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## **Karibu East Africa Safaris Market Entry Strategy**

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**Abstract**

In these economic times it is vital for all to secure businesses an income. For those who find themselves unemployed it is up to their intellectual know to find ways and means to earn a living. This business research and market entry manual will help in the proper way of venturing into a tourism market industry. The Business Manual will cover all the relevant parts from the state of the tourism industry and the major competitors in the sector, it will then to capitalize on their weaknesses.

The research will also help investigate the untapped areas or destinations that could be good and lucrative tour destinations. Furthermore the research will help in getting the contact of the relevant authorities or parties involved in such places and helping in the marketing of such resorts. This thesis is going to investigate whether this business venture is worth being invested in both financially and timely. The research is going to relay on secondary data of people who have carried out similar research and the various findings they got after carrying extensive and inquisitive researches. It will use the information they outline on their books, eBooks and articles they have written both online and in the business magazines and journals.

The result gotten from the research were both positive and negative in that despite the fact that they encouraged someone who has a small startup company to venture into such a business field it means that the company has to consider a joint venture or merger so as to co-exist with the already competition and also the market dominance of the bigger companies. The end results showed that the process of implementing and initializing the market entry to an actual business venture could be a possible success especially when the protocols and standards that govern the running and maintenance of business ventures are followed.

Key words: Business venture, Management, Market research, Credibility, Performance.

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## 1 Introduction

The thesis is going to show a documentation of a proper business plan for a potential business entrepreneur whose thoughts are in venturing into the service industry particularly in the tourism sector. This is a lucrative sector of business and also of the national economy of the country of Kenya in which the Government invests Billions of Kenya Shillings to ensure it remains the most valuable and desirable destination in the eastern coast of Africa.

Now due to the high rate of unemployment in the country especially of the elite class, many youths have opted to start their own businesses and with that in mind, came the idea to draft a business manual that can be used in the implantation and commence of a Company in the tourism sector.

### 1.1 Back ground of the Study

The study will contribute into development of a manual that could be used by a tourism company wishing to enter the Kenya market. The manual would provide market entry strategy that the company could be used in order to set up tourism industry operations in Kenya. The manual would determine accommodation facilities, competitiveness of the hospitality industry in Kenya through analysis of hotels that the company could partner with; transport through analysis of tour and travel operators that are outsourced or hired to provide transport services to different tourists attraction sites and types of tours for instance single or package tour and personalized tours for example tailor made safari trips and travel (Bartlett and Goshal 2000, 56).

The manual would provide different Kenya tourism entry market strategies, the values of different Kenya market entry strategies and market entry strategies that the company could implement. Through identification of the Kenya tourism market entry strategy/strategies, benefits of the market entry strategies and disadvantages of each identified Kenya market entry strategy (Buckely and Ghuari 2004,67). The manual would provide rationale the disadvantages of different market entry strategies could be reduced.

The manual would provide companies that offer different services and hence or otherwise the strategies that the company could use in order to achieve competitive Kenya market entry. The manual would provide rationale different companies could collaborate with the company, contraction and agreements and measures that could be adopted towards reducing risks and challenges that may affect the company use of a given Kenya market strategy (Barnes and Deng 2010). The manual would provide rationale the company could use Kenya tourism industry firms to venture into neighboring countries like Uganda, Tanzania, Somalia, Ethiopia, Sudan and South Africa.

### **1.2 Research Method**

The methods I will use and implement in getting information will be the first two, this is Interviews and Surveys. I will personally handle the interviews which will require that I make a list of the persons involved and schedule them for a relatively lengthy interview carried out in their time and mode of convenience. Some interviews will be carried out on Skype and others will be on telephone or face to face.

When it comes to the surveys I will use what the Government issues in the Ministry of Tourism and Ministry of Foreign Affairs. The reason of doing so is that the information found there is more recent and up to date. Also they are in accordance to the international news and requirements in general.

I will also visit the various tourism hot spots to see the parties involved in selling the tour packages there and the methods used in doing so.

### **1.3 Structure of the thesis**

The thesis will be structured in a way covering

- The tourism packages being offered in the country and their popularity in both domestic and international tourist
- the various firms and companies offering such packages
- Methods of market entry and the best way to enter such a lucrative market.

### **1.4 Business manual Introduction**

Firms opening operations in foreign markets often face challenges characterized by adoption of inappropriate market entry strategy which results into firm's loss of investment and closure of subsidiary units. The closure of the subsidiary operations are brought about by failure of the firm to plan the process of market entry. Planning the process of internationalization is important towards firm's ability to penetrate the market. The characteristics of the target market have been proposed to influence market entry strategy.

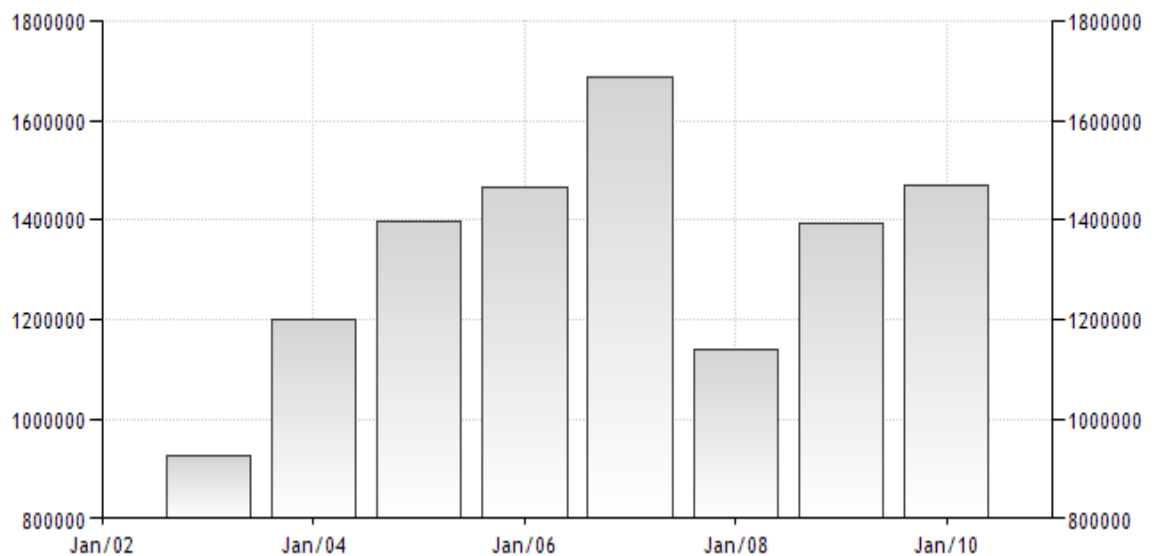
## **2 The tourism industry market**

The tourism industry market is defined by investment in niche markets which have no opportunities for expansion and growth (Barney 1991,621). The non-growth capabilities of the tourism sector is due to entry of lifestyle entrepreneurs who specialize in specific tourism sectors for instance accommodation, bars, tour and travel and tour guiding. The entry and dynamic capabilities of tourism industry or micro-firms that invest in the tourism sector is

fueled by brand awareness which exploits values of social capital, stability of business economic and financial status and sustainability/stability of sales (Bout and Lin 2004,54). The entry of a market is therefore vital since it influences on the success of the company in the market. Entry to a foreign market should be based on thorough competitor analysis in order to project future growth of market share and rate of return on investments.

The entry of foreign markets should be defined by timing of the entry to the market which makes it possible for the firm to utilize opportunity spotting or opportunity alertness or predatory approach to market expansion hence potential to gain from early market entry, first mover capabilities. The timing of the entry of foreign market is dependent on financial resources, service lifecycle, and perishable level of the service which is further modeled by strategies like waterfall model, wave strategy and sprinkler strategy (Brandenburger 2002 ,34).

The tourism market pool is characterized by different types of tourists namely singles, families, groups, youths or seniors or corporate tourists. The figure illustrates the market growth in Kenya over the years.



**Figure 1. Kenya's Tourism Growth Market (Circuits Assembly 2007)**

The graph shows the number of annual tourist against the years.

According to Barney (1991), the growth drivers for the tourism sector in Kenya is the increased GDP growth rate in the country and its security for the past 7 years which spur people to travel to the country. Consequently, tourists increased during the year 2006 a fact that shows the security of the country.



## 2.1 Kenya tourism destinations and attraction sites

The following are some of the Kenya tourists' attraction sites

- The maasai-Mara
- The Kenya beaches
- The national parks for instance Amboseli National park, Meru National parkland Samburu National park
- Lakes for instance lake Nakuru and lake Naivasha
- Scarped mountains like Mount Kenya

	2000	2009	Average Annual Growth Rate 2000-2009
Europe	57.8%	54.7%	2.2%
Asia and the Pacific	16.7%	20.1%	5.0%
Americas	19.2%	16.4%	1.1%
Middle East	2.1%	3.4%	8.9%
Africa	2.2%	3.0%	6.5%
Unspecified	1.9%	2.4%	
<b>Destinations:</b>			
Intraregional	78.9%	78.1%	2.7%
Long-haul	19.1%	19.5%	3.1%

**Table 1. Market share of International Tourist-Generating Regions in 2000 and 2009 (World Tourism organization 2009).**

According to the World Tourism Organization, Africa is second in the tourism market share with 6.5 %. Therefore Kenya has a big potential as a tourist destination favoring the implication and existence of my tour safari company.

## 2.2 Tourist's experiences in Kenya

The Kenya tourism industry is characterized by different experiences that sustain tourists attraction for instance the Kenya safaris, bird watching, people and culture of Kenya and great wild beast migration (Burns and Bush 2005, 79).

Tourisms industry in Kenya, through tour operators, could gain from cross political borders that form foundation for achieving and exploiting tourism competencies in neighboring nations. Some of destinations that are served by tourism operators in Kenya include:the Tanzania safari, The Botswana Safari, the South Africa safari and The Namibia Safari

### **2.3 Accommodation facilities**

The firm could gain competitive advantage through use of the following four-star accommodation facilities. The accommodation facilities are characterized by those offering modern IT facilities.

The price offered for the three and four star accommodation facilities are reasonable and competitive to market. The hotels competitive advantage is characterized by presence of themed restaurants that fit into the context of budget hotels. The hotels have service network with budget airlines which could contribute into reduction of cost of travel.

### **2.4 The role of travel agents**

The accommodation facilities are affiliated to travel agents who help clients/tourists to make informed choice and plan travel. The travel agents prioritize on the budget hotels due to investment in budget hospitality industry. For example some of the affiliates include:

#### **2.5 The Africa Point**

Africa Point could provide tourists with travel arrangement and planning and identification of right accommodation facilities. Africa Point has head office in Nairobi, Kenya.

The competitive advantage of Africa Point is due to maintenance of database of three, four and five star accommodation facilities in Kenya. The Africa Point has higher market identity due to its high brand reputation and brand image that plays a significant role in its use as for tourist entry into Kenya. Africa Point provided consultation services for other accommodation facilities that are not registered with Africa Point (Brynman and Bell 2007, 89).

Africa Point market competitiveness is based on its rationale for personalization of customer service. Africa Point conducts transfer of accommodation facilities depending on customer preferences for instance; Africa Point could arrange transfer of client from a low cost, less secure accommodation facility into a higher-cost secure accommodation facility.

#### **2.5.2 The six Eighty (680) Hotel**

Six-eighty (680) Hotel is located in the Nairobi Central Business District (CBD) along Kenyatta Avenue and is a three star hotel (Churchill and Iacobucci 2002). The Six-eighty (680) Hotel enjoys location advantage due to ease of access, high level of security, service personalization, menu personalization and access to different restaurant theme facilities. Unlike high price hotels, Six-eighty (680) Hotel is a budget hotel and its services are cheaper compared to equivalent level of service quality amongst the other four and five star hotels. Six-eighty (680) Hotel has access to different car rental facilities, car hire services, tour guides that are conversant in multi-lingual language and employs personnel from different countries which

results into the Six-eighty (680) Hotel service localization and implementation of local [globalization -localization] strategy in its customer service.

### 2.5.3 Tailor made [safari-tour and travel] package tours

The company should outsource tailor made tour and travel firms to provide transport services. The company should conduct firm analysis in order identify tour and travel firms that are reputable and provide reliable tour operations in Kenya (Carpenter and Nakamoto 1994, 453). In addition, the company should outsource tour and travel services from firms that operate across political borders for instance Kairi Tours and Safaris that has operations in East Africa namely Kenya, Uganda and Tanzania. Use of Kairi Tours and Safaris could help the company to provide tailor made tour and travel packages that include single tour and travel through taxis and cabs or package tours/group tours. Some of package tours that Kairi tours and Safaris provides include

- Kenya Safari Packages
- Maasai Mara Camping
- Tanzania Tours
- Kenya Safari Package with Masai Mara accommodation
- Nairobi Tours and Excursions
- Bird watching safaris
- Kenya cultural Safaris
- Annual wildebeest migration into Kenya Masai Mara from Northern end of Tanzania or Serengeti

The company outsourcing of tour and travel firms should be structured on capability of the tour and travel firm to provide customizable services or personalized services which could result into use of customer centric strategies in designing tour and travel destination transport (Carpenter and Nakamoto 2010). For instance, in developing daily departures to different tourist attraction sites which makes it possible for tourists to travel to their destinations at time of their own convenience hence derivation of customer value through flexibility of tour and travel services? Looking at Kenya safari package for instance, Kairi Tours and Safaris offers the following packages

- A two day Masai Mara departure
- A Three day Masai Mara Departure

- A four Day Masai Mara Lake Nakuru departure
- A three day Amboseli National Park
- A five Day Amboseli-Tsavo East-Tsavo west

## **2.6 Tailor made safari trips**

The market has Albatros as key company that provides tailor made safari trips and travel plans that are customized and tailored based on the client specifications and expectations for service quality.

## **2.7 The Nairobi - Great Rift Valley - Masai Mara - Nairobi**

The Nairobi - Great Rift Valley - Masai Mara - Nairobi Albatros tailor made safari trip is also known as the Masai-Mara Safari Deluxe that is characterized by nature travel to Great Rift valley, the landscapes, the ululating mountains and scapes in the rift valley and bird watching in the rift valley lakes like lake Nakuru flamingoes.

## **2.8 The Nairobi - Nakuru - Masai Mara - Nairobi**

The Nairobi - Nakuru - Masai Mara - Nairobi tailor-made safari trip is a short tailored and customized travel characterized by bird watching in lake Nakuru, the nature travel and animal watching on Masai-Mara and is suitable for tourists that have limited time to travel on the Kenyan tourist attraction sites. The Masai-Mara tailor-made safari trip also includes a visit to the Hell's Gate in Nakuru.

## **2.9 The Nairobi - Amboseli - Tsavo West - Mombasa**

The Nairobi-Amboseli-Tsavo West-Mombasa that is also known as the Twiga safari (The Giraffe Journey), due to high frequency of seeing and watching giraffes during the course of the tour combines two competitive advantages defined by beach destinations and wildlife destinations.

## **2.10 The Lake Nakuru - Masai Mara - Lake Naivasha**

The Lake Nakuru - Masai Mara - Lake Naivasha tailor-made trip is also known as the big five safari that involves a tours on landscapes where Elephant, Rhinos, Leopards, Buffaloes and Lions could be watched. The Big Five tailor made travel is appropriate for Young tourists on group tours, Couples/married tourists on single tours, Group tourists on package tours and Corporate tourists

## **2.11 The Nairobi - Maasai Mara - Nairobi**

The Nairobi - Masai Mara - Nairobi that is also known as the relaxing masai-mara is based on Ol Moran Camp which is competitive for watching the great trek north between May and July when

wild beasts migrate from Serengeti to Masaimara in search of pasture and water or forced by dry conditions in the northern Tanzania to migrate into the southern Kenya.

### **2.12 *The best of Kenya***

The best of Kenya tailor-made travel is basically structured at travelling to destinations like the Mount Kenya, accommodation facilities in classic safari lodges, watching of wild life and bird watching (Chen 2004). It explores major landmarks and landscapes in Kenya and offered to persons that have a higher length of stay in Kenya. It includes a travel from Nairobi - Sweetwaters - Samburu - Mt. Kenya - Lake Rift valley - Nairobi.

### **2.13 *The Great East African Safari***

The Great East African Safari involves cross border tour and travel between Kenya and Tanzania, Kenya and Uganda, Kenya and Sudan and Kenya and Ethiopia. The tour is provided by the Albatros and is characterized by lodging in executive accommodation facilities. An example of the Great East African Safari between Kenya and Tanzania involves travel from Nairobi-Amboseli-Manyara-Ngorongoro-Serengeti and takes up to two weeks.

### **2.14 *The Kenya in Style tour***

The Kenya in style tour and travel involves a personalized air travel from one tourist attraction site to another (Circuits Assembly 2007). The tour is meant to improve customer experience in exciting tourist sceneries as well as avoidance of road travel that takes long and is prone to mud challenges during rainy season or breakdown of vehicles on route to tourist attraction sites. The Kenya in style, although does not take as long as the Great East African Safari, it covers about ten days and takes air route from Nairobi - Meru - Amboseli - Masai Mara - Nairobi

### **2.15 *Opportunities for internationalization***

The company could utilize different international market entry strategies. The Kenya marketing entry should be defined by:

- Appropriate business planning for entry into the Kenyan tourism market
- Identification of Kenyan market entry criteria
- Identification of marketing strategies that could be used to create sustainable brand awareness
- Website development towards implementation of Integrated Marketing Communication and customer interactivity through cloud computing
- Identification of business development services

### 3 Appropriate business market entry planning

The company should develop a sound market entry planning strategy in order to ensure the company has capability to control the target market consumption structure (Clover and Balsley 1984). The market entry strategy should be achieved through Kenya tourism market analysis which should provide the investing firm potential to develop a structured strategic plan for the Kenya market entry.

#### 3.1 *Planning internal constraints and expectations*

The company should identify internal constraints and expectations for sustainable tourism industry operations through Theory of Constraints (TOC) that should provide basis for continual business process management (Srivastava 2005, 652). The company should identify and determine time constraints that could impact on probability of increased market share costs structure and constraints in the company's capability to deliver predicted financial performance. The company should identify resource limitations for instance appropriateness of the human capital to sustain and lead the business change management, core launch teams and rate of assembling of core teams, identification of specialists expansion framework and rationale specialist expansion could be gradually be realized and implemented and identification of possible resource gaps that could arise during the company launch phase (Sulton 1991, 12).

#### 3.2 *Role of financial element in Kenya market entry*

The company planning entry into the Kenyan tourism industry has to set financial targets, financial performance and financial expectations before launching operations into the Kenya tourism market (Sachs 2010, 11). The financial planning helps to develop resource allocation for the Kenya market entry, reduction of possibilities of delay of launch of market entry possibly due to high financial requirements. The company should plan rationale for initial customer acquisition and foundation for the firm revenue generation (Segal 1999, 23). Through financial analysis of the Kenya tourism market entry strategy, the company could identify rationale it could meet and satisfy the financial expectations through determination of costs of market-entry strategy and rationale for minimization of financial risks.

Through financial planning and analysis of cost of market entry strategy, the company should develop a systematic approach which should demonstrate financial capability to meet company's financial objectives, satisfy company's financial objective planning, determination of optimal value of assets and resources that could produce optimal returns on investment and rationale the company could use financial perspectives towards creating internal competitive advantage (Shiple 2010, 67).

The company should plan rationale for decreasing financial uncertainties that could have negative impacts or implication on the comprehensiveness of Kenya tourism market and hence

or otherwise develop a medium-term strategic plan and structured strategic plan that meets short-term to long terms financial goals of the company (Shiplely 2010, 67).

The company should develop a collaborative or collaboration framework and financing framework that should define rationale resources are utilized and maintained. The company should achieved collaboration planning by identifying a business case assumption for the Kenya tourism market in order to form a prototype (Tansuhaj 2007, 33). The prototype should help in identifying resource demands of different departments, fitness of the business case assumption to the Kenya tourism market and mechanism through which the business case or business model and rationale the business model could support sustainability of the market positioning. The company should develop a framework for launching its services into the Kenya market through analysis of service launch efficiency, planning of tactical approaches to service launch processes, process co-ordination of the launch activities, task prioritization and development of risk management processes (Thomke 2002, 21).

The company should develop strategies for mitigating risks of perception in the Kenya market through development of contingency planning development of plans for risk mitigation, risk quantification and risk profiling towards ensuring service launch is successful. The company should develop and plan a clear framework for directing and guiding the process of market entry through identification of appropriate market strategy or combination of market strategies (Eisenhardt 1989, 86)

### **3.3 Development planning for Kenya market entry**

The company should develop a plan for Kenya tourism market entry through use of previously proven methodologies or strategies. The strategy used should be based on adopted methods, their application in different nation in East Africa that have variant cultural backgrounds, position of the economic development of the Kenya and political factors and rationale political forces model entry strategy for Kenya (Freeman and Soete 1997, p. 90). In order to identify appropriate market-entry strategy, the company should conduct comprehensive Kenya tourism market using primary

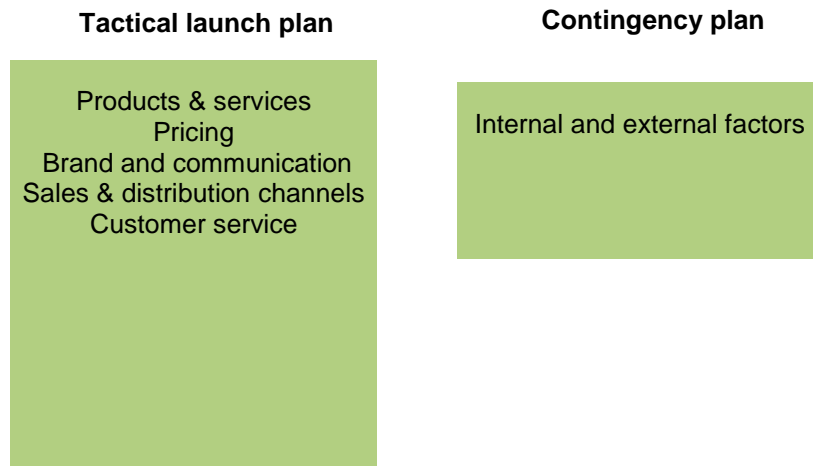
Research studies, longitudinal studies and tailored tourism market research. Through market analysis of Kenya tourism industry, the company could identify Kenya tourism market dynamism, framework for consumer and business market segmentation (Hamel and Fotrtin 1999, 89). The company determination of Kenya market dynamism could result into the company understanding of criteria for segmenting Kenya tourism market and mechanism through which the company could improve sales growth. The company understanding of Kenya market dynamism could result into determination of specific customer segments that require higher inputs in order to be productive for instance the framework for financial transaction system and rationale the company could develop integrated marketing communication and type of cloud computing to implement and utilize towards achieving stakeholder feedback management in close to real time (Hyde 2000, 79).

The company should plan for market entry through developing frameworks for managing Kenyan tourism industry competitive landscape through profiling of key competitors in the Kenya tourism industry. It should develop a strategy for reducing competitive effects of competitors through benchmarking competitors strengths and core competencies, adoption of best practices in tourism industry competitiveness in Kenya, determining different market positioning of different tourism firms in Kenya and foundation for competitiveness of the firms; determination of target markets and level of crowding effect from competitors on the target markets, identification of rationale for mapping firm value proposition and rationale the company could develop value proposition (Jin and Zedtwitz 2008, 67). The company should also determine rationale it implement a pricing strategy that conforms to Kenya target market price sensitivity; determine foundation and framework for customer care and customer service, determine framework for achieving Kenya tourism industry market coverage and network systems that could promote higher market penetration and ongoing competitor profiling of weaknesses and strengths in order to identify opportunities for investment and divesture (Joel and Keilt 2005, 34).

The company market-entry analysis should be defined by a planning towards achieving Kenya tourism market macro-economic outlook through use of primary data on Kenya tourism industry segment growth rate. The Company should also plan rationale for compliance with legislative and regulatory environment through identification of Kenya regulative and legislative framework and rationale they influence growth potential of the Kenya tourism sector (Johnson 2006, p. 67). The company should determine its internal competencies that are vital towards influencing external market competencies, determination of criteria for achieving and sustaining competitive advantage and development of core competencies that are structured on brand strengths, technology, know-how and partnership collaborations (Kotler 2005, 65)

According to Low (2005, 64), the best-long term results of any business activities can be reached only if you have a coordinated approach to your activities on markets. Therefore by using the integrated internationalization approach you will see how to distribute your resources for tourism business in the optimal way and will avoid negative "surprises". This involves the analysis of the current situation, planning of the business and the practical realization.





**Figure 2. The market tourism tactical launch plan and contingency plan ( Low 2005,7)**

In order to get into the Kenyan market, there is need to increase the services of the tourism sector. Therefore we hope to launch our marketing plan in the coming weeks to be able to serve the customers. Our launch shall include the tactical launch plan and the contingency launch plan that entails the analysis of the internal and external factors. There will be a number of road shows thereafter to make the product known to the public and through our website.

### **3.4 Achievement of the company market goals**

The company should determine rationale for achieving Kenya market objectives through development of a vision statement, mission statement and value statement that are built on business philosophy and brand qualities hence or otherwise the capability of the firm to achieve financial objectives, corporate objectives, organizational objectives and business objectives (Kotler 2005, 80). The company should set short term, medium and long term goals through sales targets, market share and market size growth capabilities and improving brand awareness through promotions that exploit values of pre-test advertisement analysis, campaign analysis and post-test analysis of advertisement of marketing or advertisement tracking.

The company should develop and implement the market entry strategy based on the market-entry strategy statement through identification of market entry direction for achieving competitive advantage and supporting market positioning (Lall 1990, 56). The company should ensure the market positioning strategy statement has capacity to provide foundation for the company to compete effectively in the Kenya market and demonstrate rationale for achieving value proposition of the company through identification of differentiation strategies that could sustain market position and create customer value in the long term (Leff 2008, 44).

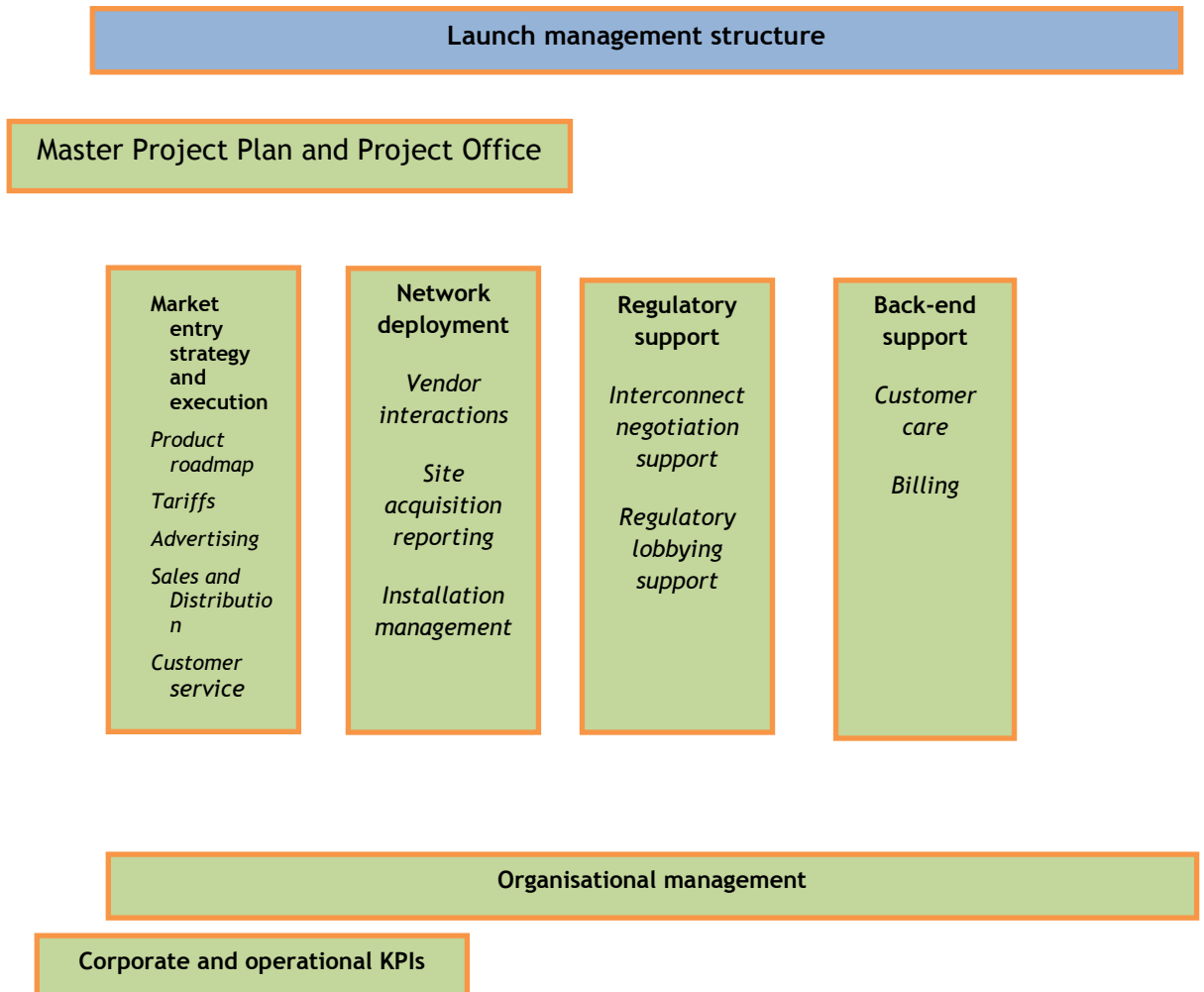
The tourism industry in Kenya need to understand the culture and traditions of the Kenyan people and this is concerned about the status, reputation and face in the society and reaped huge profits.

According to Nakamoto (2010), a number of Kenya people want to belong to a certain social class and impress others through travelling to various tourist attraction sites and leading expensive lives. In addition; Kenyans value social relationships thus maintain and build their relations with others through surprises that include visits (Lenton 2003, 66). Consequently, one of the strategies of the tourism companies in Kenya has been to maintain its value by means of high prices and high profit margins through targeting high income tourists. This implies that the market coverage in the figure above shows that where there is high tourism market coverage the people enjoy expensive lives (Luo 1999, 77).

	Positioning values			
	Price	NW/OoS	Service Portofolio	Customer Service
Company B	Premium	Leader	broad	Leader
Company C	Leader	Adequate	Narrow	Basic
Company A	Moderate	Adequate	medium	Basic

**Table 2. The Company Kenya market positioning values (Maanen 1983, 7)**

The company should develop a brand strategy that should provide clarity of understanding the company values which could further provide foundation for communicating the company customer relationship management (Morris 2005, 76). The brand values should be used towards developing framework for customer segmentation. Thus the market entry should define rationale the company could achieve its goals and objectives as well as prioritization criteria for realization of the set goals and objectives.



**Figure 3. The Company launches management structure in Kenya tourism market (Gabriel Badokufa).**

The company should develop the market entry strategy based on capabilities for managing issues arising from marketing and conceptualization of marketing in the Kenya market (Pavord 1991, p. 33). The marketing component should provide basis for targeting customers, management of different customer segments and rationale the company should implement marketing and type of information that the company should have in order to either enter the market directly or through Kenya intermediary firms investing in the tourism industry (Piercy 1982, p. 44). The company should plan rationale for achieving and managing investments and control of the operations through joint ventures, global supply chain partners or mergers and acquisition.

#### 4 Analysis of the value chain

The company should utilize value chain or supply chain values towards determining costs of marketing and rationale marketing should be implemented (Polkinghorne 2005, 35). The marketing should contribute into identification of market entry strategy as well as appropriateness of value chain activities. Through value chain analysis, the company should be able to determine the marketing mix that should be used.

The export marketing mix should be defined by rationale for service sourcing, mechanism matching company service characteristics with market characteristics could be achieved through identification of modes of transport that affiliate companies should have for instance air, sea, rail, and road. The export marketing mix should contribute into determination of new services, product management and rationale for service quality performance testing (Porter 2005, 36). The company should demonstrate capacities for opportunity alertness or opportunity spotting towards capability to gain from first mover advantages.

The company should utilize market research for the companies in order to determine companies that have a higher brand identity, high market share and high market size. Through entry into markets via competitive firms, the company could identify companies that it could engage in future through mergers and acquisitions implement foreign direct investment through them and gain market penetration through use of the company to build brand market awareness (Porter 1985, p. 99).

Value chain analysis is essential towards the company use of price or cost structure analysis. Competitiveness of the price could result into differentiation of the company which could form foundation for attaining competitive advantage (Rouse 1979, 279). The company should use value chain analysis in order to identify price support approach that could help to define pricing strategy for the products. The export marketing mix should contribute into identification of discount structure, maintenance of pricelists, transfer or sharing of competitive information and training of agents as well as customers.

The company Kenya market entry should be defined by an export marketing mix characterized by identification of a selling point or promotion support; framework for advertising, identification of agent commissions, projection of returns on investment and return on opportunities; development of sales force to implement marketing strategies; planning rationale for implementing marketing through trade fairs, trade shows, road marketing shows, participation in exhibition and use of internet marketing and advertising for instance through use of banners, and determination of performance metrics that are appropriate for conducting pre-advertisement analysis or pre-campaign analysis; campaign or advertisement testing and post-advertisement testing or advertisement tracking (Roseman 2005, 56).

The company should develop an export marketing mix that is defined by framework for implementing inventory management and inventory cycle management through use of different

models like resource based view to achieve internal competitiveness, use of theory of growth of a firm and use of globalization theory and models. The export marketing mix should demonstrate the company framework for implementing inventory management, warehousing, distribution capabilities and distribution dynamism towards achieving dynamic capabilities of a firm, and framework for credit authorization (Porter and Miller 1985, 77).

The company should adopt an export marketing mix that has capacity to meet demands for supply chain management and logistics/ procurement support through identification of strategies that could support firms capacity to achieve values associated with prompt order processing, export preparation and documentation processes, capital acquisition, insurance and type of insurance to undertake for instance comprehensive or third party insurance and framework for arbitration. The company should implement an export marketing mix that is characterized by strong service support through identification of Kenya market information and Kenya market intelligence which could contribute into identification of rationale the company could succeed in developing and implementing a centered localization strategy hence gain from creating a Kenyan local face.

The export marketing mix should demonstrate capabilities for service support like quite processing, technical aid facilitation, quality of after sales services through adoption of sustainable customer care management and guarantees on quality of service through development of framework for warranties and claims (Lall 1990, 99). The company should develop an export marketing mix that is characterized by prompt sales reports through use of information technology to streamline sales operations and ensure close to real time prompt notification of transactions and capabilities for customer-firm interaction. In addition, the company should develop an export marketing mix that is structured on customer care, quality service encounter and sustained customer brand identity and brand loyalty (Lenton 2003, 3).

The company should develop an export marketing mix that defines rationale the company could gain from service support in terms of budgetary allocation, adoption of data processing systems that comply with Kenyan accounting standards, internal control and internal reporting, identification for travel insurance that could meet demands for length of stay of the tourists, rationale for compliance with Kenyan tax laws and tax services, delivery of translation capabilities and compliance with legal and political requirements that affect business continuity processes (Maanen 1983, 7). The company should design and adopt a globalization-localization strategy where it could provide translation services and tour guides translators. This will help the firm meet local demands for the client hence capability of the company to deliver personalized services that could improve market share of the company.



**Figure 4. Value Chain Analysis (Carpenter 2010)**

The company should implement an export marketing mix that could provide rationale the company could gain from financial support through access to credit facilities, achieve sustainable liquidity and working/operating capital (Pavord 1991, 33). The company should develop and implement an export marketing mix that is defined by financial support structures like informed criteria for billing and invoicing/collecting invoices online and offline and adoption of lean principles and theory of constraints applications in service industries.

The company should identify rationale it could implement car hire and car renting for the tour and framework for achieving vehicle, train or chartered airline rentals and how it could align financial support on budget travel. In addition, the company should implement framework that should support financial planning, financial forecasting and use of macro-economic theories and micro-economic models towards predicting future market performance of the firm. The company should also define rationale for implementing financial audits and rationale it could balance internal drivers for competitiveness (Lall 1990, 35).

Like customer/tourist satisfaction, employee satisfaction hence use of employee-customer/tourist satisfaction to promote company economic and financial growth.

#### **4.1 How to enter the Kenyan market**

Market entry is a strategy where firms focus on supplying products to existing markets and ensure their market share is increased or maintained. In order to penetrate the market, Barney (2006) opines that the business must sell its products at competitive prices in order to reduce competition thus enabling them to establish themselves in the market. According to Gilbert (2011), for a business enterprise to venture into a market, they must lower the available competition by promoting their services and products. Consequently, the rival businesses will not sustain the lower prices and dominate the market. Firms can also attract consumers through

introduction of loyalty schemes in order to understand consumer behaviour thus outperforming their competitors.

Consumer behaviour theory depicts varied behaviour amongst consumers and thus understanding the consumers is important to gaining a competitive advantage over the competitor companies. The use of this strategy will be crucial to achieving the marketing objectives because through supplying of products to existing markets, the company will gain the customer loyalty.

There are varieties of Kenya market entry that the company could utilize to set up operations in Kenya. The strategies are similar to market entry strategies for a company that seeks to expand or set up business operations offshore (Johnson 2006, 7). Different market entry strategies could have different economic, financial and social impact on the company's growth and development due to variability of the market entry strategies in terms of differences in risk levels, legal obligation associated with the market entry strategy and pros and cons that define the market entry strategy.

#### ***4.2 The construction of Kenya market entry***

The company could utilize or employ independent market entry or outsource the operations to major competitors in Kenya. The outsourcing of operations to specialized firms or companies that have a higher market positioning like albatross could form basis for future firm expansion through mergers and acquisition or franchisee (Hamel and Fortin 1999m, 66). The Kenya market entry should be defined by appropriateness of knowledge of performance of the Kenya tourist attraction sites and quantity of target market by companies that have a high market positioning in Kenya.

#### ***4.3 Key drivers for Kenya tourism market penetration***

The company market entry should be defined by identification of highly productive and qualified human resource as fundamental intellectual capital amongst organizational capital, relational capital/customer capital and entrepreneurial capital (Kotler 2005, 12). The company should develop rationale for collaboration with other major stakeholders in the tourism industry in Kenya for instance Kenya Association of Tour Operators (KATO) , Kenya Tour Operators and Travel Agencies (KTOTA) and tour agencies like The Kenya Tour Operators (KTO), The Kenya Travel Agency (KTA), The Kenya Travel Directory and Travel Guide (KTDTG), and the Kenya Tour Operators and Travel Agencies (KTOTA); The Association of National Tourist Office (ANTOR) that liaises with partners like The Kenya Tourism Board (KTB), Kenya Golf Marketing Alliance (KGMA) and International Association of Golf Tour Operators (IAGTO); the Kenya Association of Travel Agents (KATA Kenya) that has affiliated partners like the Rickshaw travel limited, Sagal Travel and Tour Agency, The Raydoll Tours and Travel, SayariAfrika and the Satguru Kenya and ministry of tourism Kenya .

The company could achieve competitive advantage through planning and identifying rationale the following factors could be integrated into the Kenya market entry strategy (Kotler 2005, 12).

- innovative research and development strategy
- geographic Location advantages based on location tourism consumption structure
- infrastructural support for the location identified
- social, economic, and political stability of the targeted location of the company
- regulatory environment and legislative/legal framework
- Government support, including subsidies, tax and incentives and rationale they support or promote foreign direct investment
- tax climate and incentives and its role in foreign direct investment
- Government support, including subsidies and its role in foreign direct investment
- Favorability of labor costs in the tourism industry
- legal system on employment

#### ***4.4 Set up of local office in Kenya***

The company could set up a local office in Kenya which could be implemented through a representative office or a branch office. The implementation of the local office could be achieved through outsourcing of human resource or hiring of employees on temporary basis with few permanent administration staff (Jopel and Keilt 2005, 3). The local office could have five employees who serve as only personnel for every department for instance marketing, procurement, customer relationship management, and finance and logistics/supply chain management.

#### ***4.5 Reasons for using local office***

A local office could make the company to demonstrate greater control of its marketing and supply chain management as well as provide direct contact with customers who further provided opportunity for the firm to interact at personal level with its target market and customers. A local office could also make it possible for the firm to gain credibility in the target market as well as improve chances of the firm to gain from access to venture capital (Leff 2008, 6). The company should have framework for managing possibilities of cost overruns due to risks of high cost of local office establishment compared to contracting of local agents as entry point. The



effective local office that the firm should use to enter the market includes use of a sales office. The company should evaluate its weaknesses of failure to have local presence against the cost of marketing or brand awareness meant to create the local brand awareness for instance as it is in a joint venture.

#### **4.6 Types of entry into Kenya market**

The company can utilize the following three main methods in order to enter the Kenya market

- Licensing
- Joint ventures
- Direct investment

##### **4.6.1 Licensing method of Kenya market entry**

The company could use licensing by allowing a company in Kenya that has invested in developing domestic tourism service operations, trademarks, knowledge, technical know-how and other competencies that are provided by the licensor (Morris 2005, 8). The conceptualization of licensing could be equivalent to franchising market entry strategy. The company use of licensing would make the company to incur less expenses compared to setting up local office as well as demonstrate little involvement and participation. The involvement level of the company in licensing market entry strategy include only costs of signing trade agreements and policing the process of the implementation of the licensure (Maanen 1983, 9).

##### **4.6.1.2 Key drivers that predispose use of licensing market entry mode**

The use of licensing of operations could provide the company opportunities to invest in the Kenya market and open opportunities for low risk market entry. The licensing of secondary firm to implement operational controls contributes into establishment of low operational risk profile. The use of licensing method of market entry ensures the parent company and the licensed company gain a win-win situation in terms of service marketing. The cost sharing makes it possible for the company to incur lower marketing costs which implies the company capital or intellectual capital is not whole tied up in the Kenyan market operations. The company gains benefits associated with options of being able to purchase the licensed partner as well as engaging in purchase of royalties in stock. The company should take precautionary steps to contain impacts that limited involvement or participation and its corresponding effects on contractual agreements, agreements on service specifications, processes and trademarks.

The marketing entry strategy should define projected returns from marketing and length of the licensing which further should inform the rationale for partner-firm knowledge capabilities. The company should also identify and define contractual agreements that should reduce risks of the

partner becoming a competitor which could reduce possibilities of the company future purchase of the partner and predispose a condition where the firm/partner may force the company to merge its operations hence making the company to lose control power on the business (Thomke 2002, 32).

The company should ensure the process of licensing as market entry strategy is informed by sufficient Kenya market planning, in the context of Political, Economical, Social, Technological, Legal and Environmental (PESTLE) and identification of possible Strength, Weaknesses, Opportunities, Threats (SWOT), and interpretation of different factors on the company future performance (Tansuhaj 2007, 3).

The market entry strategy via licensing should document future market expansion or extension of market participation which could make the licensing strategy to have open options which could open future possible joint ventures and licensee. The contractual agreements for the licensing should provide guidelines on mechanism the company would make use of properties of the licensor at tangible and intangible resource level for instance trademarks, patents and patent rights. The company should define standard fee that a licensee should pay towards use of the company use of intangible property, company intellectual property and technical capabilities. The company should develop framework for reducing risks and threats associated with control, transparency and accountability of returns on investments of licensee. The company should identify framework for minimizing on risks of licensing through development of framework for reducing risks of investment, improving speed of market entry and capability to circumvent trade barriers as well as framework for achieving high returns on investment.

The company should develop appropriate market entry strategies that could result into identification of criteria for improving control over assets, rationale the company could control threats associated with knowledge contagion or spillover effects associated with licensing and time period for the licensing.

#### **4.6.1.3 Licensing service requirements**

The company should determine services that should be implemented towards market entry. For instance, the company should identify required market research which could provide feasibility and visibility studies on companies that could engage in licensing and define open option for opting out of licensing into joint venture or further licensee acquisition (Sachs 2010, 54). Through market research, the company could determine tourist investment opportunities that have higher returns on investment and low risk exposures. The company could determine service requirements that could contribute into achieving in-market support through identification of a domain of services or range of services that have potential to facilitate in company's benefiting from in-market activities for instance interpretation at business licensing meeting, formulation and making of appointments on licensing, obtaining and acquisition of legal documents that support licensing strategy , development of framework that could be

utilized towards attracting publicity and conference facilities that should be used towards implementing and executing licensing strategy process (Barney 1991, 9).

#### Location advisory planning

The company should conduct location advisory planning which should be guided by identification of relevant information that could improve on identification of right/appropriate information that could facilitate in demining location that could make the company gain from location advantages (Bout and Lin 2004, 76). Location advantages could make it possible for the firm to gain from easier access by tourists, and transport network availability that could support fast movement outside the capital city of Kenya [Nairobi, Mombasa or Kisumu] and mode of transport that could contribute into supporting tourist mobility and convenience element in consumption of tourism industry products.

The location advantages could facilitate in identifying locations or airports for instance Jomo Kenyatta International Airport, [Serving the Central, Nairobi and eastern Kenya Economic tourists attraction and facilities that could be accessed through the Nairobi city] Moi International Airport [Serving Eastern and Southern Kenya economic environments that could be accessed through Mombasa City] and Eldoret International Airport [serving western Kenya economic environments that are head quartered in Kisumu City]. The company should identify location advantages in order to determine partners or firms that it could engage depending on location, level and quality of investors, local investment attraction agencies and authorities and corresponding incentives that are provided by relevant local investment attraction agencies on tourism.

The company should plan accommodation costs, utility costs, rental costs or any purchase option that may be in line with company policy and strategic objective interests or local regulatory and legislative requirements. The company should utilize Kenya employment terms which could ensure the company complies with different legal, political, statutory, regulative and legislative framework (Brandenburger 2002). The company should use Kenya market data to acquire and understand competitiveness of different service providers based on:

- Partners level of legal compliances
- Partner tax compliances
- Partner accounting and transparency standards and compliance with internal control
- Partner compliance with laws on employment and recruitment
- Partner framework for employee promotion, retention and motivation programs

#### **4.7 The company use of joint ventures**

The company could establish joint venture strategies in order to enter the Kenyan tourism market by targeting Kenya tourist companies in order to form a new incorporated company. Use of the joint venture would result into change of business name of the Kenya tourism company that the company utilized to form a joint venture operations. In making Kenya entry via joint venture, the company needs to identify the competitive firm that has similar business philosophy and has a higher market share which would imply, the company would use the competitive advantage of the targeted tourism firm with operations in Kenya to gain Kenya tourism market (Segal 1999, 66).

The procedures that the company needs to use include provision of equity and resources based on terms of agreements for the joint venture or memorandum of understanding. The use of the joint venture would require the company to share managerial expertise with the targeted firm operating in Kenya tourism market as well as sharing of profit and losses incurred. However, the use of joint venture would limit the company to specific operations that the targeted company would agree on or based on specific tourism operations that the companies would agree and document as bidding to both companies management (Sachs 2010, 88).

#### **4.8 Planning Kenya market entry through joint ventures**

The planning of the company market entry though joint ventures should be characterized by business planning that should include five main areas namely

- Planning the market entry
- Planning the risk and reward/profit sharing formulae
- Planning rationale for sharing technology and technological resources
- Planning framework for operations development
- Planning framework for compliance and conformance to Kenya government regulations on use of joint ventures as market entry strategy

The company should use joint venture strategies towards identifying rationale political factors could influence on the success of the company operations. The company should identify distribution channels of the firm or company to joint venture and framework that should inform business-to-business relationship, business-to-business communication which could result into capability for development of customer centric approaches that could promote brand reputation, brand image and values that could contribute into increased customer interaction (Basche 1971, 42). Through the joint venture, the company could also determine strategic alliances for instance through bakers association, accountancy association, business consultants,

tourism industry associations and trade associations for instance the chamber of commerce and industrial networks and Kenya government tourism agencies.

#### **4.8.1 The advantages of use of joint ventures**

The company use of joint ventures could result into benefiting from sharing of costs of risks and use of Kenya company competitive advantage that has knowledge of Kenya tourism, has technical know-how and its impacts on growth of the company, clear understanding of market information on tourism and achieve financial strength (Sachs 2010, 78). The company may gain from use of joint ventures if joint venture entry strategy is perceived as more economical Kenya market entry that other forms of international market entry strategies. The company in addition could benefit from use of joint venture as entry strategy if it needs to use the Kenya market entry in order to acquire a source of supply for neighboring countries of Kenya for instance Uganda, Tanzania, Ethiopia, Sudan, and Somalia.

However, in using joint ventures as Kenya tourism market entry, the company should develop support strategies that could result into a scenario where the company could be able to reduce incidents of lack of full new firm managerial control and managerial ownership which is associated with failures of joint venture managerial capabilities and managerial dynamism. The company should also develop framework, policies and standards that should be followed towards sustaining liquidity of the firms, improving returns on investment capabilities and recovering losses of capital that may affect performance capabilities of the joint venture (Shiple 2010, 65).

The company use of joint venture should further be structured on rationale for managing disagreements between the companies involved in the joint venture based on the target markets that the joint venture would serve and profitability of the target markets served. Through framework and planning for the third party markets that the company would serve, the company would be positioned at reducing managerial conflicts or entrepreneurial disagreements on profitability of the markets served which could be a source of breakdown of the joint venture. The company should in addition, plan a framework for managing conflicts of interests amongst companies engaged in the joint venture towards reducing negative perceptions on expected benefits from joint venture operations.

#### **4.8.2 Favorable conditions for use of joint venture Kenya market entry strategy**

The company use of the joint venture Kenya market entry strategy should be built on values of low Kenya market entry barriers that may include for instance low market entry costs, low competition rivalry which may predispose competitor adoption of equivalent Kenya tourism strategies hence loss of competitive advantage and achievement of homogeneous firms that have equal competitive advantage; understanding of role of Hofstede cultural barriers and rationale large cultural barriers could contribute into low consumption of the company services

and products; projected stability in the growth of sales in the Kenya tourism market, low level of political risks and lack of Kenya government restriction on foreign ownership or foreign direct investments (Buckley and Ghauri 2004, 77).

The use of joint venture towards achieving Kenya tourism market entry should be based on capability of using the local companies to provide required local human resource skills and knowledge, provision of local resources, use of local distribution channels that target market have clear understanding and preference of use due to past reliability in service delivery as well as use of local company brand names to build its market presence in Kenya. This implies, the company use of joint ventures could result into adoption of a learning culture or information economy towards understanding the Kenyan tourism market as well as possibility of the company to be perceived as an insider company in Kenya due to use of centered localization strategy or creation of local face through use of local resources and competencies provided by local firms investing in the tourism industry. Through use of the joint venture, the company could incur lower investment costs compared to ownership or establishment of local office in Kenya (Barba and Venables 2010, 9).

#### **4.8.3 Competencies of joint venture Kenya market entry strategy**

The company use of joint ventures to achieve Kenya tourism industry entry should be built on capabilities of the firm to acquire Kenya market knowledge and skills on Kenya tourism trends which may fail to be established through conducting social research on factors that influence on success of tourism operations in Kenya hence help the firm to save money that could be used to conduct market viability of the Kenya tourism industry (Basche 1971, 1). The company could further implement joint ventures if it is perceived that through use of joint venture entry strategy, the company could penetrate the Kenya tourism industry fast thus, the Kenya tourism market entry should be defined by identification of foundation of possible competitive entry that is imminent as well as variability and volatility of technological change that supports operational effectiveness of the companies investing in the Kenya tourism industry sector (Barney 2006, 7).

Thus, the company could use joint ventures in order to reduce possibilities of loss of investment due to obsolescence of operational and managerial strategies hence joint ventures could provide form of advantage defined by capability to achieve a technological or managerial or organizational dynamic capabilities towards derivation of first mover advantages or first mover capabilities that characterize firms that implement opportunity spotting or predatory strategic approaches to investment opportunities (Barney 2006, 98). The company use of joint ventures could contribute into competitive advantage of spreading of risks across local companies that are involved in the joint venture operations hence potential of the company to achieve fast Kenya tourism market entry and returns on investment. In addition, joint ventures could provide opportunity of the company to gain from values of eliminating influence of tariff

barriers that foreign direct investors face in a bid to secure operational efficiencies in foreign markets (Mryman and Bell 2007, 65).

#### **4.8.4 Risk exposures in the use of joint ventures Kenya market entry strategy**

The company however should use joint ventures through identification and planning rationale for mitigating risks that are associated with possible loss of managerial control and its implication in future company expansion into Kenya market through management buyout or mergers and acquisition. The company should plan rationale for reducing risks of dilution of joint operation managerial and entrepreneurial control which predispose challenges of management of joint ventures. The company should plan a policy and framework for containing knowledge in-house within the joint venture and penalties for non-compliance with information transfer which may result into the companies involved in the joint venture becoming potential competitors due to spillover of managerial capabilities and managerial dynamism (Sulton 1991, 21). The company should also have clarity of understanding risks of inability to recover capital invested into the joint venture operations

#### **4.8.5 Driving factors for the use of joint venture**

The company use of joint venture to enter the Kenya tourism market should be characterized by

- The company identification of convergence of partner strategic goals and objectives and possibility of divergence of competitive goals in the tourism industry
- Availability of information on the market size of the identified partner
- Clarity of information on the market power of the identified partners in Kenya
- Possibility of low resource capabilities of the identified Kenya partner compared to other market leaders that have invested in the Kenya tourism industry
- Potential of identification of inter-firm learning and growth opportunities after joint venture
- Rationale the company could protect its own proprietary knowledge and intellectual capital from knowledge or intellectual spillover

Based on influential factors towards the company use of the joint venture, the company should consider key issues that should be satisfied in order to develop and plan appropriateness in the use of joint venture as favorable strategy for Kenya tourism market entry.

- Level of managerial ownership and managerial control
- Policies governing managerial ownership and managerial control

- Length of the joint venture agreements
- Pricing policy that would be adopted and its competitive advantage
- Identification of local company capabilities and resources
- Influence of political factors in foreign direct investment and foreign portfolio investment

The company should identify and develop a framework and criteria that should be used towards managing or mitigating problems and challenges associated with use of joint venture in achieving Kenya tourism market penetration. Some of the problems that the company should address include

- Threats of dilution of managerial control
- Threats and risks of loss of capital invested
- Threats and risks of conflicts that may arise from asymmetric emerging investment opportunities
- Threats and risks associated with conflicts of interests from markets served
- Risks associated with loss of trust over proprietary knowledge management and intellectual property management and protection
- Risks associated with performance ambiguities
- Risks arising from the parent company lack of managerial, technical and financial support
- Conflict in culture and cultural values leading into large cultural distance
- Mechanism for terminating the joint venture agreements
- Rationale for implementing exit market strategy from Kenya tourism industry

The company should analyze Kenya market entry risks that could affect future business process management, and future business process continuity. Some of the risks that the company could face when implementing Kenya market entry strategy include the following

#### **4.9 Weather risks**

Weather risks have capacity to decrease sales turnover and customer satisfaction. The roads in numerous tourist attracting sites are murrum or non-tarmac roads which could contribute into delays in tourism through long periods of vehicle sticking on the roads which could predispose



risks of attack by wild animals and robbers (Luo 1999, 89). The weather risks are prone during the rainy season.

#### **4.10 Systemic risks**

The company should determine rationale it could reduce exposure to systemic risks. The company should develop a mechanism for mitigating systemic risks that affect other tourism investors in Kenya that are brought about by poor infrastructure, lead times or delays in travel due to low number of vehicles or inadequate service quality which could predispose negative attitudes to Kenya travel as a tourist destination (Rouse 1999, 55).

#### **4.11 Sovereign risks**

The company should identify rationale it could reduce influence of sovereign risks by identifying rationale it could reduce uncertainties brought about by sovereign risks.

#### **4.12 Foreign exchange risks**

The company should identify factors that could predispose exposure to foreign exchange risks that could arise due to fluctuation of foreign currencies. The company should develop measures and strategies for insulating the company from exposure to systemic risks, geo-political risks that predispose fluctuation of foreign exchange rates by pegging its currency on United States Dollar that is more stable due to political stability of United States of America (Hyde 2000, 66). Using a single form of currency that is stable and universally accepted as an international form of currency it makes the risk of currency instability very minimal. Hence, this is why most companies dealing with foreign trade like basing their products or services on the United States of American dollar.

#### **4.13 Liquidity risks**

The company should develop rationale it could insulate its operation such that it does not expose its operation to liquidity risks that could affect working/operating capital. The company should identify drivers of liquidity risks and develop appropriate mechanism for reducing exposure to liquidity risks (Jain 2007).

## **5 Managing conflicts of cooperation and competition**

The company use of joint venture as a preferred method of Kenya tourism industry market entry should be defined by development of framework for managing challenges associated with possible competition and co-operation issues (competition) (Sachs 2010, 22). The company should manage conflicting pressures that arise from competition and cooperation between Kenya partnersthrough development of strategic imperatives that are characterized and predisposed by Kenya partners need to maximize and optimize on competitive advantage of the

joint venture [arising from strengthened financial, technical and knowledge sharing] and objective interests of the company to optimize on the competencies of the Kenya partners vis-à-vis the Kenya partners need to optimize on own independent market competitive position and demand to use joint ventures to improve market positioning (Segal 1999, 23).

The company should identify and develop a framework for mitigating against demand by partners in the joint venture to optimize on shared resources towards improving competitive advantage and demand for each partner or firm to protect its intellectual capital [from transfer] namely organizational capital, relational capital, entrepreneurial capital, human capital and construction of psychological capital (Barney 2006, 32). The company should develop appropriate strategies that should contribute into identification and documentation of processes through which partner negotiations could be arrived at; partners could develop trust and confidence hence open up to sharing of resources and development of framework for achieving and directing coordination of firm operations and functions and rationale for sustaining individual firm hierarchical control based on shares and ownership level of the joint incorporated company.

#### **5.1.1 Method for selection of Kenya partners in joint venture strategy**

The company should use the 4C model towards identifying and selecting competitive partners in Kenya namely

- The partner complementary knowledge and skill/know-how on the Kenya tourism market
- The partner level of adoption of cooperative culture in joint venture business operations
- The partner compatibility of business goals in joint venture based on commonness of business philosophy
- The partner commensurate risk profile in joint venture business operations and its long term implications on abiding by terms of joint venture agreements
- Financial analysis of Kenya partner

#### **5.1.2 Use of mergers and acquisition market entry strategy**

The company could use mergers and Acquisition strategy in order to enter the Kenya tourism market. The mergers and acquisition strategy could be implemented through the company identification of a firm that has invested in the tourism industry in Kenya, either local or international but has domestic Kenya market operations in order to form a new company (Barba and Venables 2011, 67). Through acquisition strategy, the company could undertake managerial and organizational aspects of the local company.

The merger and acquisition as a market entry strategy into Kenya could further be characterized by trade agreements where the Kenya domestic company continues its operations under its business name and brand although under managerial directions of the foreign company

that acquires its operations (Sachs 2010, 76). Thus, the company use of mergers and acquisition strategy could help the company to have managerial control over the company operations as opposed to use of joint ventures where risks and uncertainties of loss of capital and investments may be higher.

### **5.1.3 Use of franchising strategy towards Kenya tourism industry entry**

The company could use franchising strategy in order to achieve Kenya market operations. The franchising strategy could be implemented through development and planning a continuous business relationship with different firms that have invested in the tourism industry or emerging private investors in the Kenya tourism industry (Thomke 2002, 78). The use of franchising strategy should be defined by a contractual business agreement where the company as the franchisor could grant Kenya domestic companies or Kenya private investors into the tourism industry as the franchisee the rights to utilize its services [technical, organizational, physical, software] that represent the company brand [or the franchisor brand resources] and system in exchange for a fee payable by the Kenya domestic companies or Kenya private investors in tourism industry (Segal 1999, 32).

The company should ensure the implementation of the franchising strategy is defined by concrete franchise arrangements and business/trade contractual agreements that are binding for franchisee to use a specific business format that the company grants. The business format or the brand characteristics that are franchised should define rationale the Kenya domestic tourism industry operators should conduct business on tourism which could result into common customer experience across different investors using the company system and approach to tourism. The use of franchising strategy could contribute into the company capability to achieve fast market expansion, not only into the Kenya market but also into neighboring nations that border Kenya. Through franchising strategy, the company could contract its intellectual property to franchisee which implies, the company would incur low capital investments due to use of franchisee capital and networks of businesses or organizations known to franchisee that would form a pool of target market (Bout and Lin 2004, 34).

The implementation of the franchising strategy would further provide opportunities of the company as franchisor to divest into other investment opportunities within the franchisee market for instance training of the franchisee on business format and its competitiveness, ongoing quality checks on performance of the business, provision of technical assistance, selection of viable partners for mergers and acquisition or joint venture, assistance with signage, assistance with premise fit-out and site selection or location selection for the business depending on the pool of the target market, nearness or proximity to transport network, accommodation facilities and capital management.

The company could implement franchising through two main pathways namely; Contracting and licensing of operations or intellectual property to Kenya domestic investors in tourism industry and Part of company global supply chain operation strategy

### ***5.2 Use of contracting and licensing of operations***

The company could use contracting and licensing of operations in Kenya to Kenya firms that have invested in the tourism industry in order for the domestic firms to use the company intellectual property to improve quality of service and develop a new market approach to tourism. The company use of licensing and contracting of operations should be based on centered localization strategy where the company could develop tourism approach and strategy that fits and conforms to Kenya tourism industry demands (Barney 2006, 64). Through contracting and licensing of operations, the company as the licensor or licensing agency to tourism operations in Kenya could enter into contractual agreements with domestic companies as the licensee towards the domestic firms use of the company tourism trademark, knowledge on tourism and globalization of tourism through budget tourism [budget hotels, budget travel, budget accommodations] and technical resources.

### ***5.3 Use of company global supply chains as market entry approach***

The company could use global supply chains in order to achieve market entry into Kenya tourism industry by pre-qualifying Kenya domestic firms [technical resources, organizational resources, physical resources] which could be implemented through electronic commerce or electronic business and online procurement of its travel (Bout and Lin 2004, 43). The use of global supply chains could result into the company use of direct approach or direct distribution approach/strategy that involves direct customer firm contact hence company outsourcing of services from established Kenya businesses investing in the tourism sector.

The company could develop e-literacy platforms and e-travel literacy information websites [that meet Kenya market language demands] in order to gain from use of global supply chain strategy. The company use of global supply chains strategy should be adopted based on competitiveness of global supply chains in terms of cost effectiveness and high efficiencies in achieving returns on investment due to high embeddedness of the business operations on information economy, exploitation of values and competencies of social capital and social networks and sharing of knowledge which would further position the company to adopt open innovation strategy approach (Shiple 2010, 8).

Through use of global supply chains, the company could create value and customer satisfaction through use of global supply chain operators which could provide support, interactive and feedback management to different tourist procurement centers and hence or otherwise play facilitating roles towards benefiting from forward information capability at low costs. Thus, the company could gain from low cost leadership strategy that could form basis for growth of

market size and market share (Tansuhaj 2007, 9). The implementation of the global supply chain strategy however would require the company to demonstrate and have capabilities for international competitiveness and potential for accessing global supply chains, investment in adequate marketing and promotion and development of a logistic system that supports lead times, delivery times and throughput. The company could then identify proactive marketing firms that could provide supportive managerial capabilities for achieving and sustaining long term business partnerships in Kenya. The company therefore would be required to provide the proactive marketing firms with supportive and relevant technical, organizational, human [these could be local Kenyans] and relational capital who could deliver values and competencies of difference customer service quality specifications and requirements (Sulton 1991, 12).

#### ***5.4 The logistic system for the global supply chain operations in Kenya***

Through global supply chains, the company could develop a Kenya specific [specific country globalization strategy/approach] that is characterized by implementation of best managerial and leadership practices towards the company capability to achieve competitive advantage and maintain stable market share (Polkinghorne 2005, 79). The company could exploit values of Resource Based View Model towards developing and achieving sustainable entrepreneurial capabilities that are characterized by efficient logistic systems structured at reduction of operating costs, incremental profitability and exploitation of low cost leadership strategy. The company management of efficiencies of a supply chain should contribute into increased stakeholder management of a service distribution channel.

According to pre-modernism theories, the company should implement direct approach in business through involvement of direct customer interactions, for instance mail, telephone and using the manual paper work methods [which should depend on customer needs and requirements and specifications]. In order to enhance value of customer interactivity, the company should implement integrated marketing communication through websites, e-ordering, e-payments, e-marketing, e-distribution to access and targeting tourism service markets (Roseman 2005, 31).

The company should utilize web 2.0 paradigm in order to gain from competitive advantage of knowledge economy/information economy that is characterized by eruption of information related technologies; Electronic Data Interchange (EDI) and the internet satellites which are dependent on global Positioning Systems (GPS) and Decision Support Systems (DSS) with the proactive marketing firms which all assist in the achievement of real time computer-based decision making using appropriate techniques. The company should ensure impetus inventory reduction could contribute into achieving values of Just in Time Procurement /Logistics supports “Efficient Consumer Response” (Porter 2005). In implementing global supply chain, the company should develop a logistic system that meets and satisfies demand for Kenya legislative and regulative compliance, improved vendor management, reduction of costs through innovations and process involvements, increased commitment to carbon reductions among others which

would ensure the company operations are built on green technologies, green logistics, environmental conservatism and conformity to reduction of greenhouse gas impacts like global warming (Rouse 1999, 32).

The company logistic system should be structured on plans for agency theory use in managing different partners such that the company structured logistic system contributes into entrepreneurial competitive advantage through stakeholder co-responsibility. The company should identify rationale for implementing vertical integration towards gaining value of strategic logistic system where customer or stakeholder has power and control of service quality. The company customer and stakeholder management should form foundation of core values of the company vertical integration that is should further be enhanced by capabilities and values associated with forward integration.

Co-responsibility in logistic systems should ensure the company doesn't suffer decreased in working capital. Through Co-responsibility between stakeholders, the company should implement aspects that define lean production and lean enterprises in a service industry and hence or otherwise aligns entrepreneurial processes to green management and green logistics. The company should ensure its direct distribution approach; logistic system and proactive marketing firm management are aligned towards contributing into entrepreneurial self-managed teams, self-controlled teams and poly-centers of entrepreneurial process co-ordination.

### **5.5 Mitigation of supply chain challenges**

The company should utilize Theory of Constraints (TOC) in order to solve bottlenecks in her global supply chain through a logistic paradigm that meets and conforms to Kenya market. The company should improve Kenya specific global supply chain through implementation of five key determinants of logistics paradigm through

- Identification of constraints in the global supply chain that could predispose global supply risks
- Identification of appropriate process and logistics policy that could promote higher company performance
- Identification of rationale for exploiting constraints towards improving supply chain performance in Kenya
- Identification of measures for eliminating bottlenecks in the supply chain in Kenya tourism market
- Subordination of step three and four by utilizing three A (3A) model (Assessment, Action, Analysis)

The company should utilize global supply chain that is specific in Kenya through use of (Theory of Constraints) TOC logical thinking process (TP) in order to determine elements of global supply chain that may impact on market entry effectiveness, and managerial policy on market entry that need change or restructuring, the expected change in managerial policy and its impacts on Kenya market entry strategy; and rationale for implementing the change of managerial policy in Kenya's proactive tourism marketing firms (Eisemhardt 1989, 6).

The company should develop TOC decision tree diagrams and decision logic diagrams, cause-and-effect analysis, what-if analysis and use of Current Reality Trees (CRT) in order to identify system constraints that could be brought about by challenges predisposed by different Kenya tourism industry market. The use of Future Reality Trees (FRT) should make the company to determine capabilities of the proposed solutions to bring about change in managerial policy and how managerial policy could impact on effectiveness of the Kenya market entry. The company should further use TOC via implementation of Evaporating Cloud (EC) and Pre-requisite Trees (PRT) towards identification of necessary elements that could efficiencies of Kenya tourism market penetration.

#### **5.5.1 Foreign Direct Investment**

The company could implement Foreign Direct Investment (FDI) with aim of achieving higher control and ownership of tourism operations in Kenya. Thus, the company could invest directly into Kenya which could involve the company's transfer of resources and planning of relevant intellectual capital that could support FDI (Hyde 2000, 66). In implementing and planning intellectual capital transfer, the company should plan FDI through financial capital required to start and run the FDI, technological demands and requirements as well as financial resources that could support targeted technological capability; and personnel or human capital required to manage other organizational capital and relational capital.

The company could implement FDI through acquisition of existing competent company or establishment of new enterprise that would execute independent marketing and operations either independently or through contracting or outsourcing of services. The company should plan rationale it could reduce import barriers, cross border taxes, cultural resistance by adopting a centered localization strategy, mechanism for pricing its services to compete in the market, rationale for achieving high returns on investment through exponential growth of sales and engaging political or government support to achieve penetration into the market as well as reduce influence of political risks (Luo 1999, 66).

The company use of FDI should be defined by adequate knowledge on Kenya local tourism market, presence/availability of local human capital that could contribute into achieving required technological and organizational growth, rationale for managing knowledge spillover impacts and strategies that could promote perception of the firm as a local through employing local citizens and using established local logistics and distribution chains or established tour

operators. The company should define rationale for allocating resources in order to reduce threats associated with resource demand and commitment and disadvantage of managing FDI.

### **5.6 Management of issues associated with market entry strategies**

The company should develop a framework and policy that should be used to manage issues related with Kenya market entry strategies. The framework should identify fitness of the service or product to the Kenyan tourism market based on market characteristics at different times of the year. The company should define uniqueness of the service and products, and rationale it could utilize service quality uniqueness towards attaining competitive advantage (Kotler 2005). The management should ensure the company identifies and quantifies barriers of entry to the Kenyan tourism market. The company should define the design of the business model fits the characteristics of Kenyan tourism market by promoting capabilities for target market to develop brand identity. The management should ensure the company tradeoff between Kenya market entry through FDI or setting up local office or through licensing, joint ventures or acquisition. The company managerial capability should define structure for insuring non-payments or default of customer payments. This implies, the management should define market entry parameters like mechanism and methods for addressing legal issues or conflicts with partner companies and rationale for insulating business processes from inflation or financial crisis.

The company should define managerial capability and corresponding determinants of success to Kenya market entry and devising market entry strategies through development of commitment to long term personnel relationship and management. For instance, the company should establish managerial positions like Chief Executive Officers (CEO), and Board of Governors (BOG) that should collaborate in identifying competitiveness of local office, or FDI, or training needs and design and criteria for implementing promotional activities. The managerial capability should be defined and demonstrate foundation for relationship management through analysis of partners competitiveness to meet demands for projected tourist functional, technical and operational needs through training and development of employees or agencies and comparative analysis of joint venture partner-firms. The relationship management should demonstrate compliance with statutory requirements, legislative demands and politico-legal framework for service quality, internal control and accountability (Lall 1990, 66).

The managerial capability of the firm should be characterized by the company development of realistic time frames and budgets, rationale for improving market size and share, develop strategies for improving security of company online networks and local areas networks that are part of the company information technology systems. The company should develop framework for improving market share and size and leveraging on market share and size, policies and structure for decreasing terms for accessing financing in Kenya market. The company should also develop and plan a mechanism for improving reputation and confidence amongst key stakeholders, software that should be used to support customer interactivity by outsourcing



service from reputable companies and relevance of personnel skill competencies. The company should also develop and plan a mechanism for achieving close customer-firm contact and credibility sustainability (Lenton 2003, 88). See Appendix 2. Table 3.

### 5.7 Contract co-ordination

The company should plan the rationale and framework for contract co-ordination. The contract coordination process should be characterized by the following parameters namely

- The quality of supply of credit
- Quality of production inputs
- Timing of tour scheduling
- Pricing policy and pricing strategy
- Specifications on quantity of tourists based on single or package tour
- Alignment of operations to revenue or yield management towards demand responsive pricing strategy

The company should identify rationale for institutional links between different partners in order to harmonize its tour operations. The institutional linkage could contribute into the following outcomes; Improving flow of finance, Framework and strategy for improving information and technology and Framework for sharing risks between company and partner organizations

The company should define institutional linkage through development of framework for vertical, horizontal or reverse/forward integration or upstream and downstream. Which ensure company upstream and downstream activities are planned and executed based on need to meet or exceed customer satisfaction. The company institutional linkage planning should further be characterized by future possibilities of spill-over effects or knowledge spillover into domestic Kenyan markets through targeting of higher quality services to meet need to utilize premium pricing strategy and approach in optimizing profit margins (Maane 1983, 35). The spill-over effects should also be appropriately planned and managed towards targeting of market segments that are more profitable or through seasonal management of tourist influx, that is dependent on international political climate, economic conditions or inflationary pressures for instance current Euro Zone sovereign debt crisis that has contributed into decreased destinations and travel.

The company should also utilize institutional links in order to establish tour trade associations or become member to exiting tour trade associations which could improve capacity of the company to gain a local face and competitive advantage of centered localization strategy (Rouse 1999, p. 32). Through company institutional linkage, the tour trade associations could become contact points between company and target customers which could result into formation of a marketing approach, dissemination of relevant market information on tourism and competitive firms and possibility of the firm to gain from liaison with different government agencies and authorities on tourism industry. In addition, institutional linkage could provide

environment for the firm to understand different standards [market, political, economic, legislative, and regulative] and rationale it could impact on market consumption structure at domestic and international level (Morris 2005). See Appendix 2 table 4.

The company should adopt and implement an institutional linkage defined by capabilities of the company to link tour cross border operators with Kenya domestic market operators. The domestic market and international market linkage should be defined contracts that meet either seasonal or annual requirements. The management contracts should ensure the company improves capabilities for success in Kenya market entry, capability for entry into the Kenyan market and business expansion, gains from benefits of improving service structure information change hence potential for leading and managing change. See Appendix 2 table 5.

The institutional linkage should provide rationale for the company to share information and data between partners. The institutional linkage should be strengthened by quality of services offered; quality of products offered to service the quality of service, improve non-interrupted flow of information and structures a framework for contract management based on penalty option for cost and time overruns (Luo 1999, 36).

## **6 Economic feasibility of the company Kenya market entry**

The company should develop a strategy that should form foundation for corporate social responsibility through setting up of projects that are meant to improve community engagement of the company, participation in public private initiatives (PPI), sponsorship of events as well as sponsorship of education programs (Piercy 1982, p. 30). Planning corporate social responsibility could facilitate in creation of awareness of the company tour activities. The company should develop employment policies that should be structured on company capability to gain from implementation of centered localization strategy if it implements FDI in Kenya by utilizing Kenyan employees at management level that have directing capabilities and use of foreign expatriates who should play the roles of facilitators.

The company should develop policies and framework for improving potential to improve foreign exchange/revenue earning capabilities and rationale it could promote other industries that support effective performance of tourism industry for instance providing financial support to farmers, horticulturalists, floriculturists, transport sector and participation in building new roads for instance tarmacking of tourists and game parks murrum roads to improve lead times. The company should also participate in environmental protection through Kenya Green Belt movement liaison which could demonstrate social and ethical responsibility of the company not only towards compliance with Kyoto protocol on environmental sustainability but also to actively take part in restoration of ecosystems (Polkinghorne 2005, 31).

The company should develop a pricing policy that would result into implementation of yield management/ revenue management through use of a demand responsive pricing strategy. The demand responsive strategy could result into increase of costs or travel costs when tourism is at high peak or use of a payment policy where early payments for consumption of a future tour service could be paid in advance at a lower cost. The company should develop a framework on rationale it could implement budget travel and tour through use of low cost leadership strategy. In addition, the company should conduct market and seasonal trends in tourism in order to determine drivers for high season for instance the May-July wild beast migration from Serengeti into southern Kenyan border. Further, the company should identify rationale it could utilize values of cultural experience to improve on returns on investment (Johnson 2006, 33).

## 7 Discussion

The analysis on market entry of the company through FDI (Foreign Direct Investments) should be based on location advantages. The location advantages should be structured on values like cultural distance through determination of influence of language, ethnicity and religion on market entry and product performance (Porter and Miller 1985, 34). For instance, cultural distance could result into setting up local offices or merger or licensing to firms operating in Nairobi and its environments and western and rift valley regions due to common cultural characteristics of the locations. The company should in addition identify contribution of institutional linkage through determination of role played by the administrative distance on performance and future growth and development of the company.

Some of the administrative distance dependent factors include institutional weaknesses, government policies, regulatory and legislative environment and rationale it models legal and political environment for the business. The company, as a result could set up operations or establish licensing or mergers and acquisition or joint venture with firms located in Nairobi City, Mombasa City and Kisumu city due to higher institutional strengths, stronger government policies, access to administrations and ministries of tourism and access to key person who could certify the firm for ISO standards at a lower costs (Porter 1985, 31).

The company should determine location advantages through use of geographic distance for instance identification and analysis on possibility of lack of political boarder that may predispose future political risks that may undermine operations, physical remoteness of the location hence inability for the company to gain from convenience element that determines consumption structure. The company should also conduct analysis on location advantages through analysis of the potential site economic distance like variability of consumer incomes and cost differences and rationale they model the consumer lifestyles. Economic distance could result into the company setting up operations or establish licensing or mergers and acquisition or joint venture with firms located in Nairobi City, Mombasa City and Kisumu city. The location advantages through determination of economic distance should result into determination of age

group of the economically active population and their purchase behavior. This has capacity to identify if the target population has higher propensity to spend on tour (Roseman 2005, 30).

The company location advantage of different cities in Kenya should explore factors like population, culture, consumption structure, industry structure as a function of economic stability of the city and competitors strengths towards affecting the company equity and leverage ratio, cost of labor; economic stability of the city for instance for instance rate of the growth of the city, income characteristics of city, cost of operating in the city, availability of suppliers and weather factors.

The company could adopt extensive ownership and control of its operations in Kenya through 100% ownership, however, 100% ownership and control of operations require higher commitment in management, higher capital input and higher managerial capacity and dynamism. Through capability to communicate and control ownership at 100% could result into the company elimination of use of joint ventures or licensing due to disadvantage of possible competition from the partner licensed.

The company Kenya market entry should be characterized by repatriation of earnings and capital formulae and increased monitoring of the company economic, growth, financial, entrepreneurial, organizational and managerial performance based on different elements that define intellectual capital. The company use of total control ownership should be adopted by the company due to higher capital gains that are associated with 100% ownership and control stakes (Hyde 2000, 12).

The company could adopt other Kenya market entry apart from ownership of management, control and directing capabilities for instance licensing, joint ventures base on different scale or format for implementation or depending on contractual agreements. The company use of other modes of Kenya market entry should be dependent on choice between the company owned or controlled or level of integrated channels that define business operations and functionality or level of independence of marketing channels.

The company should identify trade off or opportunity costs on using independent channels or dependent channels in order to determine opportunity cost in foregoing a given mode of Kenya market entry. Use of integrated channels should be informed by decisions and choices on 100% control of planning, 100% control of resources [it is easy to implement micro-economic input-output model], 100% control of flow of information and rationale information flow could contribute into loss of competitive advantage; rate of Kenya market penetration and capability of the company to track its market growth visibility and growth of brand identity, reputation and market share.

In order for the company to achieve benefits associated with the use of integrated channels, it should adopt a strategy that is characterized by allocation of adequate resources to implement marketing, brand building, membership of marketing associations and affiliation to key partners

and stakeholders in the ministry of tourism. The company should have a framework and policies for managing cultural risks, improving credibility of business. In addition, the company may opt for independent channels if it has low capital inputs however; independent channels are characterized by lower costs of performance, lower risks, low capital inputs, high costs of knowledge and low credibility. The company should define criteria for managing challenges that are predisposed by low co-ordination capabilities, and low control activities. The company should determine mechanism through which it could implement and invest in Kenya market development.

The company should identify mechanism for achieving Kenya market expansion either through joint ventures or mergers and acquisition or divesture and diversification into other tourism sectors that are secondary to tourism management and operations for instance developing independent accommodation facilities, establishing framework for market segmentation in order to implement criteria for implementing revenue or yield management that would contribute into a demand responsive pricing strategy where different customers, depending on different markets segments would pay different prices for use of the company services. In addition, the company should adopt and integrated market entry approach defined by Kenya market entry strategy that are ethnocentric strategies and polycentric strategies as well as geocentric orientation of the market entry strategy. Thus, the company could develop framework and structure for decentralization of its operations through integration of strategies, identification and formulation for controlled inputs, use of Kenya regional data for instance Kisumu City data on tourism, Nairobi city tourism data and Mombasa City tourism data. This implies that, the company should adopt a predatory strategic approach towards ongoing market analysis of the three major cities in Kenya, namely Nairobi City, Mombasa City and the Kisumu City in order to develop appropriate market entry into each of the cities and rationale for market growth. This has potential to ensure the company sets attainable sales goals that should conform to business market entry plan (Pavord 1991, 54). The company should utilize the market business plan, sales growth deliverables in order to develop a sustainable and durability of the company market positioning as well as company value proposition vis-à-vis competition rivalry in the Kenya tourism market and identification of rationale the company should utilize Michael Porter's five forces of competition rivalry in order to maintain sustainable market positioning.

The company should also develop a tactical market entry plans and corresponding market growth forecast plans that should be aligned to the business process management practices and business continuity management strategy and approaches. Thus, the company should utilize market segment data with regard to Nairobi City, Mombasa City and Kisumu City tourism data towards launching market offers and adoption of best practices to implement the process management plan and continuity management plans. In addition, the market entry strategy should conform to company's identified pricing model and policy as a function of tariffs barriers and tax incentives. In addition, the company Kenya market entry strategy should be defined by

formulation of sales and distribution channel framework and structures which could result into company's capability to define and design a projected brand that suits and fits the Kenya tourism market. The company in addition should develop a communication plan for sustaining stakeholder relationship manages.

The results from this study were both positive and negative. However, it is clear that, Kenya provides a good opportunity for success a small startup company that wish to venture into the tourism market industry. However, the start-up business has to be prepared to consider a joint venture or merger so as to co-exist with the already competition and also the market dominance of the bigger companies. Consequently, the process of implementing and initializing the market entry to an actual business venture could be a possible success especially when the protocols and standards that govern the running and maintenance of business ventures are followed.

Specific results show that the roads in numerous tourist attracting sites are murrum or non-tarmac roads which could contribute into delays in tourism through long periods of vehicle sticking on the roads which could predispose risks of attack by wild animals and robbers (Luo 1999, p. 89). The weather risks are prone during the rainy season. Therefore, the weather risks have capacity to decrease sales turnover and customer satisfaction. Moreover, the poor infrastructure in Kenya affects the success of the tourism industry. Any company that wishes to venture into this market should determine the rationale it could use to reduce exposure to systemic risks. The company should develop a mechanism for mitigating systemic risks that affect other tourism investors. Poor infrastructure results to lead times or delays in travel due to low number of vehicles or inadequate service quality which could predispose negative attitudes to Kenya travel as a tourist destination (Rouse 1999, p. 55).

Any company that wishes to enter the Kenyan market should also identify factors that could predispose exposure to foreign exchange risks that could arise due to fluctuation of foreign currencies. The company should develop measures and strategies for insulating the company from exposure to systemic risks, geo-political risks that predispose fluctuation of foreign exchange rates by pegging its currency on United States Dollar that is more stable due to political stability of United States of America (Hyde 2000, p. 66). Using a single form of currency that is stable and universally accepted as an international form of currency it makes the risk of currency instability very minimal. Hence, this is why most companies dealing with foreign trade like basing their products or services on the United States of American dollar.

Nonetheless, any company wishing to venture into the market should develop a rationale it could insulate its operation such that it does not expose its operation to liquidity risks that could affect working/operating capital. The company should identify drivers of liquidity risks and develop appropriate mechanism for reducing exposure to liquidity risks (Jain 2007).

From the above research, it is true that entry into the foreign markets are defined by timing of the entry to the market that makes it possible to utilize the opportunity alertness or predatory

approach to market expansion and hence the potential to gain from the early market entry and the first mover capabilities. Note that the timing for entry of foreign market is dependent on the financial resources, service lifecycle, and perishable level of the service which is further modeled by strategies like waterfall model, wave strategy and sprinkler strategy (Brandenburger 2002, p. 34).

The Kenya tourism industry is characterized by different experiences that sustain tourists' attraction for instance the Kenya safaris, bird watching, people and culture of Kenya and great wild beast migration (Burns and Bush 2005, p. 79). Tourism's industry in Kenya, through tour operators, could gain from cross political borders that form foundation for achieving and exploiting tourism competencies in neighboring nations such as Tanzania Safari, the Botswana Safari and the South Africa Safari. Kenya provides a unique opportunity for the tourism industry entry and is deemed for success if it can handle the weather risks, foreign exchange risks and systematic risks.

Further research is needed to determine how the company will develop pricing policy which would ensure implementation of the yield management, the revenue management by the use of effective pricing strategy. Moreover, there is a need for further research on how the company will develop strategy which will form the basis foundation for the corporate social responsibility by coming up with projects which ensure improved community engagement of the given company, the participation in private initiatives, sponsoring of events and also the sponsorship of education programs.

Note that the analysis of the market entry of the company through FDI should be done on the basis of locational advantages. Further, the locational advantages need to be structured on the values such as cultural distance, the language influence, ethnicity and religion of the given market entry. This implies that for the cultural distance, the new industry would come up with the local offices or mergers or the licensing firms that operate in Nairobi and its adjacent areas and Western and Rift valley regions which have common cultural features of the locations.

Moreover, the company needs to identify the role of institutional linkage which will influence the role played by the administrative distance on the company's performance and further growth and its development. It is clear that some of the factors of administrative distance include the weakness of the company, the government policies, regulations and the legislative environment and the way it will model its legal and political environment for the given company. This implies that the company would come up with licensing or mergers and acquisition or the joint venture with the companies that are based in the city of Nairobi, Mombasa or Kisumu as a result of their institutional strengths, good government policies, their access to the administrations and the tourism ministries and being near to the person who would certify the firm's ISO at less costs.

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## Appendix 1.

### Abbreviations

3A model- Assessment Action Analysis

1. 680 Hotel- Six Eighty Hotel
2. ANTOR- The Association of National Tourist Office
3. BOG- Board Of Governors
4. CBD- Central Business District
5. CEO- Chief Executive Officer
6. CRT- Current Reality Trees
7. DSS- Decision Support System
8. EC- Evaporating Cloud
9. EDI- Electric Data Interchange
10. FDI- Foreign Direct Investment
11. FRT- Future Reality Tree
12. Glocal- Globalization-Localization
13. GPS- Global Positioning System
14. IAGTO- International Association of Golf Tours Operators
15. ISO- International Standards for Organizations
16. KATA- Kenya Association of Travel Agents
17. KATO- Kenya Association of Tour Operators
18. KGMA- Kenya Golf Marketing Alliance
19. KTA-Kenya Travel agency
20. KTB- Kenya Tourism Board
21. KTDIG- Kenya Travel Directory and Information Guide
22. KTO- Kenya Tour Operators
23. KTOTA-Kenya Tour Operators and Tour agency
24. PESTLE- Political, Economic, Social, Technological and Environmental.
25. PPI- Public Private Initiative
26. PRT- Pre-Requisite Tree
27. SWOT- Strength, Weaknesses, Opportunities and Threats
28. TOC- Theory Of Constraints
29. TP- logical Thinking Process

Appendix 2.

Table 3. Matrix for comparing alternative methods of market entry

Kenya market entry mode							
Evaluation criteria	Indirect service export	Direct service export	Marketing subsidiary	Counter trade	Licensing	Joint Venture	wholly owned Operation
A. Company goals							
B. size of company							
C. Resources							
D. Product							
E. Foreign remittance							
F. Rivalry of Competition							
G. Middlemen characteristics							
H. Environmental characteristics							
I. Number of markets							
J. Sustainability of Market							
K. Market feedback							
L. International market learning							
M. Ownership and control level							
N. Market costs							
O. Profits							
P. Investment							
Q. Administration personnel							
R. Foreign problems							
S. Flexibility and adaptability							
T. Risk exposures							

Table 4. Institutional arrangements linking producers with processors/exporters

Commodity	Market co-ordination	Contract co-ordination	Ownership interaction	Association co-ordination	Government co-ordination
Kenya tourism board	X	X	X	X	X
Kenya Association of Travel Agents (KATA Kenya)	XX	XX	X	XX	X
Association of National Tourist Office (ANTOR)	XX	XX	X	XX	X
International Association of Golf Tour Operators (IAGTO)	X	X	X	XX	X
Kenya Tour Operators and Travel Agencies (KTOTA)	XX	XX	X	XX	X
Kenya Travel Agency (KTA)	XX	X	X	XX	X
Kenya Association of Tour Operators (KATO)	XX	XX	X	XX	X
Kenya Travel Directory and Travel Guide (KDTDG)	X	X	X	XX	X
Kenya Tour Operators (KTO)	XX	X	X	XX	X

XX = Dominant linkage



Table 5. Linkages between main tourism industry players and stakeholders

Commodity	Market co-ordination	Contract co-ordination	Ownership interaction	Association co-ordination	Government co-ordination	Marketing risk reduction
Kenya tourism board	X	XX	X	X	X	X
Kenya Association of Travel Agents (KATA Kenya)	XX	XX	X	X	X	XX
Association of National Tourist Office (ANTOR)	X	X	X	XX	X	XX
International Association of Golf <i>Tour</i> Operators (IAGTO)	X	X	X	X	X	X
Kenya Tour Operators and Travel Agencies (KTOTA)	XX	X	X	X	X	X

Where XX denotes dominant linkage