tourism industry has rapidly become of central importance to the country's economic health. According to the Ministry of

Tourism Kenya, Kenya is endowed with a unique combination of natural tourist attractions comprising tropical beaches, abundant wildlife in natural habitats, scenic beauty, and geographically diverse landscape. Other attractions include geological phenomenon, variety of flora and fauna, world heritage sites, rich cultural history stretching back over 7 million years as well as bird and wildlife migration patterns. These are conserved for the benefit of the present and future generations and as a world heritage (Republic of Kenya, 2008).

From the independence in 1963, tourist numbers and earnings grew rapidly surpassing the traditional foreign exchange earners, coffee and tea, to become the country's leading export sector for the first time in 1987. The growth continued until 1991-1992 when it declined, largely due to insecurity and high travel costs. The decline was short lived and the sector recovered fully and in 1994 it attained the best performance during that decade of Ksh 2.81 billion. This growth occurred in spite of the high inflation in 1993-1994 (Ikiara and Nyagito, 2001).

At its peak in 1993 and 1994, tourism accounted for 33-34% of the country's total export receipts and accounted for about 9% of the country's total wage employment in 1993. A marginal drop was witnessed in 1998 and recovered marginally in 1999. Another drop in 2003 led government introducing various strategies which included (a) Re-launching Kenya as global tourism destination, (b) Diversifying and improving tourism products, circuits and source markets while ensuring sustainability, (c) Upgrading of the Tourist Police Unit (d) Ensuring maintenance of standards (e) Hotels and other accommodation facilities refurbishment and (f) Involvement of Local Communities in Tourism Development. In addition, promotion of domestic tourism,

development of tourism policy and creation of tourism information system were identified as the major strategies towards exponential growth of the sector (Government of Kenya, 2003). Total earnings from tourism rose from KShs 25.8 billion in 2003, KShs.56.2 billion in 2006, and 74 billion in 2010 to 98 billion in 2011. A significant contribution to this exponential growth has been attributed to strategic international advertising by the Kenya Tourist Board, particularly in the traditional source countries, such as Britain, USA, France, Italy and Germany (Gachenge and Obulutsa, 2012).

Kenya Vision 2030 is the country's new development blueprint covering the period 2008 to 2030. It aims to transform Kenya into a newly industrializing, "middle-income country providing a high quality life to all its citizens by the year 2030". The vision is anchored on three "pillars": the economic, the social and the political. Six priority sectors have been targeted to raise the national GDP growth rate to 10 Percent by 2012; Tourism has been listed as the first of the six sectors. Other sectors are: Agriculture and Livestock, Wholesale and Retail Trade, Manufacturing, Business Process Outsourcing and Financial Services By the year 2030, Kenya aims to be among the top ten long-haul tourist destinations globally. China, Mexico and Malaysia are the leading destinations for long-haul tourists' worldwide. In Africa, Egypt and South Africa are the leading long-haul tourist destinations (Republic of Kenya, 2008). The problems of tourism development in Kenya are identified as follows: (a) rapid growth and uncontrolled development; (b) impact of recession and oil crises; (c) seasonality; (d) political instability, and (e) complex land-use patterns (Richards 1991; Godfrey 1991).

1.2 Research Problem

Capon (2008) asserts that organizations require effective competitive strategy to operate successfully in a market where there is an established and potential competition. In generating a competitive strategy, Michael Porter's generic strategies of cost leadership, differentiation and focus are suggested. Michael Porter developed the generic strategies consisting of cost leadership, differentiation and focus on achieving competitive advantage. Faulkner and Bauman as Capon observes developed the strategy clock which built on porters three competitive strategies and served as the alternative model for assessing competitive strategy focus. For a firm or country to effectively compete in a dynamic industry such as tourism a competitive strategy that will ensure maximization of citizens or shareholder values is required. Competitive strategy must be sustainable such that it withstands environmental turbulence and as Aosa (2000) argues firms are faced with strategic issues that challenges the way they plan and implement their operations.

Kenya tourism industry has experienced consistent growth in tourist numbers and economical consequent revenue from independence with slight due to security and political related issues in 1992, 1997, and 2007. However, this growth is under threat from emerging competitors from Tanzania, Uganda, Seychelles and other countries such as Cameroon and Democratic Republic of Congo who have products and services as in Kenya. Tanzania for instance has all the products that Kenya has including sharing the famous wildebeest migration leading to cutthroat competition (Republic of Kenya, 2008). To date, tourism agencies in various countries have reviewed their focus on the tourism market and have come up with more high value individualized packages intensifying the competition further. Notwithstanding, issues

of unfair competition have arisen as witnessed by Kenya tourism industry from the alleged burning of the plains around the wildebeest entry point to Kenya from Tanzania. The need for competitive strategies in this industry cannot be overemphasized.

1.4 Value of the Study

Several studies have been conducted in the area of competitive strategies adopted in various industries and firms. Closely related work was done by Wahogo (2006) by investigating into the application of Porter's Diamond Model in analyzing competitiveness of Kenya tourism industry. While Mibei (2007) carried out a study on competitive strategies adopted by travel agents, Kanake (2008) carried out an analysis on the competitive strategies among the tour operators and agreed that the role of government was critical in realization of their strategies. In other related studies by Musila (2009) analyzing the competitive strategies adopted by the logistics industries in Kenya concluded that focus and cost leadership were the major and most effective strategies deployed. Cost leadership, aggressive marketing and investing in customer care notes Wanjiru (2010), are the major competitive strategies in the Kenyan mobile phone industry. A study by Ndungu (2011) on competitive strategies in the beer industry found out that the porters generic strategies of cost leadership differentiation and focus were constantly applied by the firms. Among the scholars, there is a consensus that delivering high quality service is imperative in achieving a competitive edge. While the reviewed studies have similar conceptual concerns with the proposed study, the context of analysis is different and requires a study. Therefore this study sought to answer the question, what are the competitive strategies adopted by the Kenyan ministry of tourism to attract tourist.

1.3 Research Objective CHAPTER TWO

To determine competitive strategies used by the Kenyan Ministry of Tourism to attract tourists.

2.1 Introduction

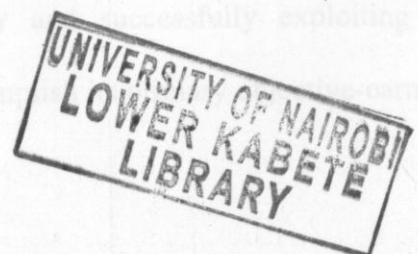
1.4 Value of the Study

The study has provided opinions, analysis and insights on the issue under study to scholars in the field of strategic management, international business and tourism. Scholars will benefit from the findings, pooled literature and suggestions for further studies in expounding on competition in tourism industry.

2.2 The Concept of Strategy

As the first priority factor in the economic pillar towards the achievement of the Kenya vision 2030, the importance of vibrant tourism industry cannot be overstressed. Notably, the competition for the tourism is critical among the neighboring countries each country trying to outmaneuver the other. This study will be important to the policy makers in the ministry of tourism and its parastatals in improving the sector.

The findings of this study will be very helpful to the hoteliers, tour operators and other tourist service providers in formulating the strategies. In addition, the operators will be able to anticipate various policy changes and take advantage understanding the government initiatives in ensuring the industry competitiveness. Through this they can complement the government efforts to their own benefits and for the benefit of the industry. Equally, the response from the government will ultimately improve the competitiveness of the sector.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the literature associated with the main areas of interest in this research. The empirical literature that addresses the concept of strategy, the competitive environment, competitive strategies, strategy implementation, and the tourism industry, was carried out.

2.2 The Concept of Strategy

Strategy has its root in military and war means the art of an army to defeat an enemy. It was used in armies across the globe. Business organizations borrowed most of the successful management applications in military during the Second World War to enhance their positions in the dynamic environment (Ansoff, 1965). Thomson and Strickland (1996) view strategy as a pattern of action managers employ to achieve the agreed organizational targets. Accordingly strategy becomes the deliberate, planned set of actions and reactions to unpredictable developments with the firm environment.

The organization must continuously align its culture, social arrangement and strategy with the environment. Strategic response therefore involves changing the organizations strategic behaviour in order to adapt and anticipate the environmental turbulence. According to Smart and Vertisky, (1984), it requires acquisition of up-to-date information and consistent access to information concerning the environment. Through deployment of a competitive strategy and successfully exploiting its competitive advantage, a firm will be able to accomplish its primary objective-earning

above average returns (Hitt, Ireland and Hoskisson, 1997). Resulting from analyses of a firm's external environment is the information required to form a strategic intent and strategic mission in order to enhance strategic competitiveness. Hitt, Ireland and Hoskisson observe that strategic intent is important in leveraging of firms internal resources, capabilities and core competences to accomplish the firms goals in the competitive environment. It implies a significant stretch of the organizations resources capabilities and core competences.

2.3 Competitive Strategies

The essence of strategy formulation is coping with competition. Knowledge of these underlying sources of competitive pressure provides the groundwork for a strategic agenda of action. They highlight the critical strengths and weaknesses of the company, animate the positioning of the company in its industry, clarify the areas where strategic changes may yield the greatest payoff, and highlight the places where industry trends promises to hold the greatest significance as either opportunities or threats. In assessing its competitive position, a firm improves the chances of designing strategies that optimize its environmental opportunities. Development of competitor profile as noted by Pearce and Robinson (2005) enables a firm to more accurately forecast both its short and long-term growth. In marketing and strategic management, sustainable competitive advantage is an advantage that one firm has relative to competing firms. The source of the advantage can be something the company does that is distinctive and difficult to replicate, a core competency. A company is said to have a competitive advantage over its rivals when its profitability is greater than the average profitability of all other companies competing for the same set of customers.

For competitive advantage customers must see a distinct difference between a company's product and service and those offered by competitors. In addition there must be a capability gap, this prevails when the activities which create the differentiated products or services and their delivery can be performed by the organization under consideration while the competitor struggle to achieve the same differentiation. The third aspect of competitive advantage is it must be sustainable, the attributes and gap must both be enduring. This can be difficult with many differentiated goods being easily imitated by the competitors. Producers of patented goods or technologies have sustainable competitive advantage until when the patent runs out. Competitive advantages vary from situation to situation and from time to time (Capon, 2008). According to Michael porter, competitive strategies are condensed into three; cost leadership, differentiation and focus.

Cost Leadership requires a broad target or mass market be supplied with standard products or services. The successful cost leader will be the lowest cost producer in the sector and offer the mass market products and services of quality comparable to that offered by direct competitors. Capon (2008) notes that cost leadership is likely to be achieved through economies of scale, extremely efficient production and very efficient distribution processes. There can only be one true cost leader in a sector, other competitors claiming to follow cost leadership strategy will have average cost, sell at an average price, and make average profit. The cost leader will sell at an average price, but due to lower costs will make a greater profit. It is difficult for a cost leader to charge above average price as the competitive rivalry will make it difficult for such a competitor.

Differentiation strategies are effective whenever buyer preferences are too diverse to be fully satisfied by a standardized product or seller with identical capabilities. Thomson, Strickland and Gamble (2007) suggest that a firm attempting to succeed through differentiation must study buyer's need and behaviour carefully to learn what buyers consider important, what they think has value and what they are willing to pay for. Thereafter, the firm has to incorporate buyer-desired attributes into its product or service offering that will clearly set it apart from rivals. Competitive advantage results once a sufficient number of buyers become strongly attached to the differentiated attributes. Buyer loyalty, premium price or increased sales volume leads to successful differentiation. Differentiation fails when buyers don't get the value the brand uniqueness is intended for and when the competitor copies the approach to differentiation or when the differentiation strategy is matched by its rivals. The most appealing approaches to differentiation are those that are hard or expensive for rivals to duplicate. Differentiation yield longer-lasting and more profitable competitive edge when it is based on product innovation, technical superiority, product quality and reliability comprehensive customer service and unique competitive capabilities (Thomson, Strickland and Gamble 2007).

Kotler, Armstrong, Saunders and Wong (1996) suggest that a company can differentiate its offerings to customers in four different areas and potentially achieve competitive advantage in each one of them. These are product, service, personnel and image. In product differentiation, companies seek to deliver highly differentiated products to the market or they offer standardized products with small amounts of differentiation. Capon (2008) elaborates that in service differentiation, service is used a source of differentiation by both manufacturers and service organizations.

Manufacturers add differentiation by offering additional services associated with the products. Personnel differentiation is closely linked to service organizations where highly motivated and skilled workforce with low turnover becomes a differentiation especially when the competitors do not have such. Image differentiation, also known as perceived differentiation is based on customer perceptions of brand or image. The strength of the image, its lifetime, its creativity and how long it is used for promoting and targeting the product or service in different market segments are good indicators of the success of the image.

A focus strategy whether anchored in low cost base or differentiation base, as indicated by Pearce and Robinson (2005), attempts to attend to the needs of a particular market segment. The most likely segments are those that are ignored by the marketing appeals to easily accessible markets, to the customers with common applications for the product. A firm pursuing a focus strategy is willing to service isolated geographical areas to satisfy the needs of the customer with special financing, inventory or servicing problem to tailor the product to somewhat unique demands of the small to medium size customer. A focusing firm profits from its willingness to serve otherwise ignored or unappreciated customer segments. Capon (2008) notes that clear and distinct difference between segments focuses on and the mass market segments in the sector have to exist.

A company has a sustained competitive advantage when its strategies enable it to maintain above-average profitability for a number of years. Competitive advantages vary from situation to situation and from time to time. Some basic examples of CAs can be identified in the following areas: Low-cost operations, High quality,

Consistent quality, Delivery speed, On-time delivery, Development speed, Customization, Volume flexibility, Variety (Capon 2008).

The focus strategy has two variants, one. Seeking a cost advantage in its target segment and two seeking differentiation in its target segment. Both variants of the focus strategy rest on differences between a focuser's target segment and other segments in the industry. The target segments must either have buyers with unusual needs or else the production and delivery system that best serves the target segment must differ from that of other industry segments. Cost focus exploits differences in cost behaviour in some segments, while differentiation focus exploits the special needs of buyers in certain segments (Porter, 1986).

2.4 Strategy Implementation

Strategy implantation takes place as a series of steps, programs, investments and moves that occur over an extended time. Special programs are undertaken, functional areas initiate strategy related initiatives, and resources are mobilized. Managers implement strategies by converting broad plans into concrete incremental actions and results of specific units and individuals (Pearce and Robinson, 2005). During implementation of strategies, short term objectives and action plan guides implementation by converting long term objectives into short term actions and targets. Functional tactics whether done internally or outsourced, translate the business strategy into activities that build advantage. Policies guide and empower operating personnel by defining guidelines for making decisions and reward systems encourage results.

Because the firm's strategy is implemented in a changing environment, successful implementation requires strategic control. This is an ability to steer the firm through an extended future time period when premises, sudden events, internal implementation and efforts and general economic and societal developments will be sources of change not anticipated when the strategy was conceived. The overriding concerns in executing strategies and leading a firm are survival, growth and prosperity. Consequently, innovative responsiveness and opportunity recognition are critical in sustainability of a firm.

3.2 Research Design

This research was a case study. The unit of study was the Ministry of Tourism, Kenya. A case study was expected to be the most appropriate as the objective of the study required a detailed analysis competitive strategies. As Silverman (2006) observed, case study offers an in-depth investigation of an individual, group, institution or phenomenon.

Due to the ability to provide a focused and valuable insight to a phenomenon that may otherwise be loosely understood, case studies are preferred in learning complex issues through extensive description and contextual analysis. This fit in line with the objective of the study which was to determine competitive strategies adopted by the ministry of tourism, Kenya to attract tourists.

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the approach that was used in carrying out the study. It covers the research design, data collection and data analysis. This study was an investigation into the competitive strategies adopted by the Kenyan Ministry of Tourism to attract tourists.

3.2 Research Design

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3.3 Data Collection

Primary data was collected through interview guide. Interview guide helps obtain in depth information as the researcher can adapt the questions as necessary, clarifies doubts and ensures that the responses are well understood through paraphrasing or repeating as required (Cooper and Schindler, 2003). More importantly a research is able to probe with additional questions, gather extra information from non-verbal cues from the respondent.

Top level managers involved with the strategy formulation in the ministry were interviewed. An interview guide was conducted to top level managers involved in the ministry strategy formulation. One assistant director, personnel manager, the operations manager, and marketing manager were interviewed and their observations, opinions and obtained.

To complement the primary data collected, secondary data from various documents was collected. Such literature from the tourist magazines, scholarly work by scholars in tourism field, policy papers from the government departments and statistics from the Kenya national bureau of statistics were used.

3.4 Data Analysis

Data analysis method was content analysis. As Cooper and Schindler (2003) noted, content analysis is used as a tool for handling open ended questions due to its capacity to establish the semantic content of the 'what' aspect of a message.

Data was organized from the interview transcripts and observation notes through thorough reading, editing, cleaning and entering into a computer. Content analysis was then used to arrive at analytical conclusions. Relationships emerging from the theoretical statements from the interview guide were created to produce major themes that determined the competitive strategies adopted by the ministry of tourism, Kenya to attract tourists.

4.2 Organizational Profile of the Kenyan Ministry of Tourism

This section was intended to establish the roles and interrelationships in the Kenyan Ministry of Tourism (KMOT). The respondents observed that the Ministry of Tourism has strong linkages to all other productive sectors of the economy. The KMOT has more than twenty six stakeholders as identified in Appendix 1. As such, this interrelationship leads to tremendous contribution to economic recovery, growth and development of the country.

The KMOT has two departments namely, Department of Tourism and Administration and Management Units. The Department of Tourism is the technical arm of the Ministry has two directorates - Product Development and Marketing and Domestic Tourism, each headed by a Director, who reports to the Tourism Secretary. It is responsible for all matters pertaining to product and market development.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The study had a single objective which was to establish the competitive strategies adopted by the Kenyan government to attract tourist. This chapter discusses and interprets the results of findings obtained through the use of an open ended and in-depth interview with the assistant director, the assistant personnel manager, the marketing manager and operations manager from the ministry of tourism. The response rate was 100 percent.

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standardization, licensing, inspection and litigation. It also acts as the link between the Ministry and the private sector stakeholders. The Administration and Management Units provides support services in Finance, Human Resource, Accounts, Planning, Public relations, and ICT. All parastatals under the Ministry are semi-autonomous and are responsible to the Minister through the Permanent Secretary.

4.3 Challenges of increasing competition in tourism industry

This section was intended to identify the challenges facing KMOT in implementing the competitive strategy. The respondent strategists in the ministry were asked to elaborate on competition challenges that KMOT was experiencing and identified the following as the major challenges that affected competitiveness of destination Kenya.

4.3.1 Challenges associated with advertising and marketing of tourism products and services

Difficulties in marketing Kenya as an ideal tourist destination due to perceived political instability were identified by 80% of the respondents. They noted that due to persistent nature of political instability every five years, the marketing section found it very difficult to assure the tourist that there would be no political upheavals during and after the electioneering period. Forty percent of the respondents related political instability to travel advisories which were identified as a further hindrance to the implementation of strategies.

Sixty percent of the respondent noted that the presence of conflicts and general instability within the Eastern Africa region, the Somali instability, piracy, the unstable Sudan, and Ethiopian militias have made the region's future very unpredictable. This, the respondents noted, consumed resources to convince the world that tourists will not be affected by the conflict while marketing destination Kenya.

Poverty and insecurity are related and the respondents were all in agreement that mugging, robberies, theft, and fraud were a significant threat to tourism and consequent success of strategies. Eighty percent identified poverty as the major challenge to eradicate since it calls for very concerted efforts by all stakeholders in the government and political goodwill which as the respondents observed was scanty in Kenya. Slow growth in local employment opportunities, as the respondents explained hindered the growth of domestic tourism.

Employment and improvement in the standards of living leads to surplus income that would lead to luxury and adventure which according to the products development manager at the KTB, were the major driver for tourism. On the other hand, the manager observed lack of this led to inequality, crime and other antisocial behaviors which affected tourism development.

4.3.2 Challenges associated with pricing of tourism products and services

Unstable global fuel prices were identified as a major challenge towards the competitiveness of the Kenya tourism industry by 80% of the respondents. This, as they elaborated, was due to the impact on the cost and consequent pricing of the products and services, the impact on exchange rates across the cross section of the

tourism industry. Global fuel prices affects the travelling costs, commodity prices, makes the general standards of living higher and leads to spending more for lesser services.

The economic recession in the traditional source markets of France, Spain, Germany Britain and USA all the respondents observed, was a threat to the industry and establishment of new markets in the Asian countries and a more aggressive marketing was imperative to maintain the growth momentum. More resources were therefore necessary for product development and new market identification. Appropriate pricing of product was a headache to the ministry in the efforts to convince the affected countries to continue spending despite the recession.

4.3.3 Challenges emanating from innovation and use of technology

Data insecurity due to viruses, e-crime and internet terrorism has made e-business quite insecure and unreliable. Such issues as phishing mails, existence of fake companies, spam and viruses have led to more investment in controls. The growing digital divide was seen as a challenge towards strong tourism industry. Sixty percent of the respondents observed that for Kenya to develop and realize sustainable development as envisaged in the Millennium Development Goals (MDGs) and Vision 2030, it must learn the art of bridging the gap in 'digital divide' and emphasis the crucial role of Information Technology (IT) in promotion and marketing of its service sector. The gains from the famous cyber optic cable have not met the expectation of the data cost and speed.

4.3.4 Challenges related to product development

Environmental action groups for example have been on the forefront in opposing construction of a road from Tanzania through Tsavo citing the interference with the nature. Tourist hotels have been stopped from building hotels in strategic points. The respondents observed that environment action groups have in several cases been successful in opposing tourism development facilities.

All the respondents were concerned that there were increased environmental problems due to polluting technologies and poor water management. The marine life has been significantly disrupted and killed as of result pollution. The marketing manager, one of the five respondent noted that the coral reef at Mombasa and flamingoes in Naivasha are just a minor culprits.

Since tourism is a seasonal industry, the variation of weather patterns is significant challenge. Weather variations affect planning, as the 20% of the respondents noted, and forces the KMOT to go back to drawing board again in order to re-strategize or postpone the previously identified strategies.

The respondents blamed poor road infrastructure on increased difficulty in implementing their strategies. Such was illustrated by Maimahiu-Narok road network to the Mara where the great wildebeest migration takes place. This is the current infrastructural related challenge where KMOT has no mandate to re-carpet the road despite the importance of such a road to the national economy. There is weak cooperation between the government ministries entrusted with roads development, information, trade and foreign affairs and the ministry of tourism.

The respondents (40%) identified inappropriate standardization guidelines for tourist facilities as a factor that affects conference tourism. Kenya has not been able to do this sufficiently therefore reducing competitiveness. Tourism has many components comprising the overall "travel experience." Along with transportation, it includes accommodation, food and beverage services, shops, entertainment, aesthetics and special events. It is not common for one business to provide the variety of activities or facilities tourists need or desire. This adds to the difficulty of maintaining and controlling the quality of the tourist experience. To enhance service delivery and global ratings, the appropriate standardizations should be put in place. The respondents observed that the ministry should work together with relevant stakeholders' in order to ensure consistency in product quality and service delivery.

Kenya's tourism products attract visitors from all over the world. However, most Kenyan nationals have not been able to experience the same attractions due to financial constraints, lack of tourism knowledge coupled with a paucity of programmes and packages that would enable nationals to participate in domestic tourism. Overreliance on traditional source market continued to be a major challenge in making Kenya a more competitive destination despite having been identified more than a decade ago. Eighty percent of the respondents suggested diversification as the ultimate solution.

Asian countries, especially Chinese are known to have a very huge appetite of ivory and ivory product. Kenya loses elephants and a rhino to this illegalized trade. The consequences would be a reduced competitiveness of the destination.

4.3.5 Other perceived challenges

Increased infectious diseases in the region, the Ebola, rift valley fever, HIV/Aids, TB among other diseases are discouragement to the growth of tourism industry. The 20% of the respondents lamented that the ministry for public health was not doing enough to mitigate the spread of these diseases.

Sixty percent of the respondents identified cultural degradation due to global cultural differences as one of the challenges that dictates change of strategies in developing cultural tourism. Cultural tourism, twenty percent of the respondents noted, was on the verge of becoming extinct as unbalanced consumption patterns could be encouraged by the presence of large numbers of prosperous foreign visitors, and that a second rate, "manufactured" African culture could be generated in order to entertain foreign tourists which could eclipse more deeply rooted cultures.

4.4 The rivalries against KMOT competitive advantage

Increasing tourism resource conflict was quite prevalent especially during the study period. Human wildlife conflict was on rise and the country had not fully developed a policy to guide identification, utilization, control and preservation of these resources.

The respondent observed that there was increasing resource conflict among the communities living in forests and caves.

Twenty percent of the respondents lamented brain drain. They observed that the country was losing some of the best brains to the well-paying nations such as the USA, Botswana, United Arab Emirates and South Africa. This led to high costs in retraining and retaining the employees.

Sixty percent identified intense competition from the neighboring Tanzania, and Uganda, Comoros, Malaysia, Mauritius, South Africa and Egypt as a major challenge and threat to Kenya tourism industry. However, 40% felt that it was health due to improving standards of the region as was the case of competing neighbors and keeping with global standards as was the case with more developed tourism industries of Mauritius, Egypt, South Africa, and Malaysia.

4.5 Competitive strategies in the ministry of tourism:

The use of Porter's competitive strategies of differentiation, cost leadership and focus was prevalent in the ministry. The KMOT has committee that is involved in strategy formulation, implementation and control and reports to the permanent secretary on occasional basis.

4.5.1 Differentiation strategies:

Hundred percent of the respondents agreed that there was a need to develop and differentiate tourism products. The traditional beach and wildlife safari products, being rather passive products, were not in line with the changing travel trends and patterns where tourists wanted to have a multiplicity of activities and experiences.

Eighty percent of the respondents appreciated the need to facilitate development and promotion of other products such as eco-tourism, sports tourism, cultural tourism, conference tourism, shopping tourism as additional products. For a long time, noted the respondents the sector has been dependent on the traditional markets of UK and Western Europe. There is therefore need to focus elsewhere especially to markets in the Far East, Eastern Europe and North America.

Kenya has traditionally been regarded and developed as a coastal (beach) and wildlife safari destination. The establishment of the National Tourism Policy according to the respondents is seen as a milestone in development of tourism industry in Kenya. The legal, organizational and operational structure is well established in the policy. In addressing differentiation, the National Tourism Policy seeks to develop and diversify tourism products in Kenya. The respondents noted that potential existed for spreading tourism to new areas away from the most visited and at times crowded destinations. These areas included Lake Victoria, the Western Region, North Rift, Central, and North-Eastern Provinces. The respondents noted that Kenya had successfully increased its tourism diversity, and maximized benefits from the strong international and inter-regional demand for tourism activities by developing specialized consumer-driven marketing campaigns.

New marketing strategies have been sought to make Kenya more visible in the world map. Marketing of Kenya went a notch higher after the realization of the potential of Kenya as the home of athletics. The respondent noted that many high profile athletes are celebrities who carry the Kenyan flag during while celebrating their victories during major events. Kenya Tourist Board (KTB) turned was in the process of turning this into a competitive advantage when marketing the country abroad. Brand marketing, especially when a major rebranding was taking place, was expected to have a huge positive impact on promoting a tourism destination in a hotly-contested market as East Africa is and when supported by, as is the case here, globally-known World and Olympic champions the impact on the often hundreds of millions of viewers of such events on television is bound to develop an interest to come and visit the home countries of such sports women and men.

The KMOT has concentrated on a differentiated customer service in collaboration with other stakeholders. The respondents indicated that the ministry lobbies for exquisite customer care to attract more tourists. The foreign affairs, immigration, trade and the internal security ministries are among the major stakeholders who the ministry through the KTB has approach to help achieve its objectives.

4.5.2 Cost Leadership strategies

The cost leadership, as respondents noted could be achieved through the use of ICT, for instance, as 80% of the respondent noted, today's rapidly changing environments the need for up to date information to make timely and high quality decisions is vital not only to planners and marketers but also to the customers. In addition, successful destinations are keeping up with the fast changing tourism trends through research. Kenya has therefore invested in state-of-the art technology and intensified tourism research through the establishment of Tourism Research Centre.

The ministry had invested in ICT through engagement of web advertising by *Magical Kenya*, the Kenyan tourism site that provides information on trading packages, sites, facts about Kenya. Use of internet reduces cost significantly and when an official incorruptible site is established, information provided is reliable which is critical to the success of the industry.

Further cost leadership was attained through utilization of and infrastructural developments, media freedom and the human resources available. Well established banking system, the air and road transport network, availability of social amenities such as international rated schools, best hospitals in the region, shopping malls,

working legal system among others. These factors, respondents observed, lead to a cost leadership while providing services and products to tourist. KMOT has utilized the existence of friendly home environment to market the country as the most cost effective destination in the region.

4.5.3 Focus strategies

Cultural tourism has been a highlighted area of focus. The respondents noted identified the Lamu cultural festival as the leading The Lamu Cultural Festival has been held for more than ten years and has popularized and preserved Lamu traditions and cultures, usually attended by local and international tourists bringing occupancy in the town to 100% and even turning the whole town into one large carnival. As a manifestation of the growing importance of the annual event, the dignitaries who have at different times graced the occasion includes the US ambassador to Kenya, representatives of the Kenya Tourist Board, Ministry of Tourism officials and other government bigwigs. Consequent to the successful Lamu event, various groups in Kenya have been gearing to sponsor their own cultural festivities such recent ones on the coast bringing together the Giriama community, and others in Western Kenya by the Abaluhya and Gusii respectively, attracting large numbers of local tourists.

Focus on small communities: The respondents noted that there were increasing opportunities today for communities of all sizes to build a local tourism industry. This trend, sixty percent of the respondent noted, came about for a couple of reasons as follows: Tourists were becoming more demographically diverse and more interested in new kinds of tourism experiences, especially those that did not require a big cash outlay. Many tourists were looking for an authentic “rural” experience. This was

expected to take the form of exploring the countryside, organized tours, experiencing local culture and heritage, hiking, biking, walking. Small municipalities were therefore expected to develop a surprisingly broad range of attractions through culinary tourism, agri-tourism, festivals, events and other niche opportunities.

Another reason identified why small communities have growing opportunities to become tourist destinations was that tourism has evolved into a web-based industry in the past decade. The majority of travel-related business transactions take place on the web. And the web is relatively low-cost marketing medium, so smaller communities are not hindered from marketing their tourism products by a lack of funds for expensive advertising and promotions.

A focus on meetings, incentives, conferences, and exhibitions (MICE) tourism, where a particular type of tourism in which large groups, usually planned well in advance, are brought together for some particular purpose is taking shape in the Kenya. Recently, there has been an industry trend towards using the term *meetings industry* to avoid confusion from the acronym. Within Africa, South Africa has been the most popular in hosting meetings in Africa, followed by Egypt, Tunisia and Morocco. Kenya takes the 4th position, city wise, Nairobi ranks 5th after Cape Town, Durban, Cairo and Johannesburg. In Kenya, the Kenyatta International Conference Center, United Nations office in Nairobi, Gigiri, Safari park Hotel in Nairobi and the Whitesands hotel and Sun-n-sand hotel in Mombasa.

During 2010, conference tourism continued to attract large numbers of local delegates apace with the continued growth of business services in the various regions of the country. In Nakuru town, the one of towns with the fastest growth in East Africa, it was reported that every other weekend there was a full house in the town's accommodation facilities. The number of conferences in the town rivaled both Nairobi and Mombasa in terms of number of visitors. The majority of the conferences attendees were government and business delegates. This trend exposed a weakness in the industry in terms the severe shortage of accommodation facilities in most parts of Kenya.

Kenya is predominantly a nature-based tourism destination with wildlife (concentrated in the southern part of the country) and beaches (along the Indian Ocean) accounting for over 85% of the international tourists visiting the country. Other attractions are based on the physical landscape of the country and the culture of the people. However, the emergence and constant growth of MICE travelers on the demand-side have shifted the perceptions on tourism marketing globally. Unfortunately, the full potential of conference tourism has not been exploited locally.

4.5.4 Sustainability Strategies

In addressing the sustainability, the respondents noted that tourism was increasingly being used as an economic development tool by many developing countries, thereby helping to generate employment as well as improve the local infrastructure. Sixty percent of the respondent noted that one of the most important issues affecting the tourism industry in recent years is sustainability. The respondents observed that the management in recent years has considered local inhabitants and the environment in

sufficient measure to improve sustainability. It is therefore increasingly important that future products are linked to the tourism industry. The respondents noted that there was a need to improve the collaboration between both the public and private sectors. The respondents understood that once the product has in some way damaged the environment then people will no longer pay to consume. On the other hand, a product that works in harmony with the environment is likely to remain successful for much longer, generating income for both the public and private sectors.

Ecotourism was expected to create a new frontier in the Kenya tourism industry and contribute highly to sustainability. As 60% of the respondents noted, Kenya's dedication to environmental values sets it apart from many other African destinations. This has again been proved by the "Eco-Ratings" scheme – a project by the Eco-Tourism society of Kenya (ESOK). The pioneering scheme means that various Kenyan hotels, wildlife lodges and camps have been able to apply for a special rating which enhances their level of eco-friendliness, thus attracting more tourists inclined to preserve nature through tourism. There are a growing number of community tourism projects in Kenya, ranging from Il Ngwesi and Tassia in the Laikipia area, Sarara in Namunyak, Shompole in the Magadi region and Losikitok in Amboseli.

In approaching its competitors, the ministry has established Egypt, South Africa, Mauritius and Singapore as the outstanding competitors the KMOT has made these competitors the standards of comparison. The reason for this, according to the respondents is that such competitors can be a source of learning as well as a powerful focal point to overcome parochial concerns and motivate change for the ministry. The ministry does not imitate the strategies used by these countries, considering that the

imitative strategies rarely succeed, the KMOT competes differently through utilization of the prevalent opportunities and strengths. According to Porter (1996) outstanding competitors should serve as benchmarks and motivators. This helps avoid complacency and inertia.

On sustainable leadership, hundred percent of the respondents expressed an understanding of a very dynamic and competitive environment that tourism industry existed in. The strategist understood that the more dynamic the ministry was, the more the sustainable competitive advantage. The respondents observed that they are always seeking out challenges and working throughout to address anticipated challenges. This helps avoid complacency and maintains competitive environment. The mindset has been central in revitalization of the tourism industry from the year 2008 to the full recovery in 2010.

The KMOT has employed employee on permanent basis. When employees are viewed as permanent instead of as workers who can be hired and fired at will, pressures are created at work to upgrade and sustain competitive advantage, the personnel respondent observed. The respondent informed the researcher that the ministry, through the public service commission hires employees with care and continuous efforts are made to improve productivity instead of adding workers. Employees are trained on an ongoing basis to support more sophisticated competitive advantages. They observed that the ministry transferred employees to new functions instead of being laid off. Ideas for new products and related diversification are stimulated in order to redeploy skilled people.

In addressing regional rivalry and domestic tourism, the respondents noted that demand from the local tourist and the regional rivalry was very important for long-term growth of the tourism industry in Kenya. An example of United Kingdom where domestic tourism earns much more than international tourism to illustrate this was expounded. The conviction was that if our regional competitors got better, the whole region would eventually become competitive and become a major global tourist destination. This would lead to competitive advantage.

4.5.5 Most Successful Strategies

The respondents observed that Kenya has successfully increased its tourism diversity, and maximized benefits from the strong international and inter-regional demand for tourism activities by developing specialised consumer-driven marketing campaigns for example the use of high profile athletes to help brand Kenya and aggressive internet marketing. The focus on use of ICT and other infrastructure that only Kenya has in the region through the involvement of partners within the tourism sector is another very successful strategy. Cultural tourism has also proved a major frontier in the Kenyan tourism industry considering the attraction that the festival has exited.

The respondents observed that conference (MICE) tourism had shown all signs of a succeeding venture. Again this was due to Strategic geographical location and the country development relative to other countries in the region. For example, conference tourism continued to attract large numbers of local delegates meeting in the various regions of the country including Nakuru. Ecotourism has succeeded in the ranking of Kenya in the world tourism organization thus contributing very much to the success of the overall industry .

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the conclusions drawn from the findings highlighted and recommendations made thereafter. The conclusions and recommendations were drawn from addressing the research question and achieving the stated objective which was the competitive strategies adopted by the Kenyan ministry of tourism to attract tourists.

5.2 Summary of findings

Strategy in the KMOT is guided by a five-year strategic plan (the current one is 2008-2012). This forms the blueprint from which its actions are oriented towards. The respondents who were strategist in the ministry of tourism were quite informed on the subject of strategic management in formulation, implementation and control.

5.2.1 Challenges of increasing competition in tourism industry

Implementation of strategies is faced with myriad of challenges that eventually reduce their competitiveness. While there are challenges that the ministry can overcome on its realignment of its strategies, most are from the external environment and requires a comprehensive approach from the ministry, its stakeholders and the government. Such challenges as those brought about by unemployment, insecurity, poor infrastructures, and travel advisories can only be addressed through collaboration with other

stakeholders. Other challenges emanate from the remote environment and the ministry can only learn to adapt.

5.2.2 Competitive Strategies Adopted

That notwithstanding, KMOT addresses various challenges by adoption of various strategies to keep the ministry afloat. Various competitive strategies have been devised and adopted with various levels of success. Porter's competitive strategies of differentiation, cost leadership and focus were extensively applied in enhancing competitiveness of the Kenyan ministry of tourism. Differentiation strategies are being used to individualize products and services, improve quality and create more value to the customers. Apart from the traditional wildlife and beach tourism, specialized camping facilities, home accommodation, and ecotourism are some of the areas that have been differentiated to accommodate a wide variety of tourist needs.

Cost leadership strategy has been fully exploited by the KMOT through utilization of opportunities the strategic location of the country in the world map, country's development in infrastructure, human resource growth among other factors. The country stands out in the region with most developed amenities that facilitates tourism.

The KMOT has identifies niche markets in unexploited local communities tourism to accommodate demographically diverse tourist needs. This has been made possible through advance in technology where internet is the marketing media and small communities can market their products cheaply. Focus on niche tourism has also been MICE tourism and cultural tourism. These are areas wher Kenya can exploit and do

very well as the regional competitors either have no capacity or have not concentrated on their exploitation.

5.2.3 Sustainability Strategies

As Porter (1996) observes, if competition were purely domestic, confronting powerful customers and tough competitors might seem to result in lower company profitability, because of high buyer power and intense rivalry. But even in domestic competition, gaining competitive advantage allows a firm to outperform its industry. A firm need not exclusively serve demanding buyers nor should it compete head on with any rival. The aim in seeking pressure and challenge is to create the conditions in which competitive advantage can be preserved. Short-term pressure leads to long-term sustainability.

The import of sustainability strategies was emphasized by the respondents and the realization that conservation of resources creates future resources guides strategy formulation in the ministry. Environmental friendly laws have been enacted, the KWS empowered and financial allocation enhanced. Ecotourism is seen both as niche and a sustainability tourism whereby the future is prioritized. Leadership and continuous improvement of human resources are crucial strategies that enhance sustainability.

The respondents observed that problem though with following a short-term profit-driven approach is that once the product has in some way damaged the environment then people will no longer pay to consume. On the other hand, a product that works in harmony with the environment is likely to remain successful for much longer, generating income for both the public and private sectors.

5.3 Discussions

The study identified that competitive strategies could be used in tourism industry to ensure a competitive advantage for tourist destinations. As argued by Porter (1980), a product quality differentiation strategy should be a core focus in determining competitiveness in the international travel and tourism industry. The focus was determining the competitive advantage. This research fully supports the literature, for most respondents perceived the quality of their destination and its products/services as a significant competitive advantage around which marketing and distribution strategies are grounded. Thus strategies based on differentiation of product quality, for example, entering appropriate unfilled segments, focusing on cost-effective marketing, and establishing or maintaining intensive and co-operative relationships with industry partners played a significant role.

Focus strategy was quite pronounced in the KMOT competitive strategies. This was based either on a product or on market differentiation which can depend on qualitative advantages and/or advantages based on cost/price. Respondents of this research have supported these strategies for niche markets and implemented them in both domestic and overseas markets.

The use of intermediaries and stakeholders is particularly significant in the travel and tourism industry. The study identified Athletics Kenya, Ministry of foreign affairs, ministry of trade, internal security among others were significant in the industry since they were entrusted with performing their part to enhance the growth of the sector. While involving stakeholders, the ministry used familiarization trips and training seminars and regular meetings with the stakeholders.

5.4 Conclusions

In many African countries as is the case with most countries in the developing world, the government is seen as the main custodian of the countries tourism industry. In Kenya, the ministry of tourism is the arm mandated with all tourism matters in the country. Due to dynamic of the environment within which tourism industry exist, there is a consistent call for strategies that would enhance competitiveness of Kenya against its rivals and competitors. This study has established that the ministry has realized the task ahead and has put devise strategies that are competitive to keep the country ahead of its peers in the region and takes competition to bigger and better tourism industries such as Mauritius, Singapore, Egypt and South Africa.

The ministry has gone beyond Porter's competitive strategies to ensure competitiveness on its part is sustainable for future generation. Motivated leadership that is well informed, participatory, and visionary is an asset for sustainability. Through diversification of products and services, the ministry is able to attract increasing number of tourists despite occasional challenges posed by the external environment. Cost leadership brought about by the geographical location and the concerted efforts of good governance in comparison to the regional competitors is a plus in the industry. However, it is the exploitation of niche markets that has created a new competitive advantage in the industry and KMOT looks unassailable in the future.

5.5 Recommendations

Although Kenya tourism industry has grown substantively, the potential for growth is phenomenal. Despite the instability in the region, Kenya seems irresistible tourists.

Focus strategy should be utilized fully by creating comprehensive information packages that focus on meeting spaces, hotel availability, catering options, local activities and entertainment options. The ministry should be able to offer customized convention planning services to help lure larger conventions. Conventions boost tourism profile, which can lead to increases in non-convention visitors and tourism dollars.

The country should appear to have cost leadership in the region through strategies such as promotion, for example offering half-price options if visitors purchase at least two activities. For a more comprehensive approach, bundle lodging, food and activities into savings packages that target families, honeymooners or seniors. The increase in visitors can offset discounts and can increase tourists choosing your destination over rival locations.

The differentiation strategy should be very clear, differentiate as much as possible as long as the differentiated product is profitable or has an impact on the related product that provides enough profit for both products. The KMOT should target travelers based on their vacation preferences. Offer activities and options for visitors who want learning experiences, activity-based experiences, shopping, relaxation or family bonding. The abundance of unexploited tourism resources including nature, culture and infrastructure means there are many opportunities and options to improve the quality of old products and services or to develop new products. The highest priority, however, should be given to options for improvement of community based ecotourism ventures.

Participation of local communities is critical and more should be done. For example KWS should devolve marketing of its tourism products including handling of visitor services in national parks, national reserves, sanctuaries, etc, to communities and concentrate on conservation of wildlife. KWS will participate in community based tourism development in advisory capacities only.

Enhanced marketing strategies are important in tourism industry. Successful marketing demands synergy of combined marketing effort among stakeholders in of Kenya. This effort must be complemented with genuine improvement of quality of accommodation, infrastructure, technical information and marketing of Kenya as one tourist destination. For instance there is obvious need to establish classified hotels in different counties in Kenya.

Since tourism is a strategic industry that has potential for eradication of poverty in the whole of Kenya. In view of the unexploited tourism potential, sensitizing the entire population about the need to cultivate the right attitudes, hospitality skills and public relations in readiness for participation in viable tourism activities is very is recommended. Stakeholder organizations such as KWS, KTB, and KTDC, should be challenged to take the lead in popularizing tourism to the Kenyan population like KWS has done in the last decade. This would contribute to a symbiotic existence between indigenous people and wildlife and nature.

The role of Information Technology (IT) in the development and marketing of tourism must be over emphasized, if the sector has to grow and be able to compete with other technologically compliant tourist destinations like Europe, America and

Asian destinations. The sector grew by 20.1 per cent in 2005, mainly due to an aggressive marketing strategy that placed Kenya high as a favorable tourist destination. With the electronic communication media such as the Internet and e-mail communication already established and forming part of the basic equipment of every tourism company, the prospects for increased use of these technologies for marketing Kenya as a tourist destination is prospective and long term.

5.6 Limitations of the study

Limitations of the study emanated from the time factor available for interview guide one one-on-one interview. Managers were not able to give as detailed explanation of variable as the study anticipated. Another major challenge was due to the bureaucratic nature of accessing government information. A letter had to be sent to the permanent secretary and wait for approval which took a month. The reference to the five year strategic plan, vision 2030 and the new constitution appeared to affect the managers' creativity for new ideas in regard to study variables.

5.7 Recommendations for Further Research

This study has established gaps in the literature that may require further research in the future. Due to its potential for propelling the country forward, the impact of growth strategies requires a detailed study. With right resources, it is important to carry out a comparative analysis of Kenya tourism industry and its established competitors such as Mauritius or Singapore.

5.8 Implication for Policy and Practice

This study forms a substantial asset to the ministry of tourism. Of particular importance, KTB will document this research for posterity as it provides an analysis of strategies adopted in recovery and continuous improvement on their mandate. In addition the study will be critical in evaluating the effectiveness of the strategies the ministry has adopted.

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RE: MBA RESEARCH PROJECT

I am a postgraduate student pursuing MBA (HRM) at the University of Nairobi, School of Business. As a requirement of the course, I am supposed to carry out a research study 'competitive strategies adopted by the Kenyan ministry of tourism government to attract tourists

Due to its outstanding performance, the ministry of tourism is the organization of my choice to conduct this study and therefore request for your assistance in answering the attached questionnaire on a one-on-one interview. This is purely an academic exercise. Your responses and opinions will be held in utmost confidence and under no circumstance will your name be mentioned in the report.

Thank you in advance.

Allan O. Mwangi

Dr. John Yabu

MBA STUDENT

SUPERVISOR

APPENDIX I

LETTER OF INTRODUCTION

UNIVERSITY OF NAIROBI

P.O. Box 30197 - 00100

NAIROBI.

September 12th 2012

The Permanent Secretary

Ministry of Tourism

Kenya

RE: MBA RESEARCH PROJECT

I am a postgraduate student pursuing MBA (HRM) at the University of Nairobi, School of Business. As a requirement of the course, I am supposed to carry out a research study 'competitive strategies adopted by the Kenyan ministry of tourism government to attract tourists.

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Thank you in advance.

Allan G Muruga.

Dr. John Yabs

MBA STUDENT

SUPERVISOR

APPENDIX 1I
INTERVIEW GUIDE

Section one: Respondent's profile

1. Position in the ministry -----
2. Gender?
 - Female -----
 - Male-----
3. Years of experience in this ministry?
 - Below 5 years-----
 - 5- 9 years-----
 - 10-14 years-----
 - 16 -19 years-----
 - Above 20-----

Section 2: Challenges of increasing competition in tourism industry

1. Briefly describe the state of competition in the tourism industry in terms of

a) Pricing of products and services-

b) Advertising

c) Marketing of products and services

d) Packaging and presentation-

e) Differentiation of products and services

f) Customer service-

g) Innovation and use of technology

2. Briefly comment on the state of rivalries in the tourism industry in terms of:

a) Price wars

b) Advertising battles

c) Introduction of unique products

d) Customer service

3. List the factors that have tourist preferring Kenya to other destinations

4. Are there products that Kenya does not currently provide? If yes indicate

Section 3: Competitive strategies adopted

1. List and explain briefly the competitive strategies that have been adopted by the ministry of tourism in the last five years

a) Diversification strategies

b) Cost leadership strategies

c) Focus strategies

2. Among the strategies which ones do have been the most successful?

Section 4: Sustainability strategies

1. Which opportunities do you expect to exploit in future to ensure growth and sustainability of the tourism industry in Kenya

2. What policy initiatives do you propose to ensure sustainability?

Other suggestions on improvement and sustainability of the industry

APPENDIX III

MINISTRY OF TOURISM KEY STAKEHOLDERS

1. Government Ministries
2. Tourists (Domestic and International)
3. Tourism Sector employees
4. International Tour operators
5. Local Communities
6. Investors in Tourism
7. Regional Competitors
8. Media (Local and International)
9. Diplomatic Missions
10. Development Partners
11. Members of KTF and other local associations
12. Parastatals under the Ministry of Tourism
13. Local and International Airlines
14. Kenya Civil Aviation Authority
15. Kenya Airports Authority
16. Kenya Ports Authority
17. National Museums of Kenya
18. Kenya Wildlife Service
19. Wildlife Clubs of Kenya
20. Eco-Tourism Society
21. Financial Services Sector
22. Insurance Services Sector
23. Medical Services Providers
24. Security Firms
25. Local Authorities
26. Civil Society Organizations

APPENDIX IV

MAJOR TOURIST ATTRACTION SITES IN KENYA

Major Tourist Attractions in Kenya

1. Game reserves
2. National parks
3. Culture
4. Beaches
5. Fishing/angling
6. Wild animals
7. Scenery
8. Water sports
9. Climate
10. Coral reefs
11. Safaris (short and long)
12. City tours
13. Balloon trips (e.g., Maasai Mara)
14. Marine park/reserve
15. Animal orphanage
16. Walking
17. Farms (crocodile, etc)
18. Tea estates
19. Bird watching
20. Fishing
21. Dhow tours
22. Racecourse
23. Archaeological sites
24. Historical ruins and museums
25. Traditional dancing
26. Curio markets

Source: Sindiga, (1996),

APPENDIX V

GENERIC STRATEGIES EXPLORED

