

The effect of strategic alliances on competitive advantage in the travel and tourism industry in Kenya: a case study of selected tour operators in Nairobi City County.

by

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12-0001

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THE EFFECT OF STRATEGIC ALLIANCES ON COMPETITIVE ADVANTAGE IN THE TRAVEL AND TOURISM INDUSTRY IN KENYA: A CASE STUDY OF SELECTED TOUR OPERATORS IN NAIROBI CITY COUNTY.

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DECLARATION

THE EFFECT OF STRATEGIC ALLIANCES ON COMPETITIVE ADVANTAGE IN THE TRAVEL AND TOURISM INDUSTRY IN KENYA: A CASE STUDY OF SELECTED TOUR OPERATORS IN NAIROBI CITY COUNTY.

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I hereby declare that this thesis is my original work and has not been submitted to any college university for academic credit.

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LIST OF ABBREVIATIONS AND ACRYONYMS

ARU	Australian Rugby Union
GDP	Gross Domestic Product
SCP	Structure Conduct Performance
STO	Sport Tour Operator
SWOT	Strengths Weaknesses Opportunities and Threats
UNWTO	United Nations World Tourism Organization

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ABSTRACT

The concept of strategic alliances has gained attention in the recent past as firms seek to attain a competitive advantage in the tourism and travel industry in Kenya. The current highly unpredictable and competitive environment is having a profound impact on the tourism travel industry which has led to the formation of alliances to withstand the turbulent times. The study focused on 45 selected tour operators in Nairobi obtained from the Kenya Association of Tour operators in Kenya using purposive sampling technique. The researcher interviewed 3 representatives from each company drawn from the director's office, finance and marketing departments. The study found out that various strategic alliances were used by tour companies, these are, collaborative innovation, joint marketing and co-branding. Most tour companies entered into alliances with hotels and travel agencies who have a direct link with customers. These alliances were all found to have an effect in achieving competitive advantage by tour operators in Nairobi City County achieve competitive advantage. It was found out that strategic alliances helped in developing differentiated products, growing sales volume, enhancing customer satisfaction and increasing the companies' market share. The study recommended that further studies should be done to be able to understand what other factors, apart from strategic alliance, [what other factors] will enable tour companies in Kenya to enhance their competitive advantage. The researcher recommends that tour companies adopt strategic alliances through joint marketing, collaborative innovation and co-branding to enhance their competitive position in the market. However, the alliances should be regulated by establishing policies and guidelines on their implementation to ensure mutual benefit between alliance partners.