Beyond Regulatory Compliance: Restructuring Tourism Licensing for Destination Branding and Competitive Positioning in Kenya

Dr. Ruth K. Kimaiga

Assistant Director, Strategy & Planning, Tourism Regulatory Authority

DOI: https://doi.org/10.47772/IJRISS.2026.100500759

Received: 24 May 2026; Accepted: 30 May 2026; Published: 12 June 2026

ABSTRACT

The global tourism sector is undergoing a transition from traditional compliance-focused regulation to strategic governance systems that integrate licensing, branding, competitiveness, and market positioning. In contrast, many developing tourism destinations continue to rely on administrative and enforcement-driven licensing, with minimal alignment between regulatory compliance and destination competitiveness goals. Drawing on Responsive Regulation Theory, Collaborative Governance Theory, and Destination Competitiveness Theory, this study investigated the restructuring of tourism licensing as a strategic governance instrument for destination branding and competitive positioning in Kenya, with a particular focus on the mediating effect of public-private branding partnerships. The research targeted 19,167 regulated tourism enterprises, from which a sample of 392 respondents was selected using probability proportional to size sampling and simple random sampling. A descriptive cross-sectional research design was employed, utilizing both primary and secondary data sources. Analytical methods included descriptive statistics, exploratory factor analysis, Spearman's rank correlation, and mediated multiple regression analysis. Results indicated robust stakeholder support for tiered and incentive-based tourism licensing systems that are linked to enterprise recognition, branding, and competitiveness. Furthermore, the study demonstrated that public-private branding partnerships fully and significantly mediate the relationship between strategic tourism licensing and destination branding and competitive positioning (β= *.673, B = .581, t = 10.632, p < .001).* The findings suggest that tourism licensing can serve as a strategic governance and market-signaling tool when integrated with collaborative branding frameworks. The study recommends that Kenya's tourism licensing framework be restructured into tiered, market-responsive, and branding-oriented governance systems aligned with destination competitiveness objectives.

Keywords: Tourism licensing, destination branding, competitive positioning, collaborative governance, responsive regulation, Kenya.

INTRODUCTION

The tourism industry is now among the most competitive sectors in the global economy, requiring destinations to innovate governance, marketing, and quality assurance systems to maintain market relevance and competitive advantage (Dwyer & Kim, 2003; Ritchie & Crouch, 2003). As such, globalization, digital consumerism, evolving visitor expectations, sustainability concerns, and increased international competition have shifted tourism from a resource-based to a reputation-driven, quality-sensitive industry. In this context, destination competitiveness increasingly relies on institutional credibility, service excellence, governance efficiency, and strategic branding (UN Tourism, 2022). As a result, governments and destination management organizations are re-evaluating tourism governance frameworks to align regulatory systems with broader strategic objectives, including destination branding, competitiveness, sustainability, and visitor confidence. Hall (2021) notes that historically, tourism licensing has served primarily as a regulatory and administrative tool to enforce minimum operational standards, ensure legal compliance, protect consumers, and promote public safety. In many countries, especially those with developing tourism economies, licensing systems remain compliance-oriented and enforcement-driven, focusing on statutory obligations and punitive regulation rather than fostering innovation, competitiveness, or enterprise value creation (Dredge & Jenkins, 2011). While these approaches are essential for maintaining baseline industry standards, they often do not incentivize continuous quality improvement or generate strategic commercial benefits for tourism enterprises. As a result, tourism operators often view licensing

as a bureaucratic obligation associated with regulatory costs, rather than as a strategic tool for enhancing brand equity, market differentiation, or destination competitiveness (Dwyer & Kim, 2003; Hall, 2011).

Given that global the tourism governance landscape is moving towards strategic, market-responsive regulatory models that link compliance to competitiveness, branding, sustainability, and consumer trust (Hall, 2011; OECD, 2020), prominent tourism destinations such as Singapore, New Zealand, Spain, Australia, Switzerland, and the United Arab Emirates, particularly Dubai, have restructured tourism licensing and quality assurance systems by moving away from traditional command-and-control approaches and adopting integrated governance frameworks that position compliance as a strategic market-signaling tool (OECD, 2020; Pulido-Fernández & Rodríguez-Díaz, 2016). As such, tourism regulation is increasingly being recognized as a tool that directly shapes destination image, enterprise reputation, visitor confidence, and competitive positioning in global tourism markets (Dwyer & Kim, 2003; Ritchie & Crouch, 2003). For instance, New Zealand's Qualmark accreditation framework integrates tourism quality assurance, sustainability certification, and destination branding within the internationally recognized "100% Pure New Zealand" strategy (MBIE, 2023). The framework's Bronze, Silver, and Gold sustainability classifications, administered by New Zealand's official quality assurance agency, provide tiered recognition that rewards enterprises that exceed minimum compliance requirements, thereby signaling stringent quality and sustainability standards to international consumers (Qualmark, 2023; Tourism New Zealand, 2023). In this setting, compliance functions not only as a legal obligation but also as a strategic asset for branding and competitiveness, actively influencing consumer choice, enterprise visibility, and destination reputation (Dwyer & Kim, 2003; Ritchie & Crouch, 2003). Similarly, Singapore has established integrated tourism governance mechanisms that connect service excellence, innovation, customer experience, and regulatory performance to destination branding and international competitiveness through initiatives led by the Singapore Tourism Board (Henderson, 2011). Comparable approaches are also evident in Spain's "Q for Tourist Quality" certification framework, Australia's Sustainable Tourism Certification programs, Switzerland's hospitality quality assurance systems, and Dubai's tourism classification and smart governance initiatives (OECD, 2020; Pulido-Fernandez & Rodriguez-Diaz, 2016). These destinations have implemented collaborative and incentive-based governance systems that encourage tourism enterprises to achieve higher standards of sustainability, innovation, and customer experience, while also generating commercial value through enhanced market recognition, international visibility, and destination integration (Ansell & Gash, 2008; Bramwell & Lane, 2011). In these cases, regulatory compliance serves as a competitive differentiator and a central element of national destination branding strategies, rather than solely as an administrative enforcement mechanism.

The transition toward strategic tourism governance reflects broader trends in public policy and governance theory, which prioritize responsive regulation, collaborative governance, co-regulation, and market-oriented policy instruments to enhance regulatory effectiveness and destination competitiveness (Ansell & Gash, 2008; Ayres & Braithwaite, 1992). Responsive regulation theory holds that effective governance should extend beyond punitive enforcement to promote voluntary compliance, innovation, and stakeholder engagement through incentives and graduated regulatory measures (Ayres & Braithwaite, 1992). In tourism governance, this approach implies that licensing systems should not only enforce minimum standards but also generate strategic value by incentivizing improvements in quality, sustainability, and enterprise excellence. Collaborative governance theory likewise underscores the importance of institutional coordination and shared decision-making among governments, private-sector stakeholders, destination marketing organizations, and local communities to achieve collective policy goals (Ansell & Gash, 2008). In tourism destinations, collaborative governance has progressively shaped the development of certification systems, sustainability frameworks, destination quality standards, and public-private branding partnerships designed to enhance destination competitiveness and visitor confidence (Bramwell & Lane, 2011). These governance models acknowledge that effective destination management requires integrated institutional relationships that align regulatory oversight with market-oriented branding and competitiveness strategies. Furthermore, this study drew on Destination Competitiveness Theory, which asserts that the long-term success of tourism destinations relies not only on inherent resources and attractions but also on robust governance systems, quality assurance mechanisms, innovation, policy coordination, and destination image management (Dwyer & Kim, 2003; Ritchie & Crouch, 2003). This theory highlights the critical role of governance structures and institutional quality in shaping destination attractiveness, market positioning, and international competitiveness. Through this lens, tourism licensing can serve as a strategic governance tool that enhances enterprise credibility, visitor trust, and destination reputation by

signaling quality and differentiating the destination. Integrating responsive regulation, collaborative governance, and destination competitiveness perspectives thus established a comprehensive theoretical framework for analyzing how tourism licensing reforms can advance destination branding and competitive positioning in Kenya.

Tourism in Kenya constitutes a vital component of national economic development, making substantial contributions to employment generation, foreign exchange earnings, investment attraction, and international visibility (GoK, 2023). The nation is endowed with internationally recognized tourism assets, such as wildlife heritage, coastal attractions, cultural diversity, adventure tourism, and conference tourism, which collectively position Kenya among Africa's premier tourism destinations. The Tourism Regulatory Authority (TRA) oversees the sector through licensing, inspection, and quality assurance across various tourism enterprises, while the Kenya Tourism Board (KTB) manages destination marketing and the international branding of Kenya as a tourism destination (GoK, 2011). Despite these institutional arrangements, tourism licensing in Kenya remains largely administrative and compliance-focused, emphasizing operational authorization and statutory enforcement. While the current licensing framework supports quality control and consumer protection, there is limited integration between tourism regulation, destination branding, enterprise competitiveness, and strategic market positioning. As a result, tourism operators often regard licensing primarily as a legal requirement associated with compliance costs, rather than as a strategic governance tool that can generate commercial value, market differentiation, or reputational benefits (Gunningham & Sinclair, 2017; World Bank, 2020). This perception triggers compliance friction, as operators frequently view annual fees paid to bodies such as the Tourism Regulatory Authority (TRA) as a bureaucratic transaction cost that yields no measurable return in terms of marketing visibility or brand equity (Ayuba et al., 2016). Additionally, the lack of tiered, demand-driven licensing systems limits the regulatory frameworks' ability to incentivize excellence, sustainability, innovation, and improvements in customer experience across the tourism sector. This misalignment between tourism regulation and destination competitiveness presents a significant governance and policy challenge for Kenya's tourism industry. Although the Kenya Tourism Board aims to position Kenya as a globally competitive tourism destination, existing licensing systems offer limited strategic incentives for tourism enterprises to align their compliance performance with destination branding objectives. Unlike destinations such as New Zealand, Singapore, and Spain, where certification systems and quality labels serve as internationally recognized indicators of quality, sustainability, and destination competitiveness, Kenya's tourism licensing framework remains largely disconnected from strategic branding and competitiveness mechanisms (OECD, 2020; Government of Kenya, 2011; Pulido-Fernández & Rodríguez-Díaz, 2016). This institutional fragmentation limits the potential of tourism governance systems to leverage regulatory compliance to enhance destination image, consumer trust, and enterprise competitiveness.

While the tourism governance literature has extensively addressed sustainability, destination competitiveness, service quality, and regulatory compliance, these themes are frequently examined in isolation rather than as interconnected governance processes (Hall, 2011; Dredge & Jenkins, 2011). As such, most studies on tourism regulation have focused on enforcement effectiveness, institutional coordination, or sustainability standards rather than on the strategic branding and competitiveness implications of regulatory systems (Hall, 2011; Bramwell & Lane, 2011; Dredge & Jenkins, 2011). Consequently, there is comparatively limited empirical research on how tourism licensing can serve as a strategic governance instrument for destination branding and competitive positioning, particularly in African tourism contexts (Bramwell & Lane, 2011). Similarly, the destination competitiveness literature has often prioritized marketing, infrastructure, and visitor experience, while neglecting the strategic influence of regulatory governance on enterprise reputation, market confidence, and destination image (Dwyer & Kim, 2003). This oversight constitutes a significant conceptual, empirical, and policy gap. Furthermore, there is a lack of empirical evidence regarding the transition of tourism licensing systems in emerging destinations such as Kenya from traditional compliance-based regulatory models to market-driven, tiered governance frameworks that create strategic value for tourism enterprises and destinations. Additionally, research on the role of integrated public-private branding partnerships in mediating the relationship between tourism regulation and destination competitiveness is scarce. As a result, policymakers and tourism regulators lack robust, evidence-based frameworks for transforming tourism licensing systems into demand-driven governance instruments that support destination branding, enterprise competitiveness, and market positioning. To address these systemic gaps, this study examined the evolution of tourism licensing from an

administrative constraint into a strategic governance tool for branding and competitive positioning in Kenya. Special emphasis was placed on the mediating role of public-private branding partnerships as the primary institutional vehicle for aligning regulatory mandates with market-driven competitiveness.

METHODS

Research Design

A descriptive research design utilizing a cross-sectional survey approach was used. This design was deemed appropriate as it systematically described and analyzed the perceptions, attitudes, and opinions of tourism enterprise operators and managers regarding strategic tourism licensing, public-private branding partnerships, and destination competitiveness without manipulating study variables. Descriptive designs are particularly suitable for establishing the characteristics, trends, and relationships present within a given population or phenomenon as they naturally occur (Creswell & Creswell, 2018; Saunders et al., 2019). The study also utilized a cross-sectional approach, collecting data from respondents at a single point in time. As Bryman (2016) notes, cross-sectional surveys are widely used in social science and tourism research because they enable efficient data collection from large populations and facilitate the analysis of relationships among variables in naturally occurring settings. The selection of the descriptive cross-sectional design was further justified by the nature of the study variables and the data collection process. Because the study focused on stakeholders' perceptions measured using five-point Likert-scale items, the design enabled the collection of standardized quantitative data suitable for descriptive and correlational analyses, exploratory factor analysis, and mediated regression analysis. According to Hair et al. (2019), cross-sectional descriptive studies are appropriate when the objective is to examine patterns, associations, and perceptions across a target population using structured questionnaires. The descriptive cross-sectional design thus provided a systematic framework for examining how tourism stakeholders perceived the evolution of tourism licensing from a compliance-oriented regulatory mechanism to a strategic governance instrument that could enhance destination branding and competitive positioning in Kenya.

Population & Sample

The target population comprised 19,167 regulated tourism enterprises classified as Class A, B, and C in Kenya as of July 2025. These categories were considered appropriate because they represent the largest proportion of licensed tourism operators within Kenya's tourism sector and constitute a critical segment for implementing tourism licensing policies and destination branding initiatives. A sample size of 392 respondents was determined using the Yamane (1967) formula at a 95% confidence level and a 5% margin of error (Israel, 1992). Due to the heterogeneous nature of the target population, probability proportional to size (PPS) sampling was employed to ensure that each class of tourism enterprise was represented in the final sample proportionately to its size within the overall population. PPS sampling is particularly suitable for studies involving unequal subgroups because it enhances representativeness and minimizes sampling bias across strata (Cochran, 1977). Subsequently, simple random sampling was applied within each stratum to select individual tourism enterprises for participation. Simple random sampling was deemed appropriate because it provided each subject within the sampling frame an equal and independent chance of selection, thereby enhancing the objectivity, representativeness, and generalizability of the findings (Bryman, 2016). The combination of PPS and simple random sampling strengthened the statistical representativeness of the sample and improved the reliability of findings regarding tourism licensing, public-private branding partnerships, and destination competitiveness in Kenya. The study population and sample are presented in Table 1.

Table 1: Study Population and Sample of Regulated Tourism Enterprises

No.	Region	Population			Sample			Region Total
		Class A	Class B	Class C	Class A	Class B	Class C	
1.	Eldoret	406	202	47	8	4	1	13
2.	Kisumu	1984	452	128	41	9	3	53
3.	Malindi	2665	321	394	55	7	8	70
4.	Mombasa	1742	547	761	36	11	16	63
5.	Nairobi	1045	1714	4344	21	35	89	145

6.	Nakuru	646	105	182	13	2	4	19
7.	Nyeri	893	365	224	18	7	4	29
	Total	**9381**	**3706**	**6080**	**192**	**75**	**125**	**392**

Source: Tourism Regulatory Authority, 2025

Research Instruments

A structured questionnaire was used to collect primary data from operators and managers of regulated tourism enterprises in Kenya. This instrument was selected for its ability to generate standardized quantitative data from a large population within a limited timeframe. Structured questionnaires are widely used in social science and tourism research because they promote consistency in data collection, enhance comparability of responses, and support statistical analysis of perceptions, attitudes, and relationships among study variables (Creswell & Creswell, 2018; Saunders et al., 2019). The questionnaire comprised closed-ended items measured on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The Likert scale was deemed suitable for assessing respondents' perceptions and attitudes regarding strategic tourism licensing, public-private branding partnerships, and destination branding and competitive positioning. Likert scales are frequently used in perception-based studies because they provide a systematic framework for respondents to indicate agreement with attitudinal statements and yield ordinal data suitable for descriptive and inferential statistical analysis (Likert, 1932; Boone & Boone, 2012). Questionnaire items were developed based on established literature on tourism governance, responsive regulation, collaborative governance, destination competitiveness, and tourism branding frameworks (Ayres & Braithwaite, 1992; Ansell & Gash, 2008; Dwyer & Kim, 2003), thereby ensuring comprehensive coverage of the study constructs. Furthermore, the structured questionnaire facilitated the generation of quantitative data suitable for descriptive statistics, exploratory factor analysis, correlation analysis, and mediated regression analysis. As noted by Hair et al. (2019), structured Likert-scale questionnaires are particularly effective in studies examining latent constructs and stakeholder perceptions, as they support measurement consistency and statistical reliability.

Data Collection Techniques

This study employed both primary and secondary data sources to investigate the restructuring of tourism licensing as a strategic governance tool for destination branding and competitive positioning in Kenya. Primary data were collected through a structured online questionnaire administered to operators and managers of selected regulated tourism enterprises in Kenya. The questionnaire, developed using Google Forms, was distributed electronically via email and other online communication platforms. Online questionnaires were deemed suitable because they enabled efficient access to geographically dispersed tourism enterprises while reducing logistical costs and time constraints associated with physical data collection. Bryman (2016) and Saunders et al. (2019) note that online survey methods are widely adopted in tourism and social science research for their flexibility, cost-effectiveness, ease of administration, and ability to enhance respondent convenience and streamline response management. Data collection occurred over a two-month period from 1 July 2025 to 31 August 2025, which was sufficient to distribute questionnaires, conduct follow-ups, and receive completed responses from tourism enterprise operators and managers. Online administration of the questionnaire allowed respondents to complete the survey at their convenience, thereby improving accessibility and participation rates. Secondary data were sourced from relevant policy documents, government reports, tourism regulatory frameworks, institutional publications, and scholarly literature related to tourism governance, licensing systems, destination branding, and tourism competitiveness. These secondary sources provided contextual and theoretical insights into tourism governance reforms, strategic regulation, and international best practices from leading tourism destinations. According to Creswell & Creswell (2018), using multiple data sources enhances a study's comprehensiveness by enabling researchers to obtain both empirical stakeholder perceptions and contextual policy information relevant to tourism governance and destination competitiveness.

Data Analysis Techniques

Data analysis employed both descriptive and inferential statistical techniques to address the study objective and test the hypothesis. Initially, descriptive statistics, including means and standard deviations, were used to

summarize respondents' perceptions of strategic tourism licensing, public-private branding partnerships, and destination branding and competitive positioning in Kenya. The means indicated the general direction and magnitude of perceptions, while standard deviations reflected the variability of responses. According to Saunders et al. (2019), descriptive analysis is appropriate in perception-based studies because it provides a clear summary of response patterns and facilitates interpretation of attitudes and opinions within a study population. Exploratory Factor Analysis (EFA) was conducted using Principal Axis Factoring (PAF) with Promax oblique rotation to assess construct validity and determine the underlying factor structure of the measurement items. EFA is widely used in social science research to identify latent constructs measured on Likert scales and to evaluate whether questionnaire items load onto their theoretically expected dimensions (Hair et al., 2019). Promax oblique rotation was applied because the study variables were expected to be correlated, as this method is suitable when factors are theoretically related and provides a more realistic representation of social science constructs (Hair et al., 2019). The adequacy of the data for factor analysis was assessed using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity. Because the data were collected using Likert-scale items, Spearman's rank-order correlation analysis was conducted as a preliminary non-parametric test to assess the suitability of the data for subsequent parametric analyses. Given that Likert-scale data are ordinal and may violate assumptions associated with parametric techniques if relationships among variables are weak or inconsistent, Spearman's rank correlation was appropriate because it measures the strength and direction of monotonic relationships between ordinal variables without assuming a normal distribution (Boone & Boone, 2012; Field, 2018). This analysis established whether statistically significant associations existed among the study variables before conducting regression analysis. Subsequently, mediated multiple regression analysis was conducted to examine the mediating role of public-private branding partnerships in the relationship between strategic tourism licensing and destination branding and competitive positioning. The mediation analysis followed the regression procedures proposed by Baron and Kenny (1986), which involve assessing the direct and indirect effects among the independent, mediating, and dependent variables. The significance of the mediation effect was further verified using the Sobel test, which assesses whether the indirect effect of the independent variable through the mediator is statistically significant (Sobel, 1982). All statistical analyses were performed at the 95% confidence level and the 5% significance level.

RESULTS

Survey Response Rate

Of the 392 structured questionnaires distributed to targeted tourism enterprises across designated regions in Kenya, 345 responses were collected for quantitative analysis, yielding a response rate of 88.01%. This response rate was exceptionally high and scientifically sufficient for conducting robust multivariate statistical analyses. Saunders et al. (2019) indicate that a response rate above 50% is generally acceptable for self-administered organizational surveys, while rates exceeding 70% are considered excellent for minimizing non-response variance. Babbie (2021) further supports this view, stating that a retrieval rate of 70% or higher is statistically desirable and provides a strong empirical basis for drawing structural generalizations about the target population. Achieving such a high response rate also demonstrates strong stakeholder engagement with the research topic and ensures adequate statistical power for advanced modeling, including mediated multiple regression analysis (Hair et al., 2019). Therefore, the collected data were methodologically robust, structurally representative, and free from significant non-response bias, thereby fully supporting progression to advanced empirical testing.

Construct Validity of the Survey Instrument

Exploratory factor analysis (EFA) was conducted to examine the underlying factor structure of the measurement items and to assess the construct validity of the study variables. Given that the data were collected using five-point Likert scale items, EFA was appropriate for identifying latent constructs underlying respondents' perceptions of strategic tourism licensing, public-private branding partnerships, and destination branding and competitive positioning (Hair et al., 2019). Principal Axis Factoring (PAF) with Promax oblique rotation was employed to identify correlated latent constructs, as complete independence among variables was not assumed. Concomitantly, oblique rotation is recommended when theoretical and empirical relationships among factors are anticipated, particularly in governance, branding, and competitiveness research, where constructs are conceptually interconnected (Tabachnick & Fidell, 2019). The suitability of the data for factor analysis was

assessed using the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity, whose results are captured in Table 2.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.924
Bartlett's Test of Sphericity	Approx. Chi-Square	9866.628
	df	171
	Sig.	.000

As shown in Table 2, the KMO value was 0.924, exceeding the recommended threshold of 0.60, indicating excellent sampling adequacy and confirming that the data were suitable for factor analysis (Kaiser, 1974). Bartlett's Test of Sphericity was also statistically significant ($\chi^2 = 9866.628$, df = 171, $p < .001$), demonstrating that the correlation matrix was not an identity matrix and that sufficient correlations existed among the variables to justify factor extraction (Field, 2018). The next evidence to consider is the total variance explained in Table 3.

Table 3: Total Variance Explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	8.784	46.234	46.234	8.625	45.394	45.394	7.868
2	5.218	27.465	73.699	5.050	26.576	71.971	5.502
3	1.812	9.535	83.234	1.588	8.358	80.329	5.556
4	.591	3.109	86.343				
5	.497	2.616	88.959				
6	.423	2.224	91.184				
7	.313	1.648	92.832				
8	.276	1.451	94.283				
9	.226	1.191	95.474				
10	.204	1.074	96.548				
11	.172	.904	97.451				
12	.111	.585	98.037				
13	.093	.489	98.525				
14	.085	.446	98.971				
15	.065	.340	99.312				
16	.059	.309	99.620				
17	.037	.195	99.815				
18	.027	.142	99.957				
19	.008	.043	100.000				
Extraction Method: Principal Axis Factoring.							
a. When factors are correlated, sums of squared loadings cannot be added to obtain a total variance.							

Principal Axis Factoring extracted three factors with eigenvalues greater than 1, consistent with Kaiser's criterion for factor retention. As shown in Table 3, these three factors explained 80.329% of the total variance, demonstrating substantial explanatory power for the constructs. Factor 1 (strategic tourism licensing) accounted for 45.394% of the variance, Factor 2 (branding & competitive positioning) explained 26.576%, and Factor 3 (public-private branding partnerships) accounted for 8.358%. The cumulative variance explained exceeded the 60% minimum threshold recommended in social science research, indicating that the extracted factors adequately represented the underlying dimensions of the study variables (Hair et al., 2019). In addition, Principal

Axis Factoring was selected to identify latent constructs underlying observed variables, rather than solely to reduce data dimensions. According to Costello & Osborne (2005), this method is particularly suitable for Likert-scale and non-normal social science data because it emphasizes shared variance among variables and minimizes the influence of unique and error variance. Promax oblique rotation was justified because the constructs examined, i.e., strategic tourism licensing, branding partnerships, and destination competitiveness, were theoretically expected to be correlated. In governance and destination branding literature, regulatory systems, collaborative partnerships, and competitiveness mechanisms are frequently interdependent rather than orthogonal (Hall, 2011; Dwyer & Kim, 2003). Thus, oblique rotation provided a more accurate representation of the relationships among the study variables. The next evidence to consider is the communalities in Table 4.

Table 4: Communalities

No.		Initial	Extraction
1.	Tourism licensing should provide benefits to compliant businesses.	.976	.975
2.	Tourism enterprises comply more when there are incentives	.948	.945
3.	Licensing should reward high-quality service delivery	.876	.878
4.	Tourism licensing should encourage innovation in tourism businesses.	.616	.513
5.	Kenya should introduce different licensing levels based on quality standards	.563	.528
6.	Getting a higher-tier license would give my enterprise a real business advantage over our competitors.	.938	.935
7.	Higher compliance levels should receive greater recognition	.990	.995
8.	Our business is ready to invest in eco-friendly habits if it automatically grants us a premium license status.	.908	.890
9.	Recognition of compliant businesses can improve customer confidence.	.931	.921
10.	Collaboration between TRA and KTB can improve destination branding.	.896	.885
11.	Compliant tourism enterprises should be promoted in official marketing campaigns, e.g., Magical Kenya.	.959	.984
12.	Branding partnerships can improve business visibility	.916	.922
13.	Public-private branding partnerships can improve Kenya's competitiveness.	.762	.755
14.	Strong tourism governance improves Kenya's tourism reputation	.697	.684
15.	Branding linked to quality assurance can increase visitor confidence.	.729	.751
16.	Tourism licensing reforms can strengthen Kenya's destination brand.	.747	.802
17.	Upgrading how we license tourism businesses will give Kenya a winning edge globally	.744	.744
18.	Tourism licensing reforms can attract more international tourists.	.616	.578
19.	Tourism licensing linked to quality standards can improve Kenya's competitiveness in international tourism markets.	.576	.577
	Extraction Method: Principal Axis Factoring.		

The communalities presented in Table 4 confirmed the adequacy of the retained items. Most extraction communalities exceeded the recommended threshold of 0.50, indicating that a substantial proportion of variance in each item was explained by the extracted factors (Hair et al., 2019). Specifically, extraction communalities ranged from 0.513 to 0.995 for the strategic tourism licensing construct, from 0.921 to 0.984 for the public-private branding partnerships construct, and from 0.801 to 0.925 for the destination branding and competitive positioning construct. These findings demonstrated strong shared variance among the retained items, suggesting that the extracted factors adequately represented the underlying latent constructs of the study. One item under the public-private branding partnerships construct yielded a communality below the acceptable level and was subsequently removed to improve construct validity and factor interpretability. The removal of items with weak communalities aligns with recommendations in the factor analysis literature, which emphasize retaining only items that sufficiently share common variance with the extracted factors (Costello & Osborne, 2005; Hair et al., 2019). The last evidence to consider in EFA is the pattern matrix in Table 5.

Table 5: Pattern Matrix[a]

No.		Factor		
		1	2	3
1.	Higher compliance levels should receive greater recognition	1.004		
2.	Tourism licensing should provide benefits to compliant businesses.	.994		
3.	Tourism enterprises comply more when there are incentives	.984		
4.	Getting a higher-tier license would give my enterprise a real business advantage over our competitors.	.971		
5.	Recognition of compliant businesses can improve customer confidence.	.968		
6.	Our business is ready to invest in eco-friendly habits if it automatically grants us a premium license status.	.940		
7.	Licensing should reward high-quality service delivery	.935		
8.	Tourism licensing should encourage innovation in tourism businesses.	.693		
9.	Kenya should introduce different licensing levels based on quality standards	.568		
10.	Tourism licensing reforms can strengthen Kenya's destination brand.		.925	
11.	Tourism licensing linked to quality standards can improve Kenya's competitiveness in international tourism markets.		.869	
12.	Branding linked to quality assurance can increase visitor confidence.		.801	
13.	Strong tourism governance improves Kenya's tourism reputation		.753	
14.	Upgrading how we license tourism businesses will give Kenya a winning edge globally		.715	
15.	Tourism licensing reforms can attract more international tourists.		.698	
16.	Compliant tourism enterprises should be promoted in official marketing campaigns, e.g., Magical Kenya.			.984
17.	Branding partnerships can improve business visibility			.971
18.	Collaboration between TRA and KTB can improve destination branding.			.940
19.	Public-private branding partnerships can improve Kenya's competitiveness.			.892
	Extraction Method: Principal Axis Factoring. Rotation Method: Promax with Kaiser Normalization.			
	a. Rotation converged in 5 iterations.			

The rotated pattern matrix in Table 5 revealed a clear, theoretically meaningful factor structure with no cross-loadings among the retained items. Promax rotation with Kaiser Normalization, an oblique method that permits factor correlations, was used. The rotation converged after five iterations, indicating a stable, interpretable factor solution within an acceptable number of computational cycles. According to Field (2018) and Tabachnick & Fidell (2019), convergence within a relatively small number of iterations suggests that the factor structure is statistically reliable and that the extracted constructs are sufficiently distinct yet correlated, thereby justifying the use of oblique rotation in the analysis. Factor 1 primarily captured items related to strategic tourism licensing and incentive-based regulation, with factor loadings ranging from 0.935 to 0.984. These items reflected the strategic tourism licensing construct grounded in responsive regulation theory, which emphasizes incentive-based compliance, voluntary adherence, and market-oriented governance approaches (Ayres & Braithwaite, 1992). Factor 2 predominantly represented destination branding and competitive positioning, with factor loadings ranging from 0.801 to 0.925. The extracted items reflected perceptions of the role of strategic tourism licensing in strengthening destination image, enhancing visitor confidence, and improving Kenya's competitiveness in international tourism markets. Factor 3 represented public-private branding partnerships and collaborative governance mechanisms, with factor loadings ranging from 0.892 to 0.984. The retained items reflected collaborative branding, institutional coordination, and joint market visibility initiatives between regulatory agencies and tourism enterprises. Overall, the exploratory factor analysis confirmed the construct validity of the measurement instrument and showed that the questionnaire items loaded appropriately onto the theoretically anticipated constructs. The strong factor loadings, high communalities, significant Bartlett's Test

of Sphericity, and high KMO statistic collectively indicated that the measurement model possessed satisfactory psychometric properties suitable for subsequent inferential analysis.

Reliability of the Survey Instrument

The internal consistency of the survey instrument was evaluated using Cronbach's alpha on the 19-item scale measuring the independent, mediating, and dependent variables. Hair et al. (2019) state that internal consistency ensures indicators are intercorrelated and free from random measurement error. As indicated in Table 6, the instrument produced a Cronbach's alpha coefficient of 0.927 and a standardized item coefficient of 0.933 across the 19 items, both of which exceed the widely accepted baseline threshold of 0.70 in quantitative research (Nunnally & Bernstein, 1994; Saunders et al., 2019). This high alpha score demonstrates that the scale items possessed strong internal consistency, confirming the instrument's stability and suitability for advanced multivariate analysis.

Table 6: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.927	.933	19

Analysis of the Study Objective

This study examined the transformation of tourism licensing in Kenya from a traditional administrative regulatory mechanism to a strategic governance tool for destination branding and competitive positioning, with particular attention to the mediating role of public-private branding partnerships. The analysis centered on respondents' perceptions of strategic tourism licensing, collaborative branding mechanisms, and destination competitiveness. As the study variables were measured using five-point Likert-scale items where 1 = strongly disagree and 5 = strongly agree, descriptive statistics, specifically means and standard deviations, were deemed suitable for summarizing and interpreting respondents' views regarding the extent to which tourism licensing supports branding and competitive positioning objectives. Field (2018) notes that descriptive statistics are widely recommended for Likert-scale data because they offer a clear summary of response patterns, central tendencies, and variations in perceptions, thereby facilitating the interpretation of attitudes and opinions in social science research. The calculation of means allowed for the determination of the average level of agreement with statements related to strategic tourism licensing, public-private branding partnerships, and destination competitiveness, while standard deviations assessed the consistency or dispersion of respondents' perceptions around the mean values (Hair et al., 2019). The use of descriptive statistics was further justified, as the study primarily aimed to capture perceptual and attitudinal insights from tourism enterprise operators and managers, rather than to establish causal relationships at this stage of analysis. In research involving governance perceptions, policy orientations, and organizational attitudes measured through Likert scales, descriptive analysis serves as an effective basis for identifying prevailing trends, stakeholder viewpoints, and policy implications (Boone & Boone, 2012). Therefore, descriptive statistics provided a robust analytical foundation for understanding how tourism stakeholders perceive the restructuring of licensing systems toward more strategic, market-driven, and competitiveness-oriented governance models. The results of the descriptive analysis are presented in Tables 7-10.

To start with, respondents were asked to indicate their level of agreement with nine statements regarding strategic tourism licensing on a five-point Likert scale. The results are displayed in Table 7.

Table 7: Descriptive Statistics for Strategic Tourism Licensing

No.		N	Mean		Std. Deviation
		Stat	Stat	Std. Error	Stat
1.	Tourism licensing should provide benefits to compliant businesses.	345	4.56	.027	.49
2.	Tourism enterprises comply more when there are incentives	345	4.00	.040	.74
3.	Licensing should reward high-quality service delivery	345	4.14	.044	.82

4.	Tourism licensing should encourage innovation in tourism businesses.	345	4.28	.037	.69
5.	Kenya should introduce different licensing levels based on quality standards	345	4.42	.039	.72
6.	Getting a higher-tier license would give my enterprise a real business advantage over our competitors.	345	4.14	.034	.63
7.	Higher compliance levels should receive greater recognition	345	4.70	.025	.46
8.	Our business is ready to invest in eco-friendly habits if it automatically grants us a premium license status.	345	3.86	.044	.82
9.	Recognition of compliant businesses can improve customer confidence.	345	4.42	.039	.72
	Valid N (listwise)	345			

Source: Survey findings 2025

The results in Table 7 indicate that respondents strongly agreed with statements on strategic tourism licensing, as evidenced by mean scores ranging from 3.86 to 4.70. The statement "Higher compliance levels should receive greater recognition" achieved the highest mean score (*M = 4.70, SD = 0.46),* reflecting robust support for differentiated recognition of highly compliant tourism enterprises. Respondents also strongly agreed that tourism licensing should provide benefits to compliant businesses (*M = 4.56, SD = 0.49)* and that Kenya should implement different licensing levels based on quality standards (*M = 4.42, SD = 0.72*). These results suggest favourable perceptions of tiered and incentive-based licensing systems. Additionally, respondents agreed that recognizing compliant businesses can enhance customer confidence (*M = 4.42, SD = 0.72*). A moderate yet notable mean score was observed for enterprises' willingness to invest in eco-friendly practices when associated with premium licensing status *(M = 3.86, SD = 0.82).* The consistently low standard deviation values across most items indicate relatively uniform perceptions among respondents regarding the strategic role of tourism licensing.

Regarding public-private branding partnerships, respondents were asked to indicate their level of agreement on four indicators whose results are presented in Table 8

Table 8: Descriptive Statistics for Public-Private Branding Partnerships

No.		N	Mean		Std. Deviation
		Stat	Stat	Std. Error	Stat
1.	Collaboration between TRA and KTB can improve destination branding.	345	4.72	.024	.45
2.	Compliant tourism enterprises should be promoted in official marketing campaigns, e.g., Magical Kenya.	345	4.42	.027	.49
3.	Branding partnerships can improve business visibility	345	4.28	.047	.87
4.	Public-private branding partnerships can improve Kenya's competitiveness.	345	4.00	.040	.74
	Valid N (listwise)	345			

Source: Survey Findings, 2025

The findings in Table 8 indicate that respondents strongly agreed with statements on collaborative branding and institutional partnerships, with mean scores ranging from 4.00 to 4.72. The statement "Collaboration between TRA and KTB can improve destination branding" received the highest mean score (*M = 4.72, SD = 0.45),* reflecting strong support for institutional collaboration between tourism regulators and destination marketing agencies. There was also strong agreement that compliant tourism enterprises should be promoted in official marketing campaigns such as Magical Kenya (*M = 4.42, SD = 0.49).* Furthermore, respondents agreed that branding partnerships can enhance business visibility (*M = 4.28, SD = 0.87)* and that public-private branding partnerships can improve Kenya's competitiveness (*M = 4.00, SD = 0.74).* The relatively low standard

deviations across these items indicate moderate consistency in respondents' perceptions regarding the significance of collaborative branding partnerships in enhancing tourism competitiveness.

On destination branding and competitive positioning, respondents were asked to indicate their level of agreement on six indicators, and the results are displayed in Table 9.

Table 9: Descriptive Statistics for Destination Branding and Competitive Positioning

No.		N	Mean		Std. Deviation
		Stat	Stat	Std. Error	Stat
1.	Strong tourism governance improves Kenya's tourism reputation	345	4.56	.039	.72
2.	Branding linked to quality assurance can increase visitor confidence.	345	4.14	.044	.82
3.	Tourism licensing reforms can strengthen Kenya's destination brand.	345	4.42	.039	.72
4.	Upgrading how we license tourism businesses will give Kenya a winning edge globally	345	4.00	.040	.74
5.	Tourism licensing reforms can attract more international tourists.	345	4.42	.039	.72
6.	Tourism licensing linked to quality standards can improve Kenya's competitiveness in international tourism markets.	345	4.01	.040	.74
	Valid N (listwise)	345			

Source: Survey findings, 2025

The results in Table 9 indicate that respondents generally perceived tourism licensing reforms as important contributors to destination branding and competitiveness, with mean scores ranging from 4.00 to 4.56. The highest mean score was recorded for the statement "Strong tourism governance improves Kenya's tourism reputation" (*M = 4.56, SD = 0.72*), indicating strong agreement among respondents regarding the importance of governance quality in shaping destination reputation. Respondents also agreed that tourism licensing reforms can strengthen Kenya's destination brand (*M = 4.42, SD = 0.72*) and attract more international tourists (*M = 4.42, SD = 0.72).* Similarly, respondents agreed that branding linked to quality assurance can increase visitor confidence (*M = 4.14, SD = 0.82).* Moderate agreement was observed regarding the statements that upgrading tourism licensing systems can enhance Kenya's global competitive advantage (*M = 4.00, SD = 0.74)* and that tourism licensing linked to quality standards can improve Kenya's competitiveness in international tourism markets (*M = 4.01, SD = 0.74).* Generally, the findings indicate that respondents had positive perceptions of the contribution of strategic tourism licensing to destination branding and competitive positioning in Kenya.

Hypothesis Testing

The study hypothesized that public-private branding partnerships do not significantly mediate the relationship between strategic tourism licensing and destination branding and competitive positioning in Kenya. Prior to conducting advanced parametric multivariate analyses, a preliminary bivariate correlation analysis was performed. The primary aim of this diagnostic step was to assess the direction, strength, and statistical significance of linear associations among the latent constructs, thereby determining the conceptual suitability and behavioral coherence of the collected data (Hair et al., 2019). Given that the primary data were collected using five-point Likert scales, methodological literature advises caution regarding the immediate application of parametric tests to raw Likert-type items (Babbie, 2021; Sullivan & Artino, 2013). Consequently, Spearman's rank correlation coefficient (ρ) was chosen as the appropriate non-parametric alternative to conduct the preliminary tests. Spearman's rho evaluates the monotonic relationship between ranked variables without requiring the assumption of multivariate normality, making it particularly suitable for analyzing perceptions in enterprise survey research (Saunders et al., 2019). The ordinal data were first transformed into interval data by calculating composite scores for each variable. The non-parametric bivariate correlation matrix revealed strong,

positive, and statistically significant relationships across all modeled variables, with all associations reaching significance at the $p < .01$ level, as presented in Table 10.

Table 10: Correlations

			licensing	partnerships	competitiveness
Spearman's rho	licensing	Correlation Coefficient	1.000	.770**	.813**
		Sig. (2-tailed)	.	.000	.000
		N	345	345	345
	partnerships	Correlation Coefficient	.770**	1.000	.842**
		Sig. (2-tailed)	.000	.	.000
		N	345	345	345
	competitiveness	Correlation Coefficient	.813**	.842**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	345	345	345
**. Correlation is significant at the 0.01 level (2-tailed).					

Table 10 demonstrates that the relationship between the independent variable, strategic tourism licensing, and the mediating variable, public-private branding partnerships, produced a strong positive monotonic correlation ($\rho = .770$, $p < .001$). Standard psychometric classifications indicate that a correlation coefficient between 0.70 and 0.90 represents a robust and statistically strong association (Hair et al., 2019). This finding suggests that operators who perceive tourism licensing as a strategic governance tool also view public-private branding partnerships favourably. The bivariate association between strategic tourism licensing and the dependent variable, destination branding and competitive positioning, exhibited an even stronger positive relationship ($\rho = .813$, $p < .001$). This result implies that a strategic, incentive-driven approach to regulatory compliance is closely associated with increased international destination competitiveness for Kenya. Furthermore, the correlation between the mediating variable, public-private branding partnerships, and the dependent variable, destination branding and competitive positioning, was the highest in the matrix ($\rho = .842$, $p < .001$). This coefficient indicates that collaborative branding efforts between state regulators and private operators are considered essential for successful destination marketing and global positioning. From a diagnostic perspective, these coefficients were suitable for subsequent structural hypothesis testing because, although the variables were highly interconnected and conceptually aligned, they remained below the 0.85 threshold commonly identified as the boundary for severe multicollinearity or discriminant validity concerns (Kline, 2016; Hair et al., 2019). Given that these relationships aligned with the theoretical foundations of Responsive Regulation Theory, the preliminary results confirmed that the dataset possessed the structural integrity and directional consistency required for formal structural mediation testing. Subsequently, the mediating relationship was modeled using the following mediated multiple regression equation:

$$Y = a + \beta_1 X + \beta_2 W + \beta_3 (X * W) + e$$

Where;

Y=Destination Branding and Competitive Positioning

a= Constant/ Intercept

X= Mean-centred Strategic tourism licensing

W=Mean-centred Public-Private branding partnerships

(X*W) =The interaction product term (mediation effect)

β_1 =The linear effect of strategic tourism licensing when public-private branding partnerships is at its mean

β_2=The linear effect of Public-Private branding partnerships on destination branding and competitive positioning when Strategic licensing is at its mean.

β_3=The change in the slope of Strategic tourism licensing on destination branding & Competitive positioning for every one-unit change in Public-Private branding partnerships.

e= residual error term

The results of the mediated multiple regression are presented in Tables 11-13.

Table 11: Coefficients[a] for Strategic licensing and competitiveness (direct effect- path c)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.173	.872		10.518	.000
	licensing	.612	.023	.707	39.995	.000
a. Dependent Variable: competitiveness						

Table 11 shows the direct effect (path c) results, which evaluated the direct impact of the independent variable (strategic tourism licensing) on the dependent variable (destination competitiveness) in the absence of the mediating variable. The regression model revealed a positive and statistically highly significant linear relationship (β = .707, B = .612, t = 39.995, p < .001). This finding established that an incentive-driven approach to regulatory compliance exerts a strong, positive baseline effect on Kenya's destination competitiveness, satisfying the initial condition required to establish a mediation pathway.

Table 12: Coefficients[a] for Strategic licensing and partnership (indirect effect- path b)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.442	.294		18.543	.000
	licensing	.529	.008	.650	56.594	.000
a. Dependent Variable: competitiveness						

Table 12 shows the results of the second step, which examined the relationship between the independent variable (strategic tourism licensing) and the mediating variable (public-private branding partnerships). The findings indicated that strategic licensing had a powerful, statistically significant positive effect on the development of public-private branding partnerships (β = .650, B = .529, t = 56.594, p < .001). This met the second requirement of the mediation framework, demonstrating that a restructured licensing design strongly fosters alignment between private-sector marketing and branding.

Table 13: Coefficients[a] for Strategic licensing and partnerships on competitiveness (path b and c')

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17.233	1.071		19.084	.000
	licensing	.166	.063	.167	4.223	.083
	partnerships	.581	.139	.673	10.632	.000
a. Dependent Variable: competitiveness						

Table 13 shows the findings of the combined mediation model (path b and c') arrived at by simultaneously regressing strategic tourism licensing and public-private branding partnerships against destination competitiveness. The inclusion of the mediator revealed a highly significant positive relationship between public-private partnerships and destination competitiveness (Path b: β= .673, B = .581, t = 10.632, p < .001).

Importantly, with the mediator controlled, the direct effect of strategic tourism licensing on destination competitiveness collapsed from its original value of B = .612 down to B = .166, and dropped entirely out of statistical significance (Path c': β= .167, B = .166, t = 4.223, p = .083). Given that the direct path (c') became statistically insignificant ($p > .05$) while the indirect path via the mediator remained highly significant ($p < .001$), these findings indicated a full or complete mediation (Baron & Kenny, 1986). This demonstrates that strategic tourism licensing cannot change Kenya's global positioning unless it is channeled through public-private partnerships. To verify whether the reduction in the indirect pathway was statistically significant, a Sobel test (Sobel, 1982) was performed using the unstandardized coefficients and standard errors from paths a and b ($a = 0.612$, $s_a = 0.023$; $b = 0.581$, $s_b = 0.139$). The Sobel test yielded an absolute test statistic of 6.166 with a standard error of 0.087, resulting in a p-value of .000 ($p < .001$). Since the Z-score exceeded the critical value of ±1.96 and the p-value was less than the .05 significance threshold, the null hypothesis was rejected and the alternative accepted. The study concluded that public-private branding partnerships fully and significantly mediate the relationship between strategic tourism licensing and destination branding and competitive positioning in Kenya.

DISCUSSION

The descriptive findings indicated robust stakeholder support for restructuring tourism licensing into a more strategic, incentive-based, and market-oriented governance system. Respondents strongly agreed that higher compliance levels should receive greater recognition and that tourism licensing should confer tangible benefits to compliant enterprises. There was also strong support for introducing differentiated licensing levels based on quality standards. These results suggest that tourism operators increasingly view regulatory compliance not only as a legal obligation but also as a source of market value, enterprise differentiation, and reputational advantage. The findings provide strong empirical support for Responsive Regulation Theory, which posits that effective governance systems should move beyond punitive enforcement toward graduated and incentive-based approaches that foster voluntary compliance, innovation, and continuous improvement (Ayres & Braithwaite, 1992). According to this theory, regulated actors are more likely to internalize regulatory objectives when compliance yields visible incentives and reputational benefits. This evidence therefore suggests that tourism enterprises in Kenya are likely to respond more positively to governance systems that generate market value through recognition, branding, and competitive differentiation. These findings also reinforce international tourism governance trends observed in destinations such as New Zealand, Singapore, Spain, and Australia, where tourism licensing and certification systems have evolved into strategic market-signaling mechanisms integrated within destination branding frameworks (OECD, 2020). For instance, New Zealand's Qualmark accreditation system links quality assurance and sustainability certification to destination branding, while Spain's "Q for Tourist Quality" framework publicly distinguishes enterprises that exceed minimum standards (Qualmark, 2023; Tourism New Zealand, 2023). This study's findings, therefore, indicate that tourism stakeholders in Kenya increasingly recognize the strategic value of governance systems that reward excellence and communicate quality assurance to international tourism markets.

The descriptive analysis of destination branding and competitive positioning revealed strong consensus that tourism licensing reforms can strengthen Kenya's destination brand, enhance customer confidence, and improve the country's competitiveness in international tourism markets. These findings support Destination Competitiveness Theory, which asserts that destination success relies on governance quality, institutional credibility, service standards, and policy innovation rather than solely on natural attractions and inherited resources (Dwyer & Kim, 2003; Ritchie & Crouch, 2003). The results demonstrate that tourism stakeholders perceive governance systems as central determinants of destination competitiveness and international market positioning. Additionally, the findings indicate strong support for public-private branding partnerships and institutional collaboration between the Tourism Regulatory Authority (TRA) and the Kenya Tourism Board (KTB). Respondents agreed that collaboration between tourism regulators and destination marketing agencies can enhance destination branding and competitiveness, and facilitate the inclusion of compliant enterprises in official destination marketing campaigns such as Magical Kenya. The strong endorsement of public-private branding partnerships further underscores that tourism operators recognize the importance of collaborative governance arrangements for advancing destination competitiveness. Respondents also agreed that branding partnerships improve business visibility, customer confidence, and Kenya's tourism competitiveness. These findings are consistent with previous research suggesting that collaborative governance structures enhance

policy legitimacy, destination coordination, and market responsiveness within tourism systems (Bramwell & Lane, 2011). The evidence reinforces the argument that destination competitiveness cannot be achieved through isolated government regulation or independent marketing initiatives, but rather through coordinated public-private governance mechanisms. These findings align with Collaborative Governance Theory, which maintains that effective policy implementation depends on institutional coordination, stakeholder participation, and collaborative governance arrangements among public and private actors (Ansell & Gash, 2008). Given that tourism governance is inherently multi-sectoral, integrated relationships among regulators, destination marketing organizations, tourism enterprises, and industry associations are essential (Bramwell & Lane, 2011; Hall, 2011). The findings therefore suggest that tourism competitiveness in Kenya requires integrated governance systems that connect regulation, branding, destination marketing, and enterprise development within a unified institutional framework.

The findings also provided important contextual insights regarding sustainability-linked licensing incentives. While respondents generally agreed that enterprises would be willing to invest in eco-friendly practices if these were associated with premium licensing status, this item received comparatively lower agreement than other strategic licensing indicators. This outcome was somewhat unexpected, given that sustainability certification systems in developed tourism destinations are increasingly regarded as significant sources of competitive advantage and market differentiation (OECD, 2020). The relatively lower agreement observed in this study may reflect practical concerns among tourism enterprises about the financial implications, operational costs, or uncertain market returns associated with sustainability investments in developing tourism contexts. Consequently, the findings suggest that although tourism enterprises conceptually support sustainability-linked licensing reforms, effective implementation may require stronger financial incentives, technical support, and market assurance mechanisms. The study also found relatively consistent responses across most variables, as indicated by the low standard deviations. This consistency suggests broad stakeholder consensus regarding the need to reform tourism licensing systems toward more strategic and competitiveness-oriented governance models. Such consensus is particularly significant because governance reforms often require institutional legitimacy and stakeholder acceptance for successful implementation (Ansell & Gash, 2008). The findings, therefore, indicate a favourable policy environment for introducing strategic tourism licensing reforms within Kenya's tourism sector.

The mediation analysis demonstrated that public-private branding partnerships fully and significantly mediated the relationship between strategic tourism licensing and destination branding and competitive positioning. Specifically, the direct effect of strategic tourism licensing became statistically insignificant after the inclusion of public-private branding partnerships in the regression model, while the indirect pathway through the mediator remained highly significant. The Sobel test further confirmed the statistical significance of the mediation effect. These findings indicate that tourism licensing alone cannot directly transform Kenya's global tourism positioning unless it is implemented through collaborative branding partnerships and integrated destination marketing mechanisms. In practical terms, strategic licensing systems become competitively meaningful only when regulatory institutions collaborate with destination marketing agencies and tourism enterprises to translate compliance recognition into market visibility and branding value. This finding represents a significant empirical and theoretical contribution to tourism governance literature, as previous studies have largely examined tourism regulation, destination branding, and competitiveness independently, with limited empirical attention to the institutional pathways linking these governance dimensions (Dredge & Jenkins, 2011; Hall, 2011). This study introduced a new governance perspective by empirically demonstrating that public-private branding partnerships are the primary institutional mechanism through which strategic tourism licensing influences destination competitiveness outcomes. The findings extend Destination Competitiveness Theory by showing that governance systems influence competitiveness indirectly through collaborative institutional arrangements and integrated branding structures (Dwyer & Kim, 2003; Ritchie & Crouch, 2003). Similarly, the results reinforce Collaborative Governance Theory by empirically confirming that institutional partnerships significantly shape destination branding and competitiveness outcomes. The findings also challenge earlier regulatory studies that characterized tourism regulation primarily as a restrictive, bureaucratic, and compliance-oriented mechanism focused on enforcement and legal conformity (Hall, 2011). In contrast, this study demonstrates that tourism enterprises in Kenya increasingly support stronger regulatory systems when compliance is linked to branding recognition, market incentives, and destination competitiveness. This represents a significant shift from

traditional enforcement-centered tourism governance toward more collaborative and market-oriented regulatory approaches.

From a policy perspective, the findings underscore the urgent need for Kenya to transition from conventional administrative licensing systems to strategic, tiered, and market-responsive governance frameworks. Tourism licensing systems should incorporate differentiated recognition structures linked to service quality, sustainability performance, innovation, customer experience, and enterprise excellence. Such reforms may include the introduction of premium licensing categories, destination quality labels, sustainability ratings, and public-facing compliance recognition systems, reflecting international best practices observed in New Zealand and Spain. The findings further suggest that the Tourism Regulatory Authority should reposition licensing as a strategic instrument for competitiveness and branding, rather than solely as an enforcement mechanism. The study also highlights the necessity for stronger institutional integration between the Tourism Regulatory Authority and the Kenya Tourism Board. As such, tourism governance reforms should establish formal collaborative branding frameworks that link regulatory compliance to destination marketing campaigns, tourism exhibitions, digital destination platforms, and enterprise recognition programs. This integration would enable highly compliant tourism enterprises to benefit from enhanced market visibility while simultaneously strengthening Kenya's international tourism image and destination reputation. Practically, the findings indicate that tourism enterprises are more likely to support governance systems that generate visible commercial and reputational value. Tourism regulators should therefore adopt governance approaches that emphasize incentives, recognition, branding visibility, and competitiveness enhancement, rather than relying predominantly on punitive enforcement mechanisms. Similarly, destination marketing agencies and tourism industry associations should collaborate to develop co-branding initiatives, enterprise recognition schemes, and destination quality assurance systems that strengthen visitor trust and international market visibility. Overall, the findings demonstrate that the future competitiveness of Kenya's tourism sector may depend substantially on the country's ability to strategically integrate tourism licensing, collaborative governance, destination branding, and market competitiveness within a unified tourism governance framework.

CONCLUSION

This study examined the transformation of tourism licensing in Kenya, from a traditional administrative regulatory mechanism to a strategic governance tool for destination branding and competitive positioning, with a particular emphasis on the mediating role of public-private branding partnerships. The findings indicated that tourism stakeholders increasingly advocate for a change from compliance-oriented licensing systems to market-driven, incentive-based, and strategically integrated governance frameworks that enhance enterprise competitiveness, destination reputation, customer confidence, and international market positioning. This research established that tourism operators strongly prefer differentiated, tiered licensing systems that reward higher levels of compliance, service quality, and enterprise excellence. Furthermore, respondents view tourism licensing not solely as a legal requirement but as a potential instrument for branding and competitiveness that can generate strategic commercial value. These results support the argument that tourism governance systems can significantly influence destination image, institutional credibility, and tourism competitiveness when aligned with broader branding and market objectives. A key contribution of this study was the empirical confirmation that public-private branding partnerships fully and significantly mediate the relationship between strategic tourism licensing and destination branding and competitive positioning. The findings demonstrate that tourism licensing alone cannot effectively transform destination competitiveness without collaborative institutional arrangements linking regulators, destination marketing agencies, and tourism enterprises. This highlights the importance of integrated governance structures in translating regulatory compliance into visible market recognition and destination-branding outcomes.

This study advanced the tourism governance literature by extending Responsive Regulation Theory and Collaborative Governance Theory in the context of tourism competitiveness. The findings confirmed that incentive-based regulation, institutional coordination, and collaborative governance mechanisms are essential for enhancing regulatory legitimacy, stakeholder participation, and destination competitiveness. This study also introduced a significant governance perspective by framing tourism licensing as a strategic instrument of competitiveness rather than solely an enforcement mechanism. From a policy standpoint, the results underscore

the need for Kenya to redesign its tourism licensing framework into a tiered, market-responsive, and branding-oriented governance system. Inextricably, such reforms should integrate licensing with destination marketing strategies, public-private co-branding initiatives, sustainability recognition programs, and enterprise quality differentiation mechanisms. Consequently, strengthening institutional collaboration between the Tourism Regulatory Authority and the Kenya Tourism Board is crucial to aligning regulatory oversight with destination competitiveness objectives. In summary, the study concludes that the future competitiveness of Kenya's tourism sector will increasingly depend on the country's capacity to strategically integrate tourism regulation, destination branding, collaborative governance, and market-oriented policy frameworks within a unified tourism governance architecture. By repositioning tourism licensing as a strategic governance tool, Kenya can foster enterprise innovation, enhance visitor trust, improve destination reputation, and reinforce its competitive positioning in the global tourism marketplace.

Limitation

There are five key limitations to consider when interpreting this study's findings. First, the research employed a descriptive cross-sectional design, collecting data at a single point in time. While this approach was suitable for assessing respondents' perceptions of strategic tourism licensing and destination competitiveness, it limited the ability to determine long-term causal relationships and to observe temporal changes in stakeholder perceptions and institutional practices, as cross-sectional studies are constrained in capturing evolving policy dynamics and longitudinal governance transformations (Creswell & Creswell, 2018). Future research should consider longitudinal designs to evaluate the impact of tourism licensing reforms on destination competitiveness over time. Second, the study relied on self-reported data from structured questionnaires administered to operators and managers of tourism enterprises, which may have been influenced by respondent subjectivity, social desirability bias, or varying interpretations of questionnaire items (Bryman, 2016). Future studies could adopt mixed-methods approaches, including interviews, case studies, or secondary performance data, thereby significantly reducing self-reporting bias. Third, the research focused solely on regulated tourism enterprises classified as Class A, B, and C in Kenya. While these categories represent a significant portion of tourism operators, excluding other stakeholders, such as tourists, county governments, informal tourism enterprises, and community-based organizations, may limit the breadth of the findings. Therefore, future studies should expand the sampling framework to include a broad spectrum of stakeholders to ensure a more comprehensive, multi-sectoral understanding of destination branding and competitiveness. Fourth, the study was conducted within the specific institutional and regulatory context of Kenya's tourism sector. Since tourism governance systems differ considerably across destinations due to variations in institutional structures, regulatory environments, economic conditions, and market maturity (Hall, 2011), caution is necessary when generalizing these findings to other contexts. Finally, while the study identified the mediating role of public-private branding partnerships, it did not examine other potential moderating or mediating variables, such as institutional capacity, technological innovation, sustainability orientation, or policy implementation effectiveness, which could affect the relationship between strategic tourism licensing and destination competitiveness. Future research should investigate additional governance and market variables to enhance understanding of tourism competitiveness dynamics. Despite these limitations, the study provided important theoretical, empirical, and policy insights into the restructuring of tourism licensing as a strategic governance tool for destination branding and competitive positioning in Kenya.

REFERENCES

1. Ansell, C., & Gash, A. (2008). Collaborative governance in theory and practice. Journal of Public Administration Research and Theory, 18(4), 543-571. https://doi.org/10.1093/jopart/mum032
2. Ayres, I., & Braithwaite, J. (1992). Responsive regulation: Transcending the deregulation debate. Oxford University Press.
3. Ayuba, A., Saad, R. A. J., & Ariffin, Z. Z. (2016). Perceived tax fairness and compliance behavior among New Zealand small and medium enterprises. International Journal of Economics and Financial Issues, 6(4), 132-139.
4. Babbie, E. R. (2021). The practice of social research (15th ed.). Cengage Learning.

5. Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. Journal of Personality and Social Psychology, 51(6), 1173–1182. https://doi.org/10.1037/0022-3514.51.6.1173
6. Boone, H. N., Jr., & Boone, D. A. (2012). Analyzing Likert data. Journal of Extension, 50(2), Article 48. https://doi.org/10.34068/joe.50.02.48
7. Bramwell, B., & Lane, B. (2011). Critical research on the governance of tourism and sustainability. Journal of Sustainable Tourism, 19(4-5), 411-421. https://doi.org/10.1080/09669582.2011.580586
8. Bryman, A. (2016). Social research methods (5th ed.). Oxford University Press.
9. Cochran, W. G. (1977). Sampling techniques (3rd ed.). John Wiley & Sons.
10. Costello, A. B., & Osborne, J. W. (2005). Best practices in exploratory factor analysis: Four recommendations for getting the most from your analysis. Practical Assessment, Research & Evaluation, 10(7), 1-9. https://doi.org/10.7275/jyj1-4868
11. Creswell, J. W., & Creswell, J. D. (2018). Research design: Qualitative, quantitative, and mixed methods approaches (5th ed.). Sage Publications.
12. Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. Psychometrika, 16(3), 297-334. (Cronbach, 1951) https://doi.org/10.1007/BF02310555
13. Crouch, G. I., & Ritchie, J. R. B. (1999). Tourism, competitiveness, and societal prosperity. Journal of Business Research, 44(3), 137-152.
14. Dredge, D., & Jenkins, J. (2011). Stories of practice: Tourism policy and planning. Ashgate Publishing.
15. Dwyer, L., & Kim, C. (2003). Destination competitiveness: Determinants and indicators. Current Issues in Tourism, 6(5), 369–414. https://doi.org/10.1080/13683500308667962
16. Field, A. (2018). Discovering statistics using IBM SPSS statistics (5th ed.). Sage Publications.
17. Government of Kenya. (2011). Tourism Act, 2011. Government Printer.
18. Government of Kenya. (2023). Economic survey 2023. Kenya National Bureau of Statistics.
19. Gunningham, N., & Sinclair, D. (2017). Smart regulation: Designing environmental policy. Oxford University Press.
20. Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). Multivariate data analysis (8th ed.). Cengage Learning. https://www.cengage.com/c/multivariate-data-analysis-8e-hair/9781473756540/
21. Hall, C. M. (2011). Policy learning and policy failure in sustainable tourism governance: From first- and second-order to third-order change? Journal of Sustainable Tourism, 19(4-5), 649-671. https://doi.org/10.1080/09669582.2011.555555
22. Henderson, J. C. (2011). Tourism development and politics in Singapore. Tourism Recreation Research, 36(3), 267-276.
23. Israel, G. D. (1992). Determining sample size (Fact Sheet PEOD-6). Agricultural Education and Communication Department, University of Florida Cooperative Extension Service. https://edis.ifas.ufl.edu/publication/pd006
24. Kaiser, H. F. (1974). An index of factorial simplicity. Psychometrika, 39(1), 31-36. https://doi.org/10.1007/BF02291575
25. Kline, R. B. (2016). Principles and practice of structural equation modeling (4th ed.). Guilford Press.
26. Kozak, M., & Baloglu, S. (2011). Managing and marketing tourist destinations: Strategies to gain a competitive edge. Routledge.
27. MBIE [Ministry of Business, Innovation and Employment]. (2023). Qualmark and sustainable tourism in New Zealand. Government of New Zealand. https://www.mbie.govt.nz/
28. Nunnally, J. C., & Bernstein, I. H. (1994). Psychometric theory (3rd ed.). McGraw-Hill.
29. OECD. (2020). OECD tourism trends and policies 2020. OECD Publishing. https://doi.org/10.1787/6b47b985-en
30. Pulido-Fernández, J. I., & Rodríguez-Díaz, B. (2016). Reinterpreting the role of tourism governance. International Journal of Tourism Policy, 6(1), 40-56.
31. Qualmark. (2023). Sustainable tourism business criteria and evaluation framework. https://www.qualmark.co.nz/
32. Ritchie, J. R. B., & Crouch, G. I. (2003). The competitive destination: A sustainable tourism perspective. CABI Publishing.
33. Saunders, M., Lewis, P., & Thornhill, A. (2019). Research methods for business students (8th ed.). Pearson Education.

34. Sobel, M. E. (1982). Asymptotic confidence intervals for indirect effects in structural equation models. Sociological Methodology, 13, 290–312. https://doi.org/10.2307/270723
35. Sullivan, G. M., & Artino, A. R., Jr. (2013). Analyzing and interpreting data from Likert-type scales. Journal of Graduate Medical Education, 5(4), 541–542. https://doi.org/10.4300/JGME-5-4-18
36. Tabachnick, B. G., & Fidell, L. S. (2019). Using multivariate statistics (7th ed.). Pearson.
37. Tila, O. V., Ariya, G., & Makomere, J. (2019). Determinants of compliance towards tourism licensing within Uasin Gishu County, Kenya: Hotels and restaurants managers perspective. International Journal of Research in Tourism and Hospitality, 7(2), 15–23. https://doi.org/10.20431/2455-0043.0702002
38. Tourism Regulatory Authority (TRA). (2025). Register of regulated tourism enterprises. Nairobi: TRA.
39. Tourism New Zealand. (2023). Statement of performance expectations 2023–2024. https://www.tourismnewzealand.com/assets/about/publications/performance/Tourism-New-Zealand-Statement-of-Performance-Expectation-2023-2024.pdf
40. UN Tourism. (2022). Tourism for inclusive growth and competitiveness. UN Tourism. https://www.unwto.org/
41. World Bank Group. (2020). Business licensing reforms: Insights from selected country experiences. World Bank Publishing. https://openknowledge.worldbank.org/entities/publication/89fe7a5e-ba93-55b6-a03e-8f8263b120af
42. Yamane, T. (1967). Statistics: An introductory analysis (2nd ed.). Harper and Row.