

# Internationalization of African-ethnic restaurants: A qualitative enquiry using the dynamic capabilities perspective



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## ABSTRACT

The study analyzes the relationship between dynamic capabilities and the degree of inward internationalization of African-ethnic restaurants in East Africa. A qualitative approach using ten case restaurants assessed adaptive, absorptive and innovative capabilities and, how they relate with degree of inward internationalization. The study establishes that food quality assurance, food authenticity, personalized service and security assurance are used by ethnic restaurants to increase food tourist inflows. The study further found that knowledge absorption capacity helped ethnic restaurants to attract and retain food tourists. The study also found that innovative capabilities including adoption of new technology, adopting eclectic approaches and the ability to provide a wide assortment of dishes and regular menu updates was very instrumental in enhancing the level of inward internationalization. As such, the study through three models provides a theoretical explanation for the degree of inward internationalization of African-ethnic restaurants, and presents its theoretical, methodological, policy and managerial implications.

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## 1. Introduction

Progressing into international level business is the dream of any visionary firm (Kuppusamy & Anantharaman, 2014) and indeed firm internationalization has received increasing attention from practitioners and scholars. However, how African firms tap into foreign markets remains a big question (Rutashobya & Jaensson, 2004; Tvedten, Hansen, & Jeppesen, 2014). Specifically, whereas African-ethnic restaurants offer a wide repertoire of indigenous dishes (Otengi, Waako, & Bakunda, 2014), like many other brands of African origin, they have remained less internationalized (Amujo & Otubanjo, 2012; Lepp, Gibson, & Lanne, 2011; Osei & Gbadamosi, 2011). As a result, they have not been a focus of study by tourism and international business scholars (Henderson, 2009; Mak, Lumbers, & Eves, 2012).

Despite their uniqueness and diversity, many studies show that poor internationalization of African brands/products could be due to their failure and inability to provide or introduce products that meet international expectations (Czubala, Shepherd, & Wilson, 2009; Morrissey, 2012; Tvedten et al., 2014). Given their nature coupled with resource

constraints, the question of what explains the successful internationalization of some of the indigenous ethnic restaurants ought to constitute an important area of inquiry. In this study, it is noted that in a very dynamic environment, resources alone are generally of short-lived value (Teece, 2014). However, whereas it is true that some research is available on the predictive potential of African business environments in terms of institutional factors, market factors, natural resources and competitive factors, less has been written about firm level factors (Tvedten et al., 2014). Even the scarce literature on internal contingencies seems to focus mainly on four sets of resources and capabilities: entrepreneurial capabilities, capabilities associated with firm size, capabilities related to skills and education and network capabilities (Tvedten et al., 2014). Literature is even more uncommon on firm-specific factors and ethnic restaurant internationalization in Africa. Specifically, studies linking dynamic capabilities and the degree of inward internationalization of tourism firms such as African-ethnic restaurants have remained sparse (Brida, Driha, Ramón-Rodríguez, & Scuderi, 2015).

By “inward internationalization” we mean “importing” of customers from abroad to consume ethnic dishes in the ethnic restaurant’s home country (Björkman & Kock, 1997). According to the ITC (2004), a service is internationalized when it is sold to a foreign client regardless of where the transaction takes place. This paper contributes to firm internationalization literature in three areas. First, contrary to some studies (e.g. Ruzier, Hisrich, & Antonic, 2006) that emphasize the value of

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outward movement of firms, this paper focuses on the ethnic restaurant inward internationalization; a somewhat an underestimated aspect in internationalization studies. Many studies have focused on traditional modes of internationalization such as trade and FDI, and neglected other channels that could be relevant for the internationalization process of service firms especially in hospitality and tourism (Brida et al., 2015). Notably, literature on African firm internationalization is mainly on export of commodities, (Tvedten et al., 2014). Even where there is attempt, most of the African hospitality and tourism studies ignore the realities in the domestically location-bound ethnic restaurants and instead focus on the internationally established chains yet African entrepreneurs predominately depend on the former (e.g. Gikonyo, Adele, & Wadawi, 2015; Rogerson, 2014). Unfortunately, focusing solely on export or indirect forms of internationalization (Craig & Douglas, 1997; Tvedten et al., 2014) provides a narrow view of African firms' international involvement.

Second, we examine particular dynamic capabilities essential to promoting inward internationalization of African-ethnic restaurants. The paper proposes specific models that demonstrate that the degree of inward internationalization of African-ethnic restaurants is associated with distinctive dynamic capabilities which may be categorized as adaptive, absorptive and innovative capabilities (Wang & Ahmed, 2007). Finally, previous studies have predominantly used the individual dynamic capability components and in non-service sectors moreover for large multinational enterprises (MNEs). This paper brings the trio together in the context of African-ethnic restaurants.

The paper attempts to provide an explanation for the successful “inward internationalization” of some African-ethnic restaurants using the dynamic capabilities view. Many studies have concluded that without dynamic capabilities to convert resources into advantage, firm resources do not translate into performances (e.g. Zott, 2003; Wu, 2007). The resource based view (RBV) by Barney (1991) can no longer be exclusively depended on especially in a very dynamic business environment. In fact, a number of practitioners and researchers believe that the firm's effective internationalization can largely be explained by dynamic capabilities (Dunning & Lundan, 2010; Pitelis & Teece, 2010; Teece, 2014). However, most of these studies are conceptual (see Ambrosini & Bowman, 2009; Eriksson, 2013), mainly focusing on theoretical review of the multinational enterprise (MNE) and foreign direct investment (FDI) without adequately providing context specific empirical evidences on how small firms from developing countries internationalize.

Furthermore, although some researchers acknowledge the growing importance of trade and investment in services, they note that internationalization of service firms is relatively new in terms of building and testing theories (e.g. Javalgi & Martin, 2007; Leiponen, 2012; Teece, 2014; Tvedten et al., 2014; Carvalho, 2014). Moreover, the inward internationalization model used to attract consumers from foreign markets has not been adequately studied (Gross & Huang, 2011). This study presupposes that African-ethnic restaurants offering unique products/services calls for specialized studies to unearth explanations for their current level of inward internationalization. This reversed form of internationalization (Ball, Valerie, & Elizerbeth, 2008) means that a product/service is consumed by foreign clients in the home-base of the ethnic restaurant symptomatically due to location resources (Evers, 2011) and product heritage (Bianchi, 2011). It represents the category of domestically location-bound services comprising service firms in which both the degrees of face-to-face contact and tangibility are high. In this context, tangibility is connected to a special location environment and location-bound resources of the firm in its home base.

It is a norm in the tourism industry that people (tourists) travel from their country of residence to another country in search for new experiences. The experiences sought by tourists include search for new cultures, ethnic food, site-seeing, nostalgia, visiting friends and relatives, knowledge and self-fulfillment (Williams & Soutar, 2009). Specifically, food has surpassed the functionality of satisfying tourist physiological

needs as part of the basic requirement for tourist consumption (Quan & Wang, 2004). Many people are now attracted to travel and visit tourism destinations to taste unique and authentic culinary products (Alexander, 2009; Smith & Costello, 2009). For some destinations, food and related activities are the central feature of the tourist attraction, travel motivation, behavior, tourist experience as well as revenue generators (Kivela & Crotts, 2009; Wolf, 2006).

However, compared to other firms, ethnic restaurants that internationalize inwardly are faced with specific challenges inherent to the type, nature and characteristics of products/services offered. There are several features that make their internationalization different and potentially more challenging than packaged goods (Bowen & Ford, 2002; Javalgi & White, 2002). These characteristics are well documented (e.g., Javalgi & Martin, 2007) and only a brief mention will be made here. First, it is characterized by customer-provider contact and/or close physical interaction. The two are inseparable yet, interaction quality is crucial for building repeat visits (Butcher, 2005; Pollack, 2009). This is even more challenging in international settings due to the gaps that usually exist as a result of culture and language differences, disparities in the experience with the service and varied food quality expectations.

Second, unlike the packaged goods, most traditional kitchen-made items cannot be mass produced and stocked. Therefore, high or low demand for these products/services cannot be mopped up through utilization of inventories. Moreover, in a dynamic environment, it is difficult to determine foreign visitors' requirements, competitor actions, and industry directions. This makes it problematic to understand and manage tourist demand. Third, ethnic restaurant services are highly heterogeneous meaning that service output may vary from one moment of encounter to another (Winsted & Patterson, 1998). Customers going to the same restaurant may not receive exactly the same service because different people with different abilities and backgrounds perform the service. These variations negatively affect customer expectations, perceptions and subsequently their satisfaction. This implies that the potential for variation in service outputs is even much higher in the international and unstable markets.

In their quest to attract and retain local customers and food tourists, restaurants have tended to alter the competitive profiles between restaurant consumers, employees, suppliers and other operators using technology, unique resources and innovation (Janssen, Castaldi, & Alexiev, 2015). This has forced the ethnic restaurants to launch assaults on their competitors using predatory pricing, technology, product quality, new knowledge, focus on new market trends and service innovation (Zollo & Winter, 2002). These competitive moves have reduced the kitchen process-throughput time, waiting time, thereby shaping the ever-changing competitive food market. In order to improve efficiency and effectiveness in a highly competitive environment, restaurants have also adopted business process reengineering models. This involves an elaborate internal reporting system, market intelligence and analytical information system. Since information or knowledge about new opportunities (Gans & Stern, 2010) is not readily available, owner-managers build organizational capabilities inside business firms to assist in knowledge formation and knowledge seizure (Teece, 2014).

Worldwide, restaurants are challenged by the changing consumer tastes and preferences, new trends/fashion, increasing business overheads and technological advances (Restaurant & Catering Australia [R&CA], 2014). There are rapid changes, regular discontinuities, and great complexity, prompted partly by the fact that the market needs and desires are highly varied and dynamic. As part of their philosophy, “Food with Integrity”, Chipotle Mexican grill Inc., a restaurant brand with several branches across the United States and beyond believe that using fresh ingredients is paramount but not enough. They go further and spend time on farms and in the field to understand where food ingredients they use come from and how it is raised (Chipotle Annual Report, for the year ending December 31, 2011).

In Africa, successful ethnic restaurants have been found to retain well-defined competitive concepts that model business operations

along dynamic mechanisms (Gikonyo et al., 2015). This involves integration, building, and re-aligning internal and external competencies to address the rapidly changing environment (Teece, Pisano, & Shuen, 1997). One of the ethnic restaurants in Kenya has distinguished itself as a provider of “halal food”. Another relies on the concept of “farm to fork”. Informed by the value chain analysis, the case restaurants associate themselves with quality and safe products to distinguish themselves (Gikonyo et al., 2015). In Uganda, some successful ethnic restaurants have engineered new packages such as “cultural food tours” where tourists are shown indigenous gastronomic approaches, including demonstration of how staple foods are grown and harvested in local gardens (Daily Monitor, Sunday, March 27, 2016). In Zanzibar, there are restaurants that offer lessons on island cuisine to increase their share of the tourist market (<http://www.tripadvisor.com/Restaurants>).

The industry enthusiasm and dynamism, with offers replacing others as the business environment changes has led to tight competition. The rivalry has become an increasingly bitter battleground for restaurants affecting guest traffic and business margins, thereby increasing the threat for business closures. The critical question in this study is: How do ethnic restaurants that survive, grow and internationalize, manage to do so in a highly unstable market? The study explores this question using the dynamic capabilities perspective (Dunning & Lundan, 2010; Pitelis & Teece, 2010). The study gives a voice to African-ethnic restaurants and also provides a premeditated direction for potential entrepreneurs who would wish to internationalize by attracting foreign customers. Using a qualitative methodology, greater insight into African-ethnic restaurant inward internationalization is provided as well as guiding those wishing to attract food tourists. Ten (10) successful ethnic restaurants in East Africa are used to accentuate the level of inward internationalization as an outcome of the three component factors of dynamic capabilities. Thus, our main research question is: How do adaptive, knowledge absorption and innovative capabilities influence the degree of inward internationalization of successful African-ethnic restaurants?

The next section reviews literature on dynamic capabilities and, research questions are derived in order to enhance our understanding on how African-ethnic restaurants internationalize. Section 3 presents the methodology used in the exploratory study. Findings are then analyzed and discussed leading to a conceptual framework to guide future research. Finally conclusions, limitations and implications from the study are identified.

## 2. Literature review

### 2.1. The dynamic capabilities view (DCV) and inward internationalization

Drawing on the resource-based view (RBV), the dynamic capabilities view, emphasizes the importance of dynamic business processes and recognizes the importance of unique resources and good strategy. The dynamic capabilities approach advanced by Teece (2014), integrates the entrepreneurship, resources, and capabilities concepts in order to provide insights into how competitive advantage of firms is both built and maintained. It is also noted in this study that not all enterprise-level responses to opportunities and threats are manifestations of dynamic capabilities. For example, “ad hoc problem solving” cannot be regarded as a capability (Winter, 2003). An essential characteristic of dynamic firms is that they are able to generate and embody knowledge, which cannot be easily bought and sold. Eisenhardt and Martin (2000) refer to dynamic capabilities as organizational and strategic routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve or die.

According to Teece (2006), the only way to exploit knowledge is to start a firm and build the necessary complementary assets. Teece et al. (1997) identified the core building blocks of dynamic capabilities under the tripartite rubrics of processes, positions, and strategy (paths). Organizational processes entrench the strategy of the corporate

into the day-to-day routines of employees. On the other hand, positions are resources of a firm summarized by Barney (1991) as meeting the criteria of valuable, rare, inimitable, and non-substitutable (VRIN). The current study recognizes that the VRIN criteria differentiates between pervasive resources available to all ethnic restaurants and those that are more specific to an individual ethnic restaurant (Barney, 1991). The “Barneyian” benchmark illuminates the argument that a unique asset delivers value to the firm. It also supports a point of difference that is appealing to customers, and cannot easily be replicated by other restaurants with different resources. However, resources emphasized in VRIN criteria, seem not to adequately explain ethnic-restaurant internationalization in rapidly changing environments. This supports Teece's (2014) view that dynamic capabilities are necessary to drive the use of the resources possessed by ethnic restaurant into customer values in an international environment.

Wang and Ahmed (2007); Eisenhardt and Martin (2000) calibrate dynamic capabilities across firms into three main component factors namely; adaptive, knowledge absorptive and innovative capacities. In an attempt to make the DCV hands-on, Teece (2006) identified the *micro-foundations* undergirding common dynamic capabilities. Some of the important micro-foundations of dynamic capabilities identified in literature include: cross-functional R&D teams, new product development capacity, quality control routines, technology and knowledge transfers and, certain performance measurement systems (Eisenhardt & Martin, 2000). According to Eisenhardt and Martin (2000), capabilities are ‘commonalities’ in key features but *idiosyncrasy* in details. This study recognizes that while the scope and multiplicity of dynamic capabilities can vary across firms, an important question is how essential dynamic capabilities are associated with ethnic restaurant specific processes. This approach to dynamic capabilities is believed to be suitable for lower level organizational activities and routines (Salvato & Rerup, 2011), down to the behavior of individual firm employees. The DCV recognizes the value of the dynamic processes as a key source of competitive advantage and can therefore explain the level of ethnic restaurant inward internationalization in a competitive environment.

According to Madhok (1997), a firm's boundary issues are largely capability-related. This study argues that any firm should be reluctant to enter a foreign market (or even an immediate domestic market) if it doesn't have at least strong ordinary capabilities. Similarly, Teece (2014) contends that whereas internationalization theories have yielded important insights into the multi-national enterprises (MNEs), as the international business field continues to mature, and the theory of the firm in economics evolves, relatively neglected (capabilities-related) factors become more salient. While this study focuses on indigenous ethnic restaurants, it is applicable to international diversification in terms of customer orientation. Extant literature (e.g., Freeman, Hutchings, Lazaris, & Zyngier, 2010; Rennie, 1993; Oviatt & McDougall, 1994; Sapienza, Autio, George, & Zahra, 2006) explicates why some firms are able to internationalize very early in life and, the “born global” phenomenon seems to be consistent with the dynamic capabilities view.

Remarkably, recent work in international business has shown interest in the (dynamic) capabilities approach (e.g. Dunning & Lundan, 2010; Pitelis & Teece, 2010) and, this study seeks to extend knowledge in this direction. Our focus is on how African-ethnic restaurants adapt, absorb knowledge and innovate products and processes which attract international food tourists. This is because tourists and the tourism industry around the world share an interest in ethnic food (Henderson, 2009). However, certain concerns must be addressed by ethnic restaurants to ensure that visitor expectations are met on routine basis calling for specific adaptive, absorptive and innovative capabilities.

#### 2.1.1. Adaptive capabilities

In tourism literature, adaptive capabilities view is still scarce especially in African studies of ethnic restaurants. The current study had to borrow ideas from other disciplines such as marketing, psychology

and strategic management. In addition, much of the focus has generally been on large firms, mainly multinational enterprises (MNEs) in manufacturing and high-technology industries from developed economies (Hogan, Soutar, McColl-Kennedy, & Sweeney, 2011). Indeed, some scholars have queried whether capabilities encountered in manufacturing industries are applicable in a service context (e.g. Kindström, Kowalkowski, & Sandberg, 2012). Deplorably, the existing approaches do not capture the learning processes that lead to the adaptation and development of systems required to accelerate inward internationalization of tourism firms and African-ethnic restaurants in particular. This sets ground for an interesting research agenda to examine how African-ethnic restaurants adjust their systems and product offerings leading to optimal inward internationalization outcomes.

Firms' ability to identify and capitalize on emerging market opportunities and threats is crucial for their survival, growth and accelerated international expansion (Weerawardena, Mort, Liesch, & Knight, 2007). The development of adaptive capability is often supplemented by the progression of organizational reforms (Wang & Ahmed, 2007). Using "Yahoo" and "Excite", Kotha, Rindova, and Rothaermel (2001) demonstrate how the development of adaptive capabilities is manifested by the firm's comprehensive changes in products, services, resources, and methods of work. It involves assessing whether the restaurant's systems empower staff to moderate and/or defy traditional approaches and respond quickly to changes in the market (Gibson & Birkinshaw, 2004). The need for ethnic restaurants to make continuous process adjustments is indispensable in a dynamic environment and global food tourist market. We thus, state our first specific research question as follows: RQ1: How does adaptive capacity influence the degree of inward internationalization of African-ethnic restaurants?

### 2.1.2. Absorptive capabilities

Some researchers have reasoned that data limitations, conceptual ambiguities and absence of inclusive studies still constrain against sweeping generalizations (e.g. Tvedten et al., 2014). There is therefore need for context specific research necessary to identify firm specific absorptive capabilities that enhance African-ethnic restaurant inward internationalization. Most successful African-ethnic restaurants have learned foreign culinary practices and use of modern technology from other countries suggesting that their knowledge absorptive capacity may be one of the key factors influencing their performance. For the purpose of enhancing internationalization, it has been suggested (Mogos Descotes & Walliser, 2013) that ethnic restaurants need to assimilate the acquired knowledge throughout the entire structure of the organization. *Knowledge acquisition, assimilation, transformation and exploitation* describe absorptive capacity (Zahra & George, 2002) and how new knowledge is used for commercial purpose (Flatten, Engelen, Zahra, & Brettel, 2011).

Firms with higher absorptive capability are believed to exhibit a stronger ability of learning from cohorts, assimilating external information and transforming it into firm- embedded knowledge (Wang & Ahmed, 2007). Earlier studies have showed that R&D intensity is a proxy to absorptive capability (e.g. Tsai, 2001). Absorptive capacity therefore mirrors the extent of the firm's ability to adapt knowledge obtained from external sources (Chen, 2004). A number of conceptual and empirical works suggest a link between absorptive capacity and international performance (e.g. Ahimbisibwe, Nkundabanyanga, Nkurunziza, & Nyamuyonjo, 2016). Piercy, Kaleka, and Katsikeas (1998) found that absorptive capabilities are perfect predictors of internationalization outcomes specifically in commodity export. Oviatt and McDougall (2005) examined the link between international market knowledge and firm internationalization process and found international entrepreneurial experience of the founders as one of the prime factors that determine the speed of international involvement. Recently, Dai and Yu (2013) in their study of Chinese manufacturing firms associated knowledge absorption with export performance. They pointed out that firms with appropriate absorptive capacity effectively identify

valuable and important technological developments in foreign markets and learn efficiently of foreign advanced technologies. This study assesses the link between knowledge absorption capabilities and the degree of inward internationalization in the African-ethnic restaurants' perspective. We thus, formulate our second research question as follows:

RQ2: How does knowledge absorption capacity influence the degree of inward internationalization of African-ethnic restaurants?

### 2.1.3. Innovative capabilities

Literature studying the relationships between innovation and international performance is focused so much on manufacturing industries and frequently neglects the service sectors (Castellacci, 2008). Furthermore, Gallouj and Djellal (2010) note that literature on innovation with conceptualizations bent on manufacturing firms might not hold for service firms due to the unique features of the latter. These appraisals associate with a widely expressed concern regarding the neglected specifics of R&D and innovation in 'non-manufacturing' firms (Leiponen, 2012). As Carvalho and Costa (2011) explained, the study of innovation in services is still in its infancy and that the pioneering studies only appeared in the late 1990s. Generally, the services sector has been the subject of little research and few empirical studies, especially within the field of innovation (Carvalho, 2014). It is thus, rare to find a robust theoretical framework for service sector innovations, and even harder when applied to hospitality and tourism firms.

Given that many countries rely on tourism for their economic development there is an urgent need to better our understanding of innovativeness in this industry (Carvalho & Costa, 2011). One of the main factors hampering the progress of research on service internationalization has until recently been the lack of reliable data material and systematic empirical evidence to study patterns and determinants of the international activities of service providers (Carlsson, 2006). Specifically, a dearth of studies has linked innovative capacity with the degree of inward internationalization of tourism service firms especially in Africa.

Yet, innovative capability is a critical factor for firms' evolution and survival in light of tight competition and rapid market change (Lazonick & Prencipe, 2005). The ability to develop new products/services, new methods of production, new sources of supply, new organizational forms, strategic tendency to pioneer, technological sophistication and identifying new markets, through aligning strategic innovative orientation with innovative behaviors and processes create competitive advantage for firms (Crossan & Apaydin, 2010). In the study conducted in Sub-Saharan Africa, Ibeh (2004) found that firms with higher levels of innovativeness achieved higher levels of internationalization in terms of exports.

Innovativeness was also found to partially mediate the relationship between firm factors and organizational performance in the manufacturing sector (Shaabani, 2014). On the other hand, some research on service industries indicates that innovation capabilities might be a promising alternative for gauging an organization's ability to develop and implement new ideas (Leiponen, 2012; Teirlinck & Spithoven, 2013). Earlier studies (e.g. Castellacci, 2008) indicate that innovative capability of firms is directly related to service firms' international performance. Recently, Altuntas, Semercioz, and Eregez (2013) found that innovativeness was significantly related to international firm performance in healthcare services.

However, given the scarcity of innovation frameworks, data material ambiguities and lack of systematic empirical evidence for hospitality and tourism firms and African-ethnic restaurants in particular, there is need for context specific studies that cross validate and test the existing assumptions. The East African study that explored the experiences of African-ethnic restaurant owners was thus guided by following research question:

RQ3: How does innovative capacity influence the degree of inward internationalization of African-ethnic restaurants?

### 3. Methodology

In agreement with Cresswell (2009), the study adopted a multiple-case approach. This is consistent with Yin, 2009 who reveals that multiple-case studies are suitable for replicating findings across cases. This approach captured what the ethnic restaurant owners bring to the research inquiry such as their personal history of how they started and operated the businesses to date (Cresswell, 2013) and, about their capabilities to attract and retain both local and international clients, especially food tourists. Understanding the lived experiences of respondents helps to develop patterns and relationships of meanings. Thus, an in-depth interview with owner-managers of ethnic restaurants helped to gain an inside perspective of specific dynamic capabilities possessed and how they relate with the degree of inward internationalization. To supplement interviews, participant observation and photo elicitation were used to gather further information from the case restaurants on-site. Owner-managers were the key targets of this study since the aim was to understand the critical firm-level dynamic capabilities and the relationship with the degree of inward internationalization. It also aimed to uncover perspectives about their restaurants progression, the challenges and their ideas about ways their companies can attract and retain customers/food tourists. We conducted semi-structured in-person interviews with the owner-managers to gain their perspectives on the above. Interview protocol was designed to guide the researcher and the two research assistants during the interviews. Each interview lasted between 90 and 120 min and all were recorded and transcribed into a micro-soft word document totaling 58 pages. Data was collected between August 2013 and April 2014.

A content analysis approach was adopted to extract meanings from the transcripts. This method of analysis has been used in previous food tourism studies (Choi & Chen, 2007, Horng & Tsai, 2012, Lin & Mao, 2015). The unit of analysis was the ethnic restaurant constituting a case study. Each interview representing a case restaurant was assigned a number or code see Table 1. Data analysis followed guidelines by Miles and Huberman (1994), Cresswell (2009), Guba and Lincoln (2005); Lincoln and Guba (1985). The 58 page typed notes and audio data were transcribed verbatim, imported into QSR NVivo 8 and analyzed using content analysis technique. This helped in noting where ideas converged along key identified themes initially derived from literature review. It also helped to determine operational definitions to facilitate the first coding process. In the second round of coding, all transcripts were carefully reviewed, categorizing text sentences into emergent subthemes. The emergent themes formed the sub-category codes within each of the major categories.

After the comprehensive coding process, cross case analysis was carried out by comparing different dynamic routines, operational mechanisms and strategies across the cases. The objective was to establish the convergent and divergent views across the case restaurants. The results of this process were reported through narratives and three causal schematic-network models of dynamic capabilities as drivers of inward internationalization of ethnic restaurants.

#### 3.1. Study setting

The study was conducted in the five member countries of the East African Community namely; Burundi Kenya, Rwanda Tanzania and Uganda. The East African community is drawn to tourism by the strong allure of deriving benefits such as the inflow of foreign direct investment, foreign exchange, increasing employment prospects, and remarkably, alleviating poverty in order to achieve sustainable development (Akama & Kieti, 2007; Mbaiwa, 2005). The region is a promising upcoming tourist destination in the African continent (World Bank, 2012). Conventional and niche tourism has grown and is reflected by the steady increase in annual tourist arrivals and expenditure. Moreover, the diverse cultural and food heritage exists as reflected by the several African-ethnic restaurants spread across the region. In this study, African-ethnic restaurants are delineated as firms that deal in local, typical or specialty dishes from Africa. They prepare and sell food that is geographically, historically or culturally linked to African people and felt by themselves and others to constitute distinct cuisine i.e. African cuisine (Otengei et al., 2014).

#### 3.2. Population, sample and sampling procedure

Following the listing by Tripadvisor, our population consisted of 261 African-ethnic restaurants from East Africa. Only ten ethnic restaurants were purposively selected from the five countries East African countries for in-depth analysis. Cresswell (2013) proposes the number of cases in the range of 10–15. According to Eisenhardt (1989), with less than four cases, theory is difficult to generate, and with more than ten, the volume of data is difficult to cope with. Generally, smaller samples have been found to be suitable for qualitative research due to the in-depth nature of this approach (Cresswell, 2009; Guba & Lincoln, 2005; Miles & Huberman, 1994; Sekaran, 2000). Contribution to sample by country was determined basing on the principle of proportionate allocation thus; countries with more African-ethnic restaurants were allotted more cases and vice versa to ensure representativeness (see Table 1).

As suggested by Cresswell (2013), a homogenous group of restaurants were selected based on the following criteria; offering African cuisine either wholly or as a major component of their menu, at least 5 years of existence, the ranking by travelers and location on tourist concentration centers. All the necessary and required information was obtained from Tripadvisor (<http://www.tripadvisor.com/Restaurants>) which classifies restaurants by country and cuisine including recommendation by travelers indicating those ranked as excellent or poor. Only those ethnic restaurants ranked by reviewers (travelers) as very good or excellent in terms food quality, service and authenticity were selected because they are characterized by higher numbers of food tourists (see Table 1). Ten (10) ethnic restaurants were selected in total and for purposes of easy analysis, uniformity and confidentiality; the sample restaurants remained anonymous and were coded as shown in Table 1.

For Burundi, Kenya, Rwanda and Uganda their capital cities were taken as major units of the study, while for Tanzania, Zanzibar Island

**Table 1**  
Selection of embedded cases. Source: Qualitative data.

The embedded cases	Cities	Country	Total no. of restaurants (reviewed)	Individual cases selected	Ranking by reviewers (travelers)
Case A	Kampala	Uganda	44	Cases A1 & A2	Case A1: Excellent food; Case A2: very good food and excellent service
Case B	Nairobi	Kenya	106	Cases B1, B2 and B3	Case B1: Very good food, mainly charcoal grilled meats and, excellent service Case B2: Excellent Kenyan food Case B3: Very good Kenyan food
Case C	Zanzibar	Tanzania	86	Cases C1, C2 & C3	Case C1: Excellent authentic island food Case C2: Excellent food and service Case C3: Excellent island food and service
Case D	Kigali	Rwanda	21	Case D	Case D: Very good African food and service
Case E	Bujumbura	Burundi	4	Case E	Case E: Very good food, service and excellent view
	Total		261	10	

was considered due to its high number of international tourist arrivals and ethnic restaurant concentration. These restaurants mainly serve African ethnic dishes and all have been in existence for more than five years.

### 3.3. Measurement, validity and reliability

Inward internationalization was measured in terms of attraction and retention of international clients especially food tourists. Validity and reliability issues were addressed through guidelines based on Cresswell's (2013) qualitative research design and Yin (2009) case-study approach. Internal validity was enhanced by looking at the design frame, triangulation of data collection methods and pattern matching. Dynamic capabilities view (DCV) guided the understanding of dynamic capabilities as enablers of inward internationalization and the emerging concepts were compared with those adopted by earlier studies prior to research questions development. Construct validity relied on peer reviews and subsequent modification of research tool as well as feedback during data collection phase. Specifically, validation strategies used in this study involved persistent interviews with owner-managers and participant observations to achieve in-depth information on ethnic restaurant inward internationalization. Comparing the interview responses with participant observations ensured consistency and therefore increased the validity of our findings. Thus, we were able to validate our identified themes and subthemes to ensure they were represented throughout interview process.

Reliability was enhanced by designing standard semi-structured questions on "how" and "what" capabilities enable ethnic restaurant inward internationalization. This was achieved by developing a protocol prior to entry in the field. This approach ensured that the desired interview questions/measures were consistently introduced across all case study participants. These questions were administered to owner-managers using similar techniques as well as triangulating with participant observation. The interview responses were also recorded to eliminate missing data due to data collection errors. The written transcripts based on these recordings were compared along with the field notes of the researcher and two research assistants. This provided for inter-assessor reliability with the databank of transcripts compared by the three judges for convergence and consistency. The transcripts were also sent back to the interviewees to cross-check and further confirm the accuracy of their responses.

## 4. Findings

### 4.1. Case studies

The brief description of individual case restaurants focuses on location, firm age, number of subsidiaries, products/services, type of cuisine and other predominant attributes such as view, ambience, décor, entertainment and authenticity. For confidentiality, the real ethnic restaurant names are not mentioned.

**Case A1.** Is situated in the middle of the central business district (CBD) of Kampala city on Colville Street; thus, is very accessible. This strategic location offers unique advantage to the food outlet. It is mainly patronized by top-market clients, both local and international. It offers a la carte and African buffet with a wide variety of dishes and a good choice of continental dishes. It has a pleasant ambience and clear view of Kampala city.

**Case A2.** Is strategically located in the central business district (CBD) of Kampala city, and easily accessed by foreign visitors interested in eclectic cuisine. It offers extensive a la carte menu featuring a wide selection of both authentic African dishes and international cuisine. The restaurant has not yet established branches within and/or outside the country. It has excellent ambience and frequented by international clients.

**Case B1.** Located on the outskirts of Nairobi on the Langata Road, Nairobi 00200, Kenya, **Case B1** offers a wide selection of meats and game usually charcoal grill. It is known for "Nyama Choma", that is, African charcoal grill/roast meat (barbecue). It provides silver service system where waiters/waitresses keep moving around for guests to re-fill until saturation at the same price. They serve dinner; lunch and, buffet style is available. The restaurant accepts American Express, MasterCard and Visa. Free Wifi, outdoor seating, parking, takeaway, television, are all in place.

**Case B2.** Is located on Kimathi Street, Nairobi 00100, Kenya. It specializes in authentic Kenyan cuisine and serves mainly ugali (maize meal) with fish and assorted traditional vegetables complete with ghee. There is always background indigenous music. The ceilings are high and spacious outdoor seating is available. It is usually much crowded especially during lunch and, the patrons are both Kenyan and international. The other features include tight security check at the entrance and, payment at counter before service delivery.

**Case B3.** Located on Getathuru Garden, off Peponi road, Nairobi 00100 GPO, Kenya, the restaurant offers mainly indigenous Kenyan food. The menu is diverse with some dishes that you would expect from a top restaurant. Compared to other restaurants, dishes are reasonably priced. The outlet serves both dinner and lunch in buffet style on self-service system and a la carte menu for fast foods. It is generally frequented by mid-top market clients of different origins especially for lunch and dinner. **Case B3** is preferred by group tourists usually arranged as part of the package by tour operators. This is the only outlet and it is also still small in terms of seating, parking space and gardens.

**Case C1.** Is a little bistro and the oldest restaurant situated in the middle of the square in Paje Beach, Zanzibar. This modest restaurant in a small building serves all authentic Zanzibari sea food such as prawn and lobster curries, vegetarian options and some foreign dishes like pizza. Almost all dishes are freshly prepared to order and for lunch, it is common practice for guests to order first, then take a little walk on the beach and come back after 20–30 min. For dinner, customers usually book a table and pre-order meals because it can be crowded. Private cooking lessons are offered to interested guests. The restaurant gets many international tourists and it is popular for spicy seafood and other ethnic provisions in the island. It has not established branches outside the island but expect to do so very soon.

**Case C2.** Located just 100 m from Pingwe village, 13 km from Paje village and 60 km from Zanzibar Airport, this beach restaurant offers a variety of seafood and island cuisine to international leisure seekers. In a secluded white sand beach on Michamvi Peninsula, the restaurant offers fresh seafood (such as octopus), local and international cuisine (e.g. burgers). It has a good view of The Rock Zanzibar and Indian Ocean and operates 24-h daily. Other facilities include; a terrace with BBQ facilities, a well-equipped kitchen, and free Wi-Fi throughout the property. The outlet also has health facilities such as the sun loungers by the beach and the swimming pool with swings and sun-beds. It has established its reputation among tourists seeking experiential African culinary tourism.

**Case C3.** Located at Stone Town, the restaurant offers mainly Swahili cuisine based on seafood. The walls are hand painted with all types of different fish giving it a unique identity. It serves mainly fish samosa, squid with vegetables and curry. Other dishes include lobster, sea horse, grilled prawns, and "chapatti". A few international dishes are offered such as spaghetti with tomatoes. It relocated from rural area to the town, but still maintains the rural branch. Generally, it is a small scale ethnic restaurant, but renowned for authentic Zanzibari cuisine by both local and international visitors.

**Case D.** Located at Kimihurura, Kigali, Rwanda, **Case D** is a well decorated African restaurant. It was initially a residential house but later

converted to an ethnic restaurant. Quite small and not so shiny but food is traditional and authentic. The atmosphere is typical of Africa and distinguished from other restaurants in Kigali. It serves different juices and local food in buffet style. Mainly ethnic Rwandese food dominates the buffet such as “sombe”, groundnut sauce, grilled chicken, chapatti and boiled “matooke”. It is generally a good place to experience the local flavour and indigenous dishes in Kigali and many tourists visit it.

**Case E.** Is located at Kiriri with a clear view of the city. Set in the hills overlooking the Bujumbura, this restaurant has a very good night time view of Bujumbura. The Panoramic view is eye-catching with the vista of the city and Lake Tanganyika. The ambiance is both African and modern with live music and other fun events. The restaurant also organizes special meals, events and trivia nights. The place attracts both Burundians and foreign visitors and, offers both African and international cuisines plus a wide variety of sea food.

#### 4.2. Dynamic capabilities and inward internationalization

The purpose of the study was to investigate how dynamic capabilities influence inward internationalization. The main results from interview responses, participant observation and interaction with owner-managers are presented as narratives and photo elicitation. These are then compressed into specific causal schematic-network models of dynamic capabilities as drivers of inward internationalization (Figs. 3, 4 and 7). In accordance with the literature review, the case findings are organized and presented under the following headings: adaptive, absorptive and innovative capabilities.

##### 4.2.1. Adaptive capabilities

Research question one (RQ1) sought to examine how the adaptive capabilities explain the ethnic restaurants' inward internationalization. The main adaptive capabilities that emerged from data analysis include: food quality assurance, ensuring authenticity, personalized service and security and safety assurance (Fig. 3). These capabilities were manifested by the ethnic restaurants' comprehensive changes in products, services and methods of work. The findings indicate strategies used by ethnic restaurants to exploit emerging market opportunities which in turn translate into increased food tourist inflows. The case restaurants identified the challenges, opportunities and the market demands, and they revised their systems and daily routines as explained in the following sections.

**4.2.1.1. Food quality assurance.** One of the challenges that were consistently identified by the respondents was increasing demand for quality food and service. The respondents indicated that today's tourists are too sensitive to food and service quality. To address this challenge, transcript analysis revealed that the case restaurants adapted their methods of work to ensure food quality. Participant observation and interaction with owner-managers confirmed that case restaurants were specifically conscious of the freshness and the quality of the ingredients, timely preparation and ensuring appropriate food service temperatures. Respondents testified how they sometimes freshly prepare for individual guests according to their choice of food. Moreover, to guarantee food quality, the respondents reported that fresh food items are procured on daily basis to minimize use of frozen items which usually affects taste, flavour and texture. Fig. 1 below, for example, shows a lady harvesting an African vegetable (cow pea leaves) for immediate preparation in a local restaurant.

In fact, for seafood and vegetable dishes, the respondents reported that their principle is, “from waters or garden to the pan” meaning using only fresh and non-suspect items. Specifically, the results indicate that the use of fresh indigenous ingredients, timely preparation, adhering to customer specifications, ensuring appropriate food service temperatures, self-service, food delivery inspections and storage capacity



Fig. 1. A lady harvesting African vegetable for immediate use in the restaurant.

are critical in food quality assurance. This is also exemplified in the following excerpts;

“... Quality and authenticity are crucial in making a name. We have a good resource here, otherwise what reason would we have to be in this island. ... And if we lose our fresh sea food source then we are finished... (Owner-manager of Case C2)”

“...Although similar to grills from other parts of the world and restaurants, the similarity is only an advantage but the quality of our grilled meat is in the taste and flavour as a result of freshness of the meats... (Executive Chef Case B1)”.

Generally, the study revealed a link between guaranteeing food authenticity, personalized service, security and safety and ensuring food quality. The above factors, individually or jointly are major pull factors for culinary tourists in form of new visits or repeat visits (Fig. 3).

**4.2.1.2. Provision of authentic foods.** The second sub-theme that emerged was increasing search for authentic food by tourists. Indeed, the results showed that ensuring authenticity was very critical in the ethnic restaurant business. Owner-managers acknowledged increased search and demand for authentic food by both local customers and culinary tourists as an opportunity. The study findings provide adequate evidence that the ethnic restaurants re-engineered and adapted various strategies, service processes and philosophies to attract food tourist. For example, they cited; “cultural food tours” where visitors are assured and/or sometimes shown indigenous gastronomic practices including demonstration of how staple foods are grown and harvested in local gardens/farms. In addition, traditional chefs were inclined to using local staple ingredients and traditional flavourings hence ensuring authenticity. Fig. 2 below shows a sample African Dish made from purely indigenous ingredients namely; fresh cow-pea leaves, peanut butter, lady-fingers, rock salt and water. The appearance, texture, taste and flavour of this dish were all reported to be unique and characteristic of African food experience.

This finding suggests a relationship between food authenticity, food quality assurance and the level of inward internationalization in form of new visits and repeat visits by food tourists to particular African-ethnic restaurants (see Fig. 3).

**4.2.1.3. Provision of personalized service.** The respondents also identified increasing demand for personalized service as major challenge and/or



Fig. 2. African dish made from indigenous ingredients.

an opportunity. Analysis of transcripts revealed how the case restaurants capitalized on self-service and flexible a la carte menus to win international clients and food tourists. Interviews with owner-managers revealed that self-service (for buffet presentation) attracts many visitors. In buffet arrangement, a self-service strategy is adopted by the ethnic restaurants and customer waiting time is significantly reduced. By observation, it was noted that a wide collection of indigenous dishes is displayed such that every guest finds and picks his/her favorite items.

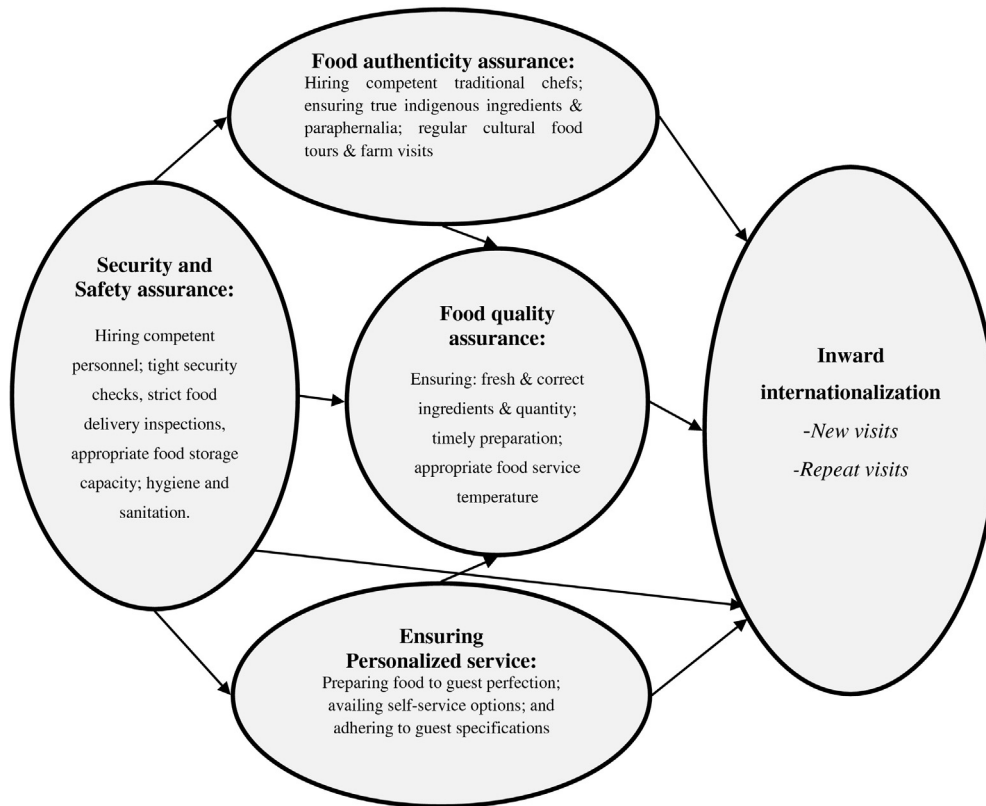
For “a la carte menu”, findings revealed that food is prepared to order, for individual guest perfection and preference. Cases B3 and C1 owner-managers demonstrated that providing personalized service is a valuable capability:

“...We have continued to receive many bookings from tour companies who bring us international tourists and this is mainly as a result of our elaborate self-served buffet moreover at fair price compared to other restaurants in Nairobi... (Case B3, Owner-manager)”.

“...All our food is cooked to order. The customer places his/her order and the food is prepared based on the specification and the cooking usually takes about 20–30 min. I can assure you this is what makes many customers to prefer this small place and I think this is what makes us stand out. We ensure that each client gets exactly what he/she wants, freshly prepared and served steaming hot from the pan. We really insist on personalized service... (Case C1, Owner-manager)”.

Generally, personalized service was reported to be a very important strategy adapted by the case restaurants to satisfy individual tourist needs, implying that guaranteeing personalized service and food quality assurance are both potential drivers of inward internationalization of African-ethnic restaurants in East Africa.

4.2.1.4. *Security and safety assurance.* The respondents further indicated that tourists have become more security conscious than ever before, emphasizing how security is now a major concern worldwide given terrorist threats. Analysis of data revealed that all the case restaurants had put in place security measures in order to attract the contemporary tourists. During various visits to individual restaurants, the presence of



Source: Qualitative Data

Fig. 3. The Model of adaptive capabilities as drivers of inward internationalization. Source: Qualitative data.

security personnel and check-points at the entry was evident with most of them using metal detectors for screening whoever enters. On examining the transcripts, it consistently emerged that participant observation findings tallied well with all the interviewee responses on security and safety issues. This implies that security and safety assurance have become key drivers of inward internationalization. The results suggest a link between hiring competent security personnel, ensuring effective security equipment, strict inspection of food deliveries, appropriate storage capacity, hygiene and sanitation, and repeat visits by international food tourists. The above results generally demonstrate that inward internationalization of African-ethnic restaurants emerges from adapting and adjusting methods of work and systems to continuously ensure food quality through guaranteeing food authenticity, personalized service and security and safety (see Fig. 3). The case restaurants have identified and exploited the increasing demand for quality food, originality, personalized service and a secure environment to win and retain food tourists.

Fig. 3 above illustrates the linkages within and between the adaptive capabilities; food authenticity assurance, personalized service, security and safety assurance, food quality and inward internationalization of African-ethnic restaurants.

4.2.2. Absorptive capabilities

Analysis of the transcripts revealed that owner-managers seemed to imply that higher absorptive capability increases their ability to learn from partners, assimilating external information and transforming it into the restaurant- embedded knowledge. The ethnic restaurants were found to use in-house research to seek visitor opinions, consultancy services and monitor competitor actions (Fig. 4).

The respondents revealed market changes (e.g. new entrants, changing tastes and preferences), competitor actions, industry trends such as current technology, and policy changes as major areas that need continuous monitoring and exploitation. The findings further showed that seeking consultancy services, monitoring competitor actions and seeking customer feedback were individually or jointly helpful

in attracting potential visitors (Fig. 4). This is supported by the excerpt below:

“...When I joined this restaurant, about six years ago, I found plate service. However, I discovered through visits to other restaurants and hotels that customers prefer buffet arrangement where they do not have to wait. I further learnt that clients are given access to almost all the food options available in the house in one presentation, an arrangement international clients testified to like so much ...”

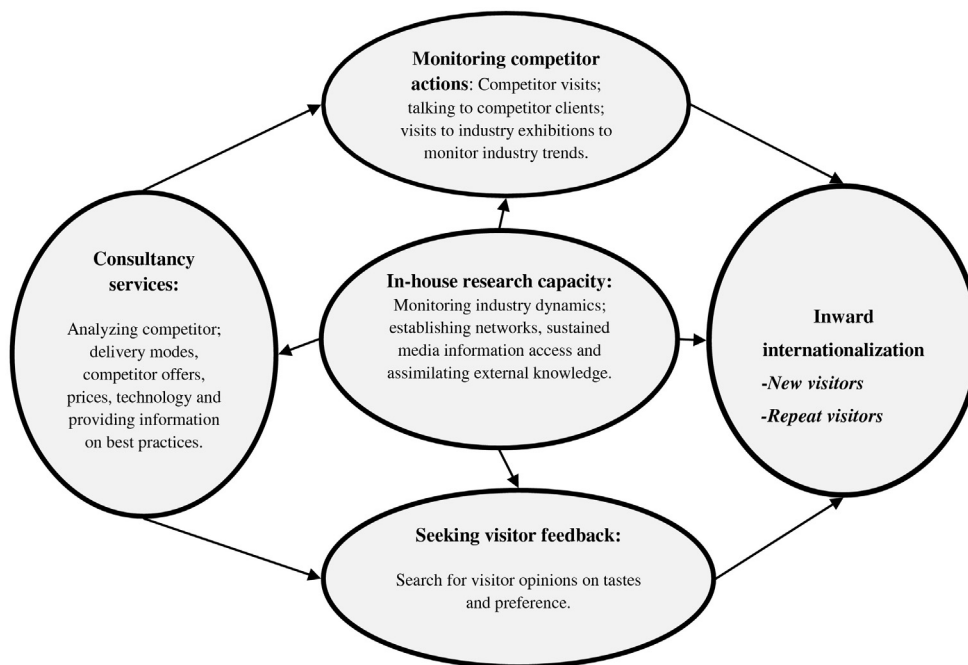
[(Manager Case A1)]

It generally emerged that the case restaurants depended on knowledge absorption capabilities to acquire useful information, share it across the establishment and exploit the knowledge to meet tourist needs translating into improved degree of inward internationalization.

4.2.3. Innovative capabilities

This was third major thematic aspect that emerged showing that the restaurants develop new dishes, processes and markets through innovative behaviors. The major innovative capabilities that the case restaurants espoused include but not limited to adoption of modern technology, adoption of eclectic approaches and provision of diversity (Fig. 7).

4.2.3.1. Modern technology adaption. The case restaurants were found to adopt modern technology and blending it with indigenous paraphernalia. The findings indicated how the level of technological adaption by the case restaurants is associated with the number of culinary tourists who patronize these food outlets. Although sophistication level varied, analysis revealed that case restaurants use some modern equipment and utensils and have adopted faster cooking approaches, including ensuring appropriate food storage. Moreover, the findings showed that adoption of technology from other countries helps the case restaurants to keep standards and deliver food to the guests at the right temperature



Source: Qualitative Data

Fig. 4. A model of absorptive capabilities as drivers of inward internationalization. Source: Qualitative data.



**Fig. 5.** “Beef Luwombo” - ready and presented with modern utensils.

leading to repeat visits by international guests and food tourists. Participant observation found cooking appliances, plates and cutlery to be part of the adopted technology from other countries. Fig. 5 demonstrates that while this particular indigenous dish is traditionally presented in banana leaves, modern utensils were reported to enhance the overall food experience.

The following excerpts illustrates how innovative technological capabilities of the case restaurants help in improving the degree of inward internationalization:

“...my boss, the owner is very sensitive to technological changes in the industry. This has many advantages and it has helped as win many international guests... (Manager Case A2)”.

Generally, the owner-managers indicated how new technology helps in winning international tourists as a result of improved service standards such as attractive food presentation and display. The finding thus suggests a direct positive relationship between innovative technological adaption and the degree of inward internationalization of African-ethnic restaurants in East Africa.

**4.2.3.2. Eclectic approaches.** The findings also pointed to adoption of eclectic approaches as a common practice among the investigated ethnic restaurants. Through participant observation and interaction with the respondents, it was found that although the case restaurants offer mainly indigenous cuisine, they innovatively slotted in a few international dishes such as macaroni and other pastas or at least borrow foreign flavourings and spices. The results indicated that the restaurants do adopt eclectic approaches right from provision of variety, use of popular foreign spices, adoption of modern technology, and international service standards to international culinary methods. Content analysis revealed that the restaurants are compelled to adopt eclectic approaches due to diversified tourist needs, the demand for popular international spices and the need to demonstrate the best industry practices. Focusing on the combination of indigenous and modern food production, the owner-manager Case B1 demonstrated how African-ethnic restaurants in East Africa win international visitors;

“...To make the difference between our charcoal grilled meats and that of competitors, most of our cooking approaches are largely African, but marinating, presentation and service is international. You can see from plates, cutlery to general ambience. Our target is to capture the top market and high level international visitors while maintaining African taste. The challenge we had at first was that, most of our target clients were sensitive to hygiene and service standards and in many cases they mistook traditional-African service

procedures to be primitive exacerbated by blurred food taste... (Owner-manager Case B1)”.

This implies that adopting eclectic approaches to cuisine and service is very essential in a competitive ethnic restaurant trade especially in winning foreign clients with varied tastes and expectations. For example, detailed analysis of the transcripts disclosed that “marinating meats” is as a result of increased demand for quality food (in terms of better taste, appearance, texture and flavour) by food tourists. Therefore, innovative approaches such as use of popular foreign flavourings and marinating food help to attract new tourists and repeat visits.

**4.2.3.3. Provision of diversity.** Creative provision of a variety of African dishes was found to be critical in increasing the number of tourists who visit and dine in the ethnic restaurants. The results further indicated that ethnic restaurants in addition to attempting to provide a wide repertoire of indigenous dishes sometimes blend in a selection of foreign items. Participant observation also showed that, the case restaurants use self-service system in form of elaborate buffet to enable the international guests have variety, select and enjoy what they prefer (Fig. 6). The following excerpt illustrates how innovative provision of variety helps the case restaurants attract and retain new and repeat food tourists.

“...you can see over there how our international visitors are having fun with African food diversity. It is usually self-service and a guest can eat as much as he/she is able to at the same price. With this arrangement, we are also able to slot in some international items to blend the local taste with the foreign palate. This is aimed at attracting visitors who are in the country for the first time and may not be familiar with the local delicacies but with the hope that they may develop interest and a liking with time, given the exposure. We even receive group bookings from tour operators who bring in tourists in big numbers... (Owner-manager Case B3)”.

Interestingly, critical analysis revealed differences in restaurant offers as food variety and concoction was partly informed by the national food heritage in a given country. For instance, it was common to find restaurants from one country having a particular repertoire of dishes (e.g. Seafood for Zanzibar, and “Nyama Choma” and “Sukuma Wiki” for Kenyan restaurants and so on). But generally, it emerged that the case restaurants attract food tourists partly as a result of their ability to provide a wide collection of local dishes, spiced up by a few international items. Fig. 3 shows how innovative adoption of new technology, eclectic approaches and provision of diversity act individually or collectively to attract international food tourists to visit and dine in the case



Fig. 6. Guests enjoying self-served buffet in a modern African-ethnic restaurant.

restaurants. The practices create opportunities for repeat visits by tourists who enjoy “pure” or “unique” African food experiences or attract new visitors to experience African food heritage.

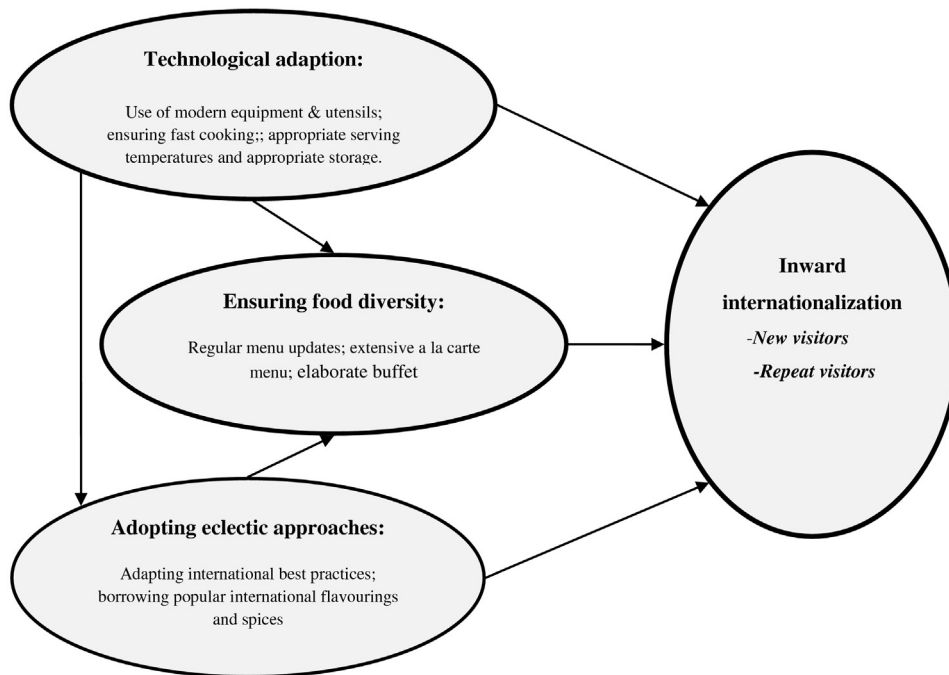
5. Discussion

The main question of our study was to understand how dynamic capabilities influence the level of inward internationalization of some successful ethnic restaurants in East Africa. The findings revealed that these case restaurants pursued inward internationalization through adaptive, absorptive and innovative capabilities. This implies that the ethnic restaurants level of inward internationalization can be attributed to

capability asymmetries and is consistent with the theoretical view that dynamic firm capabilities are important in generating optimal internationalization outcomes (Teece, 2014). This is in agreement with the earlier view by Zimmermann (1933) that, “Resources are not, they become”. The interpretation of Zimmermann’s definition of resources is that without dynamic capabilities, resources remain “neutral stuff”. The study findings show that the growth of successful ethnic restaurants depend on the owner-manager and employee dynamic capabilities to adapt, absorb and innovate to cope with rapidly changing international marketplace.

Research question one (QR1) aimed at establishing how adaptive capabilities influence the level of inward internationalization of the case restaurants. Consistent with QR1, results reveal that food quality assurance, ensuring authenticity; personalized service and security assurance were major adaptive capabilities that ethnic restaurants use to manage changing customer/tourist needs and preferences. Food quality assurance was observed to be a very critical element of adaptive capabilities that influences the level of inward internationalization. By ensuring fresh ingredient supplies, timely preparation and tailoring preparation to customer specifications to guarantee taste, flavour and texture, the findings show that the case restaurants win and retain tourists. This finding supports earlier studies which indicate that customer value in restaurant trade is influenced by food quality (e.g. Andaleeb and Conway (2006); Namkung and Jang’s (2008)). Moreover, contrary to existing literature (e.g. Tan, Oriade, & Fallon, 2014; Namkung & Jang’s, 2008) which identifies the general sensory dimensions of food quality, this study demonstrates that the use of fresh local ingredients by traditional chefs not only attracts new tourists but also influences repeat visits. Also in contradiction to Foskett, Ceserani, and Kinton (2003); Colleer and Sussams (1990) who emphasize the conventional practices e.g. “ageing and maturing meat”, this study recognizes the use of fresh ingredients direct from the farm or water notwithstanding various culinary treatments thereafter.

The study further found that the search for authenticity is increasing and responding to this demand is instrumental in attracting food



Source: Primary data

Fig. 7. Network model of innovative capabilities as drivers of inward internationalization. Source: Primary data.

tourists. The finding supports previous works that have shown that ethnic restaurants through indigenous chefs tend to depend on traditional ingredients and paraphernalia for purposes of maintaining authenticity (see Yeoman, Brass, & McMahon-Beattie, 2007), a major pull factor in culinary tourism (Alexander, 2009, Henderson, 2009). This is linked to use of indigenous knowledge and craftsmanship to ensure traditional food originality. Other researchers have also argued that the implication of genuineness of a product (which authenticity in its direct sense means), suggests that a dish is best consumed in the home country when it has not lost its originality and identity (Alexander, 2009; Yeoman et al., 2007). This study contributes by validating previous assertions that visitors can be attracted by ensuring authenticity through use of fresh local ingredients, traditional experienced chefs, indigenous paraphernalia and cultural tours including demonstration of how indigenous food is grown and raised in the gardens. It was found that the ethnic restaurants try as much as possible to adapt processes toward meeting the increasing demand for personalized services. This finding is in agreement with (Francisa & Bessantb, 2005; Hildebrand, Häubl, & Herrmann, 2014) who emphasize the need to provide totally customized products for customers' individual orders. In the restaurant trade, it is a norm for customers to specify their orders.

In response to research question two (QR2), the study established how absorptive capacity influences the level of inward internationalization. Drawing on dynamic capability view (DCV), ethnic restaurants with appropriate absorptive capacity can easily identify valuable and important industry developments within and across borders. For example, the case restaurants learnt foreign advanced technologies from their cohorts which make it easier for them to catch-up with recent technological developments. The results are in agreement with Dai and Yu (2013) who emphasized how important knowledge absorption capacity is to internationalization performance. The study confirms that in-house research is a vital capability in gathering information necessary for attracting foreign visitors. This is against the widely expressed concern regarding the neglected specifics of research and development (R&D) and, innovation in service firms (Leiponen, 2012). In line with DCV, the current study argues that competitor visits, consultant services, participating in exhibitions and seeking customer feedbacks are important strategies for gathering information and making use of it to meet tourist tastes and preferences. This is crucial because it helps in monitoring competitor actions and offerings, tracking industry dynamics as well as building networks.

Regarding our third research question (RQ3), the results disclosed that innovative capacity is associated with improved level of inward internationalization of African-ethnic restaurants. The results imply that adoption of modern technology enhances cooking efficiency, storage capacity, ensures appropriate serving temperature and guarantees service standards. The findings support existing literature that adoption of new technology is associated with improved firm internationalization. In agreement with Evers (2011), this study provides more support to extant research which ascertains that firms compete on products differentiated with regard to quality and value created through innovative technology (DeSarbo, Di Benedicto, & Song, 2007; Hjalager, 2010; Reichert & Zawislak, 2014). This study therefore contributes to existing literature by demonstrating that innovative introduction of new technology reinforces the production of indigenous food and service. It supports the ethnic restaurants' ability to cope with increasing demand for efficient service and modern realities.

Results also suggest that innovative adoption of eclectic cuisine is associated with increased number of food tourists. The study results imply that provision of self-service buffet, use of foreign flavourings, adapting best culinary practices and ensuring regular menu changes do not only lead to new tourists but also helps in promoting repeat visits. Although there is scanty literature on this relationship, the increasing demand for internationally popular flavourings is unquestionable. Foskett et al. (2003) demonstrate that borrowing popular flavors from other countries is a worldwide phenomenon. This is supported by a number of

studies which indicate that flavourings (local and/or foreign) help to improve the taste, flavour and attractiveness of food (Pierson, Greeve, & Creed, 2005). Pierson et al. (2005) further argues that each culinary experience should result in sensory excellence in order to generate acceptance. The study supports Evers' (2011) suggestion for product innovation and quality improvement through popular flavourings without affecting originality. The study concludes that adopting some popular international ingredients, flavourings and culinary practices leads to improved food taste and flavour which translates into increased international acceptance thus, improved degree of inward internationalization.

Lastly but not least, the findings revealed a relationship between provision of diversity and the degree of inward internationalization. This means that ethnic restaurants that engage in product diversification through use of international ingredients and flavour, regular change of menu items, elaborate buffet display and use of extensive a la carte menus and inclusion of selected foreign dishes will attract and retain food tourists. This is mirrored in existing literature which suggests a link between provision of diversity and international customer base (Knight, 2000; Teece, 2000; Nooteboom, 2002). Some scholars have argued that innovation plays an essential role within economies and that novel services are regarded as a source of competitive advantage for virtually all industries (Vargo & Lusch, 2004; Consoli, 2007; Janssen et al., 2015; Leiponen, 2012). This study contributes to the body of knowledge by showing that ethnic restaurants can internationalize at home through offering diverse dishes.

The findings enrich the dynamic capabilities theory by confirming that food quality assurance, authenticity, security, knowledge absorption and innovative capabilities such personalized service, eclectic approaches and provision of food diversity are key drivers of the degree of inward internationalization in studied ethnic restaurants in East Africa.

## 6. Conclusion

The paper analyzed the influence of firm dynamic capabilities on the degree of inward internationalization of ethnic restaurants in East Africa. Three main component factors of dynamic capabilities, namely; adaptive, absorptive and innovative capabilities were found to influence the level of inward internationalization. Moreover, the results illustrate the complex linkages within and between the adaptive, absorptive and innovative capabilities and inward internationalization. It can be concluded that dynamic capabilities and inward internationalization relationship is a dynamic one which is relevant in the approach taken by the current study focusing on inward internationalization as a dynamic process. In order to be able to compete in a rapidly changing market place, dynamism is required. This could explain why only a few ethnic restaurants have succeeded in attracting food tourists in East Africa.

The results have shown that customer value in case restaurants comes from adaptive capabilities. Specifically, food quality assurance, authenticity, personalized service and security assurance are adapted as major strategies by ethnic restaurants to exploit emerging market opportunities and challenges which in turn translate into more food tourist flows. Secondly, the study found higher knowledge absorptive capacity to increase the ethnic restaurants' ability to learn from partners, assimilate external information and transform it into the establishment - embedded knowledge. Specifically, in-house market research routines were very crucial in monitoring competitor actions; seeking feedback from tourists, visiting exhibitions, consulting and networking were individually or jointly helpful in attracting potential visitors. Last but not least, innovative adoption of new technology, eclectic approaches and provision of food diversity act individually or collectively to attract international clients and food tourists. The practices create opportunities for repeat visits for those who enjoy "pure" or "unique" blended African food experiences or attract new visitors to experience authentic African foods.

## 7. Implications

This study makes a significant contribution to the tourism body of knowledge by demonstrating that dynamic capabilities improve the degree of inward internationalization of African-ethnic restaurants. There are many paradigms of knowledge creation but consistent approaches to knowledge construction can be an elusive endeavor. The study attempts to provide ontological, epistemological, and methodological implications which are grounded in the philosophies of what it means to “know”, the reality of knowledge and how we come to “know” that we know the dynamic capabilities that promote inward internationalization. We develop a robust understanding and more informed approaches to issues related to African-ethnic restaurants in a developing world context. Initially, we had assumed that possessing pervasive firm capabilities such as providing local food and drinks besides the available firm resources such as buildings, land, chefs and various catering equipment were sufficient in attracting tourists and, increasing repeat visits to the case restaurants. However, the ontological discourse of the study through the lived experiences and voices of ethnic restaurant owner-managers revealed the significance of: ensuring food quality and authenticity; guaranteeing appropriate food and beverage service temperatures; use of traditional paraphernalia and adaption of new technology; adoption of eclectic culinary approaches, providing personalized service, a wide repertoire of food and beverage diversity and, ensuring security in enhancing the degree of inward internationalization of the ethnic restaurants in a dynamic environment.

The major contribution of the current study is therefore the addition of the dynamism element to African-ethnic restaurant management, which cannot be found in many previous models. The integration of adaptive, absorptive and innovative dynamic capabilities brings some positive impact to ethnic restaurant management. At national level, the leaders in the respective countries seem to have made a right choice to keep providing support, guidance and venture capital for the improvement and effectiveness of ethnic restaurant management and the tourism sector in general. This study recommends that the East African member countries jointly or individually, go ahead and establish a research and innovation park to further strengthen their support for the tourism industry in areas such as business incubation. They need to promote new technology adoption to meet the modern tourist expectations. The tourism firms and ethnic restaurants in particular be supported in identity creation through encouraging food diversity, good hygiene and sanitation practices, nutrition and good meal planning and more importantly enforcing intellectual property rights and trademarks which seem to be lacking at presently. The ethnic restaurants may be provided with basic information to help them monitor the industry and market changes, and the activities of other players through improved absorptive capacity.

At firm level, the study established that owner-managers of ethnic restaurants are masters of their businesses and they take full control of all operations. They may therefore need to deliberately promote creativity and innovation, absorptive and adaptive capacity building across the firm including staff empowerment. In this regard, owner-managers need to develop programs and initiatives that promote food quality assurance, provision of authentic African food, personalized service, in-house research, adoption of eclectic approaches and adoption of new technology all aimed at keeping competition at bay in dynamic and unpredictable environments.

## 8. Limitations and future research

The study investigated the status of African-ethnic restaurants using cross-sectional approach and could not obviously predict the future outcomes. The study was limited to a particular occasion of measurement. Given that firm capacity can change over time, a longitudinal study having both primary and secondary data over multiple time periods is recommended for trajectory analysis. In addition, the multi-case study

approach was sector-specific limiting the research to a few ethnic restaurants. This makes it problematic to generalize the outcomes to all other ethnic restaurants and firms in the region. The study could not also investigate all aspects of culinary tourism in Africa hence a need for further studies. It could be interesting to conduct a comparative study of inward internationalization of firms in other emerging areas of cultural tourism in the greater Africa. The outcomes of such an investigation would provide new lessons that could help re-enforce the debate on key drivers of inward internationalization in Africa.

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