

## Business Location as a Catalyst for Competitive Advantage of Small Hospitality Enterprises in Eldoret, Kenya

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### Abstract

*Competitive advantage can result from the business location which offers an organization with an edge over its opponents as well as an ability to produce better value for the company. The choice of the right location is imperative to enterprise success as customers are motivated to transact within a location suitable to their needs. Crucial for identifying appropriate location are characteristics that provide enterprises an edge over competitors. This study investigated business location factors that catalyze competitive advantage of small hospitality enterprises in Eldoret town. Specifically, business location factors included accessibility, convenience, security and uncrowded area tested against competitive advantage. Four null hypotheses were tested. The study adopted explanatory research design with a sample size of 142 business persons from a target population of 221 businesses. Systematic sampling was used to identify the respondents whereas data was collected using questionnaires containing structured and unstructured questions. Factor analysis revealed that two components, accessibility and security adequately explained business location with the potential to influence competitive advantage of small hospitality enterprises. Multiple linear regression established that business location explained 53.3% ( $R^2=0.533$ ) variance on competitive advantage. The study rejected three null hypotheses that accessibility ( $B=0.240$ ,  $p<0.05$ ), security ( $B=-0.190$ ,  $p<0.05$ ) and convenience ( $B=0.301$ ,  $p<0.05$ ) do not influence competitive advantage and accepted the null hypothesis that uncrowded areas ( $B=0.043$ ,  $p>0.05$ ) do not influence competitive advantage. Conclusively, accessibility, security and convenience influence competitive advantage while uncrowded areas do not. Therefore, businesspersons operating small hospitality enterprises should choose their business locations keenly by ensuring accessibility and security of customers.*

**Keywords:** Business, Competitive Advantage, Hospitality Enterprises, Location,

### INTRODUCTION

Small businesses operate in a highly competitive setting with many other players who offer similar services to the same customers with players in the industry offering products and services such as sale of fast foods, snacks, tea and other beverages, outside catering services, hire of tents, chairs and public address systems for events (Korir, 2012). Despite the fact that competition can be healthy and lead to development, it can be perilous to businesses resulting to their breakdown. Therefore, it is critical for enterprises to undertake feasibility studies to analyse the degree of competition in place. Porter (1998) advocates that in an industry, the degree of competition is dependents on the deeds of 5 forces analysis including; threats of substitute goods, threats of new competitors, bargaining power of suppliers, competition inside the industry and bargaining power of clientele.

Business location factors that enhance attractiveness and competitive advantage include smart growth and development, infrastructure and networking, location's coherence and digitisation (Snieska, Zykiene and Burksaitiene, 2019). A business's victory is partly, if not frequently, reliant on the business's location hence choosing the correct commercial location at the correct time can support businesses in meeting and exceeding their business goals (Dubé, Brunelle & Legros, 2016). The selection of a location should be led by encoded objectives that require evaluation which join realities with upright verdict, offer for the potential of satisfactory sales and, hence, profit; to balance gains which result from a competitors' selection of location; to lessen the cost of making a channel for operation; as well as to respond to definite community or market requirements (James *et al.*, 1975). A business seeks out to build, advance, and endure associations with their suppliers, clientele, employees, investors and mentors. The value of their surrounding as well as the people within them may make a business to fail or flourish (Cohen, 2013).

## LITERATURE REVIEW

The ancient joke concerning the 3 greatest significant gateways or criterion to victory in business – “Three L principle, of Location, location, and location”- is just as correct for the restaurant business as noted by Mariani (2001) just as much as other small hospitality business ventures. Position choice is undoubtedly vital in many ventures that provide customer product or service which is characteristic of hospitality ventures as reported by McGuire (1993). In a competitive business environment, small variation in location can bring enormous influence on the market profitability and share. Most significantly, location being a lasting static investment can result in shortcomings of underprivileged location which are not easy to beat (Ghosh and McLafferty, 1982) in any type of business. Basic to the failure or success of any business are choices concerning location. A business can fail because of a location that is not convenient notwithstanding brilliant personnel, quality offerings as well as competitive prices offered. Business location has a key impact on its achievement (James *et al.*, 1975) as much as business location of any hospitality enterprise will have on its success.

Location is defined as placing a business in an area (Budner, 2004) which is a significant source of competitive advantage. Szymańska and Płaziak, (2014) posit that location theory assumes that an enterprises' cost of production as well as revenue are based on its location. Weber (1929) differentiated 3 location aspects as labour, agglomeration and transport factors. Accordingly, in strategic planning, the choice of location for the enterprise is important principally in the formation of the enterprise, if the enterprise has growing demand for services or products, in new growing markets (Výrostová, 2010). When coming up with a tactical decision in exercise, one should match with the environment where the enterprise runs considering the ever-changing business environment. Enterprises have to respect the socio-economic conditions of the government it operates in (Dočkalíková and Klozíková, 2016; Czurra *et al.*, 2007) as resources may yield diverse effects in varying situations such as a resource generating worth in a single location but not generating in alternative location. Suitability of a location for definite purposes depends on physiognomies of the area, such as interior conditions, and its exterior conditions (Budner, 2004). Based on Buček, Reháč, Tvrdoň (2010), localization is vital for an enterprise because of the perceived impact on costs, potential benefits and most importantly for spatially differentiated quality or price factors and general availability. The type of products and technology of an enterprise

are dependent on location factors that further depend the localization level as well as its flexibility. Resources vary according to their capability to be transported and generate value in overseas contexts (Cuervo-Cazurra et al., 2007).

### **Accessibility**

As a service industry, hospitality enterprises are critical on locations that are neighbouring to their likely markets since they search for amplified demand from possible customers. Barros (2005b) initiate that, businesses, especially hospitality in nature that are near to potential markets do better than their competitors with deprived accessibility in relations to effectiveness. As stated by Yokeno (1968), hotels select centrality of spatial location especially in cities. In this case, huge demands for accommodation are located in the city center, which could be the tourist district or the central business district (Shoval, 2006) which according to Weaver (1993) could attributed to tourists' preference to a location with availability of various services. In addition, hotels choose to consider some contemplations for availability of extra facilities, for instance airports (Wall et al., 1985), tourism attractions (Arbel and Pizam, 1977) and railway places (Ashworth and Tunbridge, 2000) in their location choice. Similarly, small hospitality enterprises seek to locate their businesses within accessibility of their target markets.

Accessibility concerns that include adequate and available parking space, easy entry as well as potential competition in the area of trade, demographics of the market and visibility of the location that enhances accessibility (Standard and Poor's, 2001), crime statistics, traffic counts, economic information, demographics and competitors' population density and locations are common aspects considered (Perlik, 2001).

Location analysis based on Nelson (1958) noted that the worth of a location is dependent on 4 factors: its accessibility to people stirring around or congregating together on spending extra than shopping; its accessibility to the dweller population; its physical attractiveness from the viewpoint of level or grade, size, shape, appearance, district or neighbourhood environment, and additional amenities and its reputation. Decisions on location are critical for the reason that starting a business is expensive, the businessperson is dedicated to the location for a lengthy time period even with an agreement, competition gets harder and an upright location is a single way to win the competition, and difficulties for instance an indeterminate economy. The categories of customers who forms candidates for the products sold by the company, the projections for upcoming growth, customer styles of living, and potential upcoming competition are well-thought-out (Mason, Mayer, and Ezell, 1988).

### **Agglomeration**

Hotels found in urban parts are non-randomly dispersed but highly clustered which gives rise to the agglomeration effect that is beneficial to the hotels. Generally, choosing a location close to other hotels can result to momentous positive influence in efficiency of the hotel (Barros, 2005a), through spill over upbeat effects from the neighbouring hotels. Egan et al. (2006) noted that in Chinese cities, agglomeration is of additionally significance because of the city's massive scope. Canina, Enz and Harrison (2005) viewed agglomeration from perspectives of production and demand wherein agglomeration permits individuals in the group to have entree to resources that are not easily accessible to those who are not in the group, and still offers better access to chief suppliers, superior services and associations as well as reducing the customers' cost of searching. Nevertheless, not all hotels can profit from agglomeration. A

research by Chung and Kalnins (2001) instituted that hotels gain diversely from the agglomeration impacts while hotels diverse from those disseminating constructive externalities, may gain considerably extra as compare to the same ones. Additionally, Canina, Enz and Harrison (2005) claimed that the diffuser and receiver of the positive spillover impacts in agglomeration can be dissimilar from those that track an elevated level of variation which contributes to the positive agglomeration impacts of extra hotels.

In order to prevent or reduce failure in business, companies should dedicate resources and adequate time to evaluate desirable prospective business locations characterized with elevated consumer/purchaser traffic levels, convenience, nearness to locations that draw huge crowds for example office complexes, retail centres, hotel as well as entertainment centres.

### **The Location Decision**

Scarborough (2010) posits that location decision of a business has a lifelong and far reaching impacts on the enterprise's future. Locations that are chosen wisely with customers' needs and preferences together with an evaluation of the company needs establish a stage for desirable competitive advantage over opponents who pick their locations arbitrarily. The location choice is of such importance as it may affect the growing rate as well as eventual victory of a company. The undisclosed idea in choosing the perfect location lies in recognizing important factors crucial to the success of a business and identifying one that meets the needs of as many customers as possible, particularly those that are most critical. The criteria for a good location depend on the nature of the business (Scarborough and Zimmer, 1996). Factors that make an area most appropriate for opening and growing small companies comprise of locating near markets and customers you plan to serve, a sufficient stream of trained workers and raw materials access to roads and railroads, a favourable regulatory climate surrounding the business, a secured trading area, adequate space and size and an aggregate of low or affordable total costs of operating a business. Most importantly, is to locate a business close to competitors since same businesses located neighbouring one another can help to upsurge traffic flow to all. This location strategy serves glowing for products for which clientele are most likely to find in comparison shop. In several cities for example, auto dealer locates close to each other in "motor mile" attempting to generate a shopping magnetic body for customers (Scarborough, 2010)

### **Competitive Advantage**

Competitive advantage can also be viewed from the perspective of altered leadership as a Core Organizational Competency because survival of enterprises relies on the ability to respond rapidly and successfully to fluctuating environmental conditions of business. This attribute requires top capabilities, adaptability, flexibility and responsiveness. Competitive Advantages can be gained by revolutionary products that have the foremost opportunity to turn out to be the trusted brand. Porter (1987) reported that prime factors of competitive advantage are reputation, relationships as well as innovation and continues to argue that competitive advantage originates from the worth that organizations generate for their customers that surpass the cost of making it.

The competitive advantage notion is a set of capabilities or aspects that permits firms to steadily outdo their opponents (Roberts and Dowling, 2002). Competitive advantage is an edge over opponents gained by presenting superior quality either through means

of lesser prices or through offering bigger service and benefits justifying higher prices (Wikipedia 2009). Whenever a company has an edge over its competitors in gaining customers and has the ability to protect itself against forces of competition, it is an indicator of having competitive advantage (Thompson and Strickland, 2002). According to Barney (2001) a company has competitive advantage when it implements value generating strategies that are not getting instrumented by competitors whether potential or existing. He additionally noted that for competitive advantage to gain meaning, customers should remark a change between one firm's goods or and those of entrants as a result of a capability gap between the enterprise and its rivals as long as the alteration in capability gap and attributes last overtime.

Competitive advantage can be gained by offering customers higher value than those offered by competitors (Passemar and Kleiner, 2000). Competitive advantage is the planned advantage a business enterprise possesses over its rivals within its competitive industry. It is what empowers a business association to succeed and is gained through the ability to perform points as well as resources at an advanced level as compared with others in similar sector or market (Christensen and Fahey, 1984; Porter, 1980). When a business gears a value generating approach that is inimitable and not concurrently employed by potential or present competitors, the business is thought to have competitive advantage (Barney, 2001). The competitive advantage can be seen to occur when the business is in a position to bring similar benefits at a lesser cost (cost advantage) or bring benefits that go beyond those of rival products (differentiation advantage) which position a business as a leader either in terms of differentiation or cost (Porter, 1998).

As Christensen (2001) contends, competitive advantages are dynamic and depend on specific set of conditions in the market and environment. Competitive advantage is driven by factors that are internal and external. Examples of internal factors include financial capacity, human resources, research partnerships, promotion of goods and services, differentiation and cost of products. On the other hand, external factors include political, economic, social, and technical and culture. Other factors that can influence competitive advantage are Quality and Quantity of natural resources, Strength of a country's currency, Infrastructure, Research and development, Workforce Characteristics, Entrepreneurship and Government involvement. Consequently, Porter's (1985) asserts the importance of striving to produce at low cost and differentiating the line of products and services from those of competitors in order to maximize competitiveness.

When a service or product is alleged by its targeted market customers as better when compared with that of its opponents, there exists a competitive advantage. Hitt (1997) impules that the resources-based assessment of competitive advantage dons that every firm is an assemblage of inimitable resources as well as capabilities. The resources along with capabilities are basis of organizations approach together with competitive advantage. He additionally notes that greater value is received whenever an organization employes its core competencies in establishing competitive advantage over opponents. Prahalad and Hamel (1990) viewed core competencies as specific expertise that results from matching work activity and multifaceted flows of technology. They also clarify that a core competence has 3 features and these includes: it enhances access to an extensive diversity of markets, it improves alleged customer benefits and also it is difficult for a competitor to duplicate. To flourish in building competitive advantage a company should attempt to offer what purchasers will and

perceive as of greater value. This involves either a lower price or an excellence quality product or an improved-quality product that deserve paying more.

A firm is said to have a competitive advantage when it is putting a strategy into operation which generates value, but a competitive firm, present or potential, may not be applying or placing this value generating strategy into action instantaneously (Barney, 2001). Value creation is described by Wernerfelt (1984) as improving a firm's effectiveness and efficiency, or it can also be noted that it does not diminish a firm's success or efficacy. Thus, small hospitality enterprises having competitive advantage earn higher revenue or possibly give it a greater profit proportion over the competition as noted by Grant (2008). The next condition, 'being unique in the market', reflects all existing opponents in the industry, but in addition possible competitors who could come into the industry as reported by Baumol, Panzar, and Willig (1982). Accomplishing competitive advantage over the struggle will result in an elevated performance, since the firm is in a position to advance its quality, minimize production costs and period to market (Conner, 1991; Peteraf, 1993). Competitive advantage can be viewed from market-based or resource-based perspectives.

### **Hypotheses**

H<sub>01</sub>: There is no significant influence of business location factors on competitive advantage of small hospitality enterprises in Eldoret town

## **METHODOLOGY**

The study was conducted in Eldoret town, Uasin Gishu County. Concurrent mixed method research design was used hence the study was both quantitative and qualitative in nature. The target population was 221 businesses and the sample size was arrived at by using Yamane (1967) formula and 95% confidence level and  $P=.5$  to arrive at a sample size of 142 businesspersons. Purposive sampling was used to select the small hospitality enterprises registered under the ministry of trade at Uasin Gishu County. Systematic random sampling was utilized to pick every 2<sup>nd</sup> enterprise from a list compiled.

Data was assembled using questionnaires having close-ended as well as open-ended questions. Cronbach's Alpha was applied in testing reliability which was found to be reliable ( $> 0.7$ ). Based on Hair, Anderson, Tatham and Black (2005), the general decided upon lower limit for Cronbach's Alpha is  $\Rightarrow 0.70$  but then may well reduce to  $\Rightarrow 0.60$  for exploratory research and rise up to  $\geq 0.80$  in studies that need added stringent consistency. Factor analysis was utilized to lessen data and check factor loadings. Multiple linear regression was used in testing the hypotheses.

## **RESULTS**

A total of 142 questionnaires were issued to business persons sampled for the study. Out of this number of questionnaire 127 were returned which yielded 89.4% response rate. Basing on recommendations that a response rate of approximately 60% and above is ideal (Draugalis, Coons & Plaza, 2008), this response rate was found ideal for the purposes of the study. Business location factors considered in this study were accessibility, convenience, not overcrowded area and security. Exploratory factor analysis was used to reduce data and also to test factor loadings. In addition, multiple linear regression was used to test the hypotheses using the model.

### Exploratory Factor Analysis

As shown on table 1, KMO measure of sampling accuracy of 0.492 was found, which is within the acceptable minimum 0.5 measure of sampling accuracy. Bartlett's Test of Sphericity yielded a value of 57.128 at a significance level of 0.000 which implied that the adequacy test of correlation matrix and the findings were satisfactory for the study.

**Table 1. KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.492
	Approx. Chi-Square	57.128
Bartlett's Test of Sphericity	Df	6
	Sig.	.000

Eigenvalues were obtained after the indicators for business location were analyzed. Using the criteria of picking those indicators whose eigenvalues are greater than one, only two components were obtained. Accessibility was 38.254% and Security was 32.813%. The two components cumulatively had a variance of 71.067% hence those excluded accounted for 28.933%. This means that the indicators measuring business location could be adequately represented by two variables as shown on table 2.

**Table 2. Total Variance Explained**

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1. Accessibility	1.603	40.087	40.087	1.530	38.254	38.254
2. Security	1.239	30.981	71.067	1.313	32.813	71.067
3. Uncrowded	.711	17.780	88.847			
4. Convenience	.446	11.153	100.000			

Extraction Method: Principal Component Analysis.

As shown on table 3, a rotated component matrix has two factors after Varimax rotation method with Kaiser Normalization was carried out. The two components explain the variables on business location factors after the principal component analysis was done. The rotation converged in two iterations.

**Table 3. Rotated Component Matrix<sup>a</sup>**

	Component	
	Accessibility	Security
Convenience	.859	
Accessibility	.833	
Not crowded		.800
Security1		.754

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

### Hypothesis Result on Influence of Business Location Factors on Competitive Advantage

The hypothesis stated business location factors has no influence on competitive advantage in Eldoret Town. To test the claim, a regression of business location factors was conducted. The decision rule for testing this hypothesis was reject  $H_0$  if  $p < 0.05$  or do not reject otherwise. The model summary on table 4 reveals that business location factors have a direct influence on competitive advantage and accounted for 53.3% ( $R^2$

= 0.533) of the variance in competitive advantage. The adjusted  $R^2 = 0.518$  which accounted for 51.8% of the variance.

**Table 4. Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Change	F Change	df1	df2		Sig. F Change
1	.730 <sup>a</sup>	.533	.518	.69307	.533	34.850	4	122	.000	1.908

a. Predictors: (Constant), Convenience, Security1, Not crowded, Accessibility

b. Dependent Variable: Competitive advantage

The ANOVA output on table 5 confirmed that regressing competitive advantage on business location factors was a good fit to the data. At least one of the model's regression coefficient was different from zero ( $F_{1,289} = 34,850, p < 0.05$ ).

**Table 5. ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	66.960	4	16.740	34.850	.000 <sup>b</sup>
	Residual	58.602	122	.480		
	Total	125.562	126			

a. Dependent Variable: Competitive advantage

b. Predictors: (Constant), Convenience, Security1, Not crowded, Accessibility

The regression weight associated with business location indicators are shown on table 6. Accessibility had a p-value of 0.000 (<0.05), security had a p-value of 0.039 (<0.05), not crowded are had a p-value of 0.606 (>.05) while convenience had a p-value of 0.000 (<0.05).

Accessibility, security and convenience all significantly influence competitive advantage while not crowded area does not significantly influence competitive advantage.

**Table 6. Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Beta	t	Sig.	95.0% Confidence Interval for B		Correlations		
	B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial	Part
(Constant)	1.914	.515		3.719	.000	.895	2.933			
Accessibility	.240	.060	.300	4.017	.000	.122	.358	.580	.342	.248
Security	-.190	.091	-.140	-2.086	.039	-.370	-.010	-.245	.186	-.129
Not crowded	.043	.083	.033	.517	.606	-.121	.207	.034	.047	.032
Convenience	.301	.044	.497	6.919	.000	.215	.387	.651	.531	.428

a. Dependent Variable: Competitive advantage

Accessibility (B=0.240,  $p < 0.05$ ) positively and significantly influence competitive advantage in Eldoret Town. The regression coefficient of 0.240 implies that a 1 percent improvement in accessibility results in a 24% improvement in competitive advantage. Accessibility is crucial in making it easy for customers to enquire about available products and services and for ease of entry to the business. Being accessible can give

an edge against competitors as customers will be able to reach the company faster. This finding supports those of Standard and Poor's, (2001) who viewed accessibility concerns as important in creating visibility and an advantage over competition.

Security ( $B=-0.190$ ,  $p<0.05$ ) significantly influences competitive advantage in Eldoret Town; the regression coefficient of 0.190 implies that a 1 percent improvement in security results in a 19% improvement in competitive advantage. The importance of security cannot be underestimated in enhancing achievement of competitive advantage. Security is vital in enhancing the comfort of customers and creating an environment that business thrives. This supports views of Cohan (2013) that the value of their environment as well as the people within the environment, may result in success or failure of a business hence a secure place enhances the quality of the environment that can lead to business success. Safety is paramount in any business both for the entrepreneur and customers. Security of cash transactions, safety against bodily harm, security of information and security against theft are all crucial for the success of an enterprise. The absence of security can lead to customers avoiding the business and hence reduce the competitive advantage that can be gained.

An Uncrowded area ( $B=0.043$ ,  $p>0.05$ ) does not significantly influence competitive advantage in Eldoret Town. The regression coefficient of 0.043 implies that a 1 percent improvement in uncrowdedness results in only 4.3% change in competitive advantage. A location that is centrally located and easily reachable by customers can influence competitive advantage. A competitive advantage can be gained if a location is focused on the business' mark customers (demographics) and create walk-in traffic and any needed inventory that fits securely in the location of the business. A location that is not crowded is well placed to enhance competitive advantage. The suitability of a location that is not crowded contrasts with those of Standard and Poor's (2001) who advocate for locations with proximity that attract huge crowds, for instance office complexes, retail centres, as well as hotel and entertainment centres. They argue that such crowded places make marketing easier and casts a wider net to more customers. However, this may have the disadvantages of failing to provide an avenue to create customer segments or niche markets. As decisions about crowded areas are made, Perlik (2001) caution on the consideration of economic information, crime statistics, demographics, traffic counts along with competitors' locations and population density that can hamper with the achievement of competitive advantage.

Finally, convenience ( $B=0.301$ ,  $p<0.05$ ) positively and significantly influences competitive advantage in Eldoret Town. The regression coefficient of 0.301 implies that a 1 percent improvement in convenience results in a 30.1% percent improvement in competitive advantage. Convenience especially with adequate parking facilities is ideal for event management firms as many business transactions require adequate time for discussions hence a convenient place will provide space for that. A location that has good infrastructure such as tarmac roads could also be a key to gaining competitive advantage as weather forces such as rain that may cause muddy grounds could be avoided hence improving the accessibility. Locations within the town centre enhance competitive advantage as they attract urban clients.

### **Qualitative data**

Respondents were asked to give suggestions on how small hospitality enterprises can improve competitive advantage and highlight challenges faced in gaining competitive advantage

Suggestions on improving competitive advantage were:

*'attending to clients on time, providing good hospitality and lowering prices offers an opportunity to have more clients than my competitors'* (R8)

*'presenting affordable prices and trying to differentiate my products by using additional spices and ingredients has ensured that I always have customers'* (R22)

*'The services I give.... mmm..., always create a customer killer culture where customers cannot resist revisiting. I believe in investing in deeper customer relationship and introducing new products and adding value to the product that will make my customers always happy'* (R64)

*'Attending to clients on time, increasing speed of service, looking for ways of delighting customers as well as sourcing cost effective products and services to ensure maximization of profits and minimization of costs for efficiency'* (R91)

Challenges faced in gaining competitive advantage mentioned were:

*'new entrants penetrate the market and lower prices hence reduce profitability. There is also rivalry in business lead to malicious statements aimed at maligning others'* (R55)

*'Increased competition arising from easy entry into the business with threats of substitute products arises from cheap alternative products introduced and copycat business people who imitate what you do and then lower prices'* (R72)

*'Interference with local authorities who always find fault in my business requiring bribes which reduces my profit and affects my liquidity. I cannot save because of the 'askaris' (R106)*

*'There is also inadequate and inappropriate equipment and facilities which affects production. Adequate space for operations is also a limiting factor'* (R123)

## **CONCLUSION AND RECOMMENDATIONS**

Business location was found to influence competitive advantage. This conclusion was drawn from the findings that accessibility, security and convenience in terms of available parking space were all found to be factors that influence competitive advantage of small hospitality enterprises while not crowded environment was found not to influence competitive advantage of small hospitality enterprises. Therefore, the choice of business location is crucial in attainment of competitive advantage as it can improve the performance of a business through high customer turnover as compared to competitors. Other factors revealed that have the potential to influence competitive advantage include spacious locations near shopping areas that are busy, nearness to raw materials, tarmac road and located in the town centre.

According to the discoveries from this study, for one to attain competitive advantage, the study recommends business people to invest in technology that allows online accessibility to customers to reduce physical visits to the business. They can also introduce ways of meeting customers at their convenient locations so that the

organization goes where the customers are vis-a-vis them coming to the business to enhance accessibility. In addition, businesses that are located upstairs mainly because of the cost of rent / lease which are not accessible by disabled customers and old customers can relocate to sub-urban areas that are cheaper, more spacious and convenient. In addition, security at the business location can be enhanced by frisking customers at the entrance to create a feeling of safety among customers and choice of the location of business should be based on the niche market.

Finally, aspects of location that can aid in attainment of competitive advantage that small hospitality enterprises take into consideration include space that accommodated large crowds to accommodate high turnover of sales. Nearness to busy shopping areas can also provide an avenue to attain competitive advantage because isolated areas could scare potential customers especially those outside towns that are not located within the visibility of other businesses.

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