ISSN: 0975-833X

Available online at http://www.journalcra.com

International Journal of Current Research
Vol. 9, Issue, 01, pp.45547-45551, January, 2017

INTERNATIONAL JOURNAL OF CURRENT RESEARCH

RESEARCH ARTICLE

THE INFLUENCE OF TECHNOLOGICAL ALLIANCE ON HOTEL GROWTH IN KENYA'S ELDORET TOWN

***Susan Chemuchuk**

University of Eldoret, P. O. Box 1125-30100, Eldoret, Kenya

ARTICLE INFO

Article History:
Received 26th October, 2016
Received in revised form
25th November, 2016
Accepted 10th December, 2016
Published online 31st January, 2017

Key words:
Influence,
Technological Alliance,
Hotel Growth,
Kenya,
Eldoret Town.

ABSTRACT

Tourism and hospitality benefits local economies substantially by improving foreign exchange earnings, creating employment and investment opportunities, increasing government revenues, developing a country's image and supporting all other sectors of the economy as well as local communities. This paper explores the influence of technological alliances on the growth of hotel industry based on a study of hotels in Eldoret town in Kenya. The study adopted a descriptive survey research design with a target population of 220 drawn from the hotel industry in Eldoret town. A sample of 112 respondents was drawn proportionately from four categories of hotels using stratified random sampling technique. A semi-structured questionnaire was administered to collect the required data. The collected data was then analyzed using both descriptive and inferential statistical techniques with the aid of the Statistical Package for Social Sciences (SPSS) computer program version 20. Multiple regression analysis was also used to analyze the data. The findings were presented in frequency tables. From the study findings, it emerged that technological alliances increased the hotel sales, profits, product/service quality and reduction of costs. It had also enhanced market share and competitive advantage. The study recommends the need for hotels to adopt technological alliances in order to reduce operational costs and improve the quality of their products and services.

Citation: Susan Chemuchuk, 2017. "The Influence of Technological Alliance on Hotel growth in kenya's Eldoret town", *International Journal of Current Research*, 9, (01), 45547-45551.

INTRODUCTION

The Tourism sector in Kenya has been one of the key economic drivers generating approximately 10% of the country's GDP and 9 per cent of total formal employment. In 2011, for instance, the sector's contribution to the country's GDP rose by 32.8 per cent from Ksh 73.7 billion in 2010 to Ksh 97.9 billion (KNBS, 2012). Its contribution to Kenya's economy as a percentage of the total exports has always stood above 15%, climaxing at 22% in the year 2007 (World Bank, 2012). In the year 2010, the sector contributed 18.2% of all the country's export revenues. Despite the fact that tourism is an important activity in Kenya, only 2% of the tourists visit Western Kenya (Government of Kenya [GOK], 2004).

Concept of Hotel Growth

Hotels in most countries in the world are regarded as the backbone of healthy economies. Their growth is a fundamental component of economic development, while in Africa they are viewed as key drivers of economic and social development and generate much wealth and employment and are widely considered to be vital to a country's competitiveness (Kiraka, Kobia and Katwalo, 2013). Given favourable business environment, hotels can grow into larger organizations, changing the game locally, carving their niche in the global market.

****Corresponding author: Susan Chemuchuk,***
University of Eldoret; P. O. Box 1125-30100, Eldoret, Kenya.

But even in their current state, they can create significant income opportunities for their workers and generate new tax revenues for government (International Finance Corporation, 2011). They do so by boosting their productivity and sales and supplying increasingly valuable goods and services. The hospitality industry, which majorly consists of hotels and restaurant chains and related services, is one of the largest service industries in the world. Research indicates that this industry comprises almost 75% of the total market size (India SME. in, 2009). Historically viewed as an industry providing a luxury service valuable to the economy only as a foreign exchange earner, the industry today is one of the major employment generators not only in India but also globally (Crotts *et al.*, 2000). The global hospitality industry together with travel and tourism industry is estimated to be worth around 3.5 trillion dollars and generates approximately 231.2 million jobs in year 2007. Similarly, the proportion of small and medium sized hotels in the tourism industry in Malaysia is estimated to be around 70% of the total number of hotels (Mastura *et al*., 2010). The growth of the hospitality industry is attributed to the growth of travel and tourism industry. Moreover, like the tourism industry, the hospitality industry is also cyclical in nature and highly susceptible to macro environmental changes. Until 2007/08, the industry was showing a high growth rate but the year 2008/09 was a year of challenge. This is majorly because of the decline in international tourist arrivals due to the impact of the global economic recession and slowdown (Crotts *et al.*, 2000). The

hotel industry in Kenya is closely connected to the tourism industry as both sectors are key stakeholders in the two industries combined, and rely on each other to sustain their operations (Okombo, 2013). According to Kenya's Economic Survey (2012), the two industries have recorded high growth. For instance, Kenya's foreign exchange earnings increased by 32.8 per cent from Ksh 73.7 billion in 2010 to Ksh 97.9 billion in 2011 while international visitor arrivals, mostly holidaymakers, rose from 1.6 million in 2010 to 1.8 million in 2011, a rise of 13.3 per cent. New hospitality establishments have also been developed in many parts of the country to cater for the increased numbers of foreign visitors and domestic travellers. The hotels and restaurants sector recorded growth at 5.0 per cent in 2011 compared to 4.2 per cent in 2010 (KNBS, 2012).

Link between Strategic Alliances and Firm Growth

A study by Schmitz (1998) has looked at the relationship between firm performance and the intensity of cooperation in a footwear cluster industry. Using cooperation and performance indexes, Schmitz reports a positive relation between the two and concludes that those firms with improved cooperation improve their performance more than those firms that do not. He stresses, however, that this is no evidence of a cause-effect relationship. Benfratello and Sembenelli (2000) have tested whether or not participation in EU-sponsored Research Joint Ventures (RJVs) has a positive impact on participating firms' performance. They found that firms participating in EUREKA have a significant improvement in productivity and price cost margin while firms participating in RJVs under the Framework Programmes do not show any significant change in performance. However, a study by Mowery *et al*. (1996) has examined how collaboration changes the relationship between a firm's technological portfolio and those of its alliance partner(s), using the citation patterns in a firm's patent portfolio as the assessment variable.

They conclude that there is no consistently positive pattern of inter firm learning in their overall alliance sample. The type of alliance has an influence on the transfer of technology, joint ventures being the most effective. International alliances produce less inter firm exchange of technological capabilities and larger firms appear to absorb fewer capabilities from their alliance partners. Stuart (2000) has offered evidence to confirm the assumption that strategic alliances can improve firm performance. After analyzing the patent rate and the sales growth rate, Stuart concludes that more important than the number of alliances a firm is involved with for the alliance-performance link are the partners' attributes. Technology alliances with large and innovative partners improve baseline innovators and growth rates, but collaborations with small and technologically unsophisticated partners have an immaterial effect on performance (Stuart, 2000). The only study that has attempted to quantify the benefits achieved by firms in currency units is that done by Beta (1993). Beta (1993) has established that the direct and most of the indirect benefits are expressed in terms of added value generated by sales or cost reductions. This is only partially successful because one-third of all effects identified by firms cannot be measured and some of the measurement assumptions are questionable (ibid). Further, since the purpose of Beta's study was to assess only the economic effects for the participants, everything is quantified in currency units and, as a result, other important information is lost or hidden in the course of the quantification process. The Bureau of Industry Economics (BIE) (1995) has assessed the impact on performance (employment levels, turnover, profits, productivity and exports) on competitiveness (technology, quality, price, customer service) of respondent firms to a mail questionnaire. Firms were invited to indicate how the key arrangement (i.e. the one firms believed to be their most important) has affected (in percentage) those indicators over the three years prior to the study. BIE found that cooperative arrangements can and do play an important role in improving the performance and competitiveness of Australian manufacturers. In general, the key cooperative arrangement provides improvements for the bulk of firms, regardless of industry, size, age and product type (ibid). A study by Coughan and Sulluvan (2000), on the longitudinal distribution alliance in the international pharmaceutical industry, has revealed that certain environmental constraints as well as strategic motivations affect entrant firms' choice to form alliances. The study results further indicate that a certain level of dependence is required to achieve a successful alliance for both partners. However, too much dependence can affect the alliance satisfaction. Prakash and Olsen (2003) have researched on strategic alliances taking a hospitality industry perspective on how hotel brand equity can be affected by customer's perception to alliance companies and how this impact varies according to the type of vertical integration. The findings showed that strategic alliances are adopted because they increase the efficiency of costs and maximization of effects of marketing and improves the image of the company by sharing image assets, especially if customers are satisfied with the alliance company. Nasser (2011) has found that in South Africa independent three-star and above hotels are interested in forming strategic alliances. The findings of Nasser revealed that there are no financial effects through the alliances and that hotels niche personality and potential non-financial relationships, try to avoid economic and cultural integration and are not interested in shared managerial control with other firms.

A study by Kosgei (2013), on strategic alliance in Sarova Group of Hotels, indicates that strategic alliance is flourishing in the hospitality industry and that this is motivated by the need for political risk reduction, knowledge sharing and performance improvement among others. The findings revealed that Sarova Group of Hotels have joint management and outsourcing alliances. They cooperate among themselves and with other hotels and airlines to market and advertise their products. Kosgei's study further showed that strategic alliance leads to substantial increase in occupancy and average room rate. It also leads to increase in the ability of the alliance parties to compete with other chain of hotels, increases in market share, decrease in marketing and advertising costs and growth in the hotels' reputation with greater economic strength. The alliance, however, experiences problems of managing conflict among the employees who are not ready for change. A study by Lee and Kim (2009) has established that customers who trust the alliance companies perceive more strongly that the hotel's image is friendly. The image of both companies is enhanced when customers perceive the image of both companies as the same. Therefore, strategic alliance can be used for public relations. If the image is negative, it brings a negative image of the hotel company. The image of any company is mostly linked to overall firm growth.

Effect of Technological Alliance on Hotel Growth

Although the hospitality industry does not have specific technology cooperation agreements, it is an industry that has

been relatively neglected by researchers in regard to its contribution of strategic alliances to technology-related knowledge development (Pansiri *et al*., 2011). Given the extraordinary development in many technologies since 1993, especially the use of information and communications technologies (ICT), and the significant increase in the use of such technologies in the tourism industry, there is a clear need to investigate the impact of strategic alliance on technology-based knowledge in tourism (ibid).

However, Go, Govers and Heuvel (1999) postulate that technologies penetrated the tourism industry sector by beginning first with airlines, hotels, car rentals, travel agencies and finally destinations. The tourism industry has embraced technology because ICTs provide the sector with the opportunity to improve its interaction with their consumers and stakeholders because more people use ICT systems such as Computer Reservation Systems (CRS), Global Distribution Systems (GDSs) and the internet to locate and purchase tourism and accommodation products (Buhalis and Schertler, 1999). Evans and Peacock (1999). Observe that there is high domination of ICT and online reservation systems by major travel and tour operators and integrated chains such as hotels, car hire, tour operators, travel agents and transport carriers. Small and medium-sized enterprises (SMEs) have problems of accessing such systems meaning that most tourist SMEs use the relatively less advanced technology such as telephone, fax, email and internet/web for reservation/booking services (ibid).

Another contribution to technological alliance has been made by Hagedoorn (1993). Who, in an investigation of nearly 10,000 technology cooperation agreements, has found that gaining specific technology-related knowledge is the main motive for strategic alliance in high-technology sectors, whereas in other sectors it has more to do with using technology for market access, developing new products and monitoring the business environment. Toshiba Company firmly believes that a single company cannot dominate any technology or business by itself and sees the need to develop relationships with partners for different technologies and this has helped the company to become one of the leading players in the global electronics industry (Išoraitė, 2009). Information technology (IT) system such as the Internet, intranets and central reservation systems, constitute one of the crucial technology investments that are often made by hotels to improve performance (Wong and Kwan, 2001). Siguaw *et al.* (2000) argue that IT decisions improve performance and create competitive advantage. Ham, Kim and Jeong (2005), in their study on the effect of IT applications on the performance of lodging operations, posit that the installation of computer applications in the front office can improve performance of hotels. Townes (as cited in Pansiri and Courvisanos, 2011). adds that the internet and new technology applications have the ability to transform global businesses through alliances and outsourcing arrangements, rather than owning and operating every aspect of a business alone. According to Townes (as cited in Pansiri and Courvisanos, 2011), hospitality and leisure companies will turn to networks that deliver more capabilities in non-core functions, including ICT, with a view to offering a better quality product and a more customized guest service at lower costs. The above findings by Townes are supported by Pansiri *et al.* (2011) who aver that technology facilitates marketing and as well as the creation and distribution of tourism products. Pansiri *et al.* (2011) point out that most tourism companies are SMEs that lack capital investment and specialist training to acquire and successfully manage technologies. Therefore, forming alliances either with partners who are able to offer new technologies that include online reservation systems by major travel and tour operators and integrated chains such as travel agencies or with other SMEs with a view to bringing together scarce resources, are important aspects of achieving technological capabilities that because of size would be hard for one company to accomplish on its own. Therefore, technological alliance helps in the development of competitor alliances, which will also help in increasing the productivity and profitability of incumbent firms (Chathoth *et al*., 2003). Technology-based strategic alliances have been associated with spreading the risk of developing new products (Pansiri *et al.*, 2011). Howarth, Gillin and Bailey (1995) maintain that typical examples of technological strategic alliances are consortia that provide benefits to member organizations by spreading the risk of developing new products and processes because they involve many organizations across different industries.

Statement of the Problem

Growth is necessary for firm survival in a competitive market environment. In the 21st century, competition has become tough and unpredictable among organizations. Strategic alliances are expected to enable firms to achieve their targets within the required time. Strategic alliance ought to bring benefits to firms that enhance survival and growth. In Kenya, hotels are significant in generating employment and income, but past statistics indicate that they face stagnated growth and some have even closed (Shikuri and Chepkwony, 2013) Wandongo *et al*. (2010). Have researched on key performance indicators in the hospitality industry in Kenya and concluded that managers monitor competitiveness and financial performance. The authors, however, fail to look at how strategic alliance can be used to improve competitiveness and financial performance. Shikuri *et al*. (2013) .have investigated the challenges facing the hospitality industry in Kericho Kenya and found that the main challenges are shortage of competent manpower, financial constraints, high competition and problems with suppliers. Shikuri *et al*., nevertheless, failed to address the solutions to these challenges through strategic alliances. Despite the benefits that strategic alliances bring to organizations, there is limited literature on the actual contribution of such alliances to the growth of hotels. The study, therefore, sought to fill the gap in literature with respect to growth of the hotel industry in Kenya. Based on the study, this paper attempts to assess the influence of technological alliance on hotel growth in Kenya's Eldoret town.

MATERIALS AND METHODS

The study adopted a descriptive survey research design, which was justified by the fact that it captures the current perception of the population with regards to the variables of the study. The design was adopted because the population that was studied was too large to be observed directly. The design was, thus, economically viable both in time and money as it involved taking a sample of population to generalize results for the whole population, resulting to in-depth, rich and meaningful research findings. Data on the target population was obtained from Uasin Gishu County records. The records indicated that there were a total of 220 hotels and lodging firms that had been in operation for over three years in Eldoret town at the time of the study. The hotels were categorized under A, B, C and D All

of which formed the target population. The owners or managers were considered as decision-makers as regards adoption of strategic alliances in the management of their businesses. Therefore, they were also targeted as sources of relevant information on behalf of their businesses. Because the population was composed of sub-groups that were different in number, proportionate random sampling was used to select 140 hotels and lodgings by randomly selecting 21 from category A, 13 from category B, 54 from category C and 52 from category D. This represented 63.6% random selection from each category based on Yamane formula. After selecting the 140 hotels and lodging, purposive sampling was used to select 140 owners/managers of the hotels, as shown in Table 1 below.

Table 1. Target Population

Category	Size	Number	Specialization
A	Medium	18	Restaurant with Lodging
	Small	16	
B	Medium	4	High standard restaurant and lodging
	Small	15	
C	Medium	25	Lodging and breakfast only
	Small	60	
D	Medium	28	Eating houses
	Small	54	Restaurant and bar
Total		220	

Therefore, the sample size for this study was 140 respondents. A semi-structured questionnaire was used to collect data. Data analysis was done in line with the objectives of the study, which describe whether or not the variables affect growth of hotels. Multiple regression model was used to explore the relationships among the variables.

RESULTS

Effects of Technological Alliances on Growth of Hotels

The study sought to determine the effects of technological alliance on the growth of hotels in Eldoret town. To achieve this, the respondents were first asked to state the technological alliances that their hotels were engaged in. This was an open-ended item. In response, majority of the respondents asserted that they occasionally sought the assistance of ICT experts or firms to assist them in marketing or advertising their products. This enhanced e-business and reduced the cost of advertising. Firms that were within one place also entered into technological alliances, especially in sharing of the internet services to reduce operational costs. The respondents were then asked to state the effects of technological alliances on the growth of their hotels. The findings were as presented in Table 2 below. As indicated in Table 2 above, majority of the respondents asserted that technological alliances increased sales, profit, market shares, quality of services, productivity, customer contacts, marketing, access to new technology and achievement of competitive advantage. Another 91(81.2%) stated that technological alliances had led to the spreading of the risks whereas 11(9.8%) disagreed.

Hypothesis Test Results

The hypothesis tested stated that technological alliances have no significant effect on growth of hotels in Eldoret town. From the hypothesis test results, the p-value for technological alliance was 0.039. The null hypothesis was rejected since the p-value was less than 0.05 ($p<0.05$). This implied that there was a significant relationship between technological alliance and growth of hotels in Eldoret town.

DISCUSSION

The study sought to determine the effects of technological alliance on the growth of hotels in Eldoret town. The findings indicated that technological alliances increased sales, profit, market shares, quality of services, productivity, customer contacts, marketing, access to new technology and achievement of competitive advantage. The results agreed with those of Siguaw *et al.* (2000) who argue that IT decisions improve performance and can create a competitive advantage. A study by Ham, Kim and Jeong (2005) on the effect of IT applications on the performance of lodging operations has found that the installation of computer applications in the front office could improve performance of hotels. Majority (81.2%) of the respondents stated that technological alliances have led to the spreading of the risks. Technology-based strategic alliances have been associated with risk taking in developing new products (Pansiri *et al*., 2011). According to Hagedoorn (1993), gaining specific technology-related knowledge is the main motive for strategic alliance in high-technology sectors, whereas in the other sectors it has more to do with using technology for market access, developing new products and monitoring the business environment. Toshiba Company, for example, firmly believes that a single firm cannot dominate any technology or business by itself; it, therefore, sees the need to develop relationships with partners for different technologies and this has helped the firm to become one of the leading players in the global electronics industry (Išoraitė, 2009).

Table 2. Effects of Technological Alliances on Hotel Growth

Statement	SD	D	N	A	SA	Total
	F(%)	F(%)	F(%)	F(%)	F(%)	F(%)
Sales (increase)	0(0)	0(0)	6(5.4)	64(57.1)	42(37.5)	112(100.0)
Profit (increase)	0(0)	1(0.9)	9(8.0)	62(55.4)	40(35.7)	112(100.0)
Improvement in product/ services quality	0(0)	0(0)	10(8.9)	34(30.4)	68(60.7)	112(100.0)
Faster services	0(0)	0(0)	3(2.7)	40(35.7)	69(61.6)	112(100.0)
Market shares (increase)	0(0)	1(0.9)	7(6.3)	70(62.5)	34(30.4)	112(100.0)
Access to new technology	0(0)	1(0.9)	9(8.0)	57(50.9)	45(40.2)	112(100.0)
Achievement of competitive advantages	0(0)	0(0)	7(6.3)	71(63.4)	71(63.4)	112(100.0)
Saving on cost	0(0)	0(0)	11(9.8)	70(62.5)	31(27.7)	112(100.0)
Improved productivity	0(0)	0(0)	12(10.7)	78(69.6)	22(19.6)	112(100.0)
Spreading risks	0(0)	11(9.8)	10(8.9)	81(72.3)	10(8.9)	112(100.0)
Improved customers contact	1(0.9)	4(3.6)	11(9.8)	60(53.6)	36(32.1)	112(100.0)
Improved marketing	0(0)	3(2.7)	4(3.6)	70(62.5)	70(62.5)	112(100.0)

Conclusion and Recommendations

Based on the research results presented and discussed in this paper, it is clear that technological alliances increase sales,

profit, market shares, quality of services, productivity, customer contacts, marketing, access to new technology and achievement of competitive advantage. Therefore, it is recommended that there is need for hotels to adopt technological alliances in order to reduce operational costs and improve the quality of their products and services.

REFERENCES

Benfratello, L. and Sembenelli, A. 2000. Research Joint Ventures and Firm Level Performance.*FEEM Working Paper No. 13.*

Buhalis, D. and Schertler, W. 1999. *Information Communication Technologies in Tourism.* New York: Springer Wien.

Bureau d' Economie Theorique et Appliquée (Beta) 1993. Economic evaluation of the effects of the Brite-Euram programmes on the European industry. Final report for the Commission of the European Community DG XII. Strasbourg: Université Louis Pasteur.

Bureau of Industry Economics (BIE) 1995. Beyond the Firm: an assessment of business linkages and networks in Australia. *Research Report 67*. Canberra: AGPS. http://www.pc.gov.au/icpubs/biepubs/research/rr67/

Chathoth, P. K. and Olsen, M. D. 2003. Strategic alliances: a hospitality industry perspective. *Hospitality Management, 22,* 419-434.

Coughan, A. T. and Sulluvan, U. Y. 2000. The Detail of Drugs: Horizontal Distribution Alliances in the *International Pharmaceutical Industry*. Retrieved April 18, 2016 from http://business.illinois.edu/working_papers/papers/04-0114.pdf

Crotts, J. C. and Buhalis, D. R. 2000. Editors Global Alliances in Tourism and Hospitality Management. *Journal of Small Business and Enterprise Development*, *14*(1), 81-92.

Evans, G. and Peacock, M. 1999. A comparative study of ICT and tourism and hospitality SMEs in Europe. *Information and Communication Technologies in Tourism*, 247-258.

Go, F. M., Govers, R. and Heuvel, M. V. D. 1999. Towards interactive tourism: Capitalizing on virtual and physical value chains. In D. Buhalis, and W. Schertler, (Eds.), *Information and Communication Technologies in Tourism* (pp. 12-24). Vienna: Springer.

Government of Kenya (GOK) 2004. *Kenya Central Bureau of Statistics, 2004 abstract*. Nairobi: Government Printers.

Hagedoorn, J. 1993 Understanding the rationale of strategic technology partnering: interorganizational modes of cooperation and sectoral differences. *Strategy Manage* J, *14*, 371-85.

Ham, S., Kim, W. G. and Jeong, S. 2005. Effect of information technology on performance in upscale hotels. *International Journal of Hospitality Management, 24*(2), 281-294.

Howarth, C. S., Gillin, M., and Bailey, J. 1995. *Strategic alliances: Resource sharing strategies for smart companies.* Melbourne: Pitman Publishing.

India SME.in 2009. Opportunities for SMEs in Hospitality Sector in India. Retrieved April 18, 2016 from http://www.collaborat.com/wp-content/uploads/2011/01/Research-OPPORTUNITIES-FOR-SMEs-IN-HOSPITALITY-SECTOR-IN-INDIA.pdf

International Finance Corporation (IFC) 2011. *Strengthening Access to Finance for Women Owned SMEs in Developing Countries.* International Finance Corporation, Washington.

Išoraitė., M. 2009. Importance of Strategic Alliances in Company's Activity. *Intellectual Economics.1*(5), 39-46.

Kenya National Bureau of Statistics (KNBS) 2012. Economic Survey 2012 Highlights. Retrieved April 18, 2016 from http://www.knbs.or.ke/Economic%20Surveys/Ministers%20Presentation%20ES%20FINAL.pdf

Kiraka, R. N., Kobia, M., and Katwalo, A. M. 2013. *Micro, Small and Medium Enterprise Growth and Innovation in Kenya: A Case Study on the Women Enterprise Fund Nairobi, Kenya*. Investment Climate and Business Environment Research Fund ICBE-RF Research Report No 47/13. Nairobi, Kenya.

Kosgei, C. F. 2013. *Strategic alliance in the hotel industry: A case study of Sarova Group of Hotels* (Unpublished Mphil Thesis). University of Nairobi.

Lee,J-W. and Kim, H-B. 2009. Impacts of Perception to Alliance Companies on Hotel's Brand Equity According to the Types of Vertical Integration. *International Journal of Tourism Sciences, 9*(2).

Mastura, J., Maideen, S. A. and Sukarno, S. Z. M. (2010). Entrepreneurial Characteristics of Small and Medium Hotel Owner-Managers. *World Applied Sciences Journal, 10*(Special Issue of Tourism and Hospitality), 54-62.

Mowery, D. C., Joanne, E. O. and Brian, S. S. 1996. Strategic alliances and interfirm knowledge transfer. *Strategic Management Journal*, *17,* 77-91.

Nasser,W. S. M. A. 2011. *Strategic alliance in South African Independent 3 star and above hotels* (MBA dissertation). University of Pretoria, Pretoria.

Okombo, P. A. 2013. *Benchmarking Practices in the* Hotel Industry *in Nairobi,* Kenya. University of Nairobi,Nairobi.

Pansiri,J., and Courvisanos, J.2011. Strategic Alliances and Technology in Tourism. *Journal of Tourism, Hospitality and Culinary Arts, 3*(1), 25-47.

Prakash, K., Chathotha, M., Olsen, D.2003. Strategic alliances: a hospitality industry perspective. *Hospitality Management, 22*, 419-434.

Schmitz, H. 1998. *Responding to global competitive pressure: Local co-operation and upgrading in the Sinos Valley, Brazil*. Institute of Development Studies, Working Paper No. 82, University of Sussex, UK.

Shikuri, R. M. and Chepkwony, P. C. 2013. Entrepreneurial Challenges Facing the Hospitality Industry in Kericho County – Kenya. *Journal of Business and Economics, 4*(11), 1159-1169.

Siguaw, J. A., Enz, C. A. and Namasivayam, K. 2000. Adoption of information technology in U.S. hotels: Strategically driven objectives. *Journal of Travel Research, 39*(2)*,* 192-201.

Stuart, T. E. 2000. Inter-organizational alliances and the performance of firms: A study of growth and innovation rates in a high-technology industry. *Strategic Management Journal*, *21*, 791-811.

The World Bank 2012. *World Development Indicators 2012.* Retrieved April 18, 2016 from http://data. worldbank. org/sites/default/files/wdi-2012-ebook.pdf

Wadongo, B., Odhuno, E., Kambona, O. and Othuon, L. 2010. Key performance indicators in the Kenyan hospitality industry: a managerial perspective. *Benchmarking: An International Journal,17(*6), 858-875.

Wong, K. K. F. and Kwan, C. 2001. An analysis of the competitive strategies of hotels and travel agents in Hong Kong and Singapore. *International Journal of Contemporary Hospitality Management, 13*(6), 293-303.

****