

Value Proposition Innovations and Sustainability of Restaurants in Nairobi County, Kenya

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Abstract

To the hospitality industry, the Coronavirus Disease 2019 pandemic increased danger from multiple angles, placing the crucial goal of sustainability at a crossroads. Consequently, value proposition gained traction for hospitality businesses functioning in the unfamiliar business environment. Restaurants quickly adopted value proposition innovations, which promised to provide value that is inclusive of all stakeholders. It was crucial to understand the effects of value proposition innovations and sustainability in maintaining and promoting successful innovation. Consequently, there was need to explore effects of value proposition innovations, on restaurant sustainability in Nairobi County. The main theoretical underpinning of the study was Schumpeter's innovation theory. The study used descriptive research design using Likert scale rating to explain

the relationships between variables. The unit of analysis was 81 full-service restaurants within 54 classified hotels in Nairobi County, where the unit of observation was the restaurant managers. Self-administered questionnaire achieved 70% response rate (57 respondents). Data was analysed using SPSS version 25 and findings presented using descriptive and inferential statistics. The study divulged value proposition innovations and sustainability had a positive and significant relationship. The Pearson correlation coefficient was moderate as $r=0.364$, at $p = 0.05$ level of significance additionally, the Coefficient of Determination (R Square) established that value proposition innovations predicted 11.6% of the variance in sustainability. The findings indicate, a unit of change in value proposition innovations translates in an increase of 0.640 units in sustainability. The finding show that majority of the restaurants introduced new strategies to retain customers and to reach new customer segments, with some introducing new services. The study recommends the formulation of strategies and policies, for instance whitepapers to educate hospitality management on the importance of value proposition innovations for sustainability. For practice, the study recommends restaurants constantly evaluate and redefine their offering in terms of value proposition especially during crises when business survival is critical. Additionally, restaurants ought to think of creative, practical, and efficient distribution channels.

Keywords: Value proposition innovations, sustainability, full-service restaurants.