
**THE INFLUENCE OF TECHNOLOGY ENABLED SERVICE DIFFERENTIATION
STRATEGY ON POST-PANDEMIC REOPENING PERFORMANCE OF STAR-RATED
HOTELS IN THE SOUTH RIFT CIRCUIT**

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Abstract

One of the most competitive industries in Kenya and the entire continent of Africa is the hotel industry, which contributes significantly to the country's economy. As a result, the sector is a significant source of foreign exchange, employment, and revenue for the nation. However, the emergence of the Covid-19 global pandemic has had a significant impact on the hotel industry in the country as elsewhere globally with travel restrictions, social distance requirements, and low visitor turnout affecting their operations. The researcher sought to examine the influence of technology enabled service differentiation strategy on reopening performance of the hotel industry in Kenya in the post-pandemic context. Marketing Mix Theory guided the study. The study adopted expressive cross sectional survey research design and targeted 47 star rated hotels, lodges, camps and as well as guest houses in the South Rift Circuit, that is, Nakuru and Narok counties using a census. Data was collected through questionnaires from the marketing managers of the hotels. Qualitative data was analyzed through thematic and content analysis using Nvivo while quantitative data was coded and analyzed through SPSS computer software version 24.0 using both descriptive and inferential statistics. The outcome revealed that technology enabled strategy affecting post-pandemic reopening performance of star-rated hotels in the South Rift Circuit, Kenya is significant. Therefore, the study recommends that the hotels should make provision for continuous training of staff on modern technologies. The hotels' management need to provide tailored services to individuals and group clients as need arises. The hotels need to diversify their markets to ensure that they are able to tap into more potential markets locally and internationally. Finally, the hotels need to emphasize on market growth strategies.

Keywords: *Technology enabled Service, Differentiation Strategy, Post-Pandemic reopening performance*

INTRODUCTION

Around the world, tourism and hospitality are significant drivers of economic expansion and job creation. The hospitality sector will receive almost all of these tourists. One of the most significant socioeconomic areas in Kenya is the tourism and hospitality sector, which also plays

a significant role in global trade. About 11% of the nation's workforce are working in the sector. (Ministry of Tourism [MoT], 2020) and contributed 12.5% Percent to the Gross Domestic Product (GDP). Further, according to the ministry, for the country to move towards its development goals, focus on the standards and quality of hospitality and tourism facilities is paramount.

Beginning December 2019, however, the world has been exposed to a highly infectious and dangerous coronavirus known as SARS-CoV-2 virus or by its generic name Covid-19 that was first identified in Wuhan, Hubei Province, China and whose symptoms presented as severe pneumonia. By 11th March 2020 the spread of infections had surpassed the epidemic status, COVID-19 was subsequently affirmed as epidemic by WHO. The Covid-19 pandemic has since risen to international crisis proportions affecting virtually every sphere of human life in every country at an unprecedented level. As a health safety measure, the majority of countries worldwide imposed lock-downs, curfews and travel restrictions coupled with social distancing requirements. The restrictions were also effected on social gatherings and businesses which required close human interaction. These measures have significantly affected the global economy which lost an estimated USD \$ 3 trillion or 4.5% of the global economy in 2020 alone.

A number of hotels globally and locally have been forced to issue closure notices until further notice. The effects of COVID-19 on the hospitality industry are mostly attributed to the restrictive measures that have been placed to limit the spread of the virus, such as: social distancing, which has greatly reduced hotel capacity; the suspension of international flights, which led to a huge drop in the number of foreign tourists (Nzisa, 2022) the new norm of most professionals working from home, which has reduced demand for conference facilities and other hotel services; daily curfews, which resulted in people working only a few hours each day; partial lockdowns in some countries that have severely affected the economy; and the increased cost of Covid-19 compliance certificates required to reopen businesses. These restrictions and measures put in place slowed down the operations of all hotels worldwide, resulting in them operating at reduced capacity or being closed (Mauguin, 2021).

Statement of the Problem

The emergence of the Covid-19 global pandemic has had a significant impact on the hotel industry in the country as elsewhere globally with travel restrictions, social distance requirements, and low visitor turnout affecting their operations. As a result, number of hotels have been forced to either shutdown or downsize their operations leading to job losses, losses in revenues and even impairing their market operations. With mass vaccinations now in place, the hotels as the entire tourism and travel industry are allowed to reopen. However, their reopening performance is currently affected by a slow sector recovery rate owing to travel restrictions in some countries, slow containment of the virus, low traveler confidence and a poor economic environment. For the classified hotels in Kenya which substantially depend on international travel, these reopening conditions do not look promising and could affect their competitiveness unless they resort to aggressive marketing campaigns. Currently, there is a scarcity of literature on how the classified hotels in the country reorient themselves to the reopening conditions in the Covid-19 pandemic context in the country. The majority of the studies on the effect of the pandemic on the hotel industry in Kenya have focused on its effect on performance with limited studies being done on the recovery efforts, especially marketing. The present study, therefore, sought to examine the influence of technology enabled service differentiation strategy on post-pandemic reopening performance of star-rated hotels in the South Rift Circuit.

Objective of the study

To determine the influence of technology enabled service differentiation strategy on post-pandemic reopening performance of star-rated hotels in the South Rift Circuit.

Research Hypothesis

Technology enabled service differentiation strategy has no significant influence on post-pandemic reopening performance of star-rated hotels in the South Rift Circuit

Theoretical Framework

The foundation of services marketing is the careful analysis of your clients' underlying needs, followed by the provision of services that boost their success. The core assumption in the literature on services marketing is that fundamental traits like intangibility, inseparability, heterogeneity, and transience are what cause the majority of issues that service marketer's face.

Service is an essential component of modern living. Services now have a more commercialized and polished nature as a result of liberalization, privatization, and globalization. Service was once thought of as a good deed done without expecting anything from return (social service), but it has since become commercialized. According to Altinay and Arici (2022) a service in the present refers to a task carried out for pay by a single individual to another.

Education, transportation, hotels, financing, property management, finance, insurance, banking, taxes, consulting, healthcare, etc. are just a few of the many industries that offer services. The tertiary sector or service sector is the general term used to describe these services. Change is inescapable and occurs in everything that grows (Lovelock & Patterson, 2015). From birth through old age, an individual goes through several stages in which his views, views, physical as well as mental traits, etc., change constantly. In order to provide a theoretical perspective on how technology-enabled assisted service differentiation strategy effects the reopening success of hotel chains in Kenya in the after the pandemic context, the service marketing theory will be applied.

Literature Review

Companies create a distinct strategy to serve their clients in this kind of differentiation strategy. Different order processes, shorter wait times, higher service standards, and other factors can all help to make a service stand out. Customer service differentiation strategy is a vital strategy and an element of strategic management that sets the organization's direction and its relationship with customers (Linton & Kask, 2017). Strategic management involves long-term plans for increasing the number of customers, market share, revenue growth, and sustainable organizational performance. Customer service engages the set of strategies that guide the company's interactions and customers (Kotler & Keller, 2012). It also encompasses the introduction of customers to the company products, handling of complaints, and feedback. The key issue in customer service is to make the clients feel the appreciation and value of the organization. Customer attraction matters less than keeping them loyal to the products for a long time. Acquisition of new customers usually costs more to the company than keeping the existing ones through effective customer service (Murage et al., 2011). Customer service should provide platforms for customer feedback. Insurance companies are able to improve customer value after clearly understanding their needs. Therefore, customer differentiation strategies provide a framework for feeds upon which customers' wants and concerns are known and understood by the company.

Insurance companies have incorporated automated service delivery options to improve their time and cost convenience (Murage et al., 2011). The effectiveness of customer service depends on strategic resources such as the workforce. The use of qualified call center personnel is key in establishing and maintains customer relationships in insurance companies. An increase in the use

of technology has influenced customer service delivery. Insurance companies are adapting to web-based service options. According to McDonald et al. (2018) customer service, differentiation strategy is employed in designing services that are unique and distinctive from the competitors. Therefore, companies have a strategy to appear different from other companies in the same industry.

An effective differentiation in customer services establishes company and product brand loyalty (Murage et al., 2011). Customer service differentiation leads to quality customer service and provides opportunities for product improvements, to sell more and increase revenue growth. Customer service determines the excitement about the product purchase by the customer. Lack of good customer service leads to bad customer experience and bad company reputation. Customer service differentiation is important in promoting good customer service and company reputation. In terms of company traits, customer service stands out as it guides contact and views on the services provided. This interaction carries a lot of weight that has significant implications for market share (Miller, 2018).

Customer service is at the center of providing outstanding service to the customers and keeping them loyal (Huang et al., 2013). Insurance companies stand out from competitors through the exceptional quality of products. Customer service differentiation strategy advocates for creating great customer service frameworks that focus on policyholders, exceed their expectations and create relationships that are good for the business. Customer service differentiation strategy is a leading indicator for weighing customer loyalty, identifying customer needs, and attracting new customers in business environments that are highly competitive (Kotler & Keller, 2012). Therefore, customer service is a dimension of organizational operations that should be given priority at all times. The product and brand loyalty cannot be achieved without appropriate customer services among insurance companies. Customer service satisfaction and revenue growth have a significant relationship (Huang et al., 2013). The provision of outstanding services to the customers makes insurance leaders in terms of revenue generation and performance.

MATERIALS AND METHODS

The study used a cross-sectional, descriptive research approach. The cross-sectional study design is an illustration of a study with an observational design. The Southern Rift circuit comprises of Nakuru and Narok Counties and consists of the best known attractions in Kenya including Masai Mara, Lake Nakuru and Lake Naivasha. The circuit has thus attracted several hospitality and tourism investments to cater for the visitors. The register of the Tourism Regulatory Authority (2021) on hospitality and tourism investments in the three South Rift Circuit counties respectively indicate that there are 47 star-rated hospitality establishments that include 8 hotels, 14 lodges, 21 camps and as well as 3 guest houses and 1 spa. the study adopted the census approach. Therefore, there will be no need for sampling. The star-rated hospitality establishments formed the unit of analysis. The unit of observation was the marketing managers of the star-rated hospitality establishments. Respondents' answers to questionnaires were used to gather data. Using this tool, a series of questions were created for the respondents to answer based on how well they understood the research issue. The surveys were both closed and open, giving the respondent the chance to answer any questions that weren't asked directly. The decision to employ questionnaires was made because they were affordable, simple to administer, and provided data that was simple to arrange and evaluate. In this study, three lodging facilities a hotel, an apartment, and a lodge all located in the Southern Tour Circuit were used to pilot test questionnaires and interview schedules for correctness and accuracy. The top executives of the three establishments received the pilot instruments. Following the completion of the reliability

and validity pre-tests for the purpose of standardizing the research instruments, the study went on to employ the instruments.

Reliability

Using the Statistical Package for Social Scientists (SPSS) version 24, a Cronbach's reliability test for internal consistency was performed on the pilot study's results. A Cronbach's reliability value of = 0.70 or above, in accordance with Wallen and Fraenkel (2013), signifies that the instrument was very dependable and hence suitable for investigation. Items that were discovered to have a lower Cronbach's alpha than this number were therefore addressed.

Table 1

Data Collection Instrument Reliability

Variables	Cronbach's Alpha	No. of Items
Technological Differentiation Strategy	0.890	7

Table 1 shows that the overall instrument reliability together with the individual constructs reliability were higher than the suggested edge value of 0.7. This meant that the instrument was reliable and was thus adopted for administration to respondents after minor adjustments.

Measurement of the Variables

Table 2

Measurement of the variables

Hypothesis	Independent Variable	Dependent variable	Test
To determine the influence of technology enabled service differentiation strategies on reopening performance of the hotel industry in Kenya in the post-pandemic context.	Technology enabled service differentiation	Reopening performance of hotel industry in Kenya in the post- pandemic context.	Correlation Beta values

Privacy, confidentiality, cultural sensitivity, gender, and anonymity were ethical concerns taken into account when performing the research. All respondents received a complete and understandable explanation that made the research's purpose apparent. In order for the respondents to decide whether or not to engage in the research, the researcher fully reveals the study's objectives and offers all relevant information. All along the research procedure, study participants received guarantees of confidentiality and anonymity.

RESULTS AND DISCUSSION

Table 3

Response Rate

No. of questionnaires Issued	No. of questionnaires Returned	Response Rate (%)
47	42	89.36

The fact that the instrument was self-administered in this case contributed to the high questionnaire answer rate (89.36%) displayed in Table 3. According to Mugenda & Mugenda (2003), this was acceptable. Additionally, this approach made sure that respondents' concerns about clarity were addressed at the time of data collection; however, care was taken to avoid introducing bias. The respondents did not return the other questions, so they were excluded from the study.

Background of the Hotels

The study also sought to determine the hotels background information to give some basic insight about the hotels. The characteristics considered in the study were; ages of the hotels; number of branches and; the guests they catered for. The findings on these are summarized in Table 4.

Table 4

Background Information of the Hotels

Variable	Category	Frequency	Percentage(%)
Age of hotel firm	0-5 yrs	4	10
	5-10 yrs	11	27
	10-15 yrs	17	40
	Above 15 yrs	10	23
Hotel firm's branches	None	22	49
	1	10	25
	2	7	18
	3	3	8
Type of clients hotel usually caters for	Local guests	8	20
	International guests	13	31
	Both	21	49

The findings in Table 4 show that most of the hotels surveyed (40%) were aged between 10 and 15 years meaning that they had been established recently. Most of the hotels (49%) had no branches and they usually catered for both international and local guests (49%). This meant that the hotels had diversified clients

Descriptive Statistics

The objective was to examine in this study was the influence of technology enabled service differentiation strategies on post-pandemic reopening performance of star-rated hotels in the South Rift Circuit. This objective was measured through the constructs; Technology adoption, Management & Staff Training, and Customer Training. Responses to this measure were rated on a five-point Likert scale with 1 denoting strong disagreement and 5 denoting strong agreement. The mean score and standard deviation were used to analyze the data. The greater the agreement with respect to the statement, the closer each item's mean score was to 5. Numbers slightly below 2.5 would reflect disagreement with the proposition, while numbers around 2.5 would show doubt. The results are shown in Table 4

Table 5

Technology service differentiation strategies and reopening performance

Statement	SD %	D %	N %	A %	SA %	Mean	Std. Dev
Our hotel has been able to incorporate diverse technology applications to improve service delivery	0	0	16.7	31	52.4	4.36	0.759
Our hotel has shifted several functions like booking and reservations to technology	0	2.4	0	95.2	2.4	3.98	0.348

applications

Our hotel has been able to partner with third-party technology applications like trivago, bookings.com etc to improve our visibility in the market	0	0	0	71.4	28.6	4.29	0.457
Our management are well trained on how to integrate their functions with technology	0	0	0	73.8	26.2	4.26	0.445
Our staffs are well trained on how to use technology to improve their tasks	0	52.4	7.1	28.6	11.9	3.00	1.148
Our clients know how to use most of our technologies	0	0	0	83.3	16.7	4.17	0.377
Where necessary, we train our clients on technology use	0	14.3	2.4	42.9	40.5	4.10	1.008
Aggregate						4.023	0.649

The results in Table 5, the overall mean was $M = 4.023$; $SD = 0.649$. The responses were in agreement with the items that described technology-enabled service differentiation methods on the post-pandemic opening performance of star-rated hotels in the South Rift Circuit because the mean is high and the standard deviation is low—below one. With a mean of 4.36 and a percentage of 52. %, the majority of respondents strongly agreed that the hotels had been able to use various technology programs to improve service delivery. The majority of respondents, who agreed with a mean of 3.98 and a percentage of 95.2%, also claimed that most hotels had moved numerous functions, such as booking and reservations, to technological apps. The majority of respondents, who agreed with a mean of 4.29 and a percentage of 71.4%, claimed that most hotels had been successful in forming partnerships with third-party technology apps like trivago, Booking.com, etc. to increase their visibility in the market. The results also show that most hotel management had received adequate training on how to integrate technology into their daily operations, as showed by the popular of respondents, who agreed with a mean of 4.26 and a percentage of 73.8%. However, as revealed by the majority of respondents who disagreed with a mean of 3.00 and a percentage of 52.4%, the staffs in most hotels were not well trained on how to use technology to better their work. Most respondents, who agreed with a mean of 4.17 and a percentage of 83.3%, claimed that the hotel clients are aware of how to use the majority of their technologies. The majority of respondents, who agreed with a mean of 4.10 and a percentage of 42.9%, also indicated that the hotels made an effort to instruct their guests on technology use where it was essential. The results support Huang et al. (2013) contention that high-voltage changes in insurance sector strategies that resulted in the establishment of a technology differentiation approach were caused by technological advancements. As a result of the differentiation strategy's focus on technology, guests are encouraged to participate more and have their opinions and worries translated into evaluations and risk assessments (Felicio & Rodrigues, 2015).

Correlation Analysis

A summary of the Pearson's product-moment correlation analysis is provided in this subsection. By determining the significance of the relationship and the extent and strength of their connection with the dependent variable, the bivariate correlations are used to evaluate the

relationship between the independent variables and the dependent variable. Table 6 provides a summary of these correlation analysis findings.

Table 6

Summary of Correlation Analysis

		Reopening Performance
Technology Strategy	Pearson Correlation	0.755
	Sig. (2-tailed)	0000
	N	43

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

The correlation was carried out to determine whether technology enabled service differentiation strategy had a significant influence on post-pandemic reopening performance of star-rated hotels in the South Rift Circuit. The results show that the relationship between the two variables was significant ($r = 0.755$, $p = 0.000$). The Pearson's correlation coefficient, r , is also strong and positive implying that the between technology enabled service differentiation strategy had a significant influence on post-pandemic reopening performance of star-rated hotels in the South Rift Circuit. This finding agrees with Huang et al. (2013) who found that technology adoption and utilization is a significant driver of insurance sector activities, thus making it a dependable contributor to the Countries' economic development all over the world.

Regression Analysis

Multivariate regression analysis was used to establish the validity of the multiple regression model put forth in chapter three. It was also used to determine how the dependent variable interacted with both the dependent and independent variables overall. The analysis also sought to determine which elements were more crucial and how much each of the independent variables contributed to the overall setup's overall impact on the dependent variable. The results are summarized in Table 7.

Table 7

Multiple Linear Regression Analysis Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.755	0.570	0.559	1.77974

a Predictors: (Constant), Market Growth, Product Innovation, Technology Strategy, Market Diversification

Table 7 findings reveal that the model correlation coefficient for the link between the dependent variable and the independent variable was 0.755. The model may account for up to 55.9% of the variability in the post-pandemic reopening performance of star-rated hotels in the South Rift Circuit, according to the adjusted r-square ($R^2_{Adj} = 0.559$). It also implies that the model might be enhanced by include more predictive variables. According to Hair et al. (2009), the F test can be used to determine whether the multiple regression model as a whole is suitable. The independent and dependent variables were therefore subjected to an ANOVA in the study, and the outcomes are compiled in Table 8.

Table 8

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	691.208	1	172.802	54.555	.000b
Residual	117.197	41	3.167		
Total	808.405	42			

a Dependent Variable: Reopening Performance

b Predictors: (Constant), Technology Strategy

Table 9

Multiple linear regression results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	9.193	4.509		2.039	0.049
Technology Strategy	0.807	0.220	0.452	3.676	0.001

The results also demonstrate that product innovation strategy has a statistically significant impact of 1% on the post-pandemic reopening performance of star-rated hotels. The outcome also shows that a unit increase in product innovation strategy results in a 0.286 unit increase in organizational performance. The functioning satisfaction requirement of the consumer is satisfied by high-quality products (Bayraktar et al., 2017). Due to its role in the strategic choice of the entire firm, the quality emphasis is not the organization's sole responsibility.

Test of Hypothesis

The South Rift Circuit's star-rated hotels' post-pandemic reopening performance is unaffected by a technology-enabled service differentiation plan.

The outcome demonstrates that the performance of star-rated hotels during a pandemic is significantly impacted by technology-enabled service differentiation approach (= 0.452, p 0.05). This resulted in the alternative perspective being accepted, which acknowledged that the technology-enabled service differentiation strategy did, in fact, contribute considerably to the post-pandemic reopening performance of star-rated hotels in the South Rift Circuit. This led to the rejection of the null hypothesis. The results support those of Bayraktar et al. (2017) who discovered that technology, used as a strategy for distinction, makes it easier to attract and acquire new clients while also lowering the cost of recruiting policyholders.

Technology is a crucial component of a corporate strategy with long-term effects on organizational success, claims (Yanney, 2014). As a result, the use of technology resources has a big impact on the market share and revenue growth of insurance businesses.

Conclusion

The study concludes that Technology enabled service differentiation strategy has a significant influence on post-pandemic reopening performance of star-rated hotels in the South Rift Circuit. There were indications that the hotels clients know how to use most of their technologies. Also, the hotels endeavored to train their clients on technology use where it was necessary.

Recommendations

The study recommends that the hotels should make provision for continuous training of staffs on technology applications as there are indications that the hotel industry will become more technology dependent in the future.

Future studies in this area should investigate the mediating role of government support of the hotel sector on the post-pandemic reopening performance of star-rated hotels in Kenya. There is also need to examine the customer engagement strategies used by the star-rated hotels in Kenya and their effect on the post-pandemic reopening performance of star-rated hotels in Kenya.

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