

Influence of Technological Advancement on Competitive Advantage in The Kenyan Hotel Industry.

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Abstract

This research looked into hotel sector techniques for gaining a competitive advantage. Resource-based theory was utilized in this study. The study employed a descriptive design, which is a technique for determining and reporting how things are in their natural setting. In Mombasa County, the target population was 15 four-star hotels. Respondents totaling to 60 people participated (15 General Managers, 15 Finance Managers, 15 operations managers and 15 guest relation managers). Data was collected by use of close-ended questionnaires. After the respondents' questionnaires were gathered, they were examined to see if there were any problems in the question filling out, and then they were thoroughly amended. The surveys then were used for the analyzation, that included the use of descriptive and inferential statistics to evaluate the information in the form of frequencies and percentages, that were then conveyed in tables, charts, and graphs to assist in the concise interpretation of the findings and conclusion drawing. Discussions immediately followed, with the same being explained. SPSS version 24.0 was used to conduct the data analysis. To evaluate the relationship between the variables, regression and correlation analyses were used. independent variable was found to have a positive and significant relationship with competitive advantage in the hospitality business, according to the study. The survey found that technology innovation allows hoteliers to differentiate themselves from the competition, meet every guest's expectations, and attract new business. The study recommends that hotels should adopt to new technologies in order to attract more customers and sustain them.

Key words: Technological Advancement, Competitive Advantage, Hotel Industry.

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I. Background of the study

Competitive advantage is the capacity of the firm to provide superior services in comparison to its competitors, hence attracting more customers (Hosseini et al., 2018). According to Islami et al., (2020), a company has achieved a competitive edge if it produces more profit than the average profit rate of other businesses in the same industry in the same region. Zehir et al., (2015), on the other hand, stated that a company acquires a competitive edge when it offers items or services that customers prefer above those offered by competitors.

In light of its assets and capabilities, the primary goal of an organization seeking an advantage is to gain seriousness and achieve a specific position in the business market in terms of execution (Hakkak, 2015). To gain competitiveness, an organization must look for ways to keep its competitive advantages for as long as possible by paying close attention to customer preferences and implementing them, expanding the customer base by looking for ways to attract untapped customers who are dissatisfied with services provided by competitors, and looking for new ideas on how to improve the services they provide (Hu et al., 2009).

A company's competitiveness can come from both the inside and outside sources of its competitors. The outer hotspots for gaining an advantage are: presenting changes in client requests; changing the cost of the merchandise or services; advancement of the technology used; conducting a thorough research on the goods or services offered in order to get a snapshot of how the business environment looks like; being able to change quickly with time, being able to accommodate the views of people who participate in producing the goods or providing the services; and financing (Hsu et al., 2011).

Internal elements of competitive advantage are new strategies that a company uses to provide new goods/services or modify existing goods/services while also being able to create a competitive edge over the competition (Sharifi et al., 2013). Internal factors that a business can use to gain a competitive advantage include having the best and most dedicated employees who will lead the company to greatness, the ability of the business to innovate its products, the ability of the business to cut costs by being able to produce more products,

the technology the business uses should be advanced, and the business should allocate people who are well qualified and should be trained on a regular basis for each section (Kim, 2021).

Kenya's hospitality industry is founded on an optimistic outlook in the travel industry, with more than 500 good lodgings already in place and more on the way. The travel industry is one of Kenya's most important financial sectors and a major contributor to the economy of a nation. Tourism sector ejects twelve per cent of Kenya's GDP, making it one of the most important sources of revenue. The tourist sector employs 11% of Kenya's workforce, making it crucial to the country's economic success. Kenya has superior hospitality sector development in Sub-Saharan Africa, thanks to its ability to have an average of 31,400 bed capacity every night. Nairobi, the Coast, and the Parks have the most of this capability (Muigua, 2021).

According to Jifar and Ayele, (2018), the lodging industry's marketing strategies in Kenya have begun to incorporate modern fads such as ecological administration frameworks and green administration. In Kenya's hospitality industry, the lack of well-defined competitive strategies leads in weak competitive positions. As a result, all new entrants into the Kenyan hotel business are attempting to establish competitiveness by providing a variety of services that have never been supplied locally for tourists of various economic levels in order to position themselves as the finest in the market (Wadongo et al., 2010).

Numerous hotels in Kenya are located along the coast, specifically near the Indian Ocean, which has been a key draw both for local and global visitors, as well as in the vicinity of national parks, which attract both local and international visitors to the parks and their environs, and in towns. Green marketing has been adopted by some of Kenya's largest hotels with the goal of making them stand out and increasing their level of publicity. Green marketing also aids hotels in sustainable development, giving them a competitive advantage by allowing them to attract customers from all over the world (Makau et al., 2017).

Statement of the problem

Over the last ten years, the hospitality industry has experienced rapid expansion and is now Kenya's second largest source of foreign money. Increased tourist traffic, enhanced security, increased disposable incomes, and variety of leisure alternatives have all contributed to this expansion. As a result of these changes, the government has boosted its investment in hospitality infrastructure, with the government improving roads, communication, water, and sanitation in tourist hotspots. As a result, developers have been encouraged to invest in hospitality-oriented facilities such as service apartments, which are competing fiercely with traditional hotels for a limited number of consumers as the market heats up (Cytton, 2019).

Local competition among hotels in Mombasa, as well as competition from rising markets like as Ethiopia and Rwanda, presents a challenge to hoteliers, compelling them to implement strategic elements that enable them to reposition themselves in the market in order to maintain or expand their market share.

Because of its ability to enhance the speed and service quality, as well as its ability to provide a business with a vast platform to market its goods and services globally (Ferreira & Coelho, 2017), information technology has become a requirement in the operation of any business. Hotels in Mombasa, on the other hand, are hesitant to invest much in new technological advancements because it would add to their already low profit margins (KNBS, 2018). To stay ahead of the competition, hotels have improved the quality of services they provide, and some have gone above and above by including additional amenities such as a gym, spa, and bar.

In the face of strong competition from new entrants, hotels that have been operating in Kenya for decades are attempting to restore their status. Hotels are investing extensively in the replacement of furniture and beds, the refurbishing of existing facilities, and in certain cases, the construction of new hotels amenities, all with the goal of maintaining exceptional service levels and a strong brand emphasis (Rahman et al., 2021). In this study, the Influence of Technological Advancement On Competitive Advantage in The Kenyan Hotel Industry was examined.

Purpose of the study

The purpose of this study was to establish the Influence of Technological Advancement On Competitive Advantage in The Kenyan Hotel Industry.

II. Literature Review

This study was based on resource dependence theory. The theory is based on the notion that assets are critical to corporate accomplishment, and that possessing accessibility to and regulation over them gives you power (Pfeffer & Salancik, 2003). This theory is based on the premise that an organization, such as a corporation, needs to engage with several other groups and entities in its surroundings in order to gain resources. Since such interactions might be useful, they also have the potential to develop to unhealthy addictions. The organizational assets may be limited, sometimes not accessible, or governed by people who are difficult to work with.

Companies frequently change their business strategy in reaction to alterations in the power dynamics of competitors. Uncertainty obscures a firm's resource control, according to one of the pillars of resource

dependency theory, necessitating the employment of reliance-reducing strategies. As uncertainty and reliance develop, the demand for connections to other groups grows (Ibn-Mohammed et al., 2021).

Organizations rely on the external environment to varied degrees, notably for the resources they need to operate. As a result, organizations face resource acquisition uncertainty, and the topic of a firm's reliance on the environment for key resources is raised (Trooster, 2013). External control of these resources can often limit managerial choices, obstruct the attainment of organizational goals, and even jeopardize the core organization's existence (Ibn-Mohammed et al., 2021).

The resource dependence theory, as a component of resource dependency, emphasizes the relevance of resources, control over their use and allocation, alternative options, and ownership (Nienhueser&Qiu, 2016). First and foremost, resource importance is an indicator of how highly an organization regards other people's resources. Second, resource control can be defined as the power over the use and distribution of organizational resources, as well as the discretion over resource use and distribution. When one organization has the authority to control, regulate, and access its own resources, the institution that needs them becomes dependant on the company which has them (Nienhueser&Qiu, 2016).

For the expansion of hospitality sector in kenya, government require resources like technology. As a result, the resources obtained are typically shared among different locations. Governments have acknowledged the importance of geographical, physical, and cultural connectivity for effective tourism growth. Furthermore, the level of resource possession is a significant component in both local government tourist development and resource dependence theory.

Empirical Review

Cloud computing, according to Njau et al., (2019), is the most recent strategic inflection point in the development of IT infrastructures. It's a concept that enables easy access to pooled computer resources across the network (networks, servers, storage data, applications, and services). According to the study, a comprehensive portfolio of IT applications and high-quality IT have evolved into major drivers of hotel performance and competitive advantage generation. The study looked into the influence of cloud computing's organizational and business benefits on hotels' internal and external competitive abilities. The findings show a link between cloud computing use and hotels' capacity to establish and maintain competitive advantage.

According to Rahman et al., (2021), unlike other marketing extensions, destination marketing has taken a long time to develop since the tourist industry took a long time to formalize. It was certainly around before the rest of them, but it took a long time to establish itself. At the time, the destinations were not exactly in anyone's title and were not branded, and if they were, it was not for marketing purposes.

Ogiemwonyi, (2020) emphasizes the strategic necessity for firms to address their clients in the electronic markets in a study conducted in Sweden on Electronic Service Quality in Tourism. It emphasizes that in modern internet era, a company's success is based on the website's service quality and integration with its marketing plan. Customers are empowered by technological advancements; thus it is critical for a tourism business to provide service quality on its electronic communication devices in order to flourish. A corporate website is seen as a platform for online marketing, making it a must-have. Its efficiency guarantees global market access and is a crucial success factor in marketing information to clients.

III. Methodology

This study used a descriptive design and was conducted in Mombasa County involving 15 4-star hotels. Data was collected from 60 senior managers in the said hotels (15 General Managers, 15 Finance Managers, 15 operations managers and 15 guest relation managers). SPSS version 24 was used to analyze the collected data, descriptive and inferential statistics were then used for presenting the results.

Response Rate and Respondent Characteristics

The study was carried out in Mombasa County, Kenya and focused on 154-Star hotels. Senior managers i.e. general managers, finance managers, operations managers and guest relation managers were the respondents of this study.

Response rate

Out of a possible target population of 60 respondents, 53 of them responded thus representing 88% response rate which was considered excellent for analysis. Response rate that is above 50% is considered appropriate for analyzing and reporting, while that above 60% is considered to be good generally while that above 70% is considered excellent (Mugenda&Mugenda, 1999).

Respondents' characteristics

Gender, age, designation, time of continuous service at the hotel, and position held in the hotel were all requested for because these variables could have conflicting effects on operating methods for competitive advantage in the hospitality business.

Gender of the respondents

Gender	Percentage
Male	64%
Female	37%
Total	100%

The aim of the investigation was to determine the gender distribution of the respondents, who were recruited from the senior management of four-star hotels in Mombasa County. This is due to the fact that men and women have distinct perspectives on numerous subjects. Based on the outcomes, 64% of the participants were male and 37% were feminine. The distribution, on the other hand, shows a decent gender balance, indicating that many gender mainstreaming activities have been successful.

Respondents Age

Age Group	Number of respondents	Percentage
Less than 25 years	0	0%
26-30 years	2	3%
31-35 years	13	25%
36-40 years	15	28%
41 years and above	23	44%
Total	53	100%

According to the findings, 44 percent of the respondents working in Mombasa County's four star hotels were over 41 years old, another 28 percent were between 36-40 years old, 25 percent were between 31-35 years old, 3 percent were between the ages of 26-30 years old, and none of the respondents were under 25 years old. The findings show that all of the respondents are mature and knowledgeable about the work they do, and the information they supplied was useful.

Working Experience

Years	Number of respondents	Percentage
Less than 5 years	0	0%
6-10 years	5	9%
11-15 years	29	55%
16-20 years	12	23%
21 years and above	7	13%
Total	53	100%

The researcher wanted to know how long each respondent had worked in the current organization and in the position they now held. 55 percent of those who responded to the survey had work experience ranging from 11 to 15 years, 23 percent had work experience ranging from 16 to 20 years, 13 percent had work experience of 21 years or more, 9 percent had work experience ranging from 6 to 10 years, and none had work experience of less than 5 years.

Respondents Position

Position	Number of respondents	Percentage
General Manager	11	21%
Finance Manager	14	26%
Operations Manager	13	25%
Guest Relations Manager	15	28%
Total	53	100%

The aim of the research was to assess the respondents' status within the hotel. According to the conclusions of the survey, 28 percent of respondents worked in guest relations, 26 percent in finance, 25 percent in operations, and 21 percent in general management. According to the findings, all four departments were adequately represented in the survey, allowing the researchers to obtain adequate and balanced responses from the respondents.

Technological Advancement

In this research study, the researcher focused on establishing the influence technological advancement on competitive advantage among 4-star hotels in Mombasa County, Kenya.

Technological Advancement	Mean	Std. Dev
The hotel website has all the necessary requirements to place an order	4.31	.847
The hotel has an in-room technology which makes it easy to serve the customers	4.05	.995
The hotel has CCTV cameras installed in all its rooms for the safety of its clients	4.39	.796
The hotel has an electronic payment system for the financial safety of the customer	4.02	.951
The hotel has a website where a customer can easily access any information pertaining the hotel and be able to book for accommodation online	4.24	.879

The goal of the investigation was to determine the effect of customer loyalty programs on Competitive Advantage in Mombasa County's 4-star hotels. When researchers were asked if the hotel website has all of the necessary requirements to place an order, the average was 4.31; the hotel has in-room technology that makes it easy to serve customers was 4.05; the hotel has CCTV cameras installed in all of its rooms for the safety of its clients was 4.02; the hotel has an electronic payment system for the financial safety of its customers was 4.02; the hotel has a website where a customer can easily access any information pertaining the hotel and be able to book for accommodation online had a mean of 4.24.

Competitive Advantage

In order to assess the response variable, data was collected to establish the extent of competitive advantage among 4-Star hotels in Mombasa County, Kenya as a result of technology advancement.

Competitive Advantage	Mean	Std. Dvn
The hotel has many loyal customers who frequently visit the hotel	3.81	1.080
The hotel has the best food compared to its competitors	4.03	.981
A large number of guests recommend their friend to visit the hotel because of exceptional services	3.66	1.375
The hotel improves its services frequently to suit customer needs	3.95	1.097
The hotel has maintained its market share for long	4.01	.995

The goal of the investigation was to determine the effect of customer loyalty programs on Competitive Advantage in Mombasa County's 4-star hotels. When researchers were asked if the hotel has many loyal customers who visit the hotel frequently, the average response was 3.81; the hotel has the best food compared to its competitors was 4.03; a large number of guests recommend their friends to visit the hotel because of exceptional services was 3.66; the hotel improves its services frequently to meet customer needs was 3.95; and the hotel has maintained its market share for a long time was 4.01.

Relationship between Technology advancement and Competitive Advantage

After normality tests for the distribution of data on the variables were successful, correlation analysis was carried out to test the relationship between technology advancement and competitive advantage. The Table below present bivariate correlation results between technology advancement and competitive advantage of 4-Star hotels in Mombasa County, Kenya.

Bivariate Correlation analysis results

		CA	Technology advancement	Deductions
CA	Correlation Coefficient (Spearman's rho)	1.000	.637	Positive
	Sig. (P-Value)	.	.000	Reject H ₀
Technology advancement	Correlation Coefficient	.637	1.000	Positive
	Sig. (P-Value)	.000	.	Reject H ₀

Using the Pearson correlation coefficient, the researchers looked for correlations between the study's variables. The results in Table above show that the independent variable has a substantial positive relationship with competitive advantage. Technological improvements had a Pearson correlation of 0.637, indicating a strong positive correlation with competitive advantage. The study also discovered that technical advancement has a p value of 0.007, which is less than the significance level of 0.05, implying that technological advancement and competitive advantage have a positive and significant association. These findings support a study by (Harun et al., 2020, p. xx), which indicated that the way IT applications are developed, implemented, and connected with other areas and systems helps hotel organizations establish dynamic capacities to attain competitive advantage. The findings are also consistent with those of Bilgihan and Wang, (2016), who found that hotels can gain an IT-induced competitive advantage by integrating all available technologies in an orderly manner that promotes synergy. According to the study, hotels must effectively utilize resources (people, expertise, and capital) and invest in innovative and advanced technology to gain an IT-induced competitive advantage.

IV. Conclusion

Since the hospitality sector is very competitive, keeping up with the modern technology development is critical. Streamlining procedures, cutting costs, minimizing employee workloads, enhancing revenue generation opportunity, and enhancing client experience are all aided by technological developments. Customers can choose their own accommodations thanks to advances in technology that allow them to combine information, compare pricing and product characteristics in real time, and make online bookings. Hoteliers can use technological innovation to differentiate themselves from the competition, meet every guest's expectations, and attract new business.

V. Recommendations

Hotel management should stay on top of changing customer expectations and look for new IT advancements as a way to gain a competitive edge, particularly through improved guest service, increased employee productivity, and increased revenue production. These technology advancements might include voicemail systems and interactive television guides, which would program the system of delivering services, lowering the reception and concierge staff's client-communications duty and letting them to concentrate on other guest services.

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