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**INTERNATIONALISATION OF AFRICAN-ETHNIC RESTAURANTS:
THE MEDIATING ROLE OF BRAND IDENTITY**

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ABSTRACT

Although studies of firm internationalization have received increasing attention globally, how African firms and particularly African-ethnic restaurants (AERs) tap into foreign markets has remained less studied. Similarly, while African-ethnic restaurants seem to have remained less internationalized, the explanations for their low internationalization have remained scanty. This study aimed to establish the relationship between firm-specific resources, dynamic capabilities and the degree of internationalization, and the mediating effect of brand identity on the relationship between these firm-level factors and the degree of internationalization of African-ethnic restaurants in East Africa.

Brand identity is put forward as an explanation for the relationship between firm-specific resources, dynamic capabilities and the degree of internationalization. Consequently, the following objectives guided the study: determining the relationship between firm-specific resources, dynamic capabilities and the brand identity; the relationship between firm-specific resources, dynamic capabilities and the degree of inward internationalization; the relationship between the brand identity and the degree of inward internationalization; establish the mediating effect of brand identity on the relationship between firm-specific resources, dynamic capabilities and degree of inward internationalization; determine the relationships between firm-specific resources, dynamic capabilities and the degree of outward internationalization; determine the relationship between the brand identity and the degree of outward internationalization; establish the mediating effect of brand identity on the relationship between firm-specific resources, dynamic capabilities and degree of outward internationalisation of African-ethnic restaurants in East Africa.

Across-sectional and mixed method approach was adopted to achieve the study objectives, using a population of 261 established African-ethnic restaurants in East Africa. The owner-managers were the target respondents and the ethnic restaurant formed a unit of analysis. The quantitative data analysis involved descriptive statistics, zero order correlations and structural equation modeling using SPSS and AMOS respectively. For qualitative approach, data were collected from two sources, namely; interviews with the owner-managers and participant observations. A content analysis approach was adopted to extract meanings from the transcripts. The study establishes that all together, restaurant-specific resources, dynamic capabilities and brand identity account for fifty one percent (51%) of inward internationalization of African-ethnic restaurants in East Africa. The results further reveal

that brand identity fully mediates the effect of restaurant-specific resources on the degree of inward internationalization, and partially mediates the relationship between dynamic capabilities and the degree of inward internationalization. The main study conclusions are that inward internationalization is the dominant form of internationalization while outward internationalization is non-existent and not considered a feasible strategy by African-ethnic restaurants in East Africa.

The study confirms and reinforces the resource-based view of a firm regarding the role of unique resources in building brand identity and subsequent internationalisation of firms in the African context. The study also confirms and strengthens the dynamic capabilities view that solely depending on unique resources may not help firms create stable brand identity, and drive effective internationalisation in rapidly changing markets without dynamic capabilities. In addition, the present study extends the identity theory by testing the brand identity concept among ethnic restaurants in the African context. The study proposes a model of inward internationalization of African-ethnic restaurants with implications for policy on food tourism development as well as managerial practice.