

# Analysis of the Impact of Integrated Value Chain System and Customer Care Services in Enhancing Competitiveness in the Tourism Industry in Kenya

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## Abstract

## Original Research Article

This study pursues a twofold objective: (1) to investigate the impact of integrated value chain systems on competition in the tourism industry, and (2) to examine the role of customer satisfaction, loyalty, and retention in promoting the growth of Kenya's tourism sector.

Global competition has stimulated technological innovation, product differentiation, and greater reliance on value chain systems to improve efficiency and effectiveness (Porter, 2008). Within this context, customer satisfaction, loyalty, and retention remain central to achieving competitive advantage, strategic positioning, and long-term profitability. For developing economies such as Kenya, strengthening tourism competitiveness requires effective policy frameworks, technology transfer, customer care services, integrated value chain systems, professional development, intensive marketing, and product differentiation (Christine & Crompton, 2001).

Accordingly, this research analyzes the role of integrated value chain systems in the tourism industry and evaluates how sustainable customer care services foster growth, competitiveness, and spur economic development in Kenya. A mixed-methods approach was adopted, triangulating qualitative and quantitative data to ensure elevated levels of validity, reliability, and legitimacy. Findings confirm that the tourism industry has consistently contributed to Kenya's economic growth. Specifically, the adoption of integrated value chain systems and enhanced customer care services has significantly increased competition, improved service quality, enhanced reliability, and delivered greater value for money, thereby fostering growth and profitability in the tourism sector.

The study contributes academically by extending knowledge on value chain dynamics and customer relationship management in tourism, and practically by offering insights for policymakers, industry stakeholders, and practitioners seeking to strengthen Kenya's position in the global tourism market.

**Keywords:** Tourism industry competitiveness; Value chain system; Customer satisfaction; Customer loyalty and retention; Strategic positioning; Economic growth in Kenya; Tourism policy and development.

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## 1.0 Introduction

An integrated value chain in Kenya's tourism industry significantly boosts economic benefits by reducing leakages, enhancing efficiency, and increasing local economic impact through strategic linkages with

other sectors like agriculture. It creates more and better jobs, drives foreign investment, and fosters greater competitiveness for tourism enterprises. Benefits include cost savings, improved service quality, increased customer satisfaction, enhanced flexibility for businesses, and the sustainable development of local communities. Embracing

an integrated value chain system in the tourism has many economic benefits which impact on performance and sustainability in the following ways.

Enhanced efficiency and competitiveness

- **Streamlined processes:** Integrating various stages of the tourism value chain, from suppliers to tour operators and customers, can eliminate inefficiencies and reduce operational costs. This can lead to timely delivery of services and a smoother overall tourist experience. **Cost savings:** Data integration and enhanced supply chain visibility through an integrated approach can lead to better forecasting, improved collaboration, and subsequently, reduced costs across the value chain. **Enhanced performance and differentiation:** Supply chain integration can be a key driver of competitive advantage by leading to enhanced performance and differentiation for tourism enterprises in Kenya.

Improved customer satisfaction

- **Consistent quality:** Integration can help ensure a consistent quality of services and products across different parts of the tourism experience, which can lead to higher tourist satisfaction and repeat business. **Tailored experiences:** A better understanding of customer needs and preferences through an integrated approach can allow for the creation of new and more diverse customer experiences and products, attracting a wider range of tourists to Kenya.

Economic growth and local empowerment

- **Increased revenues:** By improving efficiency and customer satisfaction, an integrated value chain can lead to an increase in revenues from tourism, including foreign exchange, investment, and fiscal revenues. **Stimulated growth of local businesses:** Integrated value chains can stimulate the growth of Micro, Small, and Medium Enterprises (MSMEs) with linkages to domestic sectors such as handicrafts, retail, and horticulture, according to the World Bank. **Economic inclusion:** Development of tourism under a national strategy can prioritize creating economic opportunities for all, including local communities (especially marginalized groups), local SMEs, the youth, and women. **Improved social well-being:** Increased tourism revenue and participation in the value chain can contribute to improving the social well-being of communities, women, and disadvantaged groups. **Enhanced tourism multiplier effect:** An integrated approach can enhance tourism's multiplier effect, reducing economic leakages and strengthening economic linkages within the country.

Sustainability and environmental protection

- **Preventing environmental degradation:** An integrated value chain can drive tourism revenue

towards preserving natural and cultural assets and adapting to climate change. **Sustainable practices:** Promoting green tourism and community-based tourism within an integrated framework can encourage eco-friendly practices and empower local communities as stakeholders, thereby fostering sustainable development. **Reduced carbon emissions:** An integrated approach can improve the tourism sector's capacity to mitigate Greenhouse Gas (GHG) emissions and improve resource efficiency, contributing to low-carbon development, according to UNEP.

Resilience and adaptability

- **Enhanced agility:** In a constantly changing environment like the tourism landscape in Kenya, embracing integrated value chains can enhance enterprises' ability to respond effectively to economic changes and unpredictability. **Addressing challenges:** An integrated approach can help address performance hindrances such as lack of connectivity across functional units, inadequate means for data-driven decisions, inaccurate demand forecasting, and poor order visibility.

By embracing an integrated value chain approach, Kenya's tourism industry can leverage improved collaboration, efficiency, and sustainability practices to achieve significant growth and contribute more effectively to the country's economic and social development

Customer care plays a vital role in enhancing competitiveness in Kenya's tourism industry. Excellent customer service leads to increased customer satisfaction, positive word-of-mouth referrals, and repeat business. This, in turn, boosts the reputation of tourism businesses and the country as a whole. Effective customer care involves personalized interactions, addressing customer needs promptly, and resolving issues efficiently. By prioritizing customer experiences, Kenyan tourism operators can differentiate themselves, build customer loyalty, and gain a competitive edge in the global market. Investing in training and technology to improve customer service is crucial for sustainable growth and success (Juma, 2025).

Customer care is a core driver of customer retention and loyalty in the tourism industry, and it significantly influences loyalty in tangible and strategic ways: enhances trust and perceived value, reinforces emotional connection and personalization, fosters transparent conflict resolution, enhances consistency and reliability, fosters positive referrals, reviews and ratings, enhances unique differentiation of services, strengthens comparative advantage, growth and profitability in the industry.

The adoption of integrated value chain systems and enhanced customer care services has significantly increased competition, improved service quality, enhanced reliability, and delivered greater value for money, thereby fostering growth and profitability in the tourism sector.



1.2 Purpose of the Study

The purpose of this study is to analyze the impact of integrated value chain systems and enhanced customer care services on increasing competition, improving service quality, and fostering growth in Kenya’s tourism industry.

1.3 Research Objectives

The specific objectives of this study are to:

- 1. Examine the influence of integrated value chain systems on competitiveness in Kenya’s tourism industry.
- 2. Assess the role of customer care services in enhancing customer satisfaction, loyalty, and retention.
- 3. Evaluate the contribution of integrated value chain systems and customer care services to service quality, reliability, and value for money in the tourism sector.
- 4. Analyze how these factors collectively foster growth, profitability, and long-term sustainability in Kenya’s tourism industry.
- 5. Provide practical recommendations for policymakers, industry stakeholders, and practitioners to strengthen Kenya’s position in the global tourism market.

1.4 Research Questions

This study seeks to answer the following research questions:

- 1. How do integrated value chain systems influence competitiveness in Kenya’s tourism industry?
- 2. In what ways do customer care services enhance customer satisfaction, loyalty, and retention?
- 3. To what extent do integrated value chain systems and customer care services contribute to service quality, reliability, and value for money in the tourism sector?
- 4. How do these factors collectively foster growth, profitability, and long-term sustainability in Kenya’s tourism industry?
- 5. What practical strategies can policymakers, industry stakeholders, and practitioners adopt to strengthen Kenya’s position in the global tourism market?

3.0 The Literature Review

3.1 Theoretical Framework on the impact of integrated Value Chain systems and elevated Customer Care Services in the Tourism Industry in Kenya

This study draws on multiple theoretical perspectives to explain how integrated value chain systems and enhanced customer care services contribute to competitiveness, customer

satisfaction, and sustainable growth in Kenya’s tourism industry.

**Porter’s Value Chain Theory (1985)** provides the foundation by emphasizing how firms can gain competitive advantage through the coordination of primary and support activities. In the tourism industry, integrated value chain systems streamline operations, reduce costs, enhance service delivery, and differentiate tourism products, enabling destinations like Kenya to strengthen their global market positioning.

Complementing this, **the Resource-Based View (RBV) of the Firm (Barney, 1991)** argues that sustainable competitiveness stems from resources that are valuable, rare, inimitable, and non-substitutable (VRIN). Integrated value chain systems and superior customer care services represent intangible strategic resources that enhance efficiency and create unique value propositions for Kenya’s tourism sector.

**The SERVQUAL Model** (Parasuraman, Zeithaml & Berry, 1988) further highlights the importance of service quality dimensions—tangibility, reliability, responsiveness, assurance, and empathy—in shaping tourist satisfaction. Building on this, Expectation-Confirmation Theory (Oliver, 1980) posits that customer satisfaction depends on the degree to which actual experiences meet or exceed expectations. Together, these theories explain the mechanisms by which customer care services foster loyalty, retention, and repeat visitation.

The principles of **Customer Relationship Management (CRM) Theory** extend this by stressing the strategic importance of long-term relationships with customers. In tourism, strong CRM practices supported by effective value chain integration ensure personalized services, improved communication, and increased tourist loyalty—factors critical for profitability and competitiveness.

From a broader industry perspective, **the Competitiveness Theory in Tourism (Crouch & Ritchie, 1999)** underscores that a destination’s competitiveness depends on resource endowments, demand conditions, supporting industries, and effective policy frameworks. Kenya’s tourism sector therefore requires coordinated value chain integration and strong service delivery to fully exploit its natural and cultural resources.

**The Stakeholder Theory (Freeman, 1984)** also provides a useful lens, as tourism involves multiple stakeholders—government agencies, private operators, local communities, tourists, and NGOs—whose collaboration determines industry outcomes. Integrated value chains and quality customer service can only succeed when supported by policies, community participation, and stakeholder alignment.

Finally, **the Sustainable Tourism Development Theory (Butler, 1999; UNWTO frameworks)** emphasizes that tourism growth must balance economic, social, and environmental concerns. Integrated value chain systems and customer-oriented services not only improve competitiveness and profitability but also ensure that growth is sustainable, inclusive, and aligned with national development objectives.

Fittingly, Juma (2025) argues that these theories explain how integrated value chain systems and enhanced customer care services interact to improve competitiveness, profitability, and sustainability in the tourism industry. By situating Kenya’s tourism sector within these theoretical perspectives, this study provides a robust foundation for analyzing how operational efficiency and service excellence contribute to economic growth and global positioning.

By integrating these theories, this study establishes a comprehensive framework to analyze how value chain systems and customer care services influence competitiveness, customer satisfaction, loyalty, and retention, ultimately contributing to the growth and economic development of Kenya’s tourism industry.

3.2 Conceptual Framework

This study conceptualizes the relationship between **integrated value chain systems** and **customer care services** (independent variables), their influence on **service quality, customer satisfaction, loyalty, and retention** (mediating variables), and their ultimate impact on **tourism industry competitiveness, growth, and economic contribution** (dependent variables).

Building on Porter’s Value Chain Theory (1985) and the SERVQUAL Model (Parasuraman et al., 1988), this study conceptualizes the relationship between integrated value chain systems and enhanced customer care services as the key independent variables, influencing competitiveness, service quality, customer satisfaction, loyalty, and retention as intermediate outcomes, which in turn contribute to growth, profitability, and economic development in Kenya’s tourism industry.

Independent Variables:

- Integrated Value Chain Systems (efficiency, innovation, coordination, technology adoption).
- Customer Care Services (responsiveness, reliability, assurance, empathy, tangibility).

Mediating/Intermediate Variables:

- Service Quality.
- Customer Satisfaction.
- Customer Loyalty and Retention.
- Tourism Industry Competitiveness.

Dependent Variables:

- Growth of the Tourism Sector.
- Profitability and Sustainability.
- Contribution to National Economic Development.

Both Integrated Value Chain Systems and Customer Care Services directly influence Service Quality and indirectly affect

Tourism Competitiveness through Satisfaction and Loyalty/Retention. Ultimately, these lead to Growth, Profitability, and National Economic Contribution.

4.0 Methodology

4.1 Research Design

This study adopted a mixed-methods research design, combining both qualitative and quantitative approaches to provide a comprehensive understanding of the impact of integrated value chain systems and enhanced customer care services on the competitiveness of Kenya’s tourism industry.

The quantitative component enabled the measurement of relationships among key variables such as service quality, customer satisfaction, loyalty, retention, and industry competitiveness, using structured questionnaires and statistical analysis. The qualitative component, on the other hand, provided deeper insights into stakeholder perspectives through interviews, focus group discussions, and document reviews.

The use of a mixed-methods design was justified on the basis of triangulation, which enhances the validity, reliability, and legitimacy of findings by corroborating data from multiple sources and methods. This approach also ensured that both the breadth (through quantitative data) and depth (through qualitative insights) of the research problem were adequately captured, thereby offering a holistic analysis of the tourism sector in Kenya.

4.2 Target Population

The target population for this study comprised of 60 key stakeholders within Kenya’s tourism industry, including:

1. Tourists (both domestic and international) visiting major destinations.
2. Tour operators and travel agencies involved in value chain integration.
3. Hotel and accommodation providers representing the hospitality sector.
4. Government officials and policymakers from the Ministry of Tourism and related agencies.
5. Local community representatives engaged in tourism activities.

This diverse population was selected to capture perspectives across the entire tourism value chain, ensuring that both supply-side and demand-side factors were adequately represented.

4.3 Sampling Procedures

A stratified random sampling technique was employed to ensure fair representation of different categories of stakeholders. The strata included tourists, service providers (hotels, tour operators), and policymakers. From each stratum, participants were selected proportionately to their representation in the tourism sector.



For the qualitative component, purposive sampling was applied to identify key informants with specialized knowledge of tourism policy, customer care practices, and value chain systems. This included senior managers in hotels, leaders of tour associations, and government officials.

The sample size was determined using Yamane’s formula (1967) for the quantitative survey, while qualitative sampling continued until data saturation was achieved.

4.4 Data Collection Methods

Data were collected through a combination of primary and secondary sources:

- Questionnaires: Structured questionnaires with both closed- and open-ended questions were administered to tourists and service providers to capture quantitative data on satisfaction, loyalty, retention, and perceptions of value chain integration.
- Interviews: Semi-structured interviews were conducted with policymakers, managers, and community representatives to gather qualitative insights.
- Focus Group Discussions (FGDs): FGDs were held with selected stakeholders to capture collective perspectives on challenges and opportunities in the tourism sector.
- Document Analysis: Secondary data were obtained from government reports, industry publications, and international tourism databases (e.g., UNWTO, WTTC) to provide context and validate primary findings.

4.5 Data Analysis

The study employed both quantitative and qualitative analysis techniques:

- Quantitative Analysis: Data from questionnaires were coded and analyzed using Statistical Package for the Social Sciences (SPSS). Descriptive statistics (frequencies, means, percentages) were used to summarize data, while inferential statistics such as correlation analysis, regression analysis, and ANOVA were employed to test relationships between variables (e.g., value chain integration, satisfaction, loyalty, competitiveness).
- Qualitative Analysis: Data from interviews and FGDs were transcribed, coded, and analyzed thematically

using NVivo software. This enabled the identification of patterns, themes, and narratives that explained the quantitative findings.

- Triangulation: Both datasets were integrated to validate results, ensuring robust conclusions and strengthening the reliability of the study.

4.6 Validity and Reliability

To ensure validity, the research instruments were subjected to expert review and pilot testing. Content validity was confirmed by aligning the questionnaire items with the study objectives and theoretical framework. Reliability of quantitative data was tested using Cronbach’s Alpha to assess internal consistency, with an acceptable threshold of 0.70. For qualitative data, trustworthiness was ensured through member checking, peer debriefing, and maintaining an audit trail.

4.7 Ethical Considerations

Ethical approval was sought from Robert Kennedy College, University of Wales Research Ethics Committee. Informed consent was obtained from all participants, and they were assured of confidentiality and anonymity. Participation was voluntary, with the option to withdraw at any stage. Data were securely stored and used solely for academic purposes.

Chapter Five: Data Analysis and Findings

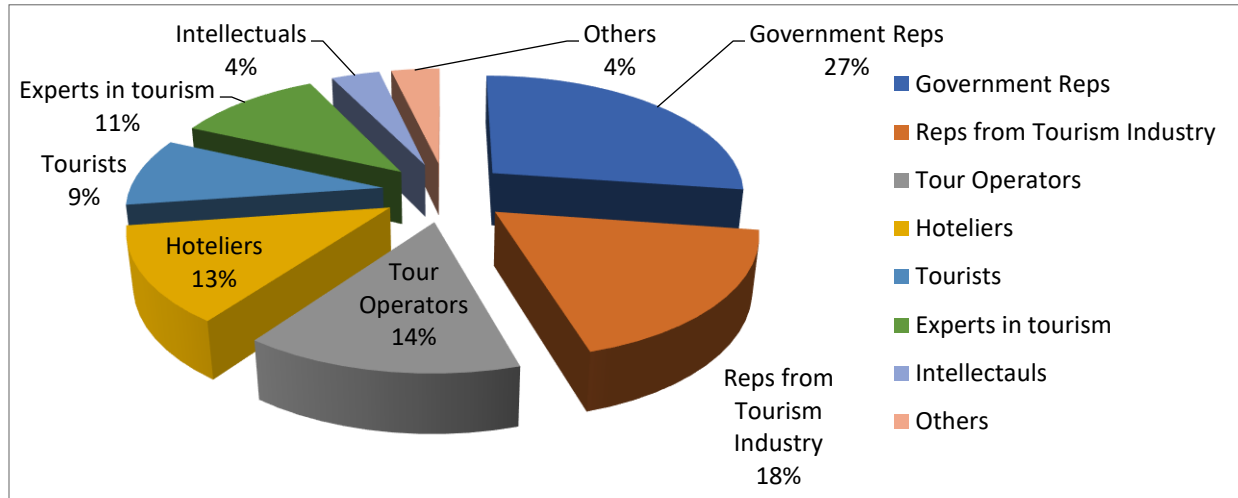
5.0 Introduction

This chapter presents the analysis and interpretation of data collected from key stakeholders in the tourism industry. The purpose is to evaluate the impact of integrated value chain systems and enhanced customer care services on competitiveness, growth, and sustainability in Kenya’s tourism sector. Both quantitative and qualitative results are presented in line with the study objectives and research questions.

5.1 Response Rate

The target population for this study consisted of **60 key stakeholders** drawn from different segments of the tourism value chain, including **tourists, service providers, policymakers, and community representatives**. Out of these, a total of **55 respondents** successfully participated in the study, representing a **response rate of 91%**. According to Mugenda and Mugenda (2003), a response rate of 50% is adequate, 60% is good, and 70% and above is considered excellent for analysis. Therefore, the achieved response rate was deemed sufficient to ensure reliability and validity of the findings.

**Figure-1 Distributions of Respondents by Category**

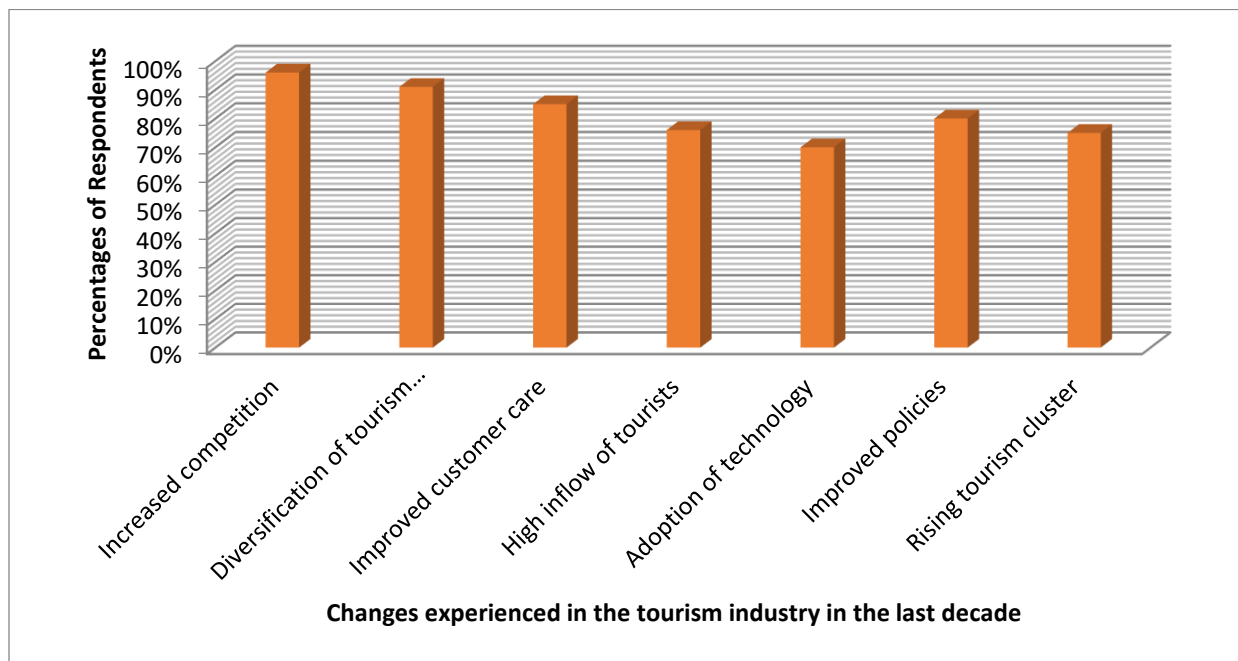


### Interpretation:

The findings indicate that a significant proportion of respondents were **government representatives (27%)** and **tourism industry operators (18%)**. This suggests that the majority of responses were drawn from **key decision-makers**

and **direct industry stakeholders**, thereby providing credible insights into policy direction, regulatory issues, and operational realities within Kenya's tourism sector. The inclusion of tourists, community representatives, and policymakers further ensured a **balanced and representative perspective** of the value chain.

**Figure-2. Significant changes experienced in the tourism industry in the last decade.**



### Interpretation:

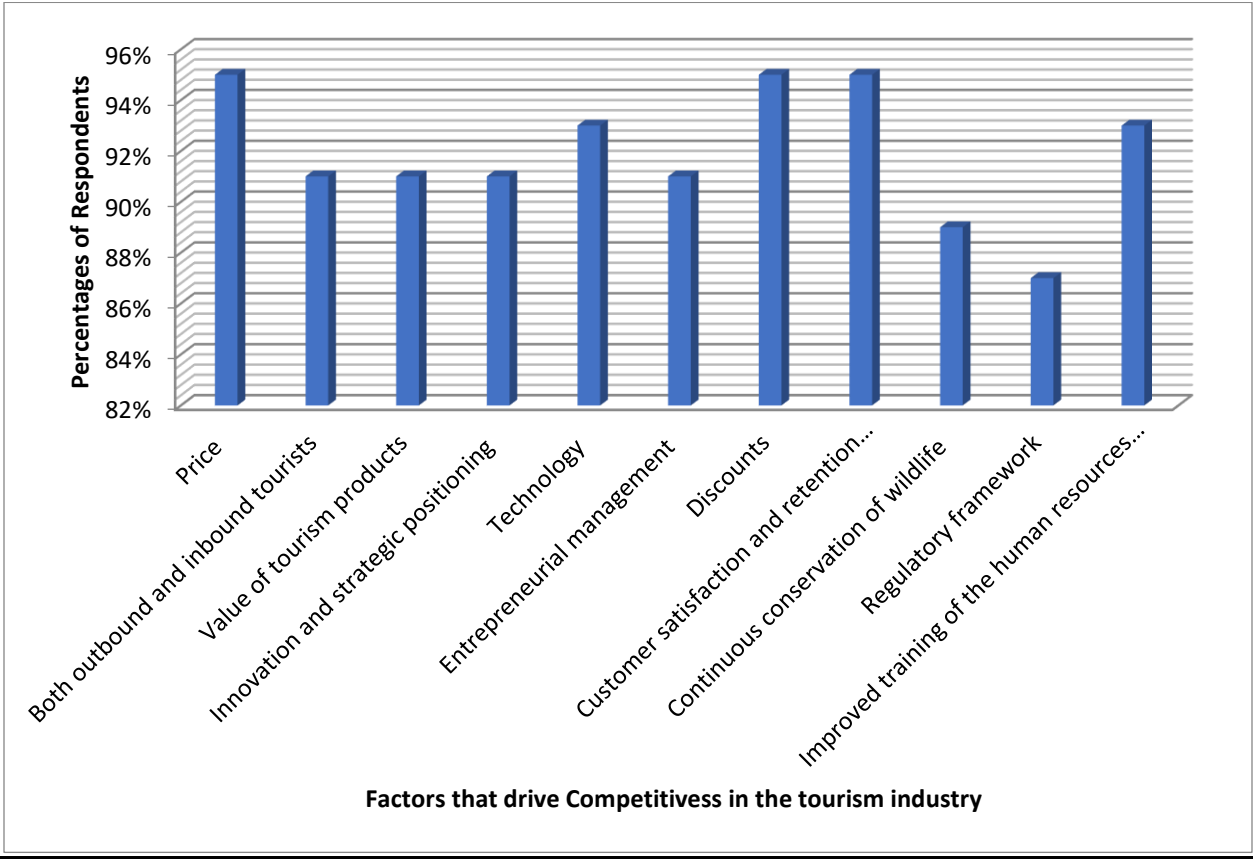
The findings reveal that respondents perceive **increased competition (96%)**, **diversification of tourism products (91%)**, and **improved customer care (85%)** as the

most significant changes in Kenya's tourism industry over the past decade. High inflows of tourists (76%) were also highlighted, while **adoption of technology (70%)** was rated relatively lower compared to other factors.

This comparatively low rating for technology adoption may be attributed to the **moderate penetration of information technology in Kenya**, particularly in rural tourism settings such as national parks, game reserves, and lodges, where infrastructure and connectivity remain limited. However, respondents emphasized that despite this constraint, **technology has been pivotal in driving competitiveness**, particularly through its adoption by airlines, tour operators, travel agencies, hotels, and car rental companies. The use of **digital platforms, promotional videos, internet websites,**

**television advertisements, and travel documentaries** has enhanced Kenya’s global brand positioning and increased awareness of the country’s unique tourism products. Overall, the results suggest that **Kenya’s tourism industry has become increasingly competitive**, with strategic use of technology contributing indirectly to the heightened competition. This has strengthened the country’s **value proposition and competitive advantage in the regional and global tourism market**.

**Figure -3 Factors that drive competitiveness in the tourism industry.**



**Interpretation:**

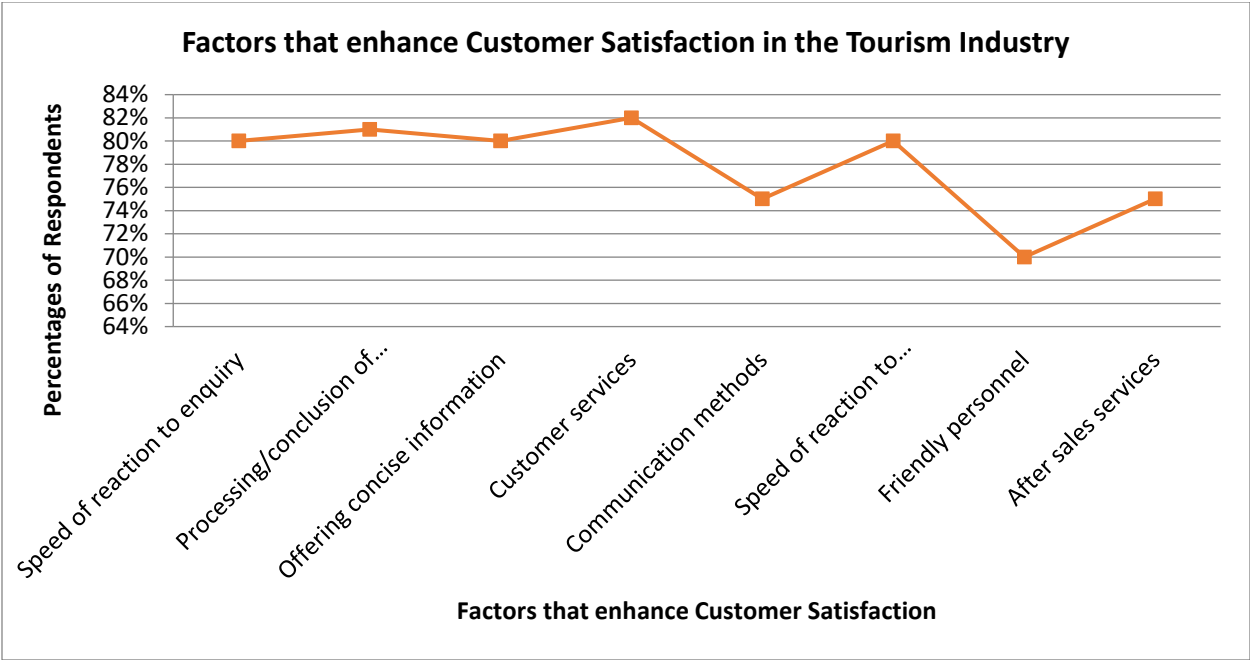
The findings demonstrate that **price (95%), customer satisfaction and retention programs (95%), and improved training of human resources (95%)** are the most critical drivers of competitiveness in Kenya’s tourism industry. Equally significant are the **adoption of technological change (93%), firm structure and rivalry (91%), and the integrated value chain services (91%),** which collectively shape the industry’s competitive landscape. It can be argued that the adoption of technological innovations and improved training have not only promoted **creativity and innovation** but also facilitated the **global adaptation of new tourism products**, thereby creating lasting competitive

advantage (Juma, 2025). The results further suggest that the role of government is central in strengthening competitiveness through **policy formulation, regulation of firm rivalry, and enhancement of the enabling business environment**. By regulating firm structures and managing rivalry among industry players, government policy can create entry barriers, leverage cost differentiation, and enhance Kenya’s attractiveness as a competitive yet affordable tourism destination. The findings also highlight that tourism competitiveness is no longer confined to inter-firm rivalry but has shifted to **destination-based competition** (Go & Govers, 1999). Tourists now compare **destinations rather than just service providers**, with factors such as infrastructure, regulatory environment, and product diversity playing crucial roles.

Overall, the results indicate that Kenya’s tourism industry is increasingly shaped by **price sensitivity, technological adoption, customer-oriented strategies, and integrated value chain system**. The integration of these factors has

redefined industry structures, enhanced value chains, optimized efficiency, and generated new business models, all of which contribute to strengthening Kenya’s competitive position in the global tourism market.

Figure-4 Important factors of customer satisfaction, loyalty and retention.



Interpretation:

The findings from exploratory factor analysis show that four customer service variables had the strongest positive relationship with overall customer satisfaction. These include **customer service quality (82%), processing and conclusion of sales (81%), speed of response to enquiries and complaints (80%), and provision of concise information (80%)**. These factors suggest that effective customer care has a direct and substantial impact on **customer satisfaction, loyalty, and retention** in Kenya’s tourism industry. The results align with **Kondo (2001)**, who emphasized that one of the core objectives of **Total Quality Management (TQM)** is customer satisfaction, and that businesses must consistently seek customer feedback to reduce dissatisfaction and minimize switching or defection. Similarly, **Lewis (2004)** found a strong

relationship between customer satisfaction and customer loyalty in the tourism sector, noting that satisfaction is sustained only through maintaining both **high product quality and high service quality**. Furthermore, **Luo and Homburg (2007)** established that customer satisfaction is central to effective marketing strategies, often leading to increased sales. Their study also revealed that **satisfied customers are less price sensitive and more willing to pay premium prices**, making customer care a strategic tool not only for retention but also for profitability. In summary, these findings underscore that **quality customer care is the cornerstone of competitive advantage** in the tourism industry. By focusing on responsiveness, efficiency in service delivery, and clear communication, tourism operators in Kenya can inspire greater customer satisfaction, foster loyalty, and sustain long-term retention, ultimately contributing to the growth and competitiveness of the sector.

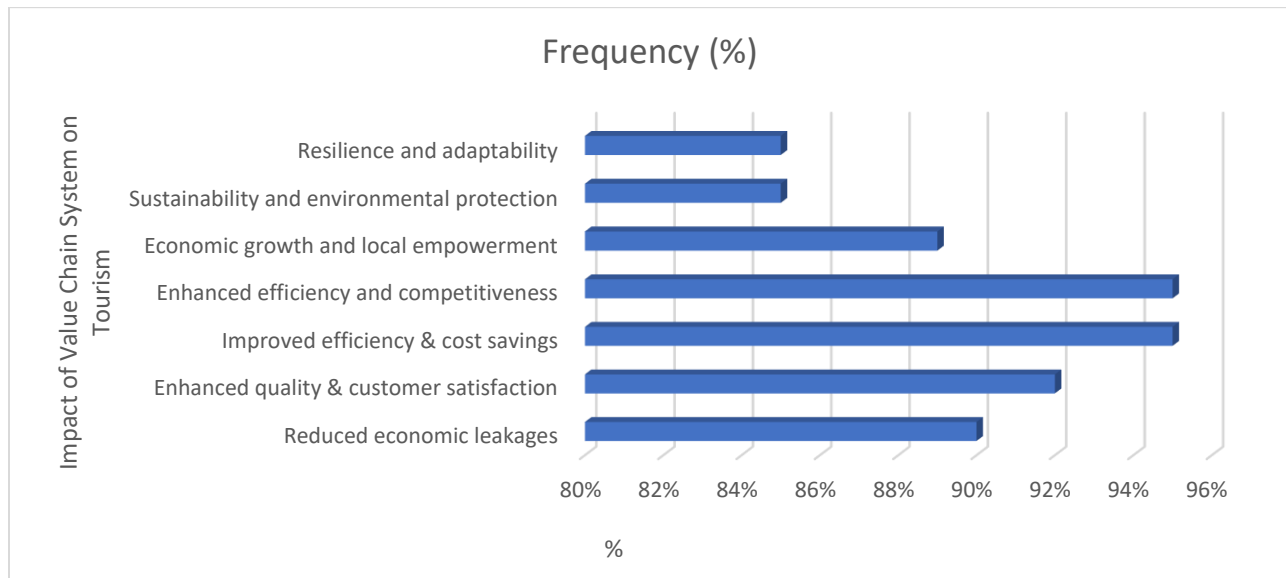
Table-1 Impact of Integrated Value Chain System on the Tourism Industry in Kenya

Impact of Value Chain System	Frequency (%)
Reduced economic leakages	90%
Enhanced quality & customer satisfaction	92%



Impact of Value Chain System	Frequency (%)
Improved efficiency & cost savings	95%
Enhanced efficiency and competitiveness	95%
Economic growth and local empowerment	89%
Sustainability and environmental protection	85%
Resilience and adaptability	85%

Figure-5



## Interpretation:

The findings demonstrate that the adoption of integrated value chain systems has had a profound impact on Kenya's tourism industry. The most highly rated outcomes include **improved efficiency and cost savings (95%)**, and **enhanced efficiency and competitiveness (95%)**, underscoring the role of integration in optimizing operations and strengthening market positioning.

Equally significant were improvements in **quality and customer satisfaction (92%)** and **reduction of economic leakages (90%)**, both of which point to stronger value creation within the sector. Respondents also highlighted the contribution of integrated value chains to **economic growth and local empowerment (89%)**, which suggests that the benefits extend beyond industry players to local communities through job creation and enterprise development.

Although relatively lower, **sustainability and environmental protection (85%)** and **resilience and adaptability (85%)** still emerged as important impacts. This reflects the growing emphasis on sustainable tourism practices and the ability of the industry to withstand shocks such as global economic downturns or pandemics.

Overall, the results confirm that integrated value chain systems play a critical role in strengthening the **efficiency, competitiveness, and sustainability** of Kenya's tourism industry while simultaneously promoting inclusive growth and customer value creation.

## 5.4 Qualitative Results

### 5.4.1 Thematic Analysis

The qualitative data collected through **in-depth interviews and 55 focus group discussions (FGDs)** were analyzed using **thematic analysis**. This approach enabled the identification of recurrent patterns, perspectives, and insights that complemented the quantitative findings. The analysis generated **four major themes**, which are presented below:

#### Theme 1: Integrated Value Chain Systems as a Driver of Competitiveness

Participants emphasized that value chain integration enhances collaboration among stakeholders such as hotels, tour operators, airlines, and local communities. This integration

reduces operational inefficiencies, minimizes economic leakages, and improves service coordination. Respondents noted that seamless linkages across the value chain foster a stronger brand image for Kenya’s tourism, making it more competitive in the global market.

Theme 2: Customer Care Services and Tourist Loyalty

A recurring theme was the importance of responsive and personalized customer care in building tourist loyalty. Tourists and service providers consistently reported that prompt handling of complaints, provision of accurate information, and staff professionalism significantly influenced repeat visits and positive word-of-mouth recommendations. Poor customer care, conversely, was associated with tourist defection and reputational risks.

Theme 3: Policy, Regulation, and Institutional Support

Respondents identified government policy, regulatory frameworks, and institutional support as critical enablers of competitiveness. Several participants observed that regulatory interventions such as licensing, pricing oversight, and tourism standards help to maintain quality and fairness in the industry. However, challenges such as bureaucracy, inadequate infrastructure, and inconsistent policy implementation were also highlighted as barriers.

Theme 4: Sustainability, Innovation, and Technology Adoption

The analysis revealed growing awareness among stakeholders about the role of sustainable practices and innovation in tourism. Adoption of new technologies—including digital booking systems, online marketing platforms, and eco-friendly practices—was seen as critical for resilience and adaptability. Participants also highlighted the need for innovation in product diversification (e.g., cultural tourism, eco-tourism) to sustain competitiveness in a changing global market.

The thematic analysis illustrates that competitiveness in Kenya’s tourism industry is influenced by a combination of **value chain integration, quality customer care, enabling policy frameworks, and sustainable innovation**. These qualitative insights reinforce the quantitative findings, highlighting the multi-dimensional drivers of growth, loyalty, and competitiveness in the sector.

5.5 Approach to Integration (Mixed-Methods)

- **Quantitative findings:** Provide numerical evidence (percentages, frequencies, statistical relationships) on outcomes such as efficiency, cost savings, customer satisfaction, competitiveness, and sustainability.
- **Qualitative findings:** Add depth and context by bringing in insights from interviews, focus groups, and

narratives from stakeholders (tourists, service providers, policymakers, community members). These highlight *why* or *how* certain results were achieved.

- **Integration:** Identify convergence (agreement), divergence (contradictions), and complementarity (one set of findings expands on the other).

5.5.1 Integrated Results

a) Operational Efficiency and Cost Savings

- **Quantitative:** 95% of stakeholders agreed that integrated value chain systems improved efficiency and reduced costs.
- **Qualitative:** Respondents emphasized that streamlined procurement, coordinated transport services, and digital booking systems reduced duplication and leakages, leading to faster service delivery.
- **Integration:** Numbers confirm efficiency gains, while narratives explain *mechanisms*—digitization and partnerships in logistics are critical drivers.

b) Customer Satisfaction and Experience

- **Quantitative:** 92% of tourists reported enhanced satisfaction due to improved service quality.
- **Qualitative:** Tourists highlighted personalized experiences, responsive customer care, and improved hospitality standards as reasons for satisfaction. Some noted gaps in consistency across regions.
- **Integration:** Both data types show high satisfaction, but qualitative inputs reveal that satisfaction depends not only on infrastructure but also on *staff attitudes, training, and communication*.

c) Competitiveness of the Tourism Industry

- **Quantitative:** 95% acknowledged enhanced competitiveness regionally and globally.
- **Qualitative:** Stakeholders explained that integrated value chains—linking hotels, tour operators, airlines, and local artisans—boosted Kenya’s unique market positioning. However, challenges like policy inconsistency and fragmented county-level coordination remain.
- **Integration:** The statistics highlight high competitiveness, while qualitative insights stress the need for coherent governance frameworks to sustain it.

d) Local Empowerment and Economic Growth

- **Quantitative:** 89% recognized local empowerment and economic growth.

- **Qualitative:** Interviews showed that community-based tourism and fair-trade initiatives gave local artisans, farmers, and guides direct market access. However, some communities felt excluded from decision-making.
- **Integration:** Quantitative data confirms empowerment trends, while qualitative data underscores *equity issues* and the importance of inclusive participation.

## e) Sustainability and Resilience

- **Quantitative:** 85% noted improved sustainability and adaptability.
- **Qualitative:** Stakeholders pointed out practices such as eco-lodges, wildlife conservation, and waste management. Yet, they warned of climate change and over-reliance on international tourists.
- **Integration:** Numbers show progress, but narratives emphasize vulnerabilities, particularly climate-related risks and over-dependence on external markets.

### 5.5.2 Synthesis Statement

By integrating quantitative and qualitative findings, it is evident that the **integrated value chain and customer care have significantly strengthened Kenya's tourism industry** through improved efficiency, customer satisfaction, competitiveness, and community empowerment. However, qualitative insights reveal underlying challenges—such as uneven implementation, governance gaps, and sustainability threats—that numbers alone do not capture. This mixed-methods integration underscores that while Kenya's tourism industry benefits greatly from integration, long-term resilience will require **inclusive policies, capacity building, and climate-adaptive strategies**.

## 6.0 Policy, Practical, and Operational Implications of Results

### 6.1 Policy Implications

The study's findings highlight the centrality of integrated value chain systems and elevated customer care services in enhancing the competitiveness of Kenya's tourism industry. This aligns with **Porter's Competitive Strategy (2004)**, which emphasizes industry structure, rivalry, and positioning, as well as the **Resource-Based View (RBV)**, which underscores the role of unique resources and capabilities in creating sustainable competitive advantage. From a policy perspective, several implications emerge:

#### 1. Strengthening Value Chain Integration through Policy Frameworks

- Policymakers should develop clear frameworks that promote coordination among key players in the tourism value

chain—airlines, hotels, travel agencies, local communities, and regulatory bodies.

- National tourism policies need to incentivize partnerships and joint ventures, ensuring that economic leakages are minimized and that benefits accrue to both formal and informal sector players.

#### 2. Enhancing Customer Care Standards through Regulation

- The findings demonstrate that customer satisfaction, loyalty, and retention are highly influenced by the quality of customer care. This underscores the need for government agencies, such as the Kenya Tourism Regulatory Authority, to establish **mandatory service quality benchmarks**, training requirements, and periodic audits of service providers.
- Policies should mandate **customer service training and certification** for frontline tourism staff to enhance professionalism across the industry.

#### 3. Leveraging Technology for Competitiveness

- Policy interventions are required to support the adoption of **digital technologies**, including online booking platforms, e-payment systems, and digital marketing.
- The government can enhance competitiveness by investing in **ICT infrastructure**, especially in rural and remote tourism destinations where internet connectivity remains limited.

#### 4. Promoting Sustainable and Inclusive Tourism Policies

- The integration of sustainability into tourism policy is critical, particularly in areas of **environmental protection, cultural heritage preservation, and community empowerment**.
- Policies should ensure that local communities are integrated into the tourism value chain through incentives for community-based tourism enterprises.

#### 5. Regional and International Positioning

- The study highlights that Kenya's competitiveness is shaped by globalization and destination rivalry. Thus, policies must focus on **regional integration within the**



**East African Community (EAC)** and global branding initiatives.

- This includes **visa harmonization, joint marketing campaigns, and cross-border tourism products** to position Kenya more strongly on the international stage.

Policy frameworks that prioritize value chain integration, service quality, digital transformation, sustainability, and regional positioning will significantly strengthen Kenya's tourism industry. These interventions will not only reinforce Kenya's global competitiveness but also ensure that tourism continues to generate inclusive economic growth and sustainable development.

## 6.2 Practical Implications

The study's findings provide actionable insights for **industry stakeholders**, including tour operators, hoteliers, airlines, travel agents, and community-based enterprises.

### 1. Value Chain Coordination for Efficiency

- Firms need to **strengthen linkages** across the tourism value chain (transport, accommodation, food services, entertainment, and cultural products).
- Collaborative business models—such as integrated booking platforms or bundled tour packages—can reduce operational inefficiencies, optimize costs, and enhance customer convenience.

### 2. Customer Care as a Strategic Asset

- Tourism businesses must recognize customer service not merely as a support function but as a **strategic driver of loyalty and repeat business**.
- Investing in **staff training, feedback mechanisms, and complaint resolution systems** can directly translate into higher customer retention and profitability.

### 3. Technology-Driven Innovation

- Practitioners should leverage **digital platforms for marketing, communication, and service delivery**.
- Tools such as mobile apps, AI-driven chatbots, and online review management can enhance customer engagement and improve global visibility.

### 4. Sustainability as a Competitive Edge

- Companies should integrate **eco-friendly practices** such as energy efficiency, waste

reduction, and responsible wildlife tourism to align with global sustainability trends.

- Marketing strategies that highlight Kenya's **unique eco-tourism and cultural experiences** can attract high-value, environmentally conscious tourists.

## 5. Human Capital Development

- Continuous professional development and **skills upgrading for frontline staff** will be critical in maintaining international service standards.
- Industry players should partner with training institutions to bridge the skill gap in customer care, technology use, and destination management.

## 6.3 Operational Implications

At an operational level, the results highlight the need for **day-to-day practices** that reinforce competitiveness and sustainability in Kenya's tourism sector.

### 1. Process Optimization and Cost Control

- Businesses should adopt **lean operational practices** within their supply chains to minimize waste and reduce costs.
- Implementing **performance measurement tools** can help identify inefficiencies and improve service delivery.

### 2. Data-Driven Decision Making

- Tourism enterprises must adopt **customer relationship management (CRM) systems** to collect, analyze, and act on customer feedback.
- Data analytics can help forecast demand, personalize services, and enhance marketing precision.

### 3. Integrated Marketing Communication (IMC)

- Operators should harmonize **online and offline marketing strategies**, ensuring consistent messaging across websites, social media, travel fairs, and local promotions.
- Storytelling about Kenya's culture, wildlife, and hospitality can create stronger emotional connections with tourists.

### 4. Crisis Preparedness and Resilience

- The COVID-19 pandemic underscored the importance of **operational resilience**.



Tourism operators must develop **contingency plans, health protocols, and flexible cancellation policies** to adapt quickly to disruptions.

## 5. Community Engagement at the Operational Level

- Operators should actively integrate **local communities into service delivery**, such as hiring local guides, sourcing food and crafts locally, and creating authentic cultural experiences.
- This fosters goodwill, supports local economies, and strengthens the authenticity of Kenya's tourism offering.

## 7.0 Conclusions and Recommendations

### 7.1 Conclusions

This study had set out to investigate the **impact of integrated value chain systems and enhanced customer care services on the competitiveness of Kenya's tourism industry**, and to examine how these dynamics influence customer satisfaction, loyalty, and retention.

The findings reveal several important conclusions:

#### 1. Integrated Value Chain Systems Drive Competitiveness

- Adoption of integrated value chain systems has improved **efficiency, cost savings, quality of services, and reduced economic leakages**, thereby strengthening Kenya's competitiveness in the regional and global tourism markets.

#### 2. Customer Care as a Strategic Pillar

- High-quality customer care—reflected in responsiveness, clear communication, and service personalization—has a **direct positive effect on satisfaction, loyalty, and retention**, reinforcing long-term industry growth.

#### 3. Technology and Innovation as Catalysts

- Although adoption of ICT in the tourism industry remains uneven, especially in rural settings, its **role in marketing, service delivery, and global exposure** has been a major catalyst for increased competition and destination branding.

#### 4. Human Capital and Skills Development

- Training and professional development of staff remain central in achieving international service standards, enhancing creativity, and

responding to the needs of an increasingly sophisticated tourist market.

## 5. Sustainability and Community Empowerment

- Tourism growth has generated **local economic empowerment and employment opportunities**. However, there is a growing need to strengthen environmental sustainability to ensure the long-term viability of the sector.

Overall, the study concludes that **Kenya's tourism sector has become more competitive due to the combined effect of integrated value chains, improved customer care, adoption of technology, and innovation in service delivery**. These factors not only foster growth and profitability but also contribute significantly to national economic development.

### 7.2 Recommendations

Based on the findings and conclusions, the following recommendations are proposed:

#### Policy Recommendations (Policy-Level)

- The Government of Kenya should **strengthen policy frameworks** that support value chain integration, reduce leakages, and enhance competitiveness at the destination level.
- Introduce **incentives for ICT adoption** across the tourism sector, particularly targeting rural and community-based enterprises.
- Develop **regulatory frameworks** that balance competition, protect consumers, and promote sustainable tourism practices.

#### Practical Recommendations (Industry-Level)

- Tourism enterprises should **invest in staff training** to upgrade customer care skills and align with global service standards.
- Industry stakeholders should **leverage digital platforms** (mobile apps, social media, e-booking systems) for marketing and service delivery.
- Encourage **collaborative networks** among airlines, hotels, tour operators, and communities to create bundled products that deliver better value for tourists.
- Strengthen sustainability practices by adopting **eco-friendly operations** and marketing Kenya's unique **eco-tourism and cultural tourism offerings**.

#### Operational Recommendations (Firm-Level)

- Tourism businesses should **adopt CRM systems** and customer feedback loops to strengthen loyalty and retention strategies.





- Implement **process optimization** strategies, such as lean operations and performance monitoring, to reduce costs and improve service delivery.
- Develop **resilience strategies**, including crisis management plans, flexible policies, and digital innovations to withstand global shocks.
- Integrate **local communities** into operational models through local sourcing, cultural exhibitions, and authentic tourism experiences.

## 8.0 Contribution to Knowledge and Future Research Directions

### 8.1 Contribution to Knowledge

This study makes significant contributions to both **theory and practice** in the field of tourism management and competitiveness:

#### 1. Extension of Porter's Competitive Strategy and RBV to Tourism in Kenya

- By applying **Porter's Value Chain Model** (2004) and the **Resource-Based View (RBV)**, the study demonstrates how integrated value chain systems can enhance competitiveness within a developing-country tourism context. It provides evidence that value chain integration is not only a business-level strategy but also a **destination-level competitiveness driver**.

#### 2. Linking Customer Care to Value Chain Integration

- Previous studies have examined customer satisfaction and value chains separately. This research advances knowledge by demonstrating the **synergistic effect of integrated value chains and customer care services** in driving competitiveness, loyalty, and profitability in tourism.

#### 3. Contextual Contribution to African Tourism Studies

- The study provides **empirical evidence from Kenya**, a leading African tourism destination, highlighting how global theories (e.g., TQM, SERVQUAL, RBV) apply in African settings. This contextual knowledge expands the literature beyond Western-dominated studies.

#### 4. Practical Framework for Policymakers and Practitioners

- The research develops an operational understanding of how **policy frameworks**,

**ICT adoption, human capital development, and sustainability practices** jointly influence tourism competitiveness. This offers a **practical roadmap** for tourism stakeholders.

### 8.2 Future Research Directions

While the study provides important insights, it also identifies areas for further research:

#### 1. Comparative Studies Across Destinations

- Future research could compare Kenya's tourism industry with other African or global destinations to better understand **regional variations in value chain integration and customer care practices**.

#### 2. Longitudinal Studies

- Conducting longitudinal studies would help to examine how the impact of **ICT adoption, policy reforms, and sustainability initiatives** evolve over time in shaping competitiveness.

#### 3. Community-Based Tourism and Value Chains

- More research is needed to assess how **local communities are integrated into tourism value chains**, and how such integration influences poverty reduction, empowerment, and sustainable livelihoods.

#### 4. Impact of Global Shocks on Competitiveness

- Future studies should investigate how external shocks such as **pandemics, climate change, and geopolitical shifts** affect customer satisfaction, loyalty, and the resilience of tourism value chains.

#### 5. Tourist Perception Studies

- While this study triangulated data from multiple stakeholders, future research could place greater emphasis on **tourist perspectives**, particularly regarding brand positioning, loyalty programs, and satisfaction with digital service delivery.

In summary, this study provides a **theoretical, empirical, and practical contribution** to the discourse on tourism competitiveness. By integrating value chain systems and customer care services within Kenya's tourism industry, it offers a holistic model for enhancing **sustainable growth, global positioning, and resilience** in the sector, while also opening new frontiers for future scholarly inquiry.

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