



**STRATEGY IMPLEMENTATION DRIVERS AND PERFORMANCE OF STAR RATED HOTELS IN MOMBASA COUNTY, KENYA**

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**ABSTRACT**

*This study evaluated the effect of strategy implementation drivers on organizational performance of star rated hotels in Mombasa County. The target population encompasses 50 general managers and 87 operational managers within the 50 selected hotels in Mombasa County, Kenya. The study utilized cross-sectional study design. Stratified random sampling was used to select the sample size of 102. Data analysis was performed using SPSS 28. The study found that the respondents had a strong positive perception of the presence of Infrastructure Quality in their respective star rated hotels. According to the study, the respondents strongly indicated a presence of Competitor Analysis in their respective star rated hotels. The respondents strongly agreed that the star rated hotels had Technological Advancements, with moderately varied responses. The respondents believed that revenue management enhances the firms' operations, facilitates communication with customers, and promoted prompt feedback to enhance organizational performance. In conclusion, this study underscored the vital influence of Infrastructure Quality, Competitor Analysis, Technological Advancements, and Revenue Management on the performance of star-rated hotels in Mombasa County, Kenya. The findings emphasized the necessity for strategic investments and enhancements in these areas to optimize organizational performance. Improving infrastructure, engaging in effective competitor analysis, leveraging technological advancements, and implementing robust revenue management strategies are pivotal steps for hotels to remain competitive and achieve sustainable growth in the hospitality industry of Mombasa County and similar settings. The study recommended that managers should align their strategies with local drivers, rapidly adapt to industry changes, and prioritize employee training and motivation. Secondly, policymakers should encourage infrastructure, marketing, and technological advancements in hotels through incentives and conducive business environments. Lastly, within industry practice, investing in technology, marketing, and revenue management is vital for improved performance and competitiveness in the market. Additionally, hotels should emphasize sustainability and personalized guest experiences to attract environmentally conscious travellers and enhance their reputation.*

**Key Terms:** Competitor Analysis, Revenue management, Infrastructure Quality, Technological Advancements

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## INTRODUCTION

Strategy implementation is an action phase of the strategic management process involving putting the chosen strategy into practice, resourcing the strategy, configuring the organization's culture and structure to fit the strategy and managing change (Schermerhorn, 2019; Carter & Pucko, 2019). Effective implementation of a strategy occurs when the resources and actions of the organizations are linked to the strategic priorities, when the objectives set are achieved and when main factors of success are identified and the alignment reporting and performance measures (Kaplan & Norton, 2020). According to Kihara, Bwisa and Kihoro (2019) the strategy implementation process determines whether an organization excels, survives or dies depending on the manner in which it is undertaken by the stakeholders. Strategy implementation process involves placing objectives, strategies, and policies into action through the development of programs, budgets and procedures. Strategy formulation precedes implementation making implementation a key part of strategic management.

Strategy implementation in the global arena has taken different approaches and contexts. Schaap (2019) looked at strategy implementation in the tourism industry in Nevada, United States of America, touching on communication up and down, organization structure, shared attitudes and values in the organization. Further, strategy implementation plans must be vividly developed, tasks for individuals highlighted with explicit time frames, and persons responsible for task completion identified for the proper strategy implementation. A Study by Okumus (2019) explored strategy implementation in international hotels in the United Kingdom, highlighting the holistic approach of analyzing and testing complex issues of strategy implementation. On that note, a comprehensive strategy implementation framework has yet to be developed in strategic management field.

In South Africa, it does not seem to be the case; van Scheers (2019) established that a lack of strategic implementation process is a common experience

among hotels, with most managers/owners lacking strategic implementation skills. This shows that strategic implementation process in South Africa is still low and at early stages across most sectors. In Sub-Saharan Africa, minimal research has been conducted on strategic implementation in Hotels. For instance, Abesiga, Netswera, and Ziwa (2021) point out that strategic implementation process is still very low among Hotels in Uganda. In addition, the study revealed that the small strategic implementation process that is carried out among Hotels is still informal, with most Hotels still guided by the traditional way of operating business.

In Kenya the hospitality industry has been one of the key economic drivers generating approximately 10% of the country's GDP and 9 % of total formal employment. In all for instance, the sector contributes to the country's GDP rose by 32.8 per cent from Ksh 73 billion in 2019 to Ksh 99.3 billion (KNBS, 2019). Further according to World Bank, tourism industry contributes to Kenya's economy as a percentage of the total exports has always stood above 15%, climaxing at 22% in the year 2020 (World Bank, 2020). The relative importance of tourism in Kenya's economy has risen steadily over the last 40 years. In terms of revenue, it ranks third after tea and horticulture as the major foreign exchange earner. It has also been identified as one of the pillars in Kenya vision 2030 (Kihia, 2020).

Star-rated hotels in Mombasa, a popular tourist destination in Kenya, play a vital role in the region's hospitality industry, attracting both domestic and international visitors. These hotels are a benchmark for quality, offering a range of amenities and services designed to provide guests with a luxurious and comfortable stay. The star rating system, adopted globally, categorizes hotels based on the quality of facilities, services, and overall guest experience (Ruhanen, 2013). In Mombasa, star-rated hotels contribute significantly to the tourism sector, promoting the city as an attractive destination for leisure and business travelers.

The star-rated hotels in Mombasa boast a wide array of amenities that cater to diverse guest preferences.

These amenities often include well-furnished rooms, state-of-the-art fitness centers, swimming pools, restaurants serving diverse cuisines, bars, conference facilities, and spa services (Getz, 2008). The availability of such facilities ensures that guests have a memorable and convenient stay during their visit to Mombasa. Tourists can choose from a range of options based on their preferences, from budget-friendly options to luxurious five-star accommodations, each offering a unique experience.

The performance of star-rated hotels in Mombasa, Kenya, is a critical aspect of the region's hospitality industry. These hotels, ranging from budget to luxury, are essential in catering to the diverse needs of travelers and tourists visiting this coastal city. Performance evaluation in the hospitality sector involves assessing factors such as occupancy rates, guest satisfaction, revenue generation, and market competitiveness (Enz, 2010). In Mombasa, star-rated hotels strive to maintain high performance levels to attract and retain guests, ultimately contributing to the growth of the local tourism industry.

Occupancy rates in star-rated hotels in Mombasa are a significant indicator of performance. Higher occupancy rates signify a healthy demand for accommodation and are often a reflection of effective marketing strategies, quality services, and competitive pricing (Baum, 2006). Hotels continuously monitor and strategize to optimize their occupancy rates, as this directly impacts their revenue streams and overall performance. Factors influencing occupancy rates include seasonal variations, market trends, and the appeal of the hotel's offerings.

### Research Objectives

The general objective of the study was to evaluate the effect of strategy implementation drivers on organizational performance of star rated hotels in Mombasa County. The study was guided by the following specific objectives:

- To evaluate the effect of Infrastructure Quality on organizational performance of star rated hotels in Mombasa County.

- To examine the effect of Competitor Analysis on organizational performance of star rated hotels in Mombasa County.
- To assess the effect of Technological Advancements on organizational performance of star rated hotels in Mombasa County.
- To analyze the effect of revenue management on organizational performance of star rated hotels in Mombasa County.

The research hypotheses were;

- **H<sub>01</sub>:** Infrastructure Quality has no significant effect on organizational performance of star rated hotels in Mombasa County.
- **H<sub>02</sub>:** Competitor Analysis has no significant effect on organizational performance of star rated hotels in Mombasa County.
- **H<sub>03</sub>:** Technological Advancements has no significant effect on the performance of star rated hotels in Mombasa County.
- **H<sub>04</sub>:** Revenue Management has no significant effect on organizational performance of star rated hotels in Mombasa County.

## LITERATURE REVIEW

### Theoretical Framework

#### Resource-Based View Theory

In the competitive landscape of the hotel industry, Infrastructure Quality plays a crucial role in determining the performance and success of hotels. The resource-based theory provides a valuable framework for understanding how Infrastructure Quality can be a source of sustainable competitive advantage (Osuga, 2019).

Infrastructure Quality refers to the physical aspects of a hotel, including facilities, amenities, design, aesthetics, cleanliness, and overall guest experience. According to the resource-based theory, firms can gain a competitive advantage by utilizing unique and valuable resources that are difficult for competitors to replicate or imitate. Infrastructure Quality, when managed effectively, can serve as a strategic

resource that distinguishes a hotel from its competitors (Schermerhorn, 2019).

### **Porter's Competitive Theory**

In the dynamic and highly competitive landscape of the hotel industry, understanding and analyzing competitors is essential for achieving and maintaining superior performance. Porter's Competitive Theory provides a valuable framework for comprehending the competitive forces within an industry (Carter & Pucko, 2019).

Porter's theory emphasizes the importance of evaluating the threat posed by new entrants in the market. Through Competitor Analysis, hotels can assess the likelihood of new hotels entering the market and identify potential barriers to entry. By understanding the threat of new entrants, hotels can strategize to differentiate themselves and protect their market share. This analysis enables hotels to proactively develop unique selling propositions, improve service offerings, and enhance guest experiences to deter potential competitors (Amurle, 2021).

### **Technology Acceptance Model (TAM)**

The Technology Acceptance Model (TAM) provides a theoretical framework for examining how individuals perceive and adopt new technologies. It posits that the acceptance and usage of technology are influenced by two primary factors: perceived usefulness and perceived ease of use. Perceived usefulness refers to the degree to which an individual believes that a technology will enhance their job performance or make their life easier. Perceived ease of use refers to the degree to which an individual believes that using a technology will be free from effort or complexity (Vudzijena, 2021).

According to Wambui and Wario (2021), when individuals perceive a technology as useful and easy to use, they are more likely to adopt and embrace it. This model has been widely applied across various industries, including the hotel sector, to understand technology adoption and utilization patterns among both guests and hotel staff. Technological Advancements present hotels with opportunities to

streamline operations, enhance guest experiences, and achieve a competitive edge. By considering the TAM, hotels can effectively leverage these Technological Advancements and maximize their benefits:

### **Yield Management Theory**

The Yield Management Theory, also known as revenue optimization or dynamic pricing, is a strategic approach to revenue management. It originated in the airline industry but has been widely adopted in the hotel industry and other service sectors. The theory emphasizes the importance of effectively managing capacity and pricing to maximize revenue based on demand fluctuations. It involves analyzing demand patterns, setting optimal prices, and strategically allocating resources to achieve the best revenue outcomes (Khayota, 2020).

Hotels face perishable inventory, meaning that unsold rooms for a particular night cannot be recovered. Yield management enables hotels to proactively manage this perishability by implementing dynamic pricing strategies and optimizing inventory allocation. By applying yield management principles, hotels can achieve the following: Yield management starts with accurate demand forecasting. Hotels use historical data, market analysis, and advanced forecasting techniques to predict future demand patterns. By understanding when and how demand fluctuates, hotels can effectively adjust their pricing and inventory allocation strategies (Kaplan & Norton, 2020).

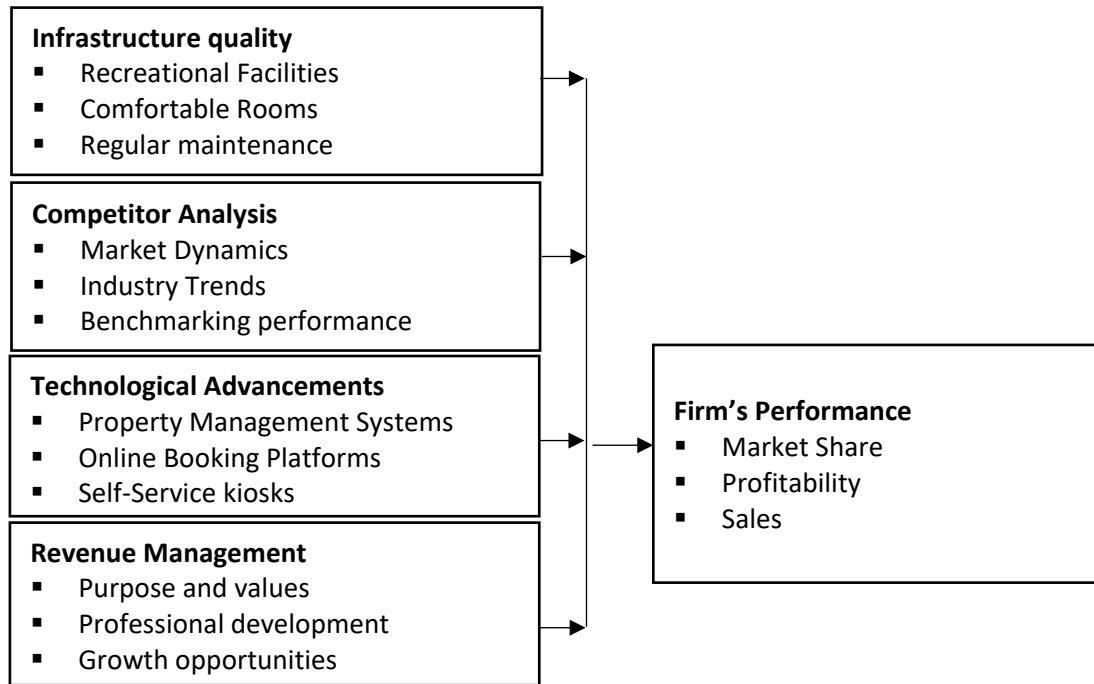
### **Value-Based Theory**

Value-based theory, also known as customer value theory, is a framework that seeks to understand how customers perceive value and make decisions based on their assessment of the benefits they receive relative to the costs they incur. In the context of star-rated hotels, value-based theory provides valuable insights into the factors that influence the performance and success of these establishments. According to value-based theory, customers evaluate the worth or value of a product or service

by considering both its perceived benefits and the sacrifices or costs associated with acquiring it. In the case of star-rated hotels, customers assess the value proposition by considering various factors such as

the quality of amenities, services, and overall experience provided by the hotel, as well as the price they have to pay for their stay (Kaplan & Norton, 2020).

### Conceptual Framework



#### Independent Variables

**Figure 1: Conceptual Framework**

#### Infrastructure Quality

Infrastructure Quality is a crucial variable that significantly impacts the performance of star-rated hotels. It encompasses the physical aspects of a hotel, including its facilities, amenities, design, cleanliness, and overall guest experience. Research studies have consistently shown the positive correlation between Infrastructure Quality and hotel performance indicators such as guest satisfaction, occupancy rates, and revenue generation.

Infrastructure Quality plays a vital role in enhancing guest satisfaction. A study by Ryu and Han (2011) found that physical facilities and amenities significantly influenced guest satisfaction levels in hotels. Guests often have high expectations when staying at star-rated hotels, and a well-maintained infrastructure that meets or exceeds those expectations can lead to increased guest satisfaction

#### Dependent Variable

and repeat visits. Additionally, a study by Kim et al. (2018) highlighted that Infrastructure Quality, including room cleanliness and comfort, positively influenced guest satisfaction in luxury hotels.

#### Competitor Analysis

Competitor Analysis is a crucial variable that significantly influences the performance of star-rated hotels. It involves identifying and evaluating the strengths and weaknesses of direct and indirect competitors, understanding their strategies, and monitoring market trends. By conducting a comprehensive Competitor Analysis, hotels can gain valuable insights that inform their decision-making processes, enable them to differentiate themselves, and enhance their overall performance.

Competitor Analysis helps hotels identify their competitive position within the market. Research by

Choi and Ng (2011) highlights that understanding the competitive landscape allows hotels to assess their strengths and weaknesses relative to their competitors. By identifying gaps in the market and evaluating competitors' offerings, hotels can develop unique selling propositions and position themselves strategically to attract and retain guests.

### **Technological Advancements**

Technological Advancements have become a significant variable that influences the performance of star-rated hotels. Embracing and effectively implementing technology can enhance operational efficiency, improve guest experiences, and drive overall performance.

Technology can streamline hotel operations and improve efficiency. Automation tools such as property management systems (PMS), guest relationship management (CRM) software, and revenue management systems enable hotels to automate and streamline tasks, resulting in improved operational efficiency. A study by Sigala and Connolly (2019) emphasizes that technology-driven systems can help hotels manage reservations, streamline check-in and check-out processes, and facilitate efficient communication between different departments.

Technological Advancements enhance guest experiences and satisfaction. Hotels can leverage technology to provide personalized and seamless experiences to their guests. Mobile apps, self-service kiosks, and in-room automation systems enable guests to have more control over their stay, customize their preferences, and access services conveniently. Research by Xie et al. (2020) indicates that technology-enhanced guest experiences, such as mobile check-in and keyless entry, positively influence guest satisfaction and loyalty.

### **Revenue Management**

Revenue management is a critical variable that significantly impacts the performance of star-rated hotels. It involves the strategic management of pricing, inventory, and distribution channels to maximize revenue and profitability. Effective

revenue management practices enable hotels to optimize their revenue streams, enhance financial performance, and improve overall competitiveness. This section will explore the impact of revenue management on hotel performance, highlighting six broad areas where revenue management plays a crucial role.

Revenue management enables hotels to optimize pricing strategies. By analyzing market demand, competitor pricing, and customer segments, hotels can set optimal room rates to maximize revenue. Research by Kimes (2018) emphasizes that dynamic pricing strategies, such as yield management, allow hotels to adjust prices based on real-time demand fluctuations, increasing revenue potential. Implementing revenue management practices helps hotels achieve the delicate balance between maximizing revenue and maintaining high occupancy rates.

### **Firm's Performance**

The importance of organizational performance can be seen from theoretical, empirical and managerial lenses (Venkatraman & Ramanujam, 2019). The theoretical lens focuses on the effectiveness of strategies that influence the level of performance they cause while the practical lens brings to light the various constructs that have been utilized to capture performance (Mintzberg & Lampel, 2019). The managerial perspective focuses on the quality of the day-to-day decisions made by managers (Venkatraman & Ramanujam, 2019). Irrespective of this importance, the research outcomes on performance stay inconclusive, and several reasons have been advanced for the indecisive results including methodological defects, snubbing organizational characteristics in performance relationships and related application of models (Mugambi & K'Obonyo, 2020). Measuring performance is one of the utmost problematic issues in the study of strategic management.

Strategic management scholars, in their mission for establishing performance associations of the strategic behavior of businesses, continue to

measure performance of the business using a broad range of operationalizing schemes (Mugambi & K'Obonyo, 2020). However, there is no any research informed systematic deliberation among researchers as to what constitutes a valid set of criteria. Most of the strategic management studies have measured performance using traditional financial measures (Walsh and Margolis, 2019). The main issue associated with traditional performance measurement is the failure to embrace non-financial and less tangible aspects such as employee morale, quality, client satisfaction and (Kaplan & Norton, 2020). Nowadays, there is a belief that the traditional financial methods are still effective and relevant (Taylor, 2020).

## METHODOLOGY

The researcher used descriptive research design in collecting data from respondents because it discovers answers to questions, and how the variables produces changes to one another (Sekaran 2018). The target population encompassed 50 general managers and 87 operational managers within the 50 selected hotels in Mombasa County, Kenya. The study was considered the star rated hotels as the unit of analysis, while the general managers and operation managers were treated as the units of observation. This research adopted Yamane (1973) statistical formulae to select an appropriate sample size from a finite population. From the target population of 137, a sample size of 102 was drawn.

The data was collected, processed and analyzed with respect to the study objectives, using both descriptive and inferential statistics. The tool of analysis used for this study was Statistical Package for Social Sciences (SPSS) version 28. The data was analyzed using descriptive statistics such as mode, median, mean, standard deviation. Research

hypotheses was tested by use of F-tests (ANOVA) and t-tests to measure and determine the statistical significance between the variables and to draw conclusions of the study. Correlation and multiple linear regression analyses was used to determine the relationship between strategic implementation prerequisites and performance of professional service small and medium enterprises in Kenya. Multiple regression analysis was used for modelling the relation between the dependent variable and independent variables. Its basic aim is to build a mathematical model to relate dependent variable to independent variables. The multiple regression analysis models on predicted level of dependent variable to the levels of independent variables were chosen as the approach to analyse data. Given the dependent variable the regression model was follows;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where:

Y = Performance of Hotels in Hospitality industry

X<sub>1</sub> = Infrastructure Quality

X<sub>2</sub> = Competitor Analysis

X<sub>3</sub> = Technological Advancements Strategy

X<sub>4</sub> = Revenue management

ε = Error term which captures the unexplained variations in the model.

## FINDINGS

### Response Rate

The study targeted 102 respondents, out of the 102 questionnaires disbursed 80 were returned which represents 78%, 22 were not returned which represent 22%. According to Mugenda and Mugenda (2020), a response rate of 50% is adequate, 60% is good and 70% and above is excellent. Therefore, this response rate was excellent and deemed fit for the pilot study.



**Table 1: Response Rate**

Category	Frequency	Percentage
Response	80	78
Non-Response	22	22
Total	102	100

**Correlation Analysis**

Pearson correlation analysis was conducted to examine the relationship between the variables. The

measures were constructed using summated scales from both the independent and depended variables. The results are provided in table 2 below.

**Table 2: Correlation analysis depicting relationship between strategy implementation drivers and organizational performance**

		(Y)	(X1)	(X2)	(x3)	(X4)
Organization	Pearson		1			
Performance	Correlation					
(Y)	Sig. (2-tailed)					
	N	113				
Infrastructure	Pearson	.404**		1		
Quality	Correlation					
(X1)	Sig. (2-tailed)	.000				
	N	113	113			
Competitor	Pearson	.685**	.275**		1	
Analysis	Correlation					
(X2)	Sig. (2-tailed)	.000	.003			
	N	113	113	113		
Technological	Pearson	.583**	.237*	.401**		1
Advancements	Correlation					
(X3)	Sig. (2-tailed)	.000	.011	.000		
	N	113	113	113	113	
Revenue	Pearson	.390**	.044	.163	.314**	1
Management	Correlation					
(X4)	Sig. (2-tailed)	.000	.647	.085	.001	
	N	113	113	113	113	113

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

From the findings shown Infrastructure Quality and organizational performance are positively related (0.536), Technological Advancements is positively related with the organizational performance (0.265) and Competitor Analysis (0.526). Revenue

management is positively related with organizational performance (0.275). The use of Infrastructure Quality was positively related with Competitor Analysis (0.29), Technological Advancements (0.085) and revenue management (0.032). The use of

Competitor Analysis was positively related with Technological Advancements (0.485) and revenue management (0.233). Lastly the Revenue management had a positive relation with Technological Advancements (0.578). This indicates any of the strategic capabilities had a positive correlation with the performance and the strategic capabilities had positive correlations among themselves.

**Regression Analysis of the Study Variables**

Regression analysis was carried out to determine the linearity of the relationship between the dependent (organization performance) and strategic capabilities (Infrastructure Quality, Competitor Analysis,

Technological Advancements and revenue management) of the study. The results were tabulated and discussed as shown in the subsections here below;

**Multiple Regression Model Summary**

Table 3 shows the value of Adjusted R-square of 0.884 implies that 88.4% of the total variance of organization performance is explained by the model. This means that 11.6% of the total variance of organization performance cannot be explained by the model. Hence the results reveal that the strategic capabilities affect organization performance. The Table 3 below shows the results for variations between the dependent and independent variables.

**Table 3: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.944 <sup>a</sup>	.891	0.884	.28339	1.788

a. Predictors: (Constant), Revenue management, Competitor Analysis, Technological Advancements, Infrastructure Quality

b. Dependent Variable: Organization Performance

**Analysis of the Variance of the Study Variables (ANOVA)**

The residuals are positive, implying that there was a significant relationship between the dependent and independent variables used in the study. From the ANOVA Table 4 below, it was established that

revenue management, Competitor Analysis, Technological Advancements and Infrastructure Quality affected organization performance significantly since  $F_{critical}$  at (5, 83) degrees of freedom is  $2.38 < F_{calculated} 109.837$  at 5% level of significance. The ANOVA table was generated from the Analysis.

**Table 4: Analysis of Variance**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	34.930	4	8.733	109.837	.000 <sup>b</sup>
Residual	4.256	75	.080		
Total	39.186	79			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Revenue management, Competitor Analysis, Technological Advancements, Infrastructure Quality

**Coefficients of the Regression Model**

The co-efficient of the regression model were obtained from the analysis and presented. The regression equation is as shown below;

$$Y = 0.088 + 0.253X_1 + 0.189X_2 + 0.150X_3 + 0.367X_4$$

Y – Organization Performance

X<sub>1</sub> – Infrastructure Quality

X<sub>2</sub> – Competitor Analysis

X<sub>3</sub> – Technological Advancements

X<sub>4</sub> – Revenue Management

When the independent variables are all zeros, this means that organization performance will be at 0.088 units. When Infrastructure Quality increases by one unit, organization performance increases by 0.253 units. When Competitor Analysis increases by one unit, organization performance increases by 0.189 units. When Technological Advancements increases by one unit, organization performance

increases by 0.150 units. Finally, when revenue management increases by one unit, organization performance increases by 0.367 units.

Table 5 presents the regression coefficients results for the standard multiple regression that was conducted for the study.

**Table 5: Coefficients of the Regression Model**

This table presented the co-efficient of the regression model as follows:

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	.088	.171		.517	.608		
Infrastructure Quality( $X_1$ )	.253	.107	.307	2.354	.022	.120	8.325
Competitor Analysis( $X_2$ )	.189	.055	.187	3.448	.001	.696	1.437
Technological Advancements( $X_3$ )	.150	.073	.148	2.043	.046	.393	2.544
Revenue management( $X_4$ )	.367	.114	.418	3.203	.002	.120	8.310

a. Dependent Variable: Organization Performance(Y)

### Hypothesis Testing

In statistical hypothesis testing, the null hypothesis is the default assumption that there is no relationship or difference between variables. The alternative hypothesis, on the other hand, is the opposite of the null hypothesis and proposes that there is a relationship or difference between variables. If the p-value is less than the significance level, it is unlikely that the results were obtained by chance, and the null hypothesis is rejected. This means that the alternative hypothesis is accepted, and there is evidence to support the relationship or difference between variables proposed by the alternative hypothesis.

The first null hypothesis stated that there is no significant effect of Infrastructure Quality on the performance of star rated hotels in Mombasa County, Kenya. The results indicated that

Infrastructure Quality has a significant effect on the performance of star rated hotels in Mombasa County, Kenya as shown in the table below ( $B_1=0.307$ ,  $t=2.354$  &  $p=0.022<0.05$ ). Hence the study rejected  $H_{01}$  leading to the conclusion that Infrastructure Quality has a significant effect on the performance of star rated hotels in Mombasa County, Kenya.

The null hypothesis stated that there is no significant effect of Infrastructure Quality on the performance of star rated hotels in Mombasa County, Kenya. The results of the statistical test indicated that Infrastructure Quality has a significant effect on the performance of star rated hotels in Mombasa County, Kenya, with a p-value of 0.022, which is less than the significance level of 0.05. Therefore, the null hypothesis was rejected, and the alternative hypothesis was accepted, leading to the conclusion

that Infrastructure Quality has a significant effect on the performance of star rated hotels in Mombasa County, Kenya.

The second null hypothesis stated that there is no significant effect of Competitor Analysis on the performance of star rated hotels in Mombasa County, Kenya. The results indicated that Competitor Analysis has a significant effect on the performance of star rated hotels in Mombasa County, Kenya as shown in the table below ( $B_2=0.187$ ,  $t=3.448$  &  $p=0.001<0.05$ ). Hence the study rejected  $H_{02}$  leading to the conclusion that Competitor Analysis has a significant effect on the performance of star rated hotels in Mombasa County, Kenya.

The second null hypothesis stated that there is no significant effect of Competitor Analysis on performance, and the alternative hypothesis proposed that there is a significant effect. The results of the statistical analysis showed that the regression coefficient for Competitor Analysis ( $B_2$ ) was 0.187, the t-value was 3.448, and the p-value was 0.001. The p-value of 0.001 is less than the predetermined significance level of 0.05, indicating that there is strong evidence to reject the null hypothesis and accept the alternative hypothesis. Therefore, the study concluded that Competitor Analysis has a significant effect on the performance of star rated hotels in Mombasa County, Kenya.

The third null hypothesis stated that there is no significant effect of Technological Advancements on the performance of star rated hotels in Mombasa County, Kenya. The results indicated that Technological Advancements has a significant effect on the performance of star rated hotels in Mombasa County, Kenya as shown in the table below ( $B_3=0.148$ ,  $t=2.043$  &  $p=0.046<0.05$ ). Hence the study rejected  $H_{03}$  leading to the conclusion that Technological Advancements has a significant effect on the performance of star rated hotels in Mombasa County, Kenya.

The third null hypothesis stated that there is no significant effect of Technological Advancements on

performance, and the alternative hypothesis proposed that there is a significant effect.

The results of the statistical analysis showed that the regression coefficient for Technological Advancements ( $B_3$ ) was 0.148, the t-value was 2.043, and the p-value was 0.046. The p-value of 0.046 is less than the predetermined significance level of 0.05, indicating that there is evidence to reject the null hypothesis and accept the alternative hypothesis. Therefore, the study concluded that Technological Advancements has a significant effect on the performance of star rated hotels in Mombasa County, Kenya.

The fourth and final null hypothesis stated that there is no significant effect of revenue management on the performance of star rated hotels in Mombasa County, Kenya. The results indicated that financial has a significant effect on the performance of star rated hotels in Mombasa County, Kenya as shown in the table below ( $B_4=0.418$ ,  $t=3.203$  &  $p=0.002<0.05$ ). Hence the study rejected  $H_{04}$  leading to the conclusion that revenue management has a significant effect on the performance of star rated hotels in Mombasa County, Kenya.

The fourth null hypothesis stated that there is no significant effect of revenue management on performance, and the alternative hypothesis proposed that there is a significant effect. The results of the statistical analysis showed that the regression coefficient for revenue management ( $B_4$ ) was 0.418, the t-value was 3.203, and the p-value was 0.002. The p-value of 0.002 is less than the predetermined significance level of 0.05, indicating that there is strong evidence to reject the null hypothesis and accept the alternative hypothesis. Therefore, the study concluded that revenue management has a significant effect on the performance of star rated hotels in Mombasa County, Kenya.

The study found that all four variables - Infrastructure Quality, Competitor Analysis, Technological Advancements, and revenue management had a significant effect on performance. Each of these variables likely had

different levels of impact on performance, and their relative importance may depend on the specific context of the star rated hotels being studied.

The table 6 below presents the research hypotheses results on the effect of strategic capabilities on the performance of star rated hotels in Mombasa County, Kenya based on the multiple regression analysis conducted in this study.

**Table 6: Tests of Hypothesis Results**

Research Hypotheses	B	t	p-value	Decision
H <sub>01</sub> : There is no significant effect of Infrastructure Quality on the performance of star rated hotels in Mombasa County, Kenya	0.307	2.354	0.022	H <sub>01</sub> rejected since p=<0.05
H <sub>02</sub> : There is no significant effect of Infrastructure Quality on the performance of star rated hotels in Mombasa County, Kenya	0.187	3.448	0.001	H <sub>02</sub> rejected since p=<0.05
H <sub>03</sub> : There is no significant effect of Infrastructure Quality on the performance of star rated hotels in Mombasa County, Kenya	0.148	2.043	0.046	H <sub>03</sub> rejected since p=<0.05
H <sub>04</sub> : There is no significant effect of Infrastructure Quality on the performance of star rated hotels in Mombasa County, Kenya	0.418	3.203	0.002	H <sub>04</sub> rejected since p=<0.05

**CONCLUSION**

The study found that there is a significant positive relationship between Infrastructure Quality and organizational performance in selected star rated hotels in Mombasa County, Kenya. Specifically, the results showed that for every one-unit increase in Infrastructure Quality, there was a 0.253-unit increase in organizational performance. These findings suggest that Infrastructure Quality is an important factor for firms to consider when striving improving their performance.

The study also rejected the first null hypothesis that there is no significant effect of Infrastructure Quality on the performance of star rated hotels in Mombasa County, Kenya. The results showed that Infrastructure Quality has a significant effect on organizational performance, as indicated by the value of B1, t-value, and p-value. This suggests that star rated hotels in Mombasa County should prioritize investing in and improving their Infrastructure Quality to enhance their overall performance.

The study analysed the impact of Competitor Analysis on the performance of star rated hotels in

Mombasa County, Kenya. The second null hypothesis was tested, which assumed that Competitor Analysis does not significantly affect the organization's performance. However, the study findings revealed that Competitor Analysis has a significant effect on the performance of star rated hotels. The results showed that an increase in Competitor Analysis by one unit leads to an increase in organization performance by 0.189 units. Hence, the study rejected the second null hypothesis and concluded that Competitor Analysis plays a crucial role in the performance of star rated hotels.

The findings of this study indicate that Competitor Analysis is a vital resource that positively affects the performance of the star rated hotels. Therefore, organizations should focus on developing and enhancing their Competitor Analysis to achieve better performance. The study's results suggest that marketing departments should collaborate with other organizational departments to align marketing goals with organizational objectives to optimize performance. The implications of these findings are significant for the hospitality industry as they highlight the importance of Competitor Analysis in driving business growth and competitiveness.

A study conducted on selected star rated hotels in Mombasa County, Kenya tested the third null hypothesis that there is no significant effect of Technological Advancements on the performance of organizations. The results indicated that Technological Advancements has a significant effect on the performance of the selected star rated hotels. The analysis revealed that when Technological Advancements increases by one unit, organization performance increases by 0.150 units. The statistical values provided significant evidence to reject H03, which suggests that Technological Advancements plays a crucial role in the performance of star rated hotels.

The study established that the Technological Advancements of star rated hotels is a significant factor in determining their overall performance. This implies that investing in the development and enhancement of Technological Advancements can lead to improved organizational performance. The findings of the study may be useful for star rated hotels in Mombasa County, Kenya, as well as other similar settings, in making informed decisions about resource allocation and investment priorities.

The study examined the impact of revenue management on the performance of star rated hotels in Mombasa County, Kenya by testing the fourth null hypothesis. The analysis revealed that there is a significant effect of revenue management on the performance of the star rated hotels. The study found that when revenue management increases by one unit, organization performance increases by 0.367 units. These findings suggest that revenue management is a crucial resource for the performance of star rated hotels in Mombasa County, Kenya.

The study's results indicated that the null hypothesis stating that there is no significant effect of revenue management on the performance of star rated hotels in Mombasa County, Kenya can be rejected. This means that revenue management plays a significant role in the performance of star rated hotels in the region. Thus, firms with strong Revenue Management may have a competitive advantage

over those with weaker Revenue Management. It is important for organizations to focus on developing and maintaining strong Revenue Management to improve their overall performance and achieve their goals and objectives

## **RECOMMENDATIONS**

### **Managerial Implication**

Managers should thoroughly comprehend the unique drivers influencing strategy implementation in the local context. This understanding allows for better alignment of the hotel's strategy with these drivers, ensuring that the strategy is attuned to the specific needs and expectations of the Mombasa market.

Recognizing the dynamic nature of the tourism industry in Mombasa County is essential. Managers should be prepared to adapt strategies swiftly in response to changing circumstances, market trends, and customer preferences. This agility ensures that the hotel remains competitive and relevant in the ever-evolving tourism landscape.

Acknowledging that employees are pivotal in strategy execution is crucial for managers. Investing in the training, development, and motivation of the workforce is essential to ensure that employees are equipped with the necessary skills and knowledge to effectively implement the hotel's strategy, ultimately enhancing performance.

### **Recommendation for policy and practice**

For policy, the government should encourage and support the development of Infrastructure Quality, marketing and Technological Advancements, and Revenue Management in star rated hotels through incentives, training, and funding opportunities. The government should provide a conducive business environment for firms to invest in and improve their Revenue Management.

Prioritizing staff training and skill development is fundamental. This investment ensures that hotel staff possess the necessary expertise in customer service, operational efficiency, and local attractions knowledge. Hotels should focus on personalizing guest experiences through tailored services, cultural

immersion opportunities, and enhanced amenities. Embracing technology for efficient operations, reservation systems, and guest feedback analysis is vital for continuous improvement. Sustainability initiatives, including waste reduction, energy conservation, and community engagement, are increasingly important to attract environmentally conscious travelers and uphold the hotel's reputation.

For practice, star rated hotels should prioritize investing in the development and enhancement of their technological, marketing, and Technological Advancements to improve their overall performance and competitiveness. Organizations should strive to maintain strong Revenue Management to achieve their goals and objectives.

#### **Areas for Further Research**

One suggestion for further research could be to investigate the impact of different types of Infrastructure Quality on organizational performance in the hospitality industry. For example, research could be conducted to explore the impact of automation technology, information technology, or production technology on

performance. This could help firms to better understand which specific Infrastructure Quality are most effective in enhancing their performance and competitiveness.

Another area for further research could be to investigate the impact of different types of Competitor Analysis on organizational performance. For example, research could be conducted to explore the impact of digital marketing, brand management, or customer relationship management on performance. This could help organizations to identify which Competitor Analysis are most effective in driving growth and achieving their strategic objectives.

Additionally, future research could investigate the most effective strategies for developing and enhancing organizational capabilities. For example, research could explore the effectiveness of different training programs, collaboration models, or hiring practices in developing capabilities. This could help organizations to identify the most efficient and effective ways to invest in and improve their capabilities.

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