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GENERIC MARKETING STRATEGIES AND TOUR OPERATORS SUPPLY CHAIN PERFORMANCE

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Abstract:
Tanzania's tourism sector has significant potential, but stagnant visitor arrivals have constrained tour operators' sales and profitability, while evidence on the combined effects of cost leadership, differentiation and focus strategies on supply chain performance in emerging tourism markets remain limited. Guided by the Resource-Based View theory, the current study employed a convergent parallel mixed method design. Quantitative data were collected from 230 licenced tour operators using structured questionnaires and analysed using descriptive statistic and Structural equation modeling, while qualitative data from 28 interviews were thematically analysed. The findings show that all three strategies positively affect supply chain performance, with differentiation strategy having the strongest effect, followed by cost leadership and focus strategy. The study concludes that aligning generic marketing strategies with internal capabilities and market opportunities strengthens competitive positioning, enhance service value and improve coordination across the tourism supply chain. The study recommends that tourism stakeholders invest in digital capabilities, increase partnerships with local service providers, provide skills training and develop enabling regulatory frameworks to support sustainable competitiveness in the sector.

Keywords:
Cost leadership, differentiation strategy, focus strategy, tour operators, tourism supply chain performance.

1. Introduction
Tourism is a major global economic driver through, generating employment, foreign exchange, and social economy development (Mark & Camilleri, 2018). The industry relies on an interconnected supply chain of accommodations, transport operators, tour and travel agents, hospitality, and public sectors (Hoi et al., 2021). Efficiency supply chain improves operation and competitiveness (González-Torres et al., 2021; Sri, 2024). Globally, tour operators face economic instability, intense competition and rapid technological changes, necessitating adoption of strategic models to sustain competitiveness (OECD, 2022; Msuya, 2020). Developed economies dominate tourism, for example, France welcomed over 100 million international arrivals, contributing around 7.5% to GDP; the USA more than 79 million foreign visitors (8.1% of GDP); whereas Spain achieved the threshold of over 85 million visitors in 2023 (10% of GDP) (UNWTO, 2024; WTTC,2024). Middle income countries such as Turkey, Mexico and Thailand attract 40-55 million tourists through investment in infrastructure, hospitality services and competitive pricing (UNWTO, 2024). In East Africa, Kenya records less than 2 million international arrivals, contributes 7.2% to GDP, Tanzania about 1.5 million visitors, contributes between 9.5–17.2% of GDP and Uganda less than one million visitors per year, contributes 3.2 – 5.9% of GDP (WTTC/EAC, 2023; TICGL, 2024; Ministry of Tourism Uganda, 2024; World Bank, 2024).
Sub-Saharan Africa, have recorded notable improvements by strengthening product differentiation, developing digital tourism platforms and integrated supply chain systems that respond to dynamic market demands (Christie et al., 2014; Njoroge et al., 2020). However, tour operators in Kenya, Uganda and Tanzania's continue to face significant operational and institutional constraints including environmental degradation, governance issues, high costs and regulatory barriers (Amutuheire, Murimi & Bosco, 2025; Agasa & Musiimenta & Kobusingye, 2025).
In Tanzania rich and world-famous touristic resources such as the Serengeti National Park, the Ngorongoro Crater, Zanzibar's white sandy beaches, and Mount Kilimanjaro make tourism a key economic driver (World Bank 2024; Bank of Tanzania 2024; Ministry of Natural Resources & Tourism 2024) contributing 17% of GDP (World Bank

2024; REPOA 2024). Despite such endowment, Tanzania's tourism sector has experienced stagnation in visitor arrivals relative to the potential (MNRT, 2022). However, challenges such as product innovation, weak strategic positioning among tour operators, inadequate integration of supply chain partners, regulatory constraints and low adoption of competitive marketing strategies continue to hinder growth (World Bank, 2021; Anderson, 2018; MNRT, 2020; NAO, 2024).

2. Literature Review

2.1 Tour Operators' Supply Chain

The tour operators' supply chain is a comprehensive network that facilitate the flow of tourism products and services among stakeholders including accommodation, transportation, attractions destination, organizations, travel agents, and online intermediaries (Gonz´alez-Torres et al., 2020; Hoi et al., 2021) by managing intangible products, experience-based products co-created with tourists and service partners (Chambwe & Saayman, 2024).

2.2. Theoretical Review of Literature

2.2.1 Resource-based View (RBV)

Resource Based View (RBV) theory as suggested by Barney (1991) posit that firms obtain sustainable competitive advantage through unique resource, that are valuable, rare, inimitable and non-substitutable. Firms differ in resources and strategies. For tour operators, distinctive resources include brand reputation, customer relationships, destination knowledge, network of local suppliers and operation efficiency. Effective management resources result in improved performance (Thukia et al., 2023).

2.2.2 Generic Marketing Strategies and Performance of Tour Operators Supply Chain

Porter (1985) identified three strategies cost leadership, differentiation, and focus that shape service design, marketing and delivery in tourism (Mkakile & Salum, 2022).

2.2.2.1 Cost Leadership

Cost leadership enables firms to compete through lower cost and efficient value delivery to outperform competitors (Thukia, Munyiri & Maingi, 2023). Strategic alliances with transport operators, destination stakeholders and accommodation providers reduce procurement, transaction and coordination costs (Buhalis & Leung, 2020; Sigala, 2020). In addition, cost and revenue sharing agreements, tourism firms can benefit from various incentives, margins and increase operation coordination with key stakeholders including leading online travel agencies (Zhang, Qiu, & Wei, 2024). Integrated supply chain in hotels and destination networks, increase bargaining power, information sharing, and cost control compared to purely price based contractual arrangements (Kizildag et al., 2021; Sultan et al., 2025). Collaboration among suppliers and distribution partners reduce operating costs and increase competitive performance (Changalima & Kimario, 2025). Digitalization and automation including online booking CRM platforms, automated reservation, digital payment and smart energy monitoring reduce administrative costs, mistakes and improve efficiency (Peng, Zhu, Lee, & Zhou, 2024).

Evidence from East Africa tourism markets show in Kenya tour operators using digital tools and collaborating with suppliers improve efficiency though gains are short lived without structural support (Thukia, Munyiri & Maingi, 2023; Muiruri, Ndivo & Muiruri, 2024). Strategic alliances, product design and large-scale use of transport and accommodation strengthen cost structures while maintaining service quality (Mkakile & Shillingi, 2022). In Tanzania, cost leadership is constrained by regulatory burdens and high taxes (Mkakile & Salum, 2022; PwC, 2023). Levies, fees and licensing, increase administrative and compliance costs to tour operators (Maliti, 2023; TRA, 2023). To mitigate these challenges, tour operators are increasingly turning to digitalization to enhance operational efficiency, lower marketing costs, and improve performance (Mwalukasa, 2024: Ministry of Information, Communication & IT, 2024). Regulatory complexity and high administrative costs undermine cost-leadership approaches unless operators optimize cost, adopt digital platforms or the regulatory environment is simplified (Maliti, 2023; Jesther, 2024).

2.2.2.2 Differentiation Strategy

differentiation enables tourism firms to gain competitive advantage by offering unique and superior value services that justifies premium pricing and builds customer loyalty (Putra, 2018; Pine & Gilmore, 1998; Porter, 1985).

Firm differentiation strategies improve market share and profitability more than cost leadership (Islami, Mustafa, & Latkovikj, 2020). However, the sustainability of differentiation strategies relies on dynamic capabilities and industry conditions such as competitors' imitation, digital commodification of unique experience, or mismatch between price and customers' perceived value (Arslan, 2025). Continuous innovation, high quality service, and protection of distinctive resources sustain advantage (Vaghfi, Kamranrad, Keshvari, 2024).

2.2.2.3 Focus Strategy

Focus strategy achieve competitive advantage by targeting a specific customer segment using cost or differentiation approaches (Porter, 1985). Cost focus aims to serve a segment at the lowest price while differentiation focus strategy provide specialized products or services that address the unique needs of the specific segment more effectively than competitors (Porter, 1985). Focusing can deliver above-average returns when the target niche is well chosen and competitive pressure remains manageable (Porter, 1985; Islami, Mustafa & Topuzovska Latkovikj, 2020). In Tanzania, generic strategies explain 62.8% of the tourism firm's performance highlighting the potential of a focus approach (Mkakile & Salum (2022). Combining focus with either differentiation or cost leadership can enhance performance depending on internal resource capabilities and external market conditions (Gutiérrez-Broncano et al., 2024; Konstantinidis et al., 2024). Focus strategy risks competitor entry or segment shrinkage (Tanwar, 2013). Digital technologies like personalized booking platforms, and targeted online marketing strengthen focus strategies by engaging niche customers more effectively, deliver tailored experiences (Geng, 2024; Zhu, 2025).

2.2.2.4 Hybrid Strategies in Tourism Supply Chains

Hybrid strategies combine elements of cost leadership, differentiation and focus to enhance tourism firms' performance (Griffin & Hauser, 2022; Sigala, 2023). However, implementation success depends on alignment between firm's resources and capabilities (Porter, 1985) and is more feasible in developed market economies, with advanced dynamic capabilities and technology investment (Gutierrez Broncano et al., 2024; Zúñiga Vicente et al., 2023).

In the tourism sector, hybrid strategies balance efficiency and uniqueness by integrating low-cost operations with differentiated offerings (Xiang et al., 2022; Mariani et al., 2021; Buhalis & Sinarta, 2019) improving supply chain coordination, reduce redundancies, resource utilization and service delivery while attracting both price sensitive and premium customers (Sigala, 2023; Xiang et al., 2022). Alignment of internal resources, digital capabilities and marketing contribute to tour operators' sustainable competitive advantage, customer satisfactions and tourism supply chain performance (Griffin & Hauser, 2022; Buhalis & Jun, 2011).

3. Materials and Methods

3.1. Research Approach

The study used a mixed methods approach, combining qualitative and quantitative procedures to gain a better understanding of the phenomenon (Saunders et al., 2009). The method enables triangulation and enhances reliability and validity by addressing limitations of single-method studies (Creswell & Creswell, 2018; Fetters & Molina-Azorín, 2020).

3.2 Research Design

A convergent parallel mixed method design was employed, with quantitative and qualitative data collected simultaneously, analysed independently, and integrated during interpretation to develop comprehensive findings (Creswell & Plano Clark, 2018). The design allowed triangulation using qualitative data to validate and enrich quantitative results (Creswell & Plano Clark, 2022; Fetters et al., 2019).

3.3 Study Locations

The study was conducted in Arusha, Dar es Salaam and Zanzibar, major tourist destinations in Tanzania selected due to the diverse range of tourism activities offered. Arusha hosts most tour operators and wildlife safaris, Dar es Salaam is the hub for business and logistics, and Zanzibar is known for beach and cultural heritage tourism, representing both mainland and island tourism markets (MNRT, 2023; Tanzania National Bureau of Statistics [NBS], 2022; UNWTO, 2023).

3.4 Population of the Study

The study population consisted of tour operators registered with the Tanzania Tourist Board (TTB) and the Zanzibar Commission for Tourism (ZCT), each with at least one year of operational experience to ensure adequate industry knowledge (Gursoy et al., 2021; Yacob et al., 2022). Tour operators were selected due to strategic role as intermediaries in the tourism supply chain (UNWTO, 2023). As of 2023, there were approximately 1,950 registered tour operators in mainland Tanzania and 60 in Zanzibar (TTB, 2023; ZCT, 2023).

3.5 Sampling Frame

The sampling frame consisted of 543 registered tour operator firms based in Arusha, Dar es Salaam, and Zanzibar, major tourism centres in Tanzania (MNRT, 2023).

3.6 Sampling Unit

Tour operator firms were the sampling unit, while managers or owner-managers served as the unit of inquiry due to their comprehensive knowledge of the firms. Key informants were selected based on roles, expertise and willingness to participate. Interviews conducted until saturation point was reached (Creswell & Creswell, 2023; Patton, 2023).

3.7 Sampling Technique

A multistage sampling technique was used to ensure representative coverage of geographically scattered tour operators. In the first stage, three regions; Arusha, Dar es Salaam, and Zanzibar were selected. Second, firms were stratified by location using proportionate stratified random sampling. Finally, individual firms were selected within each stratum through simple random sampling (Bolarinwa, 2021; Saunders et al., 2023).

3.8 Sample Size

The sample size was determined using Yamane, (1967) Formula at a 95% confidence level and 5% margin of error, ensuring sufficient statistical. The resulting sample size was 230 tour operating firms, proportionally distributed across regions (see Table 1).

$$n = \frac{N}{1 + N(e)^2}$$

Where; N - the population size = 543,
e - The level of precision (margin of error limit) = 0.05,
n - The sample size of tour operators.

$$n = \frac{543}{1+543\,(0.05)^2} = 230\,.3 \approx 230$$

Table 4.1: Proportionate Stratified Sampling

Regions	Tour operator's ratio	Proportionate Sample size
Arusha	401	170
Dar es Salaam	95	40
Zanzibar	47	20
Total Sample Size	543	230

Tour operator firms were selected using a simple random sampling technique ensuring that each firm had an equal chance of inclusion (Saunders et al., 2023). To complement quantitative data, purposive sampling identified 15 key informants (managers or owner-managers) with extensive operational knowledge and 13 tourists for qualitative insights. The qualitative sample size was guided by the saturation principle (Patton, 2023).

3.9 Instruments for Data Collection

Data were collected using self-administered questionnaire and semi-structured interviews. Questionnaires provided standardised quantitative data efficiently, while interviews captured contextual and interpretive meanings (Bryman, 2021; Creswell & Creswell, 2023).

3.9.1 Self-Administered Questionnaire

Tour operators completed a structured self-administered questionnaire, with close and open-ended questions. The approach is cost-effective and ensure respondent anonymity, reducing interviewer bias (Taherdoost, 2022). The instrument was pre-tested for clarity and reliability, with validity assessed by ten managers, reviewed on clarity relevance, and understandability. Pilot testing increased the reliability, face validity and response rates (Saunders et al., 2023; Taherdoost, 2022).

3.9.2 Semi-Structured Interview

Semi-structured interviews were conducted with 15 key informants and 13 tourists using an interview guide to enrich the data and supported comparison with survey results (Saunders et al., 2023; Tracy, 2020). Participants were selected purposively based on experience and expertise.

4. Data Analysis

Quantitative data were coded and analyzed using SPSS Version 28. The descriptive statistics, including means and standard deviations were calculated to summarize trends and patterns while inferential statistical analysis examine variables relationships. Qualitative interviews data were transcribed, coded, and thematically analyzed to complement and explain quantitative findings, enhancing the depth and validity of the study results.

4.1 Descriptive Statistics Results

4.1.1 Tour Operators' Marketing Strategies

Tour operators were asked to score the level of use of marketing, results show that collaboration with large tour operators was the most widely used strategy ($\bar{x}$ = 4.2) enabling smaller firms to access transport, accommodation, and global marketing networks. As one respondent explained:

"We work with major tour operators like Rickshaw and Bamba Experience, as well as foreign agents. Additionally, we have a strong research and development team as one of our competitive strategies."

Selling of packages at reduced prices was ranked second ($\bar{x}$ = 4.1), indicating pricing competition remains dominant strategy among Tanzanian tour operators. One participant stated:

"We lower rates based on the number of persons per car. Each car accommodates eight visitors, and we also include complimentary offerings such as Maasai cultural experiences and walking safaris."

Investment in technology and equipment was also essential ($\bar{x}$ = 3.9). As one interviewee noted: "Tourism business is a give and take; you invest, then you get the reward, so we invest."

Moderate emphasis with customer retention ($\bar{x}$ = 3.8), staff incentives ($\bar{x}$ = 3.3), and employee skill development ($\bar{x}$ = 3.8), suggesting that firms perceive service quality and employee competence as significant differentiators.

However, innovation and differentiation strategies such as niche marketing orientation, R&D, and unique product design received lower ratings (2.6–3.2) and practiced by larger firms. One manager noted that "We offer unique products and services; good word-of-mouth helps us attract more customers."

Another elaborated: "We focus on certain types of visitors that will make a contribution for our company's profitability; there's no need to pursue a large number of customers we can't serve effectively."

Others reported efforts to explore new international markets: "We get lot of visitors from countries like New Zealand, Estonia, and Romania where visa fees are not applicable. We use ICT tools like social media and websites, and we treat our workers well." This observation reinforces Putra's (2018) argument that product homogeneity intensifies competition and while effective differentiation enhances firm resilience and competitive advantage.

4.2 Inferential Statistical Analysis Results

data analysis was conducted in two phases: Exploratory Factor Analysis (EFA) followed by Confirmatory Factor Analysis (CFA), to assess the reliability and validity of the marketing strategies measurement model.

4.2.1 Exploratory Factor Analysis Results

4.2.1.1. Sample Appropriateness of Data for Factor Analysis on Marketing Strategies Variables

Data suitability for factor analysis requires adequate sample size and sufficient inter items correlations. Kaiser-Meyer-Olkin (KMO) tests assess the sampling adequacy value exceeds 0.5 indicating suitability for factor analysis (Tabachnick & Fidell, 2014). Bartlett's test of sphericity was also conducted to confirm sufficient correlations among the marketing strategy items (see Table 4.3).

Table 4.3: KMO Measure of Sampling Adequacy and Bartlett's Test for Sphericity for Market Strategies

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		**0.733**
Bartlett's Test of Sphericity	Approx. Chi-Square	1239.858
	Df	153
	Sig.	0.000

The result in Table 4.3 show that the KMO value 0.733 exceed the recommended minimum of 0.6 (Tabachnick and Fidell, 2014), indicating the sample size is adequate for factor analysis. Additionally, Bartlett's test of sphericity was significant, (χ^2 =1,239.858, df = 66 and p <. 05) confirming sufficient correlations among the marketing strategy variables and suitability of the data for factor analysis.

4.2.1.2 Marketing Strategies Variable Factor Extraction

Exploratory factor analysis (EFA) was conducted to extract and retain factors from the marketing strategies dataset. PCA analysis was used as extraction method factors with an eigenvalue greater than 1 retained (Hair et al., 2010; Pallant, 2007). Results show that three factors with eigenvalues greater than one were extracted, accounting for 26.17%, 13.749% and 10.807% of the variance, respectively, with a cumulative variance of 50.726%. The three factors were retained for further analysis, and interpreted cost leadership, differentiation and focus strategies representing tour operators market positioning approaches.

4.2.1.3 Communality after Extraction for Marketing Strategies Variables

Communalities were examined to determine the proportion of variance shared by each item in measuring their constructs. Items with communality values below 0.3 were considered weak and excluded from further analysis (Hair et al., 2010). Two items "close supervision on reducing cost (0.282) and "give incentive to our staff based on quantitative targets" (0.288), fell below the 0.3 threshold and were excluded (Hair et al., 2010). The remaining items had communalities from 0.338 to 0827, indicating that the retained items adequately explain the variance in cost leadership, differentiation and focus strategies.

4.2.1.4 Factor Rotational Matrix for Market Strategies Variables

Varimax rotation was applied to maximizing high loadings and minimizes low loadings (Hair et al., 2019). Items with cross-loadings or loadings below 0.50 were removed, resulting in a final solution where all retained items met the 0.50 significance threshold (Hair et al., 2019; Kline, 2023). All retained items loaded strongly on their respective factors (≥0.55), exceeding the practical significance threshold (Hair et al., 2019). The factors were labeled Focus Strategy, Cost Leadership Strategy, and Differentiation Strategy aligning with Porter's (1985) Generic Strategies Model and supported by recent service industry studies, including tourism (Al-Aomar & Hussain, 2022; Gutiérrez-Broncano et al., 2024).

4.2.2.1 Appropriateness of Data for Factor Analysis for Performance of Variables

Sampling adequacy and inter-correlations were assessed to confirm data suitability for factor analysis. Kaiser-Meyer-Olkin (KMO) with a KMO test value > 0.6 indicated sufficient sample size, while Bartlett's test of sphericity confirmed correlations among performance items were adequate for factor extraction (See Table 4.4).

Table 4.4: KMO and Bartlett's Test for Performance Variables

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		**0.676**
Bartlett's Test of Sphericity	Approx. Chi-Square	608.870
	Df	3
	Sig.	.000

Table 4.4 shows a Kaiser-Meyer-Olkin value is 0.676, above 0.5 threshold indicating adequate sample size for factor analysis (Tabachnick & Fidell, 2014). Bartlett's test was significant ($\chi^2 = 608.870$, df = 3, $p < 0.05$), confirming sufficient correlations among performance variables for factor extraction.

4.2.2.2 Factor Extraction for Performance Variable

Using the eigenvalues (E>1) criterion (Finch, 2025; Pallant, 2023). As shown in Table 4.5, shows a single factor extracted explaining 84.90% of the total variance, confirming that one component sufficiently represents the performance items, for further analysis.

Table 4.5: Total Variance Explained for Performance of Tour Operators

Component	**Initial Eigenvalues**			**Rotation Sums of Squared Loadings**		
	Total	**% of Variance**	**Cumulative%**	**Total**	**% of Variance**	**Cumulative %**
1	2.547	84.898	84.898	2.547	84.898	84.898
2	0.399	13.290	98.189			
3	0.054	1.811	100.000			

Extraction Method: Principal Component Analysis

4.2.2.3 Communalities after Extraction for Performance Variable

Communalities indicate the proportion of each item's variance explained by the retained factor(s) (Byrne, 2010) Items with extraction value below 0.3 are considered weak and should be discarded, as they contribute insufficient information to measure the construct.

Table 4.6: Communalities

Items	**Initial**	**Extraction**
Increase in sales revenue	1	0.925
Increase of profit	1	0.714
Increase returns on Assets (ROA)	1	0.909

Extraction Method: Principal Component Analysis

Table 4.6 shows communalities ranging 0.714 to 0.925, above the 0.3 threshold, indicating items reliably measure the performance construct (Hair et al., 2010). Increased sales revenue, profit and ROA provide strong evidences of business performance.

4.2.2.4 Factor Rotational Matrix for Performance Variable

The factor loading matrix shows correlation between items and latent factor (Cheung, 2024). Loadings above 0.50 are meaningful (Hair et al., 2021). Table 4.7, all three items loaded highly (≥0.845) on a single factor, indicating strong covariation with the latent construct in question of financial performance. (Hura, Krejstová, 2014) Since all items were used to measure financial performance, the extracted factor was labelled financials performance (Krejch, et al., 2015).

Table 4.7: Performance of Tour Operators - Component Matrix

	Financial performance
Increase returns on assets (ROA)	0.962
Increase of profit	0.845
Increase in sales revenue	0.953

4.3. Model Fit

The measurement model fit was assessed to determine how well the data supported the hypothesized model. The pooled fit statistics indicated a good fit: Goodness of Fit Index (GFI) = 0.913, Comparative Fit Index (CFI) = 0.968 and Incremental Fit Index (IFI) = 0.968, all exceeded the recommended maximum of (> 0.9). The Root Mean Square Error of Approximation (RMSEA) was 0.051, below the recommended maximum of 0.08 and CMIN/df =1.768, within the acceptable range of (< 3.0) (Schumacker & Lomax,2010). The tests of goodness of fit indices (GOF) were above the recommended values. Therefore, indicators adequately measure the intended constructs, meeting the recommended thresholds for absolute, incremental, and parsimonious fit indices (Hu & Bentler, 1999; Schumacker & Lomax, 2020) (see Table 4.11).

Table 4.11: The Fitness Indexes for new Measurement Model

Category name	Index Name	Index value	Level of acceptance
Absolute fit	RMSEA	0.051	0.05 to 0.08
	GFI	0.913	> 0.90
Incremental fit	CFI	0.968	> 0.90
	IFI	0.968	> 0.90
	NFI	0.915	> 0.90
Parsimonious fit	CMIN/df	1.768	< 3.0

4.4 Measurement Model Validity

To ensure that the measurement instrument accurately capture the intended constructs, construct validity, convergent validity and discriminant validity were examined (Lim, 2024).

4.4.1 Construct Validity

Construct validity was used to determine the extent to which measurement indicators reflect the theoretical construct they are intended to measure Cheung, 2024). In the current study, construct validity was supported as all model fit indices exceeded acceptable thresholds (see Table 4.11), indicating that the observed items effectively represent their latent constructs.

4.4.2 Convergent Validity

Convergent validity was assessed to determine whether the measurement items correlate well with other indicators of the same construct. In the current study, examination of convergent validity was evaluated using the Average Variance Extracted (AVE), where values ≥ 0.50 indicate sufficient convergence (Cheung, 2024). As shown in Table 4.12, all AVE values were above 0.50, confirming that items within each construct are sufficiently correlated and effectively measure the same underlying dimension.

Table 4. 12: Convergent Validity Results

Constructs	AVE
Performance	0.795
Marketing strategies	0.501

4.5 Reliability of a Measurement Model

Reliability of the measurement model was assessed using internal reliability, composite reliability (CR), and AVE. According to Hair et al (2010) and Nunnally (1994), the Cronbach's alpha between 0.7 to 1.0 suggests a high level of internal reliability. The results in Table 4.13 indicates that Cronbach's alpha values for all the constructs were between 0.700 to 0.910, which were above recommended threshold of 0.7. and CR values ranged from 0.653 and 0.919.

Table 4.13: Internal Consistency Reliability

Constructs	Composite Reliability	Cronbach's Alpha
Performance	0.919	0.910
Marketing strategies	0.653	0.701

4.6 Confirmation of Hypotheses

Hypotheses were tested using Structural equation modelling (SEM) in IBM SPSS Amos version 20 to examine the significance and strength of the relationships in the structural model see Table 4.14.

4.6.1 Hypothesis Tested

H_0: Generic marketing strategies have no significant effect on the performance of tour operators' supply chains in Tanzania.

Table 4.14: Hypotheses Confirmation Results

Hypotheses					(β)	P-value	Rejected/ Not rejected
H_0	Generic marketing Strategies		→	Performance	0.23	<0.037	Rejected

The results in Table 4.14 indicate a significant positive relationship between generic marketing strategies and tour operators' supply chains performance ($\beta = 0.23$, $p < .05$). This suggests that firms that implement cost leadership, differentiation and focus strategies enhances operational and financial performance, including sales growth, profitability and Return on Assets (ROA).

These strategies improve costs efficiency, customer satisfaction, brand positioning, better targeting of specific market segments, supplier selection, timely delivery and services quality driving competitiveness in Tanzania's tourism industry.

4.7 Conclusion

The study investigated the influence of cost leadership, differentiation, and focus on Tanzanian tour operators' supply chain performance. Results show cost-based and collaborative strategies dominate, while innovation, differentiation and niche marketing are underutilised. Collaboration with large tour operators, government bodies, and tourism boards enhances resource access and service efficiency. Structural equation modelling confirm that generic marketing strategies significantly enhance supply chain performance, increasing efficiency, revenue, profitability and return on assets. The findings suggest that competitive advantage within the tourism supply chain is derived from a combination of cost efficiency, quality and innovation, supporting Porter's model in developing economies.

The study extends the Resource-Based View with empirical evidence from Tanzania's tourism sector, showing how strategic resources, digitization, collaboration and sustainability improve supply chain performance. The findings guide managers and policymakers in using hybrid strategies to achieve sustainable competitiveness in developing tourism economies.

4.8 Recommendations

Tour operators should adopt hybrid strategies that combine cost leadership and differentiation to improve efficiency, customer satisfaction, and profitability. Managers should invest in innovation and digitalization such as ICT platforms, data-driven marketing, research and development, to improve supply chain visibility, coordination and responsiveness. Strengthening collaboration with stakeholders can further reduce costs, improve service quality and deliver superior customer experiences.

Policymakers should support these efforts through enabling policies, incentives, digital infrastructure development, skills development, and sustainable tourism initiatives. Future research should examine the mediating roles of digitalization and sustainability in enhancing supply chain performance and conduct comparative studies across East African destinations to validate the generalizability of these findings.

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