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## STRATEGIC ORIENTATION AND PERFORMANCE OF FIVE STAR HOTELS IN NAIROBI COUNTY, KENYA

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### ABSTRACT

*The general objective of this study was to assess how strategic orientation influences the performance of hotels in Nairobi County. The specific objectives were to examine how market, customer, learning and Technological orientations influence the performance of 5-star hotels Nairobi County. The study was guided by resource-based theory, diffusion of innovation theory, dynamic capabilities theory and Vygotsky's collaborative learning theory. The study used descriptive research method. Quantitative methods were applied in data collection and analysis. The population of the study included all 26 five-star hotels in Nairobi County listed by Kenya Tourism Authority. The unit of observation of the study included top level managers, Operational managers and Customer relations managers. Since the target population was small, less than 100, a census was carried out on all the 78 respondents from 26 five-star hotels in Nairobi County. The study gathered primary data through structured questionnaire. Analyzed data was summarized, coded and entered in a computer aided tool (Statistical Package for Social Sciences (SPSS) 26.0 for analysis which generated descriptive statistics such as means, standard deviation and frequency distribution. ANOVA and multiple regression analysis was used to establish the relationship between the independent variables and dependent variable. The findings were present in form tables, figure, charts and models. The findings revealed that that there is significant relationship between strategic orientations (market, customer, technological and learning) and performance of star-rated hotels in Nairobi County, Kenya. Further, regression analysis revealed that there is positive and significant influence of strategic orientations (market, customer, technological and learning) on performance of star-rated hotels in Nairobi County, Kenya. The study concluded that strategic orientation influenced the performance of star-rated hotels in Nairobi County, Kenya. The study recommended that need to establish a dedicated market research team. There is need to emphasize customer focus from the top. The study also recommended that the management should allocate adequate resources in the hotel for new technology and expected technological changes in the future.*

**Key Words:** Market, Technology, Learning, Customer Orientations

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## INTRODUCTION

Strategic orientation is one of the key determinants of business long term performance (Herath & Mahmood, 2018). Abdulrab, Al-Mamary, Alwaheeb, Alshammari, Balhareth and Al-Shammari (2021), described strategic orientation as the roadmap that organizations use to improve their performance. An organization's strategic orientation is a collection of actions that operationalize its overarching strategy (Dionysus & Arifin, 2020). Lynch, Mason, Beresford and Found (2022) share the opinion that a firm's strategic orientation determines how it conducts its business. They added that strategic orientation serves as the firm's driving principle and directs corporate strategy. This concept according to Wiesen (2022), is the path a company would want to take to accomplish its goals in the future.

Strategic orientation has been viewed as a guide used by firms to achieve better performance (Handoyo, Mulyani Ghani & Soedarsono, 2023). The strategic orientation is a collection of behaviors that are used to carry out the firm strategy (Zhou and Li, 2007). Wiesen, (2022) describe strategic orientation and the direction a firm wishes to take in order to meet its future goals). Strategic orientation, is seen as a significant aspect that can influence a company's success or failure. Managers are particularly affected by this aspect since it is perceived as a controllable element that can be used to improve corporate success. Several studies have shown that focusing on strategic orientation might lead to improved performance in developing economies (Adams, Freitas & Fontana, 2019). The strategic orientation focuses on how businesses must engage with the environment, clients, rivals, and technology in order to achieve their business goals (Salisu & Malaysia, 2019).

The global hotel industry is steadily growing with over 700,000 hotels and resorts contributing to over \$ 3.41 trillion to the global economy in 2019. In 2018 the Marriott hotel company generated most revenue of \$ 20.8 billion. The industry continues to grow rapidly due to increase in

demand for travel experiences, rise in purchasing power and increasing number of digital influences. This has resulted to establishment of new hotels in the global market. For instance, new hotels opening in London was 121 offering 14, 840 rooms while in Dubai hotels were 714 with 118, 345 hotel rooms between 2019-2020 (Condor,2022). The COVID-19 outbreak hampered global hotel market growth as government globally imposed restrictions on domestic and international travel reducing the demand for services. The Asia-Pacific area was the largest region in the global hotel and other travel accommodation market in 2020, contributing to 37% of the total market, followed by North America accounting for 27% and Africa came in last as the smallest region (Hotel and other Travel Accommodation Global Market Report 2021).

Similarly, the success of Kenyan hotels is dependent on strategic management approaches. Hotel performance can be determined by the number of rooms a hotel possess (Kenya National Tourism, 2015). Over the years Kenyan hotel sector has had an impressive contribution to Kenya's economy and has become source of job opportunities for many people. For instance, the industry employed 82,900 people in 2019 (KIPPRA 2021). According to Hotels Outlook 2019- 2023, the industry benefited from increased foreign travelers in 2018, with an 18.2% rise in guest nights compared to 2017. This saw a number of hotels such as Hilton hotels, Movenpick hotel and a City Lodge expanding their portfolio in the country contributing to 5.2% increase in available rooms overall room income increased by 14.6% in 2018, however it remained lower than its peak in 2016.

The hotel industry is solely concerned with providing guest accommodation and related services. By contrast, the hospitality industry is concerned with leisure in a more general sense. As a result, it covers accommodation, restaurants, bars, cafés, nightlife, and many travel and tourism services. The hotel industry is one of the major subsectors of the hospitality industry that

specializes in provision of accommodation and food services. hotel classification is done based on many classification systems. Many countries across the global use hotel star rating system. The more stars a hotel has, the more luxurious it is. Kenyan hotels are rated based on a 5-star rating scale with 5 - star being the most luxurious and 1- star being the least luxurious (Abdile, Mwenda and Engodi, 2020). Despite the existence of the recognized body which deals with the hotel classification, each country has its own rules and regulations on its rating criteria thus leading to variations in hotel ratings (Rajnoha and Lorincova, 2015).

### **Statement of the problem**

Hotel industry is one of Kenya's fastest growing sub-sectors of hospitality industry, contributing to the country's economic growth through foreign exchange and job creation. This is evidenced by international hotel chains such as Sheraton, Radisson Blu, Hilton, Best Western, and Movenpick opening their doors in Kenya to grab a share of the Kenyan market. Hotel stock was projected to grow over the next 5 years with new 13 hotels which was projected to add to 24000 already existing guestrooms while expanding Kenya's hotel capacity by 13 % exceeding the 2016 capacity. The number of available rooms was projected to rise at a compound annual increase of 2.5% from 18600 in 2016 to 21000 in 2021 due to increase in flights to Kenya, stable economy, lower parking fees and ongoing growth in domestic tourism. (PWC's African Insight Hotel outlook 2017-2021).

Even though the industry has been showing positive growth over the last two decades, the industry has been facing numerous challenges as a result of rapid advancements in technology, globalization, shifts in consumer preferences, intense competition, terrorist attacks, and pandemics threatening their continued existence. First, stiff competition in the global market saw some foreign tourist choosing other destinations such as South Africa, Mauritius and Morocco over Kenya. Secondly, terrorist attack on one of the Kenya's

prestigious hotels in Nairobi interrupted peace and security in the country affecting the arrival of international tourists thus reduces bed occupancy rate and guest nights (Hotel Outlook 2019-2023). Another factor is the outbreak of Corona Virus COVID-19 in March 2020 significantly affecting the operations of the sector nationwide forcing some hotels to completely shut down their operations as others scaled down their services in order to comply with containment measures imposed by the government to curb the spread of the virus across the country. These prevailing conditions exposed the industry's unreliable and unsustainable business model (KIPPRA, 2021).

To survive in such unpredictable business environment, organizations need to strategically orient their internal capabilities and activities to their external environment in order to respond effectively to those changes and to achieve superior performance and sustainable competitive advantage. Strategic orientation concept has received attention in the recent past from different discipline as one of the key elements for effective organizational performance. This has seen several scholars seeking to understand its benefits to the organization performance. For instance, Odorici., Presutti, & Savioli, study on Strategic orientation of hotels: evidence from a contingent approach recommended a study on relationship between strategic orientation and performance of hotels under different conditions such as the geographical location, hotel size and age.

Locally, Lentu, Khayiya, and Ondigi (2021) recommended further study to determine internal and external variables that may affect the relationship between strategic orientation and performance of publicly owned hotel enterprises in Kenya. Future research should supplement this research with qualitative approaches, which would allow identifying further factors that could be considered in this relationship. Study by Nganga, Z. (2017) showed that all the dimensions of SO have positive significant relationship with performance of

telecommunications firms in Kenya except market orientation which showed an insignificant influence on telecommunication firms' performance. These findings are in accordance with Mwenda, (2020) study and contradicts previous research by (Omondi, 2017: Mwaura and Obonyo, 2018: Abdile, Mwenda, & Engodi, 2020: Osore, Ngugi, & Ogollah, 2020) that Market orientation adoption by firms leads to an increase in the performance. She recommended a study on long term effects of strategic orientation on firms' performance.

From the reviewed literature, many researchers have viewed the four strategic orientation dimensions as independent or competing variables. No previous research has investigated the interaction between the four orientations and their combined effect on performance hence, the study addressed the identified gap and contribute to existing knowledge in the field of strategic management.

#### **Objectives of the study**

The general objective was to assess how strategic orientation influences the performance of star-rated hotels in Nairobi County, Kenya. The study was guided by the following specific objectives;

- To examine how market orientation influences the performance of star-rated hotels in Nairobi County, Kenya
- To establish how customer orientation influences the performance of star-rated hotels in Nairobi County, Kenya
- To assess how technological orientation influences the performance of star-rated hotels in Nairobi County, Kenya
- To determine how learning orientation influences the performance of star-rated hotels in Nairobi County, Kenya

## **LITERATURE REVIEW**

### **Theoretical Framework**

#### **Resource based Theory**

Edith Penrose's contributed to the resource-based view as early as 1959 when she argued that a firm is more than an administrative unit, it is also has a collection of productive resources at its disposal with different users and over time is determined by administrative decision. She came to the conclusion that the existing theory of the firm was inadequate to explain how firms grow. Her insight was to realize that the 'Firm' in theory is not the same thing as 'flesh and blood' organizations that businessmen call firms. Barney (1991), as the father of modern Resource Based view of the firm emphasized that in this theory there is heterogeneity or firm level differences among firms that allow some of them to sustain competitive advantages. Therefore the theory emphasizes strategic choice changing the firms' management with the important task of identifying, developing and deploying key resources to maximize returns.

The competitive advantage in the firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal, (Penrose, 1959). The theory suggests that competitive advantage and performance results are a consequence of firm-specific resources and capabilities that are costly to copy by other competitors, (Barney, 1986). These resources and capabilities can be important factors of sustainable competitive advantage and superior firm performance if they possess certain special characteristics. They should be valuable, increasing efficiency and effectiveness, rare, imperfectly imitable and non-substitutable, (Barney, 1991). These resources if protected by firms can earn sustainable supernormal returns if and only if they have superior resources by some form of isolating mechanisms diffused on throughout the industry. In this research the resource in consideration is the ICT and employees.

### **Diffusion of innovation theory**

The diffusion of innovation theory was developed by Rogers (1962) to explain how over time an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. This theory posits that people as part of a social system, adopt a new idea, behavior, or product. According to Rogers (1962) the key to adoption is that the person must perceive the idea, behavior, or product as new or innovative. Few conceptual and empirical theories have been done in relation to diffusion of innovations (Dearing, 2009 & Cox, 2018). Diffusion scholars have found that the decision to adopt a new idea occurs in five progressive stages: knowledge and awareness, ability to persuade, authority to implement and sustaining innovation (Sally & Joan, 2017).

The theory defines five categories of adopters that is; the innovators who are ready to take risk and are interested in new ideas and need very little to appeal them to the innovation; The early adopters who are always ready for a change and only need a how to manual to adopt the innovation; early majority who need assurance that the innovation works before adopting it; late majority who are skeptical of change and only adopt an innovation after it has been tried by the majority and ; finally the laggards who are very skeptical to change and require statistics on the effectiveness of the innovation and pressure from the adopters. It is therefore important to understand the characteristics of the population who need adopt an innovation (Sahin, 2006).

### **Dynamic capabilities theory**

The theory contends that such attributes do not provide the basis for a sustainable competitive edge in an unpredictable environment rather the key to long-term competitive edge depends on the ability of an organization to maintain excellent performance in a constantly changing business environment (Teece et al. 1997). This theory emphasizes on the ability and capacity of organizations to combine, integrate, renew and

reconfigure resources as needs arise. If control over scarce resources is a source of economic profits, then it follows that such issues as skill acquisition, management of knowledge, know-how (Pisano, 2015) and learning become fundamental issues. Eisenhardt and Martin, (2000) on the other hand, explained Dynamic capabilities as organizational strategic procedures used by managers to modify their resource base and develop new value-creating strategies. The theory is useful to firms which want to have a long-lasting competitive edge.

They defined dynamic capabilities as the ability of an organization to incorporate, generate and modify its internal and external competencies in order to adapt to ever-changing business environment (Teece, Pisano and Shuen, 1997). Eisenhardt and Martin, (2000) on the other hand, explained Dynamic capabilities as organizational strategic procedures used by managers to modify their resource base and develop new value-creating strategies. The theory is useful to firms which want to have a long-lasting competitive edge.

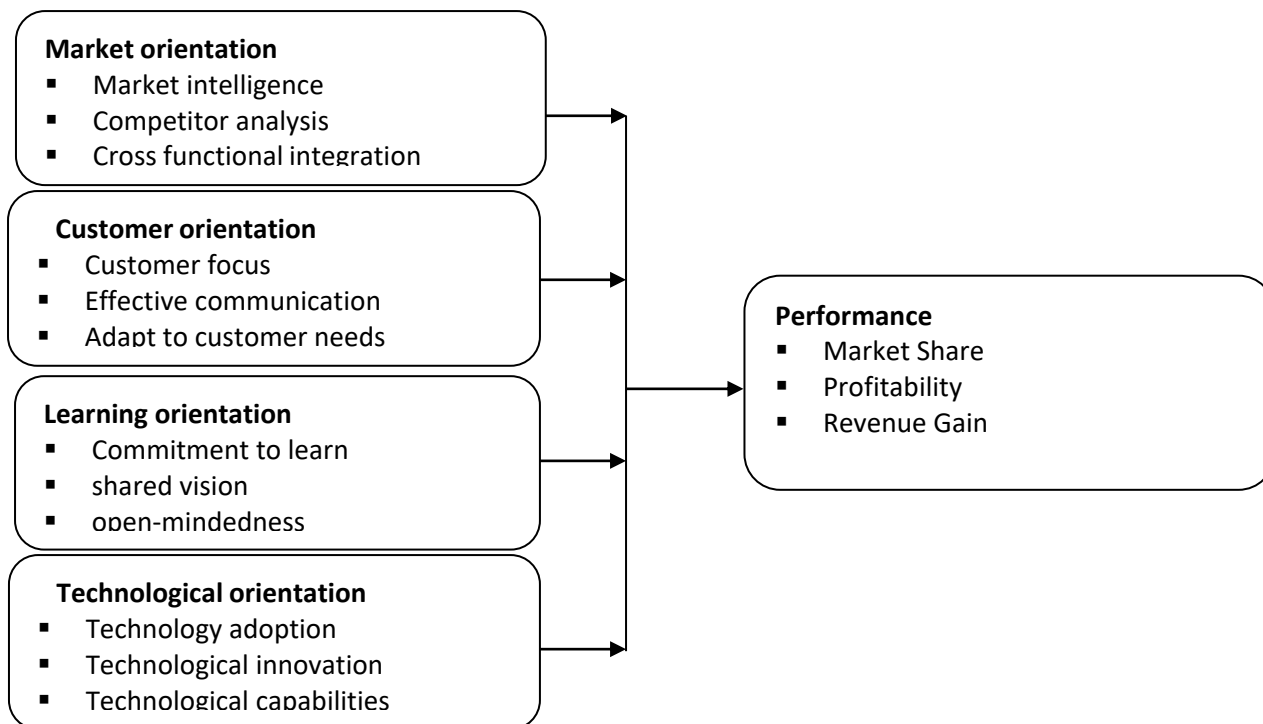
### **Vygotsky's collaborative learning theory**

Vygotsky (1978), described human learning as social activity and the basis of human intellect in a society. He noted that social engagement is essential for cognitive development. According to him, learning happens in two stages: first through interaction with others, and then through assimilation into the individual's mental structure. Every function in a person's cultural development occurs twice: first on the societal level and later on the individual level; or between persons and later within the individual. This is true for both voluntary attention and cognitive memory, as well as idea formation. Genuine interpersonal ties are the source of all higher functions. The second aspect of Vygotsky's theory is the assumption that cognitive development is limited to a zone of proximal development (ZPD). This zone of exploration is the area of study in which the learner is intellectually capable but requires guidance and social engagement to fully progress (Briner, 1999). A more

experienced or knowledgeable peer might provide mentorship to improve an individual's grasp of knowledge domains or the acquisition of complex skills. Employees may increase their skill set and

knowledge base through collaborative learning as well as strengthening their existing ones. A more experienced employee will contribute towards the success of an organization.

### Conceptual Framework



#### Independent Variables

#### Dependent Variable

Figure 1: Conceptual Framework

**Market Orientation:** According to Huessmanns, (2021) Market orientation entails gathering of information regarding their customer, competitors and market and utilizing the information and available resources to create products and services to meet or exceed those needs. The study will be based on Market Orientations such as customer orientation, competitor orientation, and inter-functional coordination as identified by Narver and Slater (1990). A market-oriented organization can produce quality product to its customers’ by employing entrepreneurial and technological skills in order to create or develop an imitable, rare, unique product or service to its customers. Hotels that have adopted Market orientation are likely to increase their performance since they are able to

put more attention on customers’ needs, create tailored made products to meet such needs (Uduyi, 2014). When adopted correctly, Market Orientation can help in creating brand recognition that sets apart the firm from its competitors.

**Customer Orientation:** Gupta and Vaidya (2021) defined Customer Orientation as the alignment of business goals with customer goals. Market orientation according to (Bott, 2021; Belandria, 2022) involves identifying customers’ demand and delivering products and services to meet those demands. A customer-focused organization recognizes that the business will not prosper until it continually enhances its customer focus. Customer focus culture enables organizations to satisfy the expectations of its customers and establish

customer loyalty by constantly studying its customers' need, perception, preferences and attitude and satisfactions level, hence boosting customer satisfaction and creating strong brand. This helps the organization to detect market trends before they occur thus design strategies to remain relevant and competitive.

**Learning Orientation:** Learning is vital for the success of organization as it enables employees to improve on their capabilities and knowledge. Due to this many organizations are adopting the learning culture so as to keep pace with the competition. Calantone, Cavusgil, and Zhao (2002), defined learning orientation as the creation, retention as well as transfer of knowledge within an organization with the goal to improve performance. Senge (1990) viewed learning-oriented organization as one that fosters and supports learning in order to continually equip and transform itself with necessary knowledge, skills, ability and competencies to survive and gain superior performance in ever changing environment. When organizations provide learning opportunities to their employees, the business benefits (Miles.2022)

**Technological orientation:** Ali, (2011) defined technological orientation as the proactiveness of a firm to adopt and utilize new technologies to drive innovations and creation of new product or modification of an existing product or services to meet the ever-changing customers' needs and survive in the dynamic business environment. Technology is one of the organizations' primary sources of competitive advantage (Patel and Pavitt 1997). Businesses with technology advantage typically produce new goods and services or other technological innovation faster and more profitably. Technology orientation involves the level of dedication to Research & Development, the purchase of new technologies, and the adoption of the most recent technologies (Gatignon & Xuereb, 1997). Technologically oriented organization is able to create or innovate a new product that meets and exceeds customers' needs and expectations as it

remains competitive in the market place thus increasing sales and also market share.

**Organizational performance:** Organizational performance is one of the most important concepts in strategic management (Tahir, 2020). Several researches have proposed different definitions for organizational performance since it is a rather broad term whose meaning changes depending on the user's view and demands (Avci, Madanoglu, and Okumus 2011: Masa'deh, Obeidat, Zyod, and Gharaibeh, 2015). Fauzi et al. (2010) defined organizational performance as an organization's capacity to achieve its objectives by utilizing resources in an efficient and effective manner. Bhasin (2020) on the other hand defined organizational Performance as firm's actual production compared to its intended output. In other words, organizational performance involves achievement of the organizational intended goals. Performance is dependent on various factors unique to every organization and industry. Nurdasila, (2013) organizational performance can be influenced by internal factors like entrepreneurial ability, employees' competencies and external factors like customers demand, level of competition, and technological environment. Many performance metrics and models, such as profitability, productivity, efficiency, effectiveness, adoptability, growth, and innovation, have been developed and backed by many researchers (Harrim, 2010). Financial measures like Return on Investment, sales growth, and earnings per share (Aliabadi, Dorestani, & Balsara, 2013) and non-financial measures such as market share, customers' satisfaction, and the level of customer complaints can be used to assess organization's performance (Awang et al., 2008).

### **Empirical review**

Several studies have been carried out to determine the link between MO and firm performance. For instance, positive correlation between Market orientation and performance of Malaysian hotel was observed in the study by (Haim and



Narentheren, 2014). Their findings were consistent with those of Lagat, Chepkwony and Kotut (2012): Onditi, (2016): Odhiambo, (2018); who carried out study in different business context but contradicts those of Chee, Chiun and Ramayah (2013) who conducted study on influence of Market Orientation on Organizational Performance with Service Quality as a moderator. Competitor orientation showed positive correlation with Organization Performance while customer orientation and inter-functional coordination had a negative effect on Organizational performance. Their study further showed positive correlation between all the Market orientation elements and hotel performance when service quality was taken into consideration.

Similarly, Market orientation showed negative effect on the performance of SMEs in Nigeria from the sample of 640 managers collected by Aliyu, Ahmed and Utai (2015) while researching on the effects of Market orientation of SMEs. They further added that, Organizations need to be customer-driven, competitor-oriented, and have efficient cross-functional collaboration across their internal divisions in order to thrive in a highly competitive and uncertain market.

Studies have established that customer orientation can positively moderate how operations are coordinated within a firm through information sharing and thus impacting the operational performance of the firm. Coordinating operations in a manner that fosters interfirm trust between the firm and external partners can make an organization result in being consistently profitable (Liu, Ke, Wei, & Hua, 2013). Pekovic and Rolland (2016) affirm that managers need to focus on improving firms' competitive advantage by ensuring there is market success. For this to happen, managers need to concurrently engage in activities that improve adoption of customer orientation and innovation while acknowledging the industry the firm is in, the nature of the buyer market and the size of the organization.

Koshksaray, Ardakani, Ghasemnejad, and Azbari (2020) note that the extent to which a firm's employees incline to customer orientation influences the success of the firm particularly for service organizations. Increasing the levels of customer orientation within organizations directly impacts how personnel performs towards customer acquisition, attraction and maintenance. Organizations need to also determine their approach towards strategies that are customer oriented while factoring the globalization aspect of the economic environment (Brik, Rettab, & Mellahi, 2011). In addition, a firm's approach to research and development significantly depends on the level of advertising and marketing it is willing to meet (Carr & Lopez, 2017).

Few studies exist on the effects of TO as a standalone variable on firm performance. The few studies that have been done show positive relationship between TO and performance. For instance, Pramana, and Widagda (2021), study to examine the impacts of technological orientation on firms' performance moderated by organizational characteristics. Study adopted Accidental sampling technique. Interviews and questionnaires were used to collect data and Moderated Regression Analysis (MRA) technique was utilized to analyse the data. The findings indicated that Organizational Characteristics moderate the effects of Technology Orientation on Company Performance, which had a favorable impact on Company Performance. They recommended that, the management should make effective decisions to increase product innovation, organizational communication, and conduct new product surveys of consumers in order to increase firms' performance.

Osore, Ngugi, & Ogollah, (2020) study on the Influence of technological orientation on performance of conventional and Islamic banking in Kenya. Study adopted a mixed research design based on descriptive, non-experimental and causal approaches. This study adopted a census survey design. Data was collected from all forty-three (43)

registered commercial banks. Data collected were analyzed using descriptive and inferential statistics. The result indicated that technological orientation has a considerable positive impact on both conventional and Islamic banking performance in Kenya. They added that banking industry should adopt technology in order to innovate and tap into unexplored markets, enabling clients to complete financial transactions at their convenience.

Eliakira and Elia, (2022) study on organizational performance among Micro and Small Agro-Processing Enterprises in Tanzania showed positive and substantial effect of all the three learning orientation components; commitment to learn, open mindedness, and shared vision on firm performance. Their study was consistent with that of Pett and Wolff, (2016); Herath and Karunaratne (2017); Pastor, Gutiérrez and Agudob (2018), Rostini, Souisa, Masmarulan and Yasin (2021) and contradicts study by Mahmoud, Blankson, Owusu-Frimpong, Nwankwo and Trang (2016) which showed that, learning orientation of an organization has no direct effect on its performance unless influenced by other factors such as innovation. A similar study on organizational performance among small and medium enterprises (SMEs) in Pakistan by Jawad, Fayaz, Wali, and Yahya revealed that adopting and implementing Learning Orientation strategy alone may lead to poor business performance, whereas balancing LO with EO would lead to improved performance.

Martinez, Serna, and Montoya (2020), study indicated that only commitment to learning and open-mindedness showed a positive significant effect on firms' performance and shared vision was shown to have a negative significant impact on performance. Empirical review showed mixed results regarding the relationship between LO and Organizations performance, however those studies were done in firms with different operating characteristics from hotel industry. Markedly, Bertelsen, Bødke, Eriksson, Hoggan and Vermeulen (2019) indicate that, research work should strive to

be particular in context, industry, theories, techniques, methods and results.

## METHODOLOGY

The study used a descriptive research design. The population of the study included all 26 five-star hotels in Nairobi County listed by Kenya Tourism Authority (2023). The unit of observation of the study included senior managers, middle level managers and functional managers from departments of General Manager, Housekeeping, Food and Beverage, Sales and Marketing, Front Office and Human Resource. This composition translated to a total of 78 respondents. The sampling frame in this study consisted of Top-level managers, Operational managers, Customer relations managers.

This study made use of primary data. The main advantage of using primary data is that data is collected specifically for the purpose of this particular study, (Bryman, 2005). Primary data was collected by use of structured questionnaires. The structured questionnaire generated quantitative data, which was analyzed differently using different methods. Quantitative data was used for both inferential and descriptive statistics with the help of statistical software known as Statistical Package for Social Sciences (SPSS version 22). Before analysis, the completed questionnaires were edited for completeness and consistency. Descriptive statistics were used to summarize the background information. Descriptive statistics included percentages, and frequencies, measures of central tendency (mean), measures of dispersion (standard deviation). The data was presented using tables and figures which included bar charts and pie charts. Multiple regression analysis was used to establish the influence of the independent on the dependent variable. The multiple regression analysis took the following model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Whereby:

Y= Performance of five star hotels in Nairobi County  
 $\beta_0$  = Constant  
 $\beta_1 - \beta_4$  = Beta coefficients  
 $X_1$  is Market Orientation  
 $X_2$  is Customer Orientation  
 $X_3$  is Technological Orientation  
 $X_4$  is Learning Orientation  
 $\epsilon$  = Error term

## FINDINGS AND DISCUSSION

### Descriptive Statistics of Variables in the Study

All the study variables were subjected to descriptive analysis and were examined for central tendency through mean, frequency and standard deviation.

### Analysis of Market orientation

Indicators on market orientation were as follows; market intelligence, Competitor analysis and Cross functional. Respondents were given items rated on a five-point likert where 5=strongly agree (SA), 4=agree (A), 3=Neutral (N), 2=disagree (D) and 1=strongly disagree (SD). The descriptive findings on market orientation are as shown in Table 1.

**Table 1: Market orientation**

Market Orientation	5	4	3	2	1	Mean	S.D
The hotel is involved in activities that enable gather market intelligence.	14%	24%	38%	21%	3%	3.25	0.44
Information gathered from the markets that the hotel operates is incorporated in product development.	22%	38%	24%	9%	7%	3.59	0.61
Information about the markets that the hotel operates in is factored in when deciding on product promotion strategies.	19%	71%	3%	7%	0%	4.02	1.20
The hotel uses information from the market it operates in to ensure alignment between consumer needs and firm's offering.	16%	62%	17%	3%	2%	3.87	1.01
Information about the market where the hotel operates in has enhanced research and development in the hotel.	5%	53%	29%	9%	3%	3.45	0.86
Information about the market where the hotel operates in has led to innovation in the hotel.	12%	48%	28%	9%	3%	3.57	0.75

From the findings of the study in Table 1, 14% of the respondents strongly agreed that the hotel is involved in activities that enable gather market intelligence, 24% agreed, 38% were neutral, 21% disagreed while 3% strongly disagreed that the hotel is involved in activities that enable gather market intelligence. The results revealed that, 22% of the respondents strongly agreed, 38% agreed, 24% were neutral, 9% disagreed while 7% strongly disagreed that the information gathered from the

markets that the hotel operates is incorporated in product development.

As seen in the table 1, with regards to the information about the markets that the hotel operates in is factored in when deciding on product promotion strategies, 19% of the participants strongly agreed, 71% of them agreed, 3% were neutral while 7% disagreed. However, 16% of the participants strongly agreed, 62% agreed, 17% were neutral, 3% disagreed and 2% strongly disagreed

that the hotel uses information from the market it operates in to ensure alignment between consumer needs and firm's offering.

As depicted on the table 1, of all the participants who were involved in this study, 5% strongly agreed, 53% agreed, 29% were neutral that the fact that information about the market where the hotel operates in has enhanced research and development in the hotel while 9% of the respondents disagreed and 3% strongly disagreed. Moreover, 12% of the respondents strongly agreed, 48% agreed, 28% were neutral while 9% disagreed that information about the market where the hotel operates in has led to innovation in the hotel while 3% strongly disagreed.

As per the discoveries of Alnawas and Hemsley-Brown, (2019) concentrate on market orientation

and hotel effectiveness, which investigated the job of high-request marketing capacities, the association between hotel execution and market orientation was roundabout through help innovation ability, marking ability and client relationship ability. At the point when it came to impacting hotel execution, the three capacities appeared to assume changed correlative parts.

#### Analysis of Customer orientation

Indicators on customer orientation were as follows; customer focus, effective communication and adapt to customer needs. Respondents were given items rated on a five-point likert where 5=strongly agree (SA), 4=agree (A), 3=Neutral (N), 2=disagree (D) and 1=strongly disagree (SD). The descriptive findings on customer orientation are as shown in Table 2.

**Table 2: Descriptive Statistics of Customer Orientation**

Customer Orientation	5	4	3	2	1	Mean	S.D
The hotel has invested in resources to help it better understand who its customers are.	10%	31%	43%	16%	0%	3.35	0.57
There are deliberate efforts in the hotel to understand how customers use the hotel's products and services	16%	26%	47%	12%	0%	3.49	0.58
The hotel invests substantial resources to gather and share customer feedback within the firm.	5%	22%	43%	17%	12%	2.88	0.49
The hotel's employees are motivated to acquire, engage with, and retain customers.	3%	31%	53%	12%	0%	3.22	0.72
Knowledge from the hotel's employees and internal processes is utilized in meeting customer needs.	17%	52%	5%	22%	3%	3.55	0.83
The hotel offers different product and service variations that are informed by different customer needs in the market	9%	50%	31%	10%	0%	3.58	0.80

From the findings of the study in Table 2 above, 10% of the respondents strongly agreed, 31% agreed, 43% were neutral that the hotel has invested in resources to help it better understand who its customers are while, 16% of the respondents disagreed on the same statement. The results revealed that 16% of all the respondents strongly agreed, 26% agreed and 47% were neutral while 12% disagreed that there are deliberate efforts in the hotel to understand how customers

use the hotel's products and services. As seen in the Table 2, with regards to the hotel invests substantial resources to gather and share customer feedback within the firm, 5% of the participants strongly agreed, 22% of them agreed, 43% were neutral, 17% disagreed while 12% strongly disagreed.

Of all the participants who participated in this study, as depicted on the table above, 3% strongly agreed, 31% agreed, 53% were neutral while 12%

disagreed that the hotel's employees are motivated to acquire, engage with, and retain customers. According to the findings of the research, 17% of the participants strongly agreed, 52% agreed, 5% were neutral, 22% disagreed while 3% strongly disagreed that knowledge from the hotel's employees and internal processes is utilized in meeting customer needs. On the assertion that the hotel offers different product and service variations that are informed by different customer needs in the market, 9% of the respondents strongly agreed, 50% agreed, 31% were neutral while 10% of them disagreed.

This observation is in line with the sentiments of (Tajeddini, 2015). The hotel management should be aware of changes in visitor needs, preferences, and perceptions of service benefits over time. In order

to deliver memorable experiences and not just simple hotel services, the management of the hotel has to continuously and systematically adjust the hotel offerings. Hence whether customer orientation is viewed from the perspective of product or service delivery, it is considered an important factor in achieving high hotel performance.

#### Analysis of Technological Orientation

Indicators on technological orientation were as follows; technology adoption, technological innovation and technological capabilities. Respondents were given items rated on a five-point likert where 5=strongly agree (SA), 4=agree (A), 3=Neutral (N), 2=disagree (D) and 1=strongly disagree (SD). The descriptive findings on technological orientation are as shown in Table 3.

**Table 3: Descriptive Statistics of Technological orientation**

Technological Orientation	5	4	3	2	1	Mean	S.D
The policy of the hotel is adopting updated technology	0%	34%	55%	10%	0%	3.21	0.80
The technology used and bought in the hotel is to allow the hotel to attain competitive advantage	9%	28%	53%	10%	0%	3.36	0.66
Most times the hotel is the first one to try new technology and techniques	12%	24%	53%	10%	0%	3.35	0.63
There is improvement in internal processes in the hotel; this includes management of information reliability and speed	3%	21%	66%	10%	0%	3.17	0.82
Allocation of resources in the hotel is done for new technology and expected technological changes in the future	0%	21%	66%	14%	0%	3.10	0.83
The hotel management believe that embracing new technologies and adapting to change are essential for staying ahead of the curve in the hotel industry.	10%	47%	33%	10%	0%	3.57	0.75

From the findings of the study in Table 3, 34% of the respondents agreed, 55% were neutral that the policy of the hotel is adopting updated technology while, 10% of the respondents disagreed on the same statement. The results revealed that 9% of all the respondents strongly agreed, 28% agreed and 53% were neutral while 10% disagreed that technology used and bought in the hotel is to allow the hotel to attain competitive advantage.

Nevertheless, with regards to most times the hotel is the first one to try new technology and techniques, 12% of the participants strongly agreed, 24% of them agreed, 53% were neutral while 10% disagreed.

Of all the participants who participated in this study, as depicted on the table above, 3% strongly agreed, 21% agreed, 66% were neutral that there is improvement in internal processes in the hotel; this

includes management of information reliability and speed while 10% disagreed on the same statement. According to the findings of the research, 66% of the respondents agreed, 21% were neutral while 14% disagreed that allocation of resources in the hotel is done for new technology and expected technological changes in the future. On the assertion that the hotel management believe that embracing new technologies and adapting to change are essential for staying ahead of the curve in the hotel industry, 10% of the respondents strongly agreed, 47% agreed, 33% were neutral while 10% of them disagreed.

The findings of this research are backed up by a study by Solberg and Olsson who discovered that a firm's technology orientation has a significant

impact on the competitive market. Companies who choose to be market leaders should conduct continuous research and development and adopt technology strategies, according to the experts. Technology orientation, according to their findings, will aid a company's development in a competitive environment.

#### Analysis of Learning orientation

Indicators on learning orientation included commitment to learn, shared vision, open-mindedness. Respondents were given items rated on a Five-point likert from where 5=strongly agree (SA), 4=agree (A), 3=Neutral (N), 2=disagree (D) and 1=strongly disagree (SD). The descriptive results on this parameter are as shown in Table 4.

**Table 4: Descriptive Statistics of Learning orientation**

Learning orientation	5	4	3	2	1	Mean	S.D
Employees are actively seeking out opportunities to learn new skills and knowledge that can help them improve performance of their hotel	0%	33%	48%	10%	9%	3.05	0.71
There is constant intra-organizational knowledge sharing among stakeholder of the hotel	0%	31%	45%	22%	2%	3.05	0.65
The hotel is committed to continuous learning and professional development.	5%	57%	19%	17%	2%	3.46	0.91
Employees are constantly seeking feedback from their supervisors and colleagues to help them identify areas where they can improve their skills and knowledge	3%	38%	38%	19%	2%	3.21	0.66
The hotel fosters a culture of continuous improvement, where learning from both successes and failures is actively encouraged	19%	57%	7%	14%	3%	3.75	0.92
Innovativeness is encouraged among staff of the hotel	10%	16%	36%	24%	14%	2.84	0.34

From the findings of the study shown in the table 4, 33% of the respondents agreed, 48% were neutral, 10% disagreed while 9% strongly disagreed that employees are actively seeking out opportunities to learn new skills and knowledge that can help them improve performance of their hotel. The results revealed that, 31% of the respondents agreed and 45% were neutral, 22% disagreed while 2% strongly disagreed that there is constant intra-organizational knowledge sharing among stakeholder of the hotel.

With regards to the hotel is committed to continuous learning and professional development,

5% of the participants strongly agreed, 57% of them agreed, 19% were neutral while 17% disagreed and 2% of them strongly disagreed. However, 3% of the participants strongly agreed, 38% agreed, another 38% were neutral, 19% disagreed and a further 2% strongly disagreed that employees are constantly seeking feedback from their supervisors and colleagues to help them identify areas where they can improve their skills and knowledge.

According to the findings of the research, 57% of the respondents agreed, 7% were neutral while 14% disagreed that the hotel fosters a culture of

continuous improvement, where learning from both successes and failures is actively encouraged. On the other hand, 19% of the respondents strongly agreed and 3% strongly disagreed on the same, On the assertion that innovativeness is encouraged among staff of the hotel, 10% of the respondents strongly agreed, 16% agreed, 36% were neutral while 24% of them disagreed and 14% of them strongly disagreed.

Martinez, Serna, and Montoya (2020), study indicated that only commitment to learning and open-mindedness showed a positive significant effect on firms' performance and shared vision was shown to have a negative significant impact on performance. Empirical review showed mixed results regarding the relationship between LO and

Organizations performance, however those studies were done in firms with different operating characteristics from hotel industry. Markedly, Bertelsen, Bødke, Eriksson, Hoggan and Vermeulen (2019) indicate that, research work should strive to be particular in context, industry, theories, techniques, methods and results.

### Analysis of Performance

Indicators on performance included market Share, profitability and Revenue Gain. Respondents were given items rated on a Five-point likert from where 5=strongly agree (SA), 4=agree (A), 3=Neutral (N), 2=disagree (D) and 1=strongly disagree (SD). The descriptive results on this parameter are as shown in Table 5.

**Table 5: Descriptive Statistics of Performance**

Performance	5	4	3	2	1	Mean	S.D
Customer engagement has increased in the past financial year	31%	22%	33%	12%	2%	3.68	0.61
Employee satisfaction has risen in the past financial year	10%	14%	31%	24%	21%	2.68	0.26
The sales revenue of the hotel has increased in the past financial year.	48%	34%	3%	10%	3%	4.08	1.04
The hotel's profits have increased in the past financial year.	7%	43%	31%	10%	9%	3.29	0.68
The hotel's market share has increased in the past financial year.	12%	9%	41%	31%	7%	2.88	0.43
The hotel's operational efficiency has increased in the past financial year.	0%	59%	28%	7%	7%	3.41	1.00

From the findings of the study as shown in Table 5, 31% of the respondents strongly agreed, 22% agreed, 33% were neutral, 12% disagreed while 2% strongly disagreed that customer engagement has increased in the past financial year. The results revealed that, 10% of the respondents strongly agreed, 14% agreed, 31% were neutral, 24% disagreed while 21% strongly disagreed that employee satisfaction has risen in the past financial year.

As seen in the table above, with regards to the sales revenue of the hotel has increased in the past financial year, 48% of the participants strongly agreed, 34% of them agreed, 3% were neutral while

10% disagreed and 3% strongly disagreed. However, 7% of the participants strongly agreed, 43% agreed, 31% were neutral, 10% disagreed and 9% strongly disagreed that the hotel's profits have increased in the past financial year.

The results of the study showed that, 5% strongly agreed, 53% agreed, 29% were neutral that the hotel's market share has increased in the past financial year while 9% of the respondents disagreed and 3% strongly disagreed. On the other hand, 59% of the respondents agreed, 28% were neutral while 7% disagreed that the hotel's operational efficiency has increased in the past financial year and a further 7% strongly disagreed.

## Inferential Analysis

### Correlation Analysis

Correlation analysis is used to determine the strength and direction of the relationship between the Strategic orientation (Market orientation,

Customer orientation, learning orientation, Technological orientation) and the Performance of star-rated hotels in Nairobi County, Kenya and the findings were as shown in Table 6 below.

**Table 6: Correlation Analysis**

		Market	Customer	Technological	Learning
Market orientation	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	53			
Customer orientation	Pearson Correlation	.756**	1		
	Sig. (2-tailed)	.000			
	N	53	53		
Technological orientation	Pearson Correlation	.504**	.579**	1	
	Sig. (2-tailed)	.000	.000		
	N	53	53	53	
Learning orientation	Pearson Correlation	.747**	.874**	.619**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	53	53	53	53
Performance of star-rated hotels	Pearson Correlation	.647**	.728**	.524**	.709**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	53	53	53	53

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The results above (Table 6), all the relationships were positive, and significant (p-value=0.001) implying that strategic orientation are positively and significantly related with performance of star-rated hotels in Nairobi County, Kenya. The most significant stronger relationship was between customer orientation and Performance of star-rated hotels in Nairobi County, Kenya ( $r = 0.728$ , p-value=  $0.000 < 0.05$ ). This implied that increase in customer orientation would results to increase in performance of star-rated hotels. Asikhia (2015) examined the relationship between customer orientation and firm performance among the small and medium scale businesses in Nigeria. Results of the study indicated that there was a positive and significant relationship between customer orientation and firm performance in the context of Nigerian small and medium scale business. Beverly, Brockman and Richard (2012) examined the relationship between customer orientation and performance. Results support the overall positive

influence of customer orientation on performance and indicated that the influence is stronger as risk-taking, innovativeness, and opportunity focus increases.

This followed by the relationship between Performance of star-rated hotels in Nairobi County, Kenya and Learning orientation, ( $r = 0.705$ , p-value =  $0.000 < 0.05$ ). This postulated that increase in strategic orientation in learning orientation would results to increase in performance of star-rated hotels in Nairobi County, Kenya. Mónica Arias-Suárez, José L. Álvarez and Belén Martínez-González (2017). investigated the impact of learning orientation on firm performance. The findings revealed that learning orientation enhances performance among firms in the public accounting sector. Martinez, Serna, and Montoya (2020), study indicated that only commitment to learning and open-mindedness showed a positive significant effect on firms' performance.



This was followed by the relationship between Performance of star-rated hotels in Nairobi County, Kenya and market orientation, ( $r= 0.647$ ,  $p\text{-value} = 0.000 < 0.05$ ). This implied that increase in market orientation would results increase in Performance of star-rated hotels.

The weakest relationship is Technological orientation and Performance of star-rated hotels in Nairobi County, Kenya ( $r= 0.524$ ,  $p\text{-value} = 0.000 < 0.05$ ) indicating that there was a statistically significant moderate positive correlation between technological orientation and the performance of star-rated hotels in Nairobi County, Kenya. This suggested that there is improvement in the performance of star-rated hotels in Nairobi County, Kenya as a result of strategic orientation. The results are supported by Pramana, and Widagda (2021), study to examine the impacts of technological orientation on firms' performance moderated by organizational characteristics. Osore, Ngugi, & Ogollah, (2020) study on the Influence of

technological orientation on performance of conventional and Islamic banking in Kenya. The result indicated that technological orientation has a considerable positive impact on both conventional and Islamic banking performance in Kenya.

### Multiple Linear Regression Analysis

Multiple regression tries to figure out whether a set of variables will predict a single dependent variable (Mugenda & Mugenda, 2008). Multiple regression was used in this case since there were multiple independent variables in the sample. This study was interested in finding out whether and how market orientation, learning orientation, customer orientation, technological orientation influence Performance of star-rated hotels at Kura. The four independent variables were considered together (one equation) as predictors of Performance of star-rated hotels. A multiple linear regression model was used to test the significance of the influence of the independent variables on the dependent variable.

**Table 7: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.756 <sup>a</sup>	.571	.536	.68437	.571	15.991	4	48	.000

a. Predictors: (Constant), Learning orientation, Technological orientation, Market orientation, Customer orientation  
b. Dependent Variable: Performance of star-rated hotels

The results in table 7 shows an R square of 0.571, thus we infer that the study model explains 57.1% of the variations in the Performance of star-rated

hotels while other factors not in this study model accounts for 42.9%, thus, it is a good study model.

**Table 8: Analysis of Variance**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	29.958	4	7.490	15.991	.000 <sup>b</sup>
: Residual	22.482	48	.468		
Total	52.440	52			

a. Dependent Variable: Performance of star-rated hotels  
b. Predictors: (Constant), Learning orientation, Technological orientation, Market orientation, Customer orientation

Further, ANOVA results in table 8 also shows that the F-statistical value is significant ( $F=15.991$ , *significant at  $p < .001$* ), thus confirming the fitness of

the model. That is, from the study model, the significant F value show that the four independent variables (learning orientation, market orientation,

customer orientation, technological orientation) are indeed different from each other and that they affect the dependent variable Performance of star-rated hotels) in varied ways.

Basing on the findings in Table 8, the study observed that the Strategic orientation had a significant partial influence in predicting Performance of star-rated hotels in Nairobi County, Kenya as indicated by the significant unstandardized beta coefficients: Market orientation had  $\beta = 0.204$ ,  $t = 2.519$ ,  $p\text{-value} = 0.001 < 0.05$ , Technological orientation had  $\beta = 0.112$ ,  $t = 8.615$ ,  $p\text{-value} = 0.000 < 0.05$  and Learning orientation had  $\beta = 0.242$ ,  $t = 2.327$ ,  $p\text{-value} = 0.004$

$< 0.05$  which were considered to be significant at 5% level of significance whereas customer orientation had  $\beta = 0.427$ ,  $t = 3.028$ ,  $p\text{-value} = 0.002 < 0.05$  which was considered significant at 5% level of significance. The constant was found to be insignificant, that is,  $\beta = -0.286$ ,  $t = -0.605$ ,  $p\text{-value} = 0.548 > 0.05$ ; this indicates that apart from the four Strategic orientations (Market orientation, Customer orientation, Technological orientation and Learning orientation), there are other variables, not included in the model, that could possibly influence Performance of star-rated hotels in Nairobi County, Kenya, thus paving way for further research to be done in this area.

**Table 9: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	-.286	.473		-.605	0.548
Market orientation	0.204	0.081	0.170	2.519	0.001
Customer orientation	0.427	0.141	0.364	3.028	0.003
Technological orientation	0.112	0.013	0.104	8.615	0.000
Learning orientation	0.242	0.104	0.200	2.327	0.004

a. Dependent Variable: Performance of star-rated hotels

Multiple Linear Regression model equation that was used to predict the Performance of star-rated hotels when given the Strategic orientation (Market orientation, Customer orientation, Technological orientation and Learning orientation) was:

$$Y = -0.286 + 0.203 X_1 + 0.427 X_2 + 0.112 X_3 + 0.242 X_4$$

Where;

Y is Performance of star-rated hotels in Nairobi County, Kenya

X<sub>1</sub> is Market orientation

X<sub>2</sub> is Customer orientation

X<sub>3</sub> is Technological orientation

X<sub>4</sub> is Learning orientation Practice

The first objective of the study sought to examine the significance of the causal and effect relationship between market orientation and performance of star-rated hotels in Nairobi County, Kenya. The researcher sought to answer the following question;

*i. How Does Market Orientation Influence Performance Of Star-Rated Hotels In Nairobi County?*

Basing on the results indicated, the regression Coefficient results showed that  $\beta = 0.204$ ,  $p = 0.001 < 0.05$ ; therefore, market orientation had a statistically significant influence on the Performance of star-rated hotels. This indicates that a unit improvement in the market orientation was likely to result to an improvement in the Performance of star-rated hotels by 0.204 units. The results reiterate the importance of market orientation in Performance of star-rated hotels. the influence of market orientation on the performance of star-rated hotels in Nairobi County is pivotal. As the county continues to evolve as a tourist destination, the ability of hotels to understand and adapt to market dynamics becomes a determining factor for success. By embracing market orientation, star-

rated hotels not only enhance their offerings and guest experiences but also position themselves strategically in a competitive landscape. As Nairobi County remains a focal point for global travelers, market-oriented strategies will continue to be integral for hotels seeking sustained success in the vibrant hospitality industry.

Arguably, the idea of market orientation aligns with the ideas of those strategic management writers, like Porter (1980) who suggests that the firm's position in relation to competitors in the customer's mind is the key to competitive advantage. This is in agreement with previous studies that derived positive link between market orientation and performance, Keski (2016) found no direct link on performance and market orientation. Webster (2008) posits that tracking and responding to buyers' choices and desires increases marketing orientation and consequently the institution's performance. Market orientation makes innovation much easier and can enhance performance levels of the organization. Market orientation demonstrates organizations wide receptiveness to information in the market; it is believed that market orientation is prerequisite to innovation. Therefore, market orientation can act as innovation channel because it opens up the company to new customer needs and business processes. Market orientated firms are able to appropriately responds to changing market needs and therefore act as a source of sustainable competitive advantage. This concurs with Slater et, al. (2012) who avers that market orientation allows the company to be more customer focused by gathering information regarding competitor abilities and customer preferences.

This study however like others contradicts the findings of Keski (2016) of no direct link between the variables but the fact that on a given context the researcher found no link, on this context the link is weak and on the previous studies stated here a strong positive link was found points to some underlying factors that moderate or mediate the

effect of market orientation on performance leading to the varying results.

The second objective of the study sought to establish the significance of the causal and effect relationship between Customer orientation and Performance of star-rated hotels. The research question was:

- ii. *To What Extent Does Customer Orientation Influence Performance Of Star-Rated Hotels In Nairobi County, Kenya.*

The regression Coefficient results showed that  $\beta=0.427$ ,  $p=0.003<0.05$ ; therefore, customer orientation had a statistically significant influence on the Performance of star-rated hotels. This indicates that a unit improvement in the Customer orientation was likely to result to an improvement in the Performance of star-rated hotels by 0.427 units. the influence of customer orientation on the performance of star-rated hotels in Nairobi County is transformative. Beyond the tangible aspects of accommodation and amenities, it is the intangible element of personalized and attentive service that sets these hotels apart. As Nairobi County continues to attract a diverse range of travelers, the role of customer orientation becomes increasingly pivotal for hotels aiming to thrive in this competitive landscape. By placing the customer at the forefront of their strategies, star-rated hotels in Nairobi County not only enhance the guest experience but also lay the foundation for sustained success in the ever-evolving world of global hospitality.

The study showed that the firms had invested in resources to help them better understand who its customers are. The result agrees with Altendorf and Schreiber (2015) who state that many companies invest substantial resources to generate resources that build innovation competencies and employees play a key role in this. Li et al. (2013) observed that firm creativity corresponds to a learning process, which involves the acquisition and use of past and current information to better adapt and exploit future events. Such information that is disseminated throughout the firm can be acquired

from the firm's internal and external environments, which influence both the frequency and the level of creative behavior. Part of the firm's understanding of the external environment is developed through its interactions with customers.

The study showed that the firms invested substantial resources to gather and share customer feedback within the firm. This study result agrees with Cho and Lee (2018) who state that the key to having customer orientation is to feature customer needs as feasible through the products and services developed. Customers align better with firms that present them the most value for the price they pay for commodities. This realization has informed a transition towards an increase in customer orientated product design and development.

The third objective of the study sought to examine the significance of the causal and effect relationship between technological orientation and performance of star-rated hotels in Nairobi County, Kenya. The researcher sought to answer the following question;

*iii. How Does Technological Orientation Influence Performance Of Star-Rated Hotels In Nairobi County, Kenya.*

The regression Coefficient results showed that  $\beta=0.112$ ,  $p=0.000<0.05$ ; hence technological orientation had a statistically significant influence on the Performance of star-rated hotels. This implies that a unit improvement in the Technological orientation was likely to result to an improvement in the Performance of star-rated hotels by 0.112 units. The above findings demonstrate that performance of star-rated hotels in Nairobi County, Kenya is positively influenced by Technological orientation. The influence of technological orientation on the performance of star-rated hotels in Nairobi County is transformative. The adoption of advanced technologies enhances the guest experience, improves operational efficiency, and contributes to the sustainability of the hospitality industry. As Nairobi County continues to attract tourists from

around the world, the role of technological orientation becomes increasingly critical for hotels aiming to provide a seamless, modern, and competitive guest experience. Embracing and investing in technology is not just an option but a necessity for star-rated hotels in Nairobi County looking to thrive in the rapidly evolving landscape of the global hospitality industry.

The results are supported by Pramana, and Widagda (2021), study to examine the impacts of technological orientation on firms' performance moderated by organizational characteristics. Osore, Ngugi, & Ogollah, (2020) study on the Influence of technological orientation on performance of conventional and Islamic banking in Kenya. The result indicated that technological orientation has a considerable positive impact on both conventional and Islamic banking performance in Kenya.

The fourth objective of the study sought to establish the influence of Learning orientation on Performance of star-rated hotels, the researcher sought to answer the following question;

*iv. What Influence Does Learning Orientation Have On The Performance Of Star-Rated Hotels In Nairobi County, Kenya?*

The regression Coefficient results showed that  $\beta=0.242$ ,  $p=0.004<0.05$ ; hence Learning orientation had a statistically significant influence on the Performance of star-rated hotels. This indicates that a unit improvement in the Learning orientation was likely to result to an improvement in the Performance of star-rated hotels by 0.242 units. The influence of learning orientation on the performance of star-rated hotels in Nairobi County is undeniable. The commitment to continuous learning not only enhances employee performance but also directly impacts guest satisfaction, loyalty, operational efficiency, and financial outcomes. As Nairobi County continues to thrive as a tourist destination, the role of learning orientation in ensuring the competitiveness and sustainability of its star-rated hotels becomes increasingly significant. Embracing a culture of learning is not

merely a strategic choice but a fundamental necessity for hotels aiming to provide exceptional experiences in this dynamic and evolving hospitality landscape.

The results are in agreement with Eliakira and Elia, (2022) study on organizational performance among Micro and Small Agro-Processing Enterprises in Tanzania showed positive and substantial effect of all the three learning orientation components; commitment to learn, open mindedness, and shared vision on firm performance. Their study was consistent with that of Pett and Wolff, (2016); Herath and Karunaratne (2017); Pastor, Gutiérrez and Agudob (2018), Rostini, Souisa, Masmarulan and Yasin (2021) and contradicts study by Mahmoud, Blankson, Owusu-Frimpong, Nwankwo and Trang (2016) which showed that, learning orientation of an organization has no direct effect on its performance unless influenced by other factors such as innovation. A similar study on organizational performance among small and medium enterprises (SMEs) in Pakistan by Jawad, Fayaz, Wali, and Yahya revealed that adopting and implementing Learning Orientation strategy alone may lead to poor business performance, whereas balancing LO with EO would lead to improved performance.

This supports Zhao and Li's (2015) claim that learning orientation aids employees in accepting and implementing new ideas ahead of their competition. The data also suggest that a significant aspect in strategic orientation is entrepreneurial orientation, which determines the firm's performance outcome. Gupta's (2015) stated that in the eyes of customers, this statement agrees to set itself apart from competing offerings.

## **CONCLUSIONS AND RECOMMENDATIONS**

As per the findings of the study, it can be concluded that all the independent variables (market orientation, customer orientation, technological orientation and learning orientation) in the study influence Performance of star-rated hotels (dependent variable). The relationship was

confirmed through correlation and regression analysis which revealed that there was a positive significant linear relationship between market orientation, technological orientation and learning orientation and Performance of star-rated hotels.

Specifically, the study concluded that there is significant influence of market orientation on performance of star-rated hotels in Nairobi County, Kenya in Kenya. Market orientation is a critical factor in the success of star-rated hotels in Nairobi County, Kenya. Hotels that cultivate a strong market orientation are better equipped to understand and respond to changing market dynamics, satisfy customer preferences, and innovate to stay ahead of the competition.

The study concluded that there is significant influence of customer orientation on performance of star-rated hotels in Nairobi County, Kenya in Kenya. This implied that increase in customer orientation would result to improvement in performance of star-rated hotels in Nairobi County, Kenya. Customer orientation is a cornerstone of success for star-rated hotels in Nairobi County, Kenya. Hotels that prioritize customer needs and expectations, foster a culture of empathy and responsiveness, and strive to deliver exceptional service are more likely to achieve high levels of customer satisfaction, loyalty, and ultimately, superior performance in the competitive hospitality industry.

The study concluded that there is significant influence of technological orientation on performance of star-rated hotels in Nairobi County, Kenya in Kenya. This implied that increase in technological orientation would result to improvement in performance of star-rated hotels in Nairobi County, Kenya. Technological orientation is a critical factor in the success of star-rated hotels in the modern era. Hotels that cultivate a strong technological orientation are better equipped to enhance customer experiences, improve operational efficiency, and achieve superior performance in the competitive hospitality industry.

The study concluded that there is significant influence of learning orientation on performance of star-rated hotels in Nairobi County, Kenya in Kenya. This implied that increase in learning orientation would result to improvement in performance of star-rated hotels in Nairobi County, Kenya. Stakeholders were engaged in learning orientation practices such as risk identification, risk assessment, risk mitigation and risk monitoring and controlling. Even though risk identification remains top on the list, there is critical need to engage in proper risk assessment, risk mitigation and then risk technological orientation.

The study recommended that need to establish a dedicated market research team. Hotels' management should allocate resources to hire or train staff dedicated to gathering and analyzing market data, including customer feedback, competitor analysis, and industry trends. Further, the management should continuously monitor market trends and customer preferences. Stay abreast of emerging trends in the hospitality industry, customer preferences, and competitor offerings to adapt strategies and offerings accordingly.

There is need to emphasize customer focus from the top. The management should instill a customer-centric mindset at all levels of the organization, starting with senior management. Further, the management should actively seek feedback from customers and incorporate their suggestions into product development, service enhancements, and overall business decisions.

The study also recommended that the management should allocate adequate resources in the hotel for new technology and expected technological

changes in the future. Further, there is need for the management of the hotel to collaborate with technology partners and vendors to stay updated on the latest innovations and ensure the hotel's technological infrastructure remains cutting-edge. Continuous collaboration with tech partners facilitates the integration of the latest advancements, keeping the hotel at the forefront of technological trends.

The study recommended that management should implement a comprehensive learning and development program that provides ongoing training and education opportunities for employees at all levels. Further, management need to foster a culture of knowledge sharing and collaboration by creating opportunities for employees to share best practices, learn from each other, and collaborate on problem-solving.

#### **Suggestions for Further Research**

Arising from the implications and limitations of this study, recommendations for further research were made. While this study successfully established that all the strategic orientation parameters were important in performance of star-rated hotels in Nairobi County, Kenya and that the study underscores the need of the concept of strategic orientation. Further to this study, other strategic orientation such as defensive orientation, resource orientation or the entrepreneurial orientation could be examined to test their influence on performance of star-rated hotels in Nairobi County, Kenya. Additionally, since this study was undertaken among firms in the hospitality industry; a similar study can be undertaken in other sectors such as financial firms to determine if the same results would be obtained.

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