



## **Effect of Innovation on The Performance of Star-Rated Hotels in The North Rift Region, Kenya**

**Joan Bii**

Kisii University, Kenya

**Caleb Akuku**

Kisii University, Kenya

**Geoffrey Kimutai**

Kisii University, Kenya

**Robert Onyango \***

Eldoret National Polytechnic, Kenya

\*Corresponding Author: robertonyango29@gmail.com

### **Abstract**

Hotels should improve their innovation capabilities to effectively respond to competition and achieve optimal performance in the industry. The hospitality industry consistently aims to innovate in order to improve customer service. Unfortunately, the current literature on innovation in the service sector, specifically in the hospitality industry, is lacking in both theoretical and empirical research. The study set out to determine the effect of innovation on performance of Kenya's starred hotels in the North Rift. The research was grounded in the theory of contingencies. The study used an explanatory research design and positivism. A total of 575 hotel workers were included in the study. Self-administered questionnaires were used to collect data, which was then analysed using SPSS version 25 using descriptive and inferential statistics. The research revealed a significant link between innovation and performance of star rated hotels. Based on the results, star rated hotels should rethink their innovation strategies and put more effort into enhancing their innovative capabilities. The star rated hotels should therefore innovatively search for important contingencies which can guarantee their high performance in the face of the ever-changing business environment. The star rated hotels should often create new products that provide value for customers. Besides, the star rated hotels should invest on service innovation strategies.

**Keywords:** Innovation, Performance, Hotels

### ***Suggested Citation:***

Bii, J., Akuku, C., Kimutai, G. & Onyango, R. (2023). Effect of Innovation on The Performance of Star-Rated Hotels in The North Rift Region, Kenya. *Journal of Business Management and Economic Research (JOBMER)*, Vol: 7, Issue: 3, 93-117.