Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

# Effect of Competitive Aggressiveness On Performance of Star Rated Hotels in North Rift Region, Kenya

<sup>1</sup>Joan Bii, <sup>2</sup>Caleb Akuku and <sup>2</sup>Kimutai Geoffrey <sup>3</sup>Robert Onyango

<sup>1</sup>PhD Student Kisii University <sup>2</sup>PhD Kisii University <sup>3</sup>PhD Eldoret National Polytechnic

doi: https://doi.org/10.37745/ijbmr.2013/vol11n8116

Published August 13 2023

Citation: Bii J., Akuku C. and Geoffrey K. and Onyango R. (2023) Effect of Competitive Aggressiveness On Performance of Star Rated Hotels in North Rift Region, Kenya, *International Journal of Business and Management Review*, Vol.11, No.8, pp.1-16,

**ABSTRACT:** *When customers are delivered a service that is merely 'acceptable', their heads* will be easily turned if a better provider comes along. Therefore, hotels should constantly be competitively aggressive in order to sustain their customers delight for their profits to thrive and attain high performance. This is because competitive aggressiveness has an effect on firm performance. However, there are limited studies conducted on the effect of competitive aggressiveness on the performance of star rated hotels in the context of developing countries. In this regard, this study was designed to assess the effect of competitive aggressiveness on performance of star rated hotels in North Rift Region, Kenya. The study was grounded on stakeholders' theory. This study relied on positivism philosophy and explanatory research design based on samples drawn from across the star rated hotels in North Rift Region. The target population was 575 hotel employees. Data was collected by use of self-administered structured questionnaire and was analyzed by use of both descriptive and inferential statistics using SPSS version 25. The findings showed that competitive aggressiveness significantly affects performance of star rated hotels. Competitively aggressive star rated hotels are more likely to improve their competitive positions, market share, and increase their performance if they transform themselves and evolve with the times. Basing on the stakeholder theory, for competitive aggressiveness the hotels have to be incarnate of forward looking and opportunity seeking strategies in anticipation of future trends and demands of the stakeholders to capitalize on their performance.

KEY WORDS: competitive aggressiveness, performance and hotels

## **INTRODUCTION**

Globally hotel industry is *facing high competition with each other* due to globalization, technological innovation, almost similar service offering. This warrants the need for hotels becoming competitively aggressive by selecting the most suitable strategy to gain their competitive advantage. Competitive aggressiveness helps the hotels maintain their position as leaders and their market share relative to challengers (Aigboje, 2018). Therefore, the hotels

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

## Publication of the European Centre for Research Training and Development-UK

have the obligation to aggressively capture their customers by analyzing and meeting their emerging needs in the rapidly changing environments to outperform its competitors in the marketplace. This is underpinned by the fact that meeting the customers experience should be the core of any business strategy.

However, Powell, (2023) notes that a 'good service' is expected by customers it is a hygiene factor that does not drive satisfaction higher, but it will drive it lower if it is not fulfilled. Thus, if customers are delivered a service that is merely 'acceptable', their heads will be easily turned if a better provider comes along. Therefore, hotels should constantly be competitively aggressive in order to sustain their customers delight for their profits to thrive and attain high performance. This is because *competitive aggressiveness has an effect on firm performance* (Linyiru & Ketyenya, 2017). Maintaining healthy competition among hotels is critical for consumers and operators. *Competitive aggressiveness* ensures guests get the best value for their money and quality customer service, and that all operators earn their fair share with maximum profitability (Pradip, 2023). Thompson et al., (2007) add that competitive advantage is the key to above average profitability and financial performance. This is because or ability to command higher prices, thus driving up earnings, return on investments and other financial performance indicators.

Competitive aggressiveness refers to a firm's propensity to intensively challenge its competitors to improve its market position and outperform industry rivals in a marketplace (Lumpkin & Dess, 1996). A hotels' extent of competitive aggressiveness depends on how forcefully it takes diverse actions to outperform its competitors in the marketplace. Indeed, the prior research has shown that competitively aggressive firms are more likely to improve their competitive positions, market share, and increase their performance (Asika & Konya, 2020). Competitive aggressiveness entails a combative and forceful approach toward rivals through pre-emptive actions and aggressive responses to attacks (Lumpkin and Dess 2001). By region, Europe (+6%) was the best performer in terms of hotels. Contrary to previous years, growth was higher in advanced economies (+5.0%) than in emerging ones (+3.8%), due largely to the strong results in Europe, and the setbacks in the Middle East and North Africa. Nigeria remains the most active market in sub-Saharan Africa for hotel development in 2013, with nearly 7,500 rooms under development, an increase of 10% from 2012. On the leisure side, coastal Tanzania is drawing international attention (Ngandu, 2014).

Besides, hotels succumb to stiff competition with some tourists preferring other destinations such as South Africa, Tunisia and Morocco to Kenya resulting in some hotels experiencing poor performance (Oketch, Wadawi, Brester, & Needetea, 2010). This is further evidenced by the hotels recording low occupancy rates averaging at 34.4% in Kenya against the Sub-Saharan market at 59.4%, which is an index of poor performance (Cytonn, 2019; KNBS, 2017). Therefore, hotels in Kenya embracing a competitively aggressive posture remains inevitable for their performance. However, most studies on competitive aggressiveness and performance of hotels have been conducted in developed countries. This has invoked the need for

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

interrogating the effect of competitive aggressiveness on performance of hotels in North Rift region, Kenya.

## **Specific Objectives**

The study was guided by the following specific objectives

i.To evaluate the effect of competitive aggressiveness on the performance of star rated hotels in North Rift Region, Kenya.

## LITERATURE REVIEW

## **Stakeholders Theory**

Stakeholder theory was introduced by Edward Freeman in 1984. Stakeholder theory emphasises the interdependencies between a company's different stakeholders, such as clients, suppliers, employees, investors, communities, and other people or organisations with a stake in the company. According to the theory, businesses should prioritise stakeholders overall rather than just shareholders. Managers must achieve a balance between the interests of different stakeholders to ensure sustainable and ethical value creation. Stakeholder theory posits that prioritising stakeholders contributes to an organization's ability to generate value across multiple dimensions, ultimately enhancing organisational performance.

An organization's objective concerning its customers is to develop products and services that are perceived as offering a favourable balance between the utility received and the value exchanged. Higher levels of competitive aggressiveness in an organisation are believed to lead to increased value for the firm's stakeholders. The entrepreneurial actions of organisations significantly impact the generation of stakeholder value. Competitive aggressiveness is crucial for meeting the demands of various stakeholders. Hitt, Ireland, Sirmon and Trahms (2011) argue that firms that take strategic actions based on stakeholder theory experience increased organisational competitiveness and performance. Hotels should prioritise competitive aggressiveness as a dimension of entrepreneurial orientation to ensure that stakeholders receive sufficient utility. This will foster continued and cooperative engagement with the hotel, leading to improved performance. Stakeholder theory posits that businesses achieve success by providing value to the majority of their stakeholders. Stakeholder theory has been criticised for its assumption that the interests of different stakeholders can only be compromised or balanced against one another.

The literature review examined the correlation between competitive aggressiveness and business performance.

## **Competitive Aggressiveness and Business Performance**

Competitive aggressiveness is the term used to describe the strategic behaviours and activities used by organisations to outperform their competitors. For businesses to win a sizable market share in their respective industries, strong competition is essential. Competitive aggressiveness implies making significant attempts to outperform rivals in the same industry. Competitive aggression is the tendency to confront rivals head-on and forcefully rather than trying to elude or avoid them (Bleeker, 2011). A few examples of aggressive techniques are price cuts and

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

#### Publication of the European Centre for Research Training and Development-UK

increased funding for marketing, quality enhancement, and increased production capacity. When a company enters a market, its competitiveness aggressiveness is defined as its propensity to aggressively and vehemently fight its rivals in an effort to outperform them. The approach regarding competitiveness aggressiveness aligns with the traditional perspective of analysing strengths, weaknesses, opportunities, and threats. However, this approach may not be consistent with the hyper-competitiveness model and dynamic competitiveness line. According to Muhonen (2017), firms that take more actions and execute them quickly tend to achieve higher profitability and larger market share.

Blackford (2010) investigated how competitive aggressiveness affected American corporate performance. According to the study, there is no connection between the level of hostility within a company and the violent statements made by CEOs. The study's findings indicate that CEO statements indicating competitive aggression have no discernible impact on the performance of their firms' competitors. The study also discovered that aggressive organisations performed better than others. The causal relationship between network capabilities, knowledge production, innovativeness, competitive aggressiveness, and business performance at private institutions in East Java, Indonesia, was examined by Panjaitan et al (2021). in 2021. According to the results, competitive aggressiveness plays a beneficial mediating function in the relationship between network capabilities show that while network capabilities does not significantly affect competitive aggression, knowledge generation and innovativeness do. The results cannot be transferred to the hotel sector because the study was restricted to academic institutions.

The various implications of each entrepreneurial orientation component on competitive strategy, as well as the consequences of cost leadership and differentiation on performance, were studied by Christian and Sveinn (2015). The differentiation strategy and innovation showed the strongest link. Risk-taking, competitive aggression, and both differentiation and cost leadership methods all had a negative connection. The association between performance and the strategies of differentiation and cost leadership was found to be favourable. The study looked at risk-taking and differentiation as competitive strategies that diverge from the prevalent strategy, which emphasises competitive aggression through parameters including demand cycle time, aggressive marketing, and durable competitive advantage. The conclusions of the study can only be applied to the Kenyan environment due to its French location.

Teresa and Covin stressed the importance of aggressive competition in terms of South African corporate success. The study's findings showed that in hostile situations, high-performing firms exhibited an aggressive competitive orientation, whereas low-performing firms tended to take a more passive stance. For the high- and low-performing categories, there was no discernible difference in the relationships between competitive aggression and environmental technological sophistication. Younger companies typically fare better in technologically advanced environments when they take a less aggressive stance. A small sample size and the study's setting posed limitations.

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

The effect of competitive aggression on the competitive advantage of small and medium-sized firms (SMEs) in Ogun State, Nigeria, was examined by Aroyeun, Adefulu, and Asikhia (2018). In this study, a survey research design was used. This study discovered that the competitive advantage of small and medium-sized firms (SMEs) is favourably and significantly impacted by competitive aggression. Because this study is specifically focused on the Kenyan environment, its application is only to star-rated hotels in Kenya. A study on the effects of competitive aggression on the performance of state enterprises in Kenya was done by Linyiru and Ketyenya (2017). According to the study, competitive aggressiveness has a substantial impact on how well Kenya's commercial state business' function. According to the study, aggressiveness in the marketplace affects business performance. The study was carried out in commercial state organisations, which differ from star-rated hotels in terms of management and organisational frameworks. This leaves a hole in the existing research.

## **2.3 Conceptual Framework**

This study examines the connection between dynamic capabilities, entrepreneurial orientation, and business performance.

# Independent Variable (Competitive Agressiveness)



Demand cycle time
Continues marketing
Sustainable competitive advantage
Occupancy rate
Occupancy rate
Customer loyalty
Customer referrals

## Figure 2.1 Conceptual Framework

Source Author (2023)

Competitive aggressiveness refers to a firm's strong drive to enhance its position and surpass its competitors (Lumpkin & Dess, 1996 as cited in Azlin, Amran, Afiza, & Zahariah, 2014). This attribute has been found to have a positive association with business performance. This study assesses competitive aggressiveness by examining three factors: demand cycle time, continuous marketing, and sustainable competitive advantage. Subjective and objective measures can be utilised in assessing business performance. Objective measures are derived from an organization's annual accounts or financial records, whereas subjective measures involve obtaining the perception of owner/managers regarding the overall performance of their organisation in comparison to their competitors over a specific time frame. Obtaining objective measures is challenging due to the conservative nature of owner/managers, who are typically reluctant to disclose accurate financial information to external parties. This supports the utilisation of subjective indicators to assess business performance, aligning with empirical research. Numerous indicators are commonly utilised in existing empirical studies. Business performance is commonly assessed using three methods: perceived financial, perceived nonfinancial, and archival financial (Rauch, et al., 2009). This study utilised non-financial strategic

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

indicators and tools, such as quality of service (occupancy rate, customer loyalty), and customer referrals, which were derived from previous studies (Rajnoha & Lorincova, 2015; Wambugu, et al., 2015), to measure business performance.

## **RESEARCH METHODOLOGY**

This study aimed to gather reliable evidence on the relationship between study variables. The data was collected from knowledgeable respondents who could provide accurate information. The study followed a deductive approach based on positivism. This study utilised an explanatory research design. Elahi and Dehdashti (2011) argue that the research design is optimal for assessing the association between variables and predicting the occurrence of social or physical phenomena. The study concentrated on staff members at five-star hotels in Kenya's North Rift Region. As the unit of analysis, hotels with stars were the main subject of the study. 585 participants in the study were chosen from star-rated hotels in Kenya's North Rift region. The administrative and service workers were picked as participants because they deal with customers and are familiar with the hotel industry's competitive environment. As a result, they can offer insightful commentary on the causes behind the study's variables, which they can then extrapolate to a wider range of situations. Using the modified sample size of 236 workers was chosen. 575 people made up the target demographic, according to Taro Yamane (1967), who was mentioned in Adam.

Where:

n = Sample size

N = Population size

e = the error of Sampling

This study allowed the error of sampling of 0.05. Thus, sample size was 286:

= 236

Lundström and Särndal (2002) argue that non-response results in non-response bias in estimates. Additionally, non-response leads to increased variance in estimates due to a reduction in the effective sample size. The non-response rate was calculated using a formula derived from Nilima (2017) based on the sample size. The formula for calculating the final sample size is the effective sample size divided by one minus the anticipated non-response rate. The study accounted for an anticipated non-response rate of 15% when calculating the final sample size.

236/1-0.15=278

The final sample size was thus 278 respondents.

A sample of employees and managers from star-rated hotels were given a standardised questionnaire in order to gather the data. Close-ended questions and items using a 5-point Likert Scale, a commonly used instrument in the social sciences for evaluating perceptions, attitudes, values, and behaviours, made up the questionnaire. We checked the data for consistency and completeness. Addressing missing data and confirming response rates were part of the data processing and screening procedure. missing data were removed from further

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

#### Publication of the European Centre for Research Training and Development-UK

analysis. Percentages, the mean, and the standard deviation were all used as descriptive statistics.

In addition, inferential statistics, such as simple linear regression, were used to analyse the data.  $Y = \beta_0 + \beta_1 X_1 + \epsilon$ ....(1)

Where;

Where, Y represents the performance of hotels.

The symbol  $\beta 0$  represents a constant value.

 $\beta$ 1 represents the coefficients of the variables in the model.

X1 represents competitive aggressiveness, while  $\varepsilon$  represents the error term, which is an unmeasured variable.

The statistical tests mentioned above were conducted using SPSS version 25.

## **RESEARCH FINDINGS AND DISCUSSION**

#### **Descriptive Results for Variables**

This study sought to learn what respondents thought about the performance and aggression of star-rated hotels in Kenya's North Rift Region.

#### **Competitive Aggressiveness**

According to Table 4.1, the study's objective was to ascertain the degree of competitive aggression in star-rated hotels in Kenya's North Rift Region.

Statement	Ν	MIN	MAX	SKEW	KURT	Μ	SD
		%	%	%	%		
The hotel enters new markets first.	238	1	5	-1.057	.530	4.05	1.036
New services are introduced before competitors by the hotel.	238	1	5	-1.137	1.539	4.02	.907
Hotels always provide innovative services to beat competitors quickly.	238	1	5	-1.189	1.437	3.99	.974
To stay competitive, the hotel constantly alters service offering.	238	1	5	-1.500	2.659	4.17	.937
Our hotel invests heavily in marketing.	238	1	5	-1.509	2.196	4.06	1.021
Sustainable marketing helps our hotel gain market share.	238	1	5	-1.124	1.251	4.13	.895
The hotel promotes existing items aggressively.	238	1	5	738	572	3.61	1.297

#### **Table 4.1: Competitive Aggressiveness**

Source: Research study 2023

**Key:** N stands for "number," MAX="maximum," SKEW="skewness," KURT="kurtosis," M="mean," and SD="standard deviation."

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

The majority of respondents (mean = 4.05) agreed that hotels should enter new market segments before their rivals. The data also displayed positive kurtosis (0.530) and negative skewness (-1.057). Nevertheless, there were a few respondents who disagreed or were unsure, as shown by a standard deviation of 1.036 from the mean. Star-rated hotels in the North Break area use market segment strategies to get an advantage over their rivals. The majority of respondents (mean = 4.02) agreed that their hotels frequently offer innovative services before their competitors. Despite this, a standard deviation of 0.907 from the mean indicates that a few respondents differed or were unsure. Additionally, the data displayed a -1.137 negative skewness and a 1.539 positive kurtosis. Star-rated hotels in the north crack district frequently provide innovative services before their competitors, giving them the advantage. The majority of respondents (Mean= 3.99, SD=.974) agreed that their hotels consistently familiarise new services with rivals quickly. However, just a small number of respondents disagreed or were unsure (Minimum=1, Maximum=5). The majority of survey participants (mean = 4.06, skewness = -1.509, kurtosis = 2.196) agreed that their accommodations regularly alter their administration delivery cycles to increase intensity. In any case, with a standard deviation of 1.021 from the mean, a few respondents expressed uncertainty or disagreement. As a result, it is very likely that highly rated hotels in the North Crack neighbourhood regularly enhance the seriousness of their administration conveyance systems. The majority of respondents (mean = 4.13) agreed that their hotels provide a lot of money to deal advancement. Nevertheless, with a standard deviation of 0.895 from the mean, few respondents disagree or are unclear. On a scale of 1 to 5, the North Crack region's star-rated hotels dedicate significant financial resources to business development. With a mean score of 4.13, the majority of respondents demonstrated that hotels will often increase their share of the market through ethical marketing strategies. However, a few respondents felt compelled to disagree with a standard deviation of 0.895 from the mean. The North Break district's star-rated hotels exhibit a strong propensity to increase their market share by implementing workable promotion strategies, as evidenced by a supportive score ranging from 1 to 5.

The majority of respondents (mean = 3.61) agreed that their inns pique new interest through persuasive advertising. Despite this, a standard deviation of 1.297 from the mean was found among a small number of respondents who disagreed or were unsure (Least = 1, Most extreme = 5). The North Crack area's star-rated hotels' negative skewness (-0.738) and kurtosis (-0.572) suggest that these hotels use aggressive public relations strategies to generate interest in their present offerings. The evaluation reveals that star-rated accommodations in the North Fracture District continue to exhibit brutal competition. The likelihood that someone may confront their rivals with force with the goal of getting ahead or bettering their position is estimated in this file. Their contribution to the industry will generally increase primarily through igniting fresh enthusiasm. According to Muhonen (2017), businesses that take more actions and carry them out quickly will often benefit more and control a larger share of the market.

#### **Performance of Star Rated Hotels**

The study aimed to assess the performance of star-rated hotels in the North Rift Region of Kenya, as indicated in Table 4.2.

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

<b>Table 4.2:</b>	Performance	of Star	Rated	Hotels
-------------------	-------------	---------	-------	--------

Statement	Ν	MIN	MAX	SKEW	KURT	Μ	SD
Occupancy has increased in recent years.		2	5	266	.064	3.96	.512
Hotel bookings exceed bed capacity.	238	3	5	368	.346	4.07	.325
Our hotel has few client complaints.	238	2	5	621	270	3.91	.632
Our guests are very loyal.	238	2	5	653	.748	4.04	.588
Our hotel exceeds guest expectations, keeping them returning back.	238	2	5	263	.374	3.68	.470
Our service culture improves hotel image.	238	2	5	284	466	3.88	.549
Renovated facilities have increased hotel referrals.	238	2	5	310	.177	4.05	.497

Source: Research study 2023

**Key:** N stands for "number," MAX="maximum," SKEW="skewness," KURT="kurtosis," M="mean," and SD="standard deviation."

The majority of respondents (mean = 3.96) agreed that the occupancy rate of their hotels has increased in recent years. However, there was some disagreement and indecision among respondents, as indicated by a standard deviation of 0.512 from the mean. The range of responses varied from a minimum of 1 to a maximum of 5. Star rated hotels have achieved high occupancy rates as a result of their strategic orientation. This has led to an increase in market share, as indicated by a skewness of -0.266 and a kurtosis of 0.064. The majority of respondents agreed, with a mean of 4.07, that hotel room bookings exceed the bed capacity, with a variation of .325 from the mean. This implies that star-rated hotels consistently meet the demands of emerging markets, resulting in booking rates that exceed their maximum occupancy capacity (ranging from a minimum of 3 to a maximum of 5). The majority of respondents (mean = 3.91, SD = 0.632) agreed that their hotels do not experience high customer dissatisfaction. However, there were some respondents who disagreed or were undecided. Starrated hotels have made efforts to address customer complaints by providing effective service loyalty, with ratings ranging from 2 to 5. The majority of respondents (mean = 4.04) expressed agreement regarding the high customer loyalty of their hotels. However, a few respondents were either in disagreement or undecided (standard deviation = 0.588, range = 2-5). Based on the skewness of -.653 and kurtosis of .758, it can be inferred that star-rated hotels have prioritised providing high-quality service in order to maintain customer loyalty.

The majority of respondents agreed that their hotels consistently meet and exceed customer expectations, with a mean rating of 3.68 and a standard deviation of 0.470. However, there were also respondents who disagreed or were undecided about this matter. The ratings ranged from a minimum of 2 to a maximum of 5. Meeting and surpassing customer expectations is

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

crucial for business performance and competitiveness. The respondents agreed that their service cultures have improved the hotels' images, with a mean of 3.88 and a standard deviation of 0.549 (range: 2-5). However, there were individuals who held differing opinions and remained undecided. This suggests that star-rated hotels prioritise the needs of their customers, resulting in a positive service culture.

The majority of respondents (mean = 4.05) agreed that the refurbished facilities have resulted in increased customer referrals for the hotel. However, there was some variation (standard deviation = 0.497) around this mean, indicating that some respondents disagreed or were undecided (range: 2-5). Star-rated hotels must implement effective maintenance management strategies to ensure efficient service delivery and maximise customer referrals. The findings indicate that star-rated hotels in the North Rift Region demonstrate entrepreneurial orientation and dynamic capabilities, which contribute to high customer satisfaction and a positive image. The hotels have also experienced significant levels of customer loyalty as a result. To remain competitive, businesses must continuously adopt entrepreneurial orientation and dynamic capabilities. The combination of entrepreneurial orientation and continuous improvement allows hotel companies to enhance their performance by integrating, reconfiguring, and consistently renewing their resources and capabilities (Ali et al., 2020).

#### **Regression analyses**

This study employed simple linear regression models to examine the direct impact of predictor variables on the predicted variable, namely the performance of star-rated hotels in the North Rift region. Table 4.3 displays the findings of the simple regression analysis.

	Standardized Coefficients		Standardized Coefficients				
	В	Error	Beta	t	Sig.		
(Constant)	2.493	.116		21.403	.000		
Competitive Aggressiveness	.362	.029	.633	12.571	.000		
Model Summary statistics							
R	0.633						
R Square	0.401						
Adjusted R Square	0.399						
Std. Error of the Estimate	0.262						
R Square Change	0.401						
Good of fit statistics							
ANOVA (F stat)	158.020						
ANOAV (F prob)	0.000						

 Table 4.3: Effect of Competitive Aggressiveness on performance of star rated hotels

a Dependent Variable: Performance of Star Rated Hotels Source: Research Data, (2023)

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

Publication of the European Centre for Research Training and Development-UK

The goal of the study was to ascertain whether there is a statistically significant correlation between competitive aggression and the success of star-rated hotels in the North Rift region. The coefficient B = 0.364 (t = 12.571; p-value = 0.001, = 0.05) indicates that competitive aggressiveness has a statistically significant effect on the performance of star-rated hotels, which leads to the rejection of the null hypothesis. The study came to the conclusion that competitive aggressiveness greatly affects the performance of star-rated hotels despite finding no evidence to support the notion. The results show a positive relationship between competitive aggressiveness and star-rated hotel performance, with performance possibly increasing by up to 0.364 units for each unit rise in competitive aggressiveness. Competitive aggressiveness is the deliberate attempt to outperform rivals. According to the model summary, competitive aggressiveness is responsible for 40.1% of the performance of star-rated hotels may be predicted with a 40.1% probability by the degree of competitive aggression (R squared = 0.401).

Competitive aggressiveness is suitable for firms operating in hostile environments or mature industries. A company's competitive position, market share, and overall performance can all benefit from aggressive business practises. There is a favourable and considerable influence of competitive aggressiveness on organisational success, as discovered by Covin and Teresa (2011) and Christian and Sveinn (2015). Theories of stakeholders and dynamic capabilities provide the foundation for this. Star hotels can stay competitive by consistently exceeding guest expectations and responding quickly to shifts in the marketplace. Hotels may improve their performance in a competitive market by giving priority to meeting the demands of their customers quickly and consistently, giving them a leg up on the competition. Hotels can gain a competitive edge by adopting proactive and opportunistic tactics that look ahead to emerging trends and customer needs.

## CONCLUSION

Based on the results of the study, 5-star hotels should be more aggressive in their pursuit of business by constantly and strategically confronting their rivals. The study's results back up the claim that competitive aggression significantly affects the success of hotels with high star ratings. Hotels with a higher number of stars are more likely to increase their competitive position, market share, and performance if they are flexible enough to adjust to dynamic business environment. This is inline with the stakeholder theory which suggests that in order for hotels to remain competitive, they must employ proactive, opportunity-seeking practises. Improving performance through foreseeing future trends and satisfying stakeholder needs. Therefore, enhancing competitive aggressiveness is crucial for improving the performance of star-rated hotels in the hospitality industry. Fostering competitive aggressiveness remain imperative for performance of star rated hotels. Therefore, star rated hotels need to strengthen their competitive aggressiveness further to enhance their performance. The hotels have to be incarnate of forward-looking and opportunity seeking strategies in anticipation of changing future trends and demands to capitalize on their performance. Thus, there is need for stimulating new demand on existing products by investing on sustainable marketing strategies.

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: <u>https://www.eajournals.org/</u>

Publication of the European Centre for Research Training and Development-UK

Besides the star rated hotels should employ appropriate price control mechanism. Conducting similar studies across diverse industries and sectors with a larger sample size would be beneficial. This is because competitive aggressiveness strategies differ depending on the specific sector and industry, thus allowing for more comprehensive generalisations.

#### REFERENCES

- Adam, A. M. (2020). Sample size determination in survey research. Journal of Scientific Research and Reports, 26(5), 90-97.
- Aigboje, P. O. (2018). Competitive aggressiveness and organizational profitability of hotels in Port Harcourt, Nigeria. *International Journal of Social Sciences and Management Research*, 4(5), 37-44.
- Alvi, M. H. (2016). A Manual for Selecting Sampling Techniques in Research. Retrieved 29/1/ 2019, from https://mpra.ub.uni-muenchen.de
- Andreas, K., & Marcus, W. (2010). The Influence of Sustainability Orientation on Entrepreneurial Intentions Investigating the Role of Business Experience. *Journal of Business Venturing*, 25(2), 524-539.
- Aremu, M. A., & Adeyemi, S. (2011). Small and Medium Scale Enterprises as A Survival Strategy for Employment Generation in Nigeri. *Journal of Sustainable Development, Canadian Center of Science and Education*, 4(1),200-2006.
- Armillotta, A. (2020). Selection of parameters in cost-tolerance functions: review and approach. *The International Journal of Advanced Manufacturing Technology*, 108(1-2), 167-182.
- Aroyeun, T. F., Adefulu, A. D., & Asikhia, O. U. (2018). Effect of competitive aggressiveness on competitive advantage of selected small and medium scale enterprises in Ogun State Nigeria. *European Journal of Business and Management*, 10(35), 125-135.
- Bahari, S. F. (2010). Qualitative versus quantitative research strategies: Contrasting epistemological and ontological assumptions. *Jurnal Teknologi*, 52(1), 17-28.
- Blackford, B. (2010). The Role of CEO Statements of Aggressiveness and the Competitive Aggressiveness of Firms: What is the Impact on Performance? *Dissertations, Theses, and Student Research from the College of Business.*
- Cahill, H. A. (1996). A qualitative Analysis of Student Nurses' Experiences of Mentorship. Journal of Advanced Nursing, 24(3), 791 - 799.
- Cain, M. K., Zhang, Z., & Yuan, K. H. (2017). Univariate and multivariate skewness and kurtosis for measuring nonnormality: Prevalence, influence and estimation. *Behavior* research methods, 49(2), 1716-1735.
- Chowdhury, S. (2011). The moderating effects of customer driven complexity on the structure and growth relationship in young firms. *J. Bus. Ventur*, *26*(3), 306–320.
- Christian, L., & Sveinn, V. (2015). *Entrepreneurial orientation, firm strategy and small firm performance*. Boulevard Lascrosse: Research Center for Entrepreneurship and Growth Strategies, Toulouse Business School, Université de Toulouse.
- Collis, J., & Hussey, R. (2009). Business Research: A practical guide for undergraduate and post-graduate students. 3rd edition, Palgrave Macmillan Construction Industry. *Engineering, Construction and Architectural Management*, 10(5), 333-342.

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: <a href="https://www.eajournals.org/">https://www.eajournals.org/</a>

- Collis, J., & Hussey, R. (2014). Business research: A practical guide for undergraduate and postgraduate students. Palgrave Macmillan.
- Cooper, C. R., & Schindler, P. S. (2008). Business research methods (10 ed.). Boston: McGraw-Hill.
- Covin, J. G., & Lumpkin, G. T. (2011). Entrepreneurial orientation theory and research: Reflections on a needed construct. *Entrepreneurship theory and practice*, 35(5), 855-872.
- Creswell, J. W. (2012). Educational research. Planning, conducting, and evaluating quantitative and qualitative research.
- Crossman, A. (2018). *Simple Random Sampling*. Retrieved 18.12.2018, from www.thoughtco.com/random-sampling.
- Cytonn. (2019). Kenya's Hospitality Sector Report Sailing Through The Storm. Retrieved from https://cytonn.com
- Cytonn. (2019, January 29th). *Kenya's Hospitality Sector Report Sailing Through The Storm*. Retrieved from https://cytonn.com
- Denscombe, M. (2014). *The good research guide: for small-scale social research projects.* McGraw-Hill Education (UK).
- Dess, G. G., & Lumpkin, G. T. (2005). The role of entrepreneurial orientation in stimulating effective corporate entrepreneurship. *The Academy of Management Executive*, 19(1) 147-156.
- DeVaro, J. (2018, August 8th). *Teams, autonomy, and the financial performance of firms.from Cornell University, School of Industrial and Labor Relations*. Retrieved from http://digitalcommons.ilr.cornell.edu.
- Field, A. (2009). Discovering statistics using SPSS: and sex and drugs and rock 'n' roll (3rd edition). London: Sage.
- Fraenkel, J. R., Wallen, N. E., & Hyun, H. H. (2012). *How to design and evaluate research in education*.
- Fuentes-Fuentes, M., Bojica, A., & Ruiz-Arroyo, M. (n.d.). Entrepreneurial orientation and knowledge acquisition: effects on performance in the specific context of women-owned firms. *International Entrepreneurship and Management Journal*, 11(1), 695–717.
- Goldkuhl, G. (2012). Pragmatism vs interpretivism in qualitative information systems research. *European journal of information systems*, 21(2), 135 146.
- Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. . Business ethics quarterly, 4(1), 97-124.
- Harrison, J. S., Bosse, D. A., & Phillips, R. A. (2010). Managing for stakeholders, stakeholder utility functions and competitive advantage. *Strategic Management Journal*, 31(2), 58-74.
- Hitesh, B. (2020). *What is the Stakeholder Theory Strategy*? Retrieved from www.marketing 91.com assessed on the 26/04/2021.
- Hitt, M. A., Ireland, R. D., Sirmon, D. G., & Trahms, C. A. (2011). Strategic entrepreneurship: creating value for individuals, organizations, and society. *Academy of management perspectives*, 25(2), 57-75.
- Hjalager, A. (2010). A review of innovation research in tourism. *Tourism Management*, 31(1), 1–12.

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

- Homburg, C., Artz, M., & Wieseke, J. (2012). Marketing performance measuremant systems:does comprehensiveness really improve performance? *Journal of Marketing*, 76(5), 56-77.
- Horisch, J., Freeman, R. E., & Schaltegger, S. (2014). Applying Stakeholder Theory in Sustainability Management: Links, Similarities, Dissimilarities, and a Conceptual Framework. Organization and Environment, 27(4) 328–346.
- Junior, A. B. (2015). The Aggressive Competitivenes Influence on Retailer Company Performance. *Future Studies Research Journal: Trends and Strategies*, 7(1), 156-183.
- Linyiru, B. M., & Ketyenya, R. P. (2017). Influence of competitive aggressiveness on performance of state corporations in Kenya. *International Journal of Entrepreneurship*.
- Lumpkin, G. T., & Dess, G. (2001). Linking Two Dimensions of Entrepreneurial Orientation to Firm Performance: The Moderating Role of Environment and Industry Life Cycle. *Journal of Business Venturing*, 16(1), 429-451.
- McKenny, A. F., Short, J. C., Ketchen, D. J., Payne, G. T., & Moss, T. W. (2018). Strategic entrepreneurial orientation: Configurations, performance, and the effects of industry and time. *Strategic Entrepreneurship Journal*, *12*(4), 504-521.
- McNabb, D. E. (2015). *Research methods for political science: Quantitative and qualitative methods.* Routledge. Retrieved 11 08, 2018, from http://methods.sagepub.com.
- Muhonen, S. (2017). The profitability of competitive aggressiveness: The moderating effect of industry-related and organizational factors.
- Murasiranwa, E. T., Nield, K., & Ball, S. (2010). Hotel Service Quality and Business Performance in five hotels belonging to a UK Hotel Chain. *International CHRIE Conference-Refereed Track* (p. 11). ScholarWorks@UMass Amherst.
- Mwangi, K. J. (2016). Drivers of competitive advantage and performance of Commercial Banks in Nairobi County Kenya. *Unpublished thesis Kenyatta University*.
- Nazir, K. (2018). Hospitality industry key to growth. Retrieved from www.standardmedia.co.ke
- Ngandu, M. (2014). Influence of competitive strategies on performance of hotels: a case of Thika Town, Kenya.
- Nuzzo, R. (2014). Statistical errors: P values, the 'gold standard' of statistical validity, are not as reliable as many scientists assume. *Nature*, *506*(150), 150–152.
- Nzioka, P. N., & Njuguna, R. (2017). Firm Orientations and Performance of Hotels in Nairobi County, Kenya. *Journal of Business and Strategic Management*, 2(3), 1-28.
- O'Cass, A., & Sok, P. (2015). An exploratory study into managing value creation in tourism service firms: understanding value creation phases at the intersection of the tourism service firm and their customers. *Tour. Manag*, *51*(2),186–200.
- O'Leary, Z. (2014). The essential guide to doing your research project (2nd ed.). London: SAGE.
- OECD. (2017). Enhancing the Contributions of SMEs in a Global and Digitalised Economy. Paris: OECD Council.
- Oginni, B. (2010). Business Organic Management. Somolu Lagos: Shecom Press Ltd.
- Oketch, R., Wadawi, K., Brester, N., & Needetea, A. (2010). The role of hotels in consumption of cultural tourism in Kenya. *Journal of Tourism*, 8(2), 34-39.
- Oketch, R., Wadawi, K., Brester, N., & Needetea, A. (2010). The role of hotels in consumption of cultural tourism in Kenya. *Journal of Tourism*, 8(2), 34-39.

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: <a href="https://www.eajournals.org/">https://www.eajournals.org/</a>

- Ollinga, M. (2016). Hotels get star ratings from tourism authority. Retrieved from www.standardmedia.co.ke
- Ombaka, B., Machuki, V. N., Awino, Z., & Gituro, W. (2015). Organizational Resources, Innovation and Performance of Insurance Companies in Kenya. *1st DBA-Africa Management Review International Conference*, (21-41).
- Ong, J., Ismail, H., & Goh, G. (2010). The competitive advantage of small and medium enterprises (SMEs): The role of entrepreneurship and luck. *Journal of Small Business Entrepreneurship*, 23(1), 373-391.
- Ouma, W. (2013). *Hotel investors make beeline for the thriving Eldoret town*. Retrieved 06 20, 2018, from https://www.nation.co.ke/lifestyle/smartcompany/Hotel-investors-make-beeline-for-the-thriving-Eldoret-town-/1226-1850670-110hfrv/index.html
- Pallant, J. (2020). SPSS survival manual: A step by step guide to data analysis using IBM SPSS. Routledge.
- Panjaitan, H., Cempena, I. B., Trihastuti, A., & Panjaitan, F. A. B. (2021). The effect of competitive aggressiveness on business performance: A case study of private universities in Indonesia. *The Journal of Asian Finance, Economics and Business*, 8(4), 875-884.
- Peake, W. O., Barber, D., McMilan, A., Bolton, D. L., & Coder, L. (2019). Do management control systems stifle innovation in small firms? A mediation approach. *Journal of Small Business Strategy*, 29(2), 1–21.
- Powell, M. (2023). *Putting the Customer at the Heart of the Business*. Retrieved from Retrieved from https://www.b2binternational.com on 03/07/2023
- Pradip, P. (2023). What does healthy competition look like in the hospitality industry?
- Rahman, A. U., & Uddin, S. (2009). Statistical analysis of different socio economic factors affecting education of NW. FP (Pakistan). *Journal of Applied Quantitative Methods*, 4(1), 88–94.
- Reddy, P. N., & Acharyulu, G. V. (2008). Research Methodology and Statistical Tools.
- Rosenthal, V. (2018). *Kenya hotel industry surpasses expectations with continued growth*. Retrieved from www.hotelmanagement.net
- Rust, R. T., Lemon, K. N., & Zeithaml, V. A. (2004). Return on marketing: Using customer equity to focus marketing strategy. *Journal of marketing*, 68(1), 109-127.
- Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research Methods for Business Students (4th ed.)*. London: Pearson.
- Schiendel, D. E., & Hitt, M. A. (2007). Issues in Strategic Entrepreneurship. *Strategic Entrepreneurship Journal*, 9(3), 425-453.
- Schmidt, A. F., & Finan, C. (2018). Linear regression and the normality assumption. *Journal* of clinical epidemiology, 98, 146-151.
- Shahzad, A., Wales, W., Sharfman, M. P., & Stein, C. (2016). Casting a wider performance net: The role of entrepreneurial orientation in boosting overall firm stakeholder value. *Journal of Management & Organization*, 1(2),1-19.
- Sharmilee, S., & Muhammad, H. (2016). Factors affecting the performance of small and medium enterprises in KwaZulu-Natal, South Africa. *Problems and Perspectives in Management*, 14(2),277-288.

Vol.11, No.8, pp.1-16, 2023

Print ISSN: 2052-6393(Print)

Online ISSN: 2052-6407(Online)

Website: https://www.eajournals.org/

- Shikuri, R. M., & Chepkwony, P. C. (2013). Entrepreneurial Challenges Facing the Hospitality Industry in Kericho County – Kenya. *Journal of Business and Economics*, 4(11), 1159-1169.
- Shiladitya, M. (2018). *How are stars decided for hotels (e.g. 5 star hotel, 7 star hotel), and who governs these stars?* Retrieved 10 27, 2018, from www.quora.com
- Singh, R., Garg, S., & Deshmukh, S. (2010). The competitiveness of Organizations in a globalized economy: Observations from China and India. *Management Research Review*, 33(1),54-65.
- Sonja, M. (2017). The Profitability of Competitive Aggressiveness. Unpublished Masters thesis Aalto University.
- Tabachnick, B. G., & Fidell, L. S. (2013). Using multivariate statistics (6th ed.). Allyn and Bacon.
- Tabachnick, B., & Fidell, L. (2007). Using multivariate statistics (5th ed). Boston: Pearson Education Inc.
- Tang, J. (2012). Entrepreneurial alertness in the pursuit of new opportunities. *Journal of Business Venturing*, 27(1), 77–94.
- Tharenou, P., Donohue, R., & Cooper, B. (2007). *Management research methods*. Melbourne: Cambridge University Press.
- Wadongo, B., Odhuno, E., Kambona, O., & Othuon, L. (2010). Key performance indicators in the Kenyan hospitality industry: A managerial perspective. Benchmarking. An International Journal, 17(6), 858-875.
- Wahyuni, D. (2012). The research design maze: Understanding paradigms, cases, methods and methodologies. *Journal of Applied Management Accounting Research*, 10(1), 69-80.
- Wainainah, D. (2018, October 26th ). *Hospitality industry growth seen higher on new investment*. Retrieved from https://www.businessdailyafrica.com
- Wright, T. (2021, April 26th). *The Benefits of Applying The Stakeholder Theory*. Retrieved from www.cascade.app
- Xiaoyang, L. (2007). Managerial Autonomy, Incentives and Firm Performance: Evidence from Investment Climate Survey in China.
- Yannopoulos, P. (2011). Defensive and offensive strategies for market success. *International Journal of Business and Social Science*, 2(13),23-48.
- Yeh, S. S. (2021). Tourism recovery strategy against COVID-19 pandemic. *Tourism Recreation Research*, 46(2), 188-194.