

**MARKETING MIX AND GROWTH OF SELECTED HOTELS IN NYERI
COUNTY, KENYA**

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DECLARATION

I declare that this is my original work and to my knowledge has not been presented in any other University or any institution of higher learning for an award of a degree.

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APPROVAL

This thesis has been submitted for examination with our approval as university supervisors.

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DEDICATION

This thesis is dedicated to my parents Joseph and Mercy Wachira, my siblings Shelmith and Wilson and all my friends for their support and encouragement.

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First, I want to thank the Almighty for enabling me to accomplish this task. Also, special thanks to Dr. Kiragu and Dr. Anita for their guidance, commitment and encouragement in writing this thesis. May the Lord bless you abundantly.

ABBREVIATIONS AND ACRONYMS

4Ps	Price, Product, Promotion and Place
B&Bs	Bed and Breakfast
HRA	Hotel and Restaurants Authority
KNBS	Kenya National Bureau of Statistics
KIPPRA	Kenya Institute for Public Policy Research and Analysis
SPSS	Statistical Package for Social Sciences
SSA	Sub Saharan Africa
STR	Smith Travel Research
UK	United Kingdom
US	United States of America
VAT	Value Added Tax
WTO	World Tourism Organization
WTTR	World Travel and Tourism Council

ABSTRACT

Hotel business is one of the key investments in Nyeri County. Nyeri County is one of the tourists destination due to the various tourist attraction sites. It has seen an increase in the number of hotels being opened and managed. This has in turn led to increased competition because hotel owners want to target the increased number of local and international tourists. Competition seems to be very stiff with some old time hotels not growing as fast as the new entrants. The aim of this study is to examine the role of marketing mix on growth of selected hotels in Nyeri County, Kenya. The objectives are to assess the effect of the 4P's namely, price, product, place as well as promotion on the growth of selected hotels in Nyeri County. The theories used in the study include Ansoff matrix, 4C's marketing model and Unique Selling Proposition all relating product growth and market share. The study used descriptive research design and it adopted convenience sampling. The study employed questionnaire as the primary research instruments. Pilot study was conducted by selecting 5 marketing managers. The researcher used test retest method to ensure reliability of data by using Pearson's correlation formula. The target population for this study was the 57 respondents from 17 hotels selected hotels from Nyeri County. A self-administered, questionnaire was used to collect data from the target respondents. The study achieved a response rate of 87.7%. Percentages and frequencies were generated from the data collected and presented using frequency distribution tables while multiple linear regression analysis was done to establish relationship of each parameter of the independent variables in the study. SPSS generated correlation coefficient (r), coefficient of determination (r^2), F-statistic and regression coefficients whose results were interpreted. The results indicated that price, product and promotion had positive and statistically significant effect on hotel growth while place had positive but statistically insignificant effect. The study recommends that hotels should review their prices and ensure that quality is paramount in setting prices. In addition, hotels should come up with criteria that should ensure communication reach all the potential customers effectively. Future research could focus on other types of composition variables such as processes, physical facility and people to establish the their effect on growth of hotels. In addition, future researcher could find out the challenges that hotels face when they focus on four aspects of marketing mix with a view of enhancing growth.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Marketing can be defined as the process of management through which services and goods move to the customer from the concept. It includes the coordination of four elements namely identification, selection and product development, price determination of the developed product and selection of a distribution channel to arrive at the customer's place (Yudelson, 1999). Marketing mix is one of the fundamental concepts in marketing and it focuses on four aspects that is product, promotion, price as well as place. Marketing mix is therefore the thought out combination of activities involved in marketing that an organization engages in order to best meet the requirements of its target market. The practical application of marketing mix by organizations varies based on their business strategies, size, geographical location and their edge of competition (Klein, 2007). Marketing mix has also been referred to as a set of variables which can be controlled and the levels that the organization uses to influence the target market (Bootwala et al, 2009)

According to Low and Tan (2005) marketing mix is very important for a firm since it assists marketing managers and strategic level management in resource allocation. This is because it allows the company to make decisions related to resource allocation in a more efficient and effective manner hence more resources are allocated to those activities that generate more profit for the firm. The firm is also able to identify the marketing mix strategy that gives it a competitive edge over its competitors. Competitive advantage according to Kotler (1997) is the ability of the company to carry out its activities better in one or more ways that its competitors cannot do the same. It gives a company an edge over its rivals and hence the ability to generate better value for the firm as well as its shareholders. A business must aim to develop sustainable competitive advantage because the more sustainable the competitive advantage is the more hard it becomes for competitors to copy and introduce the advantage to their firms. Marketing and healthy competition are a fact of business life hence business managers should try to develop strategies to compete successfully in the market place.

According to Kotler and Armstrong (2009) the marketing mix is often termed as the '4 Ps', which is, price, place product as well as promotion. To meet the needs of the

customer, a business must develop products that satisfy their wants, charge the right price i.e. not very expensive, get the goods to the right place where customers can easily access, and the business must also make the existence of the product known to the customers through promotion.

Global Perspective

STR Global (2016) noted that there are approximately 187,000 hotels that offer 17.5 million guest rooms, around the world. It defines hotels as properties that are borrowed on a night basis and they must also have a specified number of rooms so as to fit that definition. STR was formed through acquisitions hence its definition of hotels estimate includes properties with more than 20 rooms in the US only and more than 10 rooms for the rest of the world this numbers therefore give a general definition of a hotel. That definition however leaves out many other hotels including properties that have less than 20 rooms, hostels, motels, inns, apartment hotels, residence hotels, guest houses among others.

The industry of hotel worldwide was forecasted to make approximately 550 billion U.S. dollars in revenue in the year 2016 (Chen, 2015). This industry revenue was at 457 billion US dollars in the year 2011 which indicates growth in revenue levels by almost 100 billion US dollars in the past five hence he was able to make a forecast of how much revenue was likely to be earned in 2016. The hotel company that made the highest revenue was the British hotel chain InterContinental Hotels Group which made 21.6 billion U.S. dollars in over 4,600 hotels worldwide 2013 alone. Other major hotels include Hilton Worldwide having 3,992 hotels worldwide as well as Marriott International with 3,672 hotels around the world. Middle East and African countries have the most expensive daily room rate room which stand at 165.97 US dollars on average while Europe and Asia have the highest hotel occupancy rates which stand at over 68% for both.

Kreth (2015) noted that the international hotel business is regulated by the laws of hospitality which rely to food service, travel, as well as lodging industries. It governs the different sectors of the restaurant, spa, hotel, bar, country club, conference rooms, fitness centres and other services offered in hotels. Restaurants have a duty to sell foodstuff which is suitable for human consumption and they must protect customers

against food poisoning, slips and falls, as well as other personal injuries. A lot of states have enacted “Truth in Menu” laws governing descriptions of various food items indicated on menus to allow customers to make informed choices with the right information in hand and hence they only receive what is described in menus and to also ensure that the customer receives exactly what they ordered. A hotel is a commercial establishment that provides accommodation, meals and other guest services. However, the definition varies in different countries.

Hotel Industry in Africa

The African continent is gaining fame and popularity as a major global force in the hospitality industry due to the many tourist attraction sites. The continent’s potential within this industry has continued to grow as several countries experience a boom in tourism and development which in turn drives the necessity to accommodate the influx of international and domestic guests as noted in the World Tourism Organization (WTO), 2014. North Africa accounts for forty one percent for the majority of the hotel being developed and West Africa follows at thirty four percent. Ethiopia is ranked among the top 10 largest markets for international hotel chain developments. Nigeria ranks the highest in terms of the number of hotels with almost 40% which are larger than those in Morocco which is a favourite tourist destination for celebrities. South Africa has the lowest proportion of developments with just 6.1%. Egypt has fewer hotels but larger properties close to double the average hotel sizes in Nigeria and Morocco.

Maritz Africa (2016) noted that in comparison to figures from previous surveys, it is possible to see how far hotel development in Africa has come. However, the two reasons why development activity in Africa especially North Africa is now somewhat subdued is because the markets there are more mature hence they have already seen much development hence new hotels find it very difficult to survive. Political instability in countries such as Libya have has seen a decline in the number of tourists which has translated to a 40% drop in coming up of new hotels.

A survey by African Development Bank Group (2016) showed that the tourism sector in Africa is growing drastically and it translates to better increased income for the country, increased employment levels which translates to improved living standards.

In the year 2014, international tourists totalling to 65.3 million visited Africa which translates to increase of around 200,000 tourists as compared to 2013. Back in 1990, Africa welcomed just 17.4 million tourists from abroad meaning that the tourism sector has quadrupled in size in a period of less than 15 years. This in turn has boosted other business most especially for hotels who offer accommodation and catering services for the tourists. World Tourism Organization (WTO), observed that Africa's strong performance in the year 2014 by four percent makes it one of the fastest growing tourist destinations in the world after Southeast Asia which grew by six percent. The increase in number of tourists corresponds to more money coming into the continent and increases employment opportunities since more and more hotels are coming up to accommodate the growing numbers of local and international tourists . Africa recorded a total of 43.6 billion US dollar in revenue in the year 2014. According to the UK's World Travel and Tourism Council (WTTC), the tourism sector internationally accounts eight point one percent of Africa's total GDP even though it only hosts five point eight percent (5.8%) of the world's incoming tourists and three point five percent (3.5%) of global revenue in the sector showing that there is so much unutilized potential which if utilized would lead to economic growth of a country.

1.1.1 Kenyan Hotel Industry

Kenya has a diverse cultural heritage and a distinctive combination of tourist attraction sites all over the country which attract millions of visitors from all over the world who visit to experience them, however a lot of attention has been given to international tourism as compared to domestic tourism because of the high percentage of tourism earnings that are generated from them. The presentation, pricing and packaging of tourism products in Kenya has long been oriented towards international markets (Mayaka and Prasad, 2012). This has proved to be a major issue because of the unpredictable political, social and economic global effects such as economic declines, terrorism, local conflicts, travel bans, and pandemic disease outbreaks as well as seasonality and competitive factors that result to fluctuations in international tourists (Magableh & Kharabsheh, 2013).

Research shows that despite an increase in hotel bed night capacity of 18.8 million in 2012 from 17.4 million in 2011, the overall bed occupancy level for Kenyan residents

alone stood at 2.79 million in 2012 from 2.6 million in 2011 while the overall bed occupancy by Kenyan residents, permanent occupants and foreigners stood at approximately 7 million in 2012 from 6.86 million in 2011 which is lower than the optimal level (KNBS, 2013). This clearly shows that Kenya is not enjoying the full benefits associated with domestic tourism because the tourism sector's productive capacity is not being fully utilized by local tourists who would help cushion the tourism industry when tourist arrivals are minimal.

According to Hotel and Restaurants Authority (HRA) (2014) the tourism industry is regulated by two Acts of Parliament namely the Hotels and Restaurant Act (Cap 494) which was enacted in 1972 to provide for licensing of hotels, hotel managers and restaurants with a view to regulate hotels and restaurants and the Tourist Industry Licensing Act (Cap 381). The former Licensing and regulation under the Act is administered through the Authority, a board constituted by the Minister for Tourism. KIPPRA (2013) survey indicated that despite the plans that have been undertaken by the Tourism Ministry to encourage domestic tourism for instance reduction of entry fees for residents especially to the parks, or at times free entry to parks during Kenyan public holidays, and hotel concessions for domestic tourists has not yielded the expected results. In January 2010, the Ministry of Tourism commissioned Domestic tourism Strategy Taskforce that researched about domestic tourism. The body presented a report citing the lack of awareness of the diverse tourism products of the local population as well as the mentality by local people that engaging in tourism was extremely expensive and meant for foreign tourists.

Hotels according to the Kenya Law report (2009) can be defined simply as premises excluding those particular in the Third Schedule in which accommodation is made available to willing customers, with or without food or services being provided, in exchange for money. This includes beach cottages, service flats, game lodges, service apartments, safari camps and holiday cottages. Hotels can be classified according to size or the number of rooms available for renting, the target markets such as business hotels, airport hotels, resort hotels, bed and breakfast hotels and conference and conventional centres, level of service offered for instance first-class service, mid range service as well as budget service and they can also be classified according to ownerships or affiliation that is either chain hotels or independent hotels.

Kenya Association of Hotel Keepers and Caterers (KAHC) is the principal comprehensive organization that brings together lodges, hotels, restaurants, membership clubs as well as prominent airline caterers who render services in the industry of hospitality. It was founded in 1944. Its main duties are representation since it's the voice of hotels and restaurants to the government and other agencies, information exchange that is it acts as the principal information exchange network for members and the industry, industrial relations by promoting and protecting harmonious industrial relations, training and it's a common bond for hotels.

1.1.2 Nyeri County

Nyeri County has a range of accommodation to suit all tastes, budgets as well as interests. They include, Treetops, Aberdare Country Club, The Ark, Outspan, Batian Grand Hotel and Sandai. According to the Mt Kenya Tourism Circuit, Nyeri County in the past years has enjoyed lots of interest as a tourism destination. Having various attractions such as the Mount Kenya with its snow capped peaks namely Batian and Nelion, Mount Kenya National Parks and the Aberdare, and a number of superior hotels, lodges as well as ranches such as Solio ranch offering upcountry holiday destination, Baden Powell graves, private ranches and Lewa wildlife conservancy and Mau Mau caves found in Mount Kenya and Aberdare forests (Nyeri county government report 2016), Nyeri is indeed the tourism jewel of central Kenya. Among the notable hotels that offer accommodation within Nyeri County includes; Fishing Lodge Guest House, Homestay and cottages, West Wood Hotel, Serena Mountain Lodge and Naromoru River Lodge, White Rhino Lodge, Mt Kenya Leisure Lodge, Mt Kenya Lodge as well as Starbucks Hotel. Following the issue of insecurity and political differences between political parties some countries have issued travel banes to Kenya for their citizens which has led to a decrease in the number of tourists willing to travel, the number of bed nights have decreased following the cancellation of many visitors across the globe which has affected the tourism sector in Nyeri County negatively.

1.2 Statement of the Problem

Hotel industry has grown tremendously over time and it contributes greatly to the economy in terms of providing employment and GDP of a country. Nyeri County is

one of the tourist destinations in Kenya. Hotel business has therefore been one of the key investments in this County. Over time there has been a rise in the number of local and international tourists in Kenya and in Nyeri County in particular which in turn has lead to increased competition among the many hotels as they try to attract many customers. Marketing theory points that the combination of the elements of marketing mix that is, product, price, place as well as promotion are central to the success of the marketing activities of firms in the hotel industry and any firms which has increased number of customers translates to increased sales which eventually leads to increased profits and in the long run business expansion and growth. However, some hotels that were otherwise regarded as large in Nyeri County seem not to grow as much as other new entrants. Application of marketing mix would be one of the key tools to leverage on business in this County to assist in growth of firms or even to assist them to dominate the market. Therefore, the aim of this study is to find out the effect of the marketing mix on growth of selected hotels in Nyeri County.

1.3 Purpose of the Study

The reason of this study was to investigate the effects of marketing mix on the growth of selected hotels in Nyeri County, Kenya.

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of this study was to investigate the effect of marketing mix on growth of selected hotels in Nyeri County, Kenya.

1.4.2 Specific Objectives

The specific objectives of this study were:

- i. To explore the effect of price on the growth of selected hotels in Nyeri County.
- ii. To analyze the role of product in the growth of selected hotels in Nyeri County.
- iii. To assess the effect of promotion on the growth of selected hotels in Nyeri County.
- iv. To evaluate the influence of place on the growth of selected hotels in Nyeri County.

1.5 Research Questions

- i. What is the effect of price on the growth of selected hotels in Nyeri County?
- ii. What is the role of service in the growth of selected hotels in Nyeri County?
- iii. What is the effect of promotion on the growth of selected hotels in Nyeri County?
- iv. What is the weight of place on the growth of selected hotels in Nyeri County?

1.6 Significance of the Study

This study could benefit several parties. The management in the hotels might learn the way the 4P's affect the growth of their organizations. As a result, they may find inevitable need to use the appropriate marketing mix to stay ahead of competition and also allocate resources efficiently. Business owners might find the findings of this study relevant and from its recommendation they may learn how to better apply the marketing mix in their businesses to reap more benefits. Scholars and academicians especially the ones in marketing courses might find the results of this study important. Researchers interested in this kind of research in future may benefit from the findings of this study.

1.7 Scope of the Study

This study was done in selected hotels within Nyeri County. The population of the study consists hotels in Nyeri County with several functional department by considering those hotels that offer the full range of services and it consists of the Marketing Managers, and Hotel managers who have the required knowledge in the area of the research study.

1.8 Limitations of the Study

The researcher may experience a few challenges in the course of carrying out the study. For example, there might be decreased willingness of the respondents to give the correct information due to fear of how the information would be used. However, the researcher explained the importance of this study to the respondents so as to positively change their attitude towards the study. In addition, the researcher visited the respondents and create rapport as well as assure the respondents that their identity would not be disclosed so as to help them give the correct and accurate information.

1.9 Delimitations of the Study

Although there are many hotels in Nyeri, the study could not be done in all of them but concentrated on those ones that offer the full range of services. This saved on time and finances especially during data collection.

1.10 Definition of Terms

Hotel An establishment that provides food, lodging and other services for paying guests and having more than fifteen (15) rooms.

Place These are activities that ensure the availability of the product to consumers. It consists of issues for instance channels of distribution, coverage of market, product inventory, and distribution sites as well as transportation (Rodriguez, 2013).

Price This refers to the total amount of money remunerated by customers to purchase the product. It consists of issues for example credit, list prices, discounts, repayment term as well as conditions (Fyall & Garrod, 2005).

Product Refers to services or goods offered by an organization to its customers. It's a physical item which is sold and it has a palpable attributes, a complex set of benefits which could be used to meet the needs of the customer (Fyall & Garrod, 2005).

Promotion Refers to activities that communicate the features of the product, its benefits as well as persuade customers to purchase the product. It comprises of issues such as personal selling, advertisement, public relations, direct marketing and sales promotion (Kotler et al. 2005).

1.11 Summary

The chapter has covered the background of the study, problem statement, purpose, objectives and research questions, significance, scope, limitations, delimitations and definition of terms.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the past studies conducted on the problem at hand. It includes various studies on the dependent and the independent variables. This sets the base of establishing the relationship between the independent as well as the dependent variables. It comprises theoretical framework, empirical review, conceptual framework, critique of empirical and the summary of the chapter.

2.1.1 Marketing Mix Concept

According to Kotler and Armstrong (2005) marketing is a managerial and social process through which individuals as well as groups obtain what they need and want by creating and exchanging values and products with other consumers and businesses. Kotler, Adam, Brown and Armstrong (2003) have defined the marketing mix as the combination of tools of marketing an organization uses to pursue its marketing objectives. They describe the marketing mix as the internal elements or ingredients that make an organization's marketing programmes successful.

The concept of marketing mix is a widely used concept in marketing and James Culliton in the late 1940s depicted the marketing manager as ingredients mixer because he is involved in coordination of all elements of marketing effectively and efficiently. Those elements that are intertwined include products offered, planning, price, branding of the products and the organization, distribution to ensure that the products reach the intended customers, display of the products, packaging, and the different promotion methods used and they must work together for the success of any organization. Jerome McCarthy classified these multiple elements into four high basic categories that are referred as the 4 P's of marketing (Jerome, 2009). The 4ps are the basic components of any marketing plan for a successful firm. Together these elements help develop successful marketing strategies and tactics. The 4P's of marketing were developed further and advanced over the years by different scholars to ensure the implementation and creation of a successful strategy of marketing and it attempts to satisfy all the interested parties. When properly implemented, marketing mix has confirmed to be a key factor in success of the product according to (Gronroos, 2005).

Firms always aim to achieve competitive advantage as well as synergy by having a good integrated program of the marketing mix. Zeithaml, Bitner and Gremler (2006) explained that the strategy of marketing is a roadmap that clearly shows how an organization allocates its resource efficiently and effectively and how it relates to its external and internal environment which in turn leads to achieving of the firms objective in order to generate more economic value as well keep the organization in front of its competitors. The strategies of marketing have a major impact ahead of the efficiency in operations as well as cost structure of an enterprise.

Lamb, Hair and McDaniel (2012) studied on the broad perspective of the marketing mix and concluded that, for instance, price comprises of more than simply the amount of money that the consumer pays when buying a product which is the basic definition. It includes issues such credit deals, discounts available and special offers. Place is more just the physical movement of products from producers to consumers. It includes issues such as ease of access to the products, the way they are displayed and presented to customers whether in an enticing manner and the environment in which they are made available for use by the customers. Product according to them is not just the physical item made available for purchase to the customer but it also deals with the branding of the product and the level of customer service that accompanies it. Finally according to them promotion is more than mere advertising which is just one way of promoting products. It should also cover all ways in which the organization communicates and relates with its customers and other interested external and internal stakeholders. This means that marketing mix is more of building relationships and not just making products and delivering them to customers hence it is all round.

Callwood (2013) argued that the traditional model of the 4P's ought to be expanded to become the 7Ps services management. The 7Ps can then be used to formulate a strategy of marketing by which a service organization can achieve a competitive advantage. Every 7Ps of the service management model can be viewed as an opportunity to define business strategy as well as gain competitive advantage. The elements of marketing mix are considered to be essential element of every marketing strategy.

2.2 Theoretical Framework

The study was be guided by the following marketing theories: Ansoff matrix, 4C's marketing model and Unique Selling Proposition.

2.2.1 Ansoff Matrix

This is a strategic marketing tool which provides a framework for management team to set strategies for future growth of firms. It classifies and explains various growth strategies for an organization. The tool was invented by Igor Ansoff in 1965 and it is used to develop tactical options for businesses. The tool is said to be one of the mainly commonly used tools for this type of analysis because of its simplicity as well as ease of use.

New Markets	Market Development	Diversification
Existing Markets	Market Penetration	Product Development
	Existing	New
	Products and Services	

Figure 2.1: Summary of Ansoff Matrix

Source: Ansoff, 1957

This theory identifies alternative strategies of growth by looking at present as well as potential products in future and present markets. Ansoff describes four growth alternatives and the first one is market penetration which is a strategy whereby the organization tries to grow by use of its existing services as well as products in existing markets (Ansoff, 1957). This includes increasing the share of the market in present market segments through selling more services or products to existing customers or getting new customers in present markets. This can be achieved by a firm engaging in aggressive distribution as well as promotion, attainment of a rival in the same market and modest refinements of the product.

The second one is market development and it involves a firm developing entirely new products or services and introducing them in existing markets. This involves coming up with products or services that can meet customers' tastes since they change over time and also outperform competitors' products. This kind of strategy is more probable to be successful where the organization has a unique product innovation, it gains from economies of scale or the novel market is not as well different from the

one it has experience in and the customers in the existing market are fundamentally profitable (Ansoff, 1957).

The third one is product development and this is whereby an organization tries to develop new products targeted at its present markets to achieve growth and it includes increasing the product range accessible to the organization's present markets to include new and improved products (Ansoff, 1957). The firm may get new ideas from carrying out research and development, acquisition of rights to produce another firm's product and buying in an existing product and rebrand it.

Lastly diversification and this is whereby an organization tries to grow its market share by introducing novel services or products to new markets and it's the most risky strategy because a firm enters new markets with new products or services. It is categorized into horizontal diversification where the company develops a totally new product capable of satisfying the same customers, vertical diversification where the company develops products according to customers specifications or even suppliers specification and concentric diversification where the company develops new products with a complementary technology to the current products and they may attract new customers. And finally diversification by conglomerate where the company has different products for various markets.

Hence hotels can decide on which strategy best suits them by considering their finances, competencies and the tastes and preferences of their target market because they change over time. They should also consider emerging trends so as to ensure that they keep up with the changes happening around them to ensure that they don't lose out on business to their competitors. They should therefore identify the best strategies to implement to ensure that their products reach the intended customers and they should also ensure they make a combination of the right marketing mix to ensure that they gain sustainable competitive advantage over their competitors hence attracting new customers and retaining existing ones.

2.2.2 4C's Marketing Model

Usually the marketing mix has been thought of based on the McCarthy's 4Ps that is Price, Promotion, Product, as well as Place. The above approach originated in the

1960s when harmonized mass marketing was efficient. However, customers needs and wants have changed drastically. The 4Cs model, which was proposed by Prof. Robert Lauterborn, recognises that a change in emphasis is desirable and places the focus firmly on the perception of the customer before the business (Lauterborn, 1990). It's an adjustment of the model of 4Ps. It's not an essential part of the definition of the marketing mix, but quite an extension. It is more consumers oriented. The components of this marketing model include consumer, cost, communication and convenience. Cost is equivalent to Pricing in the traditional marketing mix. Price is not the lone cost incurred when purchasing a given product. Opportunity cost or Cost of conscience is as well part of the cost of product possession (Lauterborn, 1990). Cost is an extremely important deliberation when making consumer decision and hence in the principle of 4 C's, the variable of cost is given special consideration. The model of 4 C's generally plans basing on the customers rather than products. Hence, they must plan product cost on the basis of their customer. Product costing is dependent on the customer.

Communication concept remains similar for both, the customary marketing mix and for the 4 C's of marketing. The communications marketing for an organization based on the 4 C's of marketing is totally different as it requires a totally different segmentation, positioning as well as targeting. Lauterborn viewed promotion as controlling and described it to be a one-way system having communications pushed from organization to consumer (Lauterborn, 1990). The author view of communication was that it ought to be about conversation, that is, a two-way conversation involving the company and the customer.

Convenience is equivalent of placement or distribution of the customary marketing mix. When a business has a position customer base, the ease of the customer in obtaining its products plays a significant role. The product ought to be readily accessible to the consumers (Lauterborn, 1990). Marketers must strategically put the products in several noticeable distribution points. An organization must only sell products that address demands of the consumer. The author suggested 'Consumer wants and needs' to be the focus on being product-led to organizations making products customers did not desire. Therefore, business researchers as well as

marketers ought to carefully study the wants of the consumers and needs (Lauterborn, 1990).

In general, the traditional model of marketing mix helps an organization define its strategy more efficiently. Nevertheless, the model of 4 C's, though not much different, actually helps if an organization is a customer oriented firm. The model of 4Cs has a customer-centric focus in addition to ensuring that businesses consider the marketing mix from the customer's viewpoint

2.2.3 Unique Selling Proposition

This refers to a marketing concept that was proposed first as a theory to explain a model in victorious advertising campaigns in the early 1940s. It was developed by Rosser Reeves in 1961. According to (Reeves 1961) a unique selling point is a factor that a business has that is different or better than what the competitors have hence making it stand out from its competitors. Theodore (1986) suggests that product differentiation is one of the most important strategic and tactical activity in which firms must constantly engage in so as to make themselves better than their competitors.

Reeves (1961) defines unique selling proposition in three parts the first being that each advertising must make a proposition to a customer that is, it must inform customers of the specific benefits they will get after using only product instead of competitors products. The proposition should be one that the competitor cannot or does not offer. Finally the proposition must be strong enough to move masses that is, attract new customers and retain existing ones.

A business can peg its unique selling point on either its product, price, promotion and place strategies so as to position the product and differentiate it from what competitors are offering so as to attract as many customers as possible.

2.4 Empirical Review

This comprises of analyzing the relationship between each independent variable and the depend variable.

2.4.1 Price and Growth

Price is defined as the amount of money charged to the buyer for acquiring as well as using a product (Fyall & Garrod, 2005). It's the most flexible element of the marketing mix, the only element which produces revenue and it can be changed quickly. Markgraf (2015) on a study found out that the price charged by the seller ought to match the product. In the hotel industry, price determines the destination's competition with other destinations and includes costs of transportation to and from a given destination, food, accommodation and attractions. Devashish (2011) on a study in India concluded that the price strategy not only includes the real price that the organization charges but also includes discounted price as well as volume discounts as for bundled products.

According to Rogerson (2013) on a study in South Africa, price determines the amount of profits a company makes. Price is the value attached to a product and it's the lone element of the marketing mix that makes profit for the organization. Changing the price of a product in relation to competitors prices has a major influence on the marketing strategy because it affects demand of a product and hence the sales. Hence the price should complement the other elements of the marketing mix. Rogerson (2013) added that however attractively made and packaged a product is, its demand will not be high if the prices are unattractive relative to competitors prices. Price attributes such as discounts, allowances, payment periods and credit terms should be considered well in advance. However a firm must know the value attached to their products by customers when setting prices of the customer perceived value for their products because in some cases the quality of a product is attached to its price.

Muchina (2012) did a study on the marketing mix effects on profitability of institutions within the sector of banking in Kenya. From the findings of the study he found out that decisions of the products, promotion, pricing as well as distribution were found to have an effect on productivity in the banking industry. The study recommended that there should be creation of more awareness on the pricing as most of them were not aware of some of the prices especially the hidden charges. This was despite the fact that most customers chose products depending on the price of the product.

The effects of marketing mix on selection of Tourist Accommodation by Domestic Tourists in Kenya were conducted by Kamau, Waweru, Lewa and Misiko (2015). They found out that regarding the marketing mix attributes most respondents strongly agreed that their choice of tourist accommodation facility was highly influenced by the price set. Hence they concluded that tourist destination offering accommodation should set reasonable prices so as to attract domestic customers to their facilities. They also recommended that they should price their products in relation to competitors prices and they should tailor make their products to attract local tourists.

There are different pricing strategies which include price skimming whereby hotels charge the highest price probable that customers who most desire the product being offered will pay for it. They draw market segments which are most interested in quality, uniqueness and status. Market Penetration Pricing is designed to arrest market share by entering the existing market with a low price in relation to the competitors to attract more buyers. The strategy is used to penetrate into markets to increase sales. Odd-even pricing is where sellers end prices with a certain number for example Ksh. 2999 which sounds cheaper than Ksh. 3000. Price bundling is where hotels sell multiple services together at a lower rate than that which customers would incur if they purchased each item separately. They may unbundle price that is breakdown prices and allow customers to decide what they want to purchase. Cost-plus pricing where cost is calculated then a percentage is added.

2.4.2 Product and Growth

In the hospitality industry, the product consist of the destination attractions and its environment, destination's services as well as facilities, destination accessibility, in addition to its imagery insight (Fyall & Garrod, 2005). The tourism product is composed of both tangible aspects of tourism such as economic improvement, reduction of unemployment levels which leads to improves living standards and intangible aspects such as accommodation services, transportations facilities (Rodriguez, 2014) that have benefits and features (Markgraf, 2015). Rodriguez (2014) argues that product decisions influence various aspects of a firm such as the marketing mix to adopt, the firms long term growth and expansion strategy, human resources, and investment policies. Most importantly they noted that the services

quality have a great significance on tourist fulfillment hence the kind of tourist products offered hence greatly influence a customer's choice of tourist destination. Hence hotels that provide excellent services are likely to rank high in the mind of customers.

Yang, Liu and Qi (2014) studied the demand of domestic tourism of rural as well as urban residents in China. The authors found a significant correlation between performance of the product and reputation of company. There was also a relationship between product qualities with customer loyalty. The hotels with high quality food and accommodation were more preferred. advertising, product activities such as innovations also enhance a brand's perceived quality and increases the chances of attracting more customers. According to Singh and Krakover (2013) who studied the perspectives of Israeli domestic tourists noted that the ability of a given business to charge higher prices for superior quality is contingent on the easiness with which customers can determine the products quality. When customers are uncertain on quality they be likely to use price as a sign of quality in most cases. This suggests a relationship amid quality as well as price whereby apparent quality completely influences price of the product in conditions of better information availability, as well as price positively influences perceived quality in conditions of lesser information availability.

2.4.3 Promotion and Growth

Promotion in the marketing mix is important because it gives information to potential customers about the products and services offered. Pegas, Weaver and Castley (2015) on a study on domestic tourism and sustainability in Brazil's noted that the marketing mix of a tourist destination comprises a number of many interrelated factors to help develop the final product. Pegas, Weaver and Castley (2015) added that marketing communication channels have a great impact on domestic tourism growth because through them existing and potential customers are able to know regarding the offering of an organization, persuades them to buy products from the tourism industry, reinforces experiences, differentiates a product from a given organization from what competitors are offering, promote goodwill as well as positions the unique benefits of a given product to consumers.

A survey by World Travel and Tourism Council, 2014 of senior executives in the tourism sector, case studies and previous research done at the national and sub-national level on results of investing in advertising shows that a well-formulated marketing promotion strategy and campaign likely increases brand awareness by customers, improves perceptions of tourist destinations, hence leading to increased bookings by tourists and tourist spending hence earning a country income. Many WTTC studies have reported an increased income for firms that have invested in marketing with benefits outweighing the initial investment. Hence firms and most especially hotels invest in marketing to maintain the relevance of their brand, inform customers of their products and continuously try to persuade potential customers to experience their products

Mutinda and Mayaka (2012) revealed that the awareness by Kenyan people on domestic tourist destinations as it was classified by the Kenya Tourist Board was lacking and factors that determine tourists' choice of destination was extremely influenced by traits of an individual known as push factors rather than the environmental factors known as pull factors since most Kenyans did not have information on tourist offers in most of the destinations which makes up the "pull factors" that have an essential function in determining the motivation of tourists to travel. Ndivo, Waudu and Waswa (2012) examined the appeal of Kenya's tourist destinations' through the perceptions of domestic tourism market. The study revealed that a number of significant Kenyans might not be conscious of the majority of the domestic tourist destinations as well as confirmed the fact that merely a few of attractions in Kenya were recurrent by the domestic tourist market. From the study, the inadequate sources of information on travel available to Kenyan people together with the limited activities of tourism accessible at the majority of Kenya's attractions might in fact be the most important factors contributing to the lack of popularity as well as awareness of the majority of Kenya's tourist attractions.

2.4.4 Place and Growth

Rodriguez (2013) defines place in the tourism industry as the exchange routes through which a tourist is able to access a product of tourism, set aside, consume as well as pay for it. It can also be defined as the physical location, or it might be seen based on the accessibility as well as obtainability. Rodriguez (2013) notes that how information

on tourist products reaches the target market is mostly associated with where information is found for instance in web pages, trade shows, direct mail, resellers, tourist physically travelling to the destination access of the product because of the services nature. The author emphasizes the use of intermediaries for instance tour operators as well as travel agents to distribute information regarding tourist destination.

Research by Kasim et al. (2013) in Malaysia indicated a significant relationship between place and customer satisfaction. They indicated that location also includes provision of safe and adequate parking space, service bays and clean washrooms. Some hotel destinations are located in the remote areas increasing the cost of accessing it for the tourist. They added that the location of the destination is a major consideration in a travel budget.

2.5 Conceptual Framework

Conceptual framework is a concise explanation of the occurrence under study accompanied by a visual or a graphical depiction of the main variables of a given study (Mugenda and Mugenda, 2003). It can also be described as a diagrammatical depiction that shows the relationship that exists between independent and dependent variables (Shields & Rangarjan, 2013). Figure 2.2 shows the relationship between the growth which is the dependent variable and marketing mix which is the independent variable.

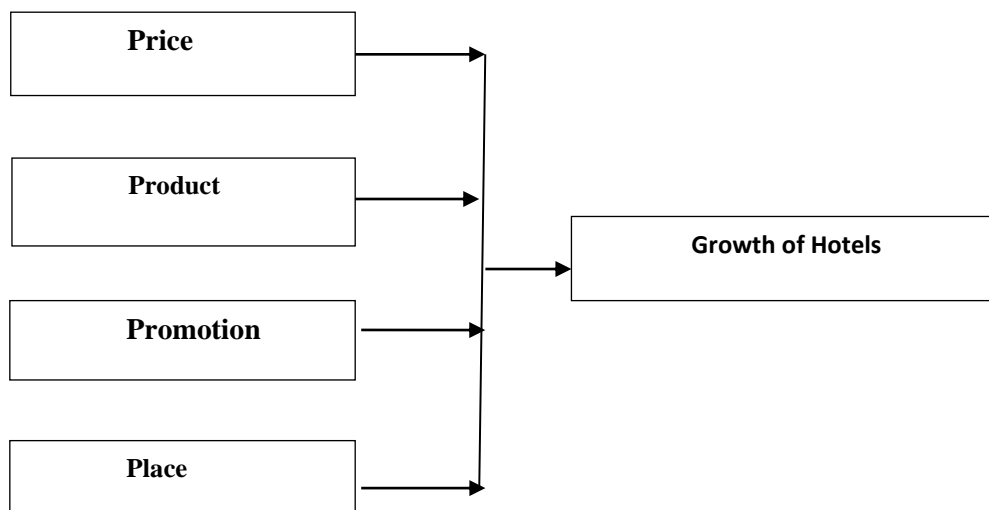


Figure 2.2: Conceptual Framework

2.6 Operational Framework

Operationalization refers to the stringent process of defining variables into factors that can be quantified (Gray, 2004). This process permits the variables of study to be quantified quantitatively as well as empirically. The process sets the precise definitions of every variable, raising the results quality, and improving the design robustness. Figure 2.3 shows the parameters used to measure dependent variable (growth of hotels) and the independent variables (product, price, promotion and place).

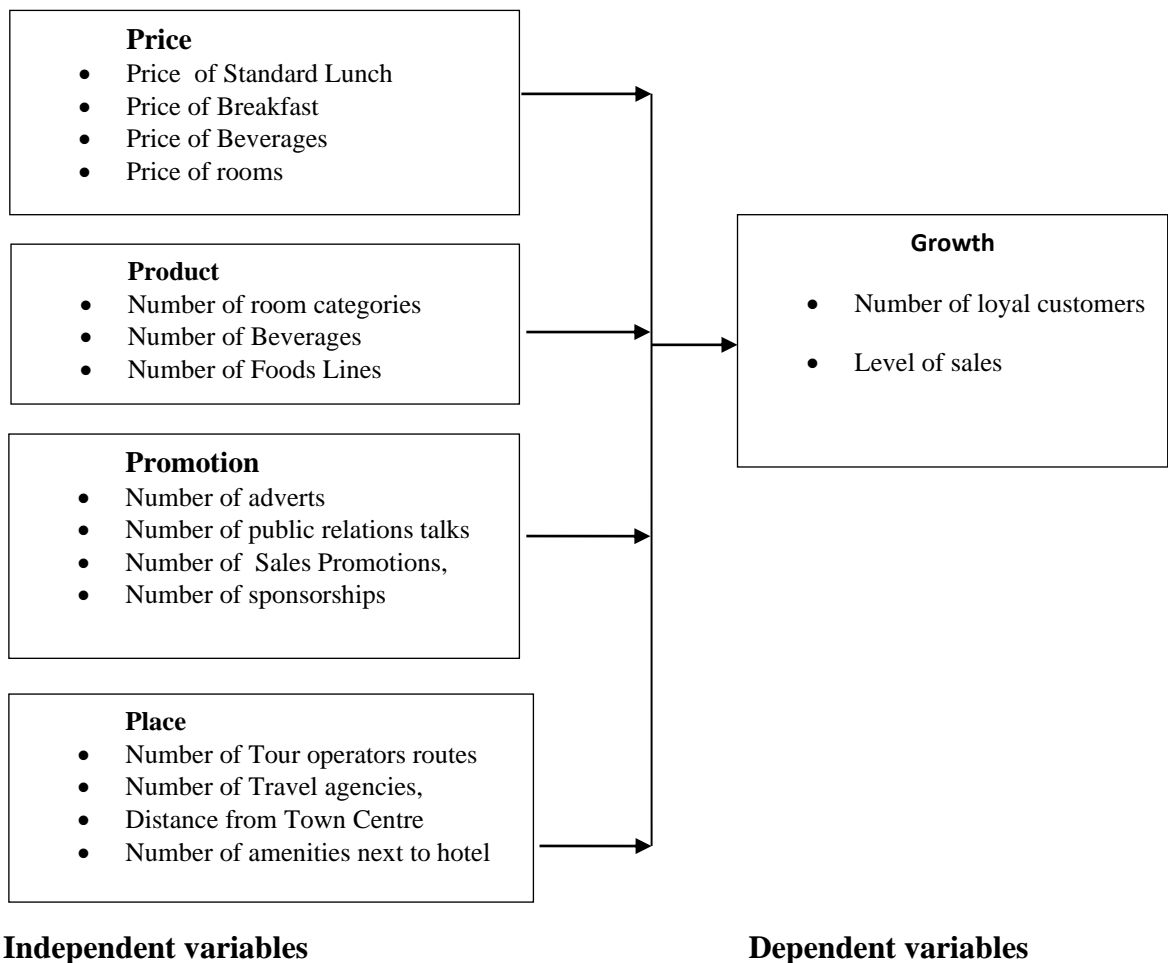


Figure 2.3: Operational Framework

2.6.1 Price and Growth

According to Kotler, Armstrong, Wong, and Saunders (2008), price is the total amount of money charged for a given product. Owing to the intangible nature of services price is a very important pointer of quality (Zeithaml, 1981). According to Peter and Donnelly (2007), customers frequently purchase products on the basis of price rather than additional attributes. Hence, hotel managers should carefully set the prices of the various products on offer having in mind the target market they wish to attract.

Some of the measures of price include the price of standard lunch, price of breakfast, price of beverages and prices of rooms for accommodation. The choice all depends on the customers' ability and willingness to pay for the kind of meals they want to take at a hotel. For hotels targeting high end customers they should focus more on quality of the products offered because such customers associate high prices with better quality and hence they should get value for their money. For such customers the things that attract them to products are other factors such as attractiveness and ambience of a place, free services such as free Wi-Fi, less congested places, ample parking space, security hence hotels should put such factors into consideration when deciding on the target market.

The price for a room depends on many factors such as the time of year whether its peak season or off peak seasons, the physical specifications of the room such as room size, whether its on the ground floors or upper floor rooms, Suite or non-suite, room service among others, the specification of the hotel including location, star rating, hotel brands, amenities among others, the market competitors prices, the duration of stay, the rate of occupancy, and the number and type of guests.

2.6.2 Product and Growth

A product can be defined as something that can be offered into the market for purchase, attention, consumption or use with the main aim of satisfying a want or need (Armstrong and Kotler, 2006).

According to Borden (1984) a product is characterized by design, its quality, characteristics, sizes as well as brand name. Hence managers should focus on these

features to ensure that they tailor make their products to meet customers' needs while at the same time differentiating them from competitors products to give that firm a competitive advantage over their competitors. Hotels offer a wide range of services to make sure that their clients are happy and content. Some of the services include swimming pools, Spa services, Fitness centres, golfing clubs, tennis courts, accommodation, room service among others.

Some of the measures of products offered include number of room categories, number of beverages and number of foods lines. They can be measured by looking at occupancy level for rooms and the number of beverages and food consumed within a particular period of time. Hence if there is an increase in the numbers as compared to previous times they can conclude that they have been able to serve more customers as compared to maybe the previous month.

Rooms can be classified as single rooms, double rooms and suites which can either be presidential suite, honeymoon suite, junior suite, grande suites or executive suites. These categories enable hotels of similar size to compare operating procedures and statistical results. Levels of service can be classified as world class service and they are referred to as luxury or five star hotels. Such levels aim at top business executives, high ranking political figures, entertainment celebrities as well as wealthy customers as their chief markets. Upscale restaurant experiences are provide and some in Kenya include Hilton Hotel, Intercontinental Hotel, Nairobi Serena Villa Rosa Kempinski among others. On the other hand, Mid range service Hotels offers a mid-range or 3 to 4 star hotel service. They offer uniformed service, beverage and food room service, Wi-Fi as well s in room entertainments. For Budget Service, comfortable, clean, safe, low-cost rooms as well as meeting the essential need of guests is provided. Budget hotels attracts mainly to budget minded travelers who needs a room with least amount of services as well as amenities necessary for relaxed stay with no needless payment of additional cost for costly services.

2.6.3 Promotion and Growth

According to Lovelock, Patterson and Walker (1998) promotion can be defined as a choice of how best to relate a given product to the intended market as well as how to persuade them to purchase the product despite stiff competition from competitors.

This is how customers are able to know about the existence of a hotel, offers available and important information such as pricing, offers and discounts available, location and the various options available for payment. Some of the methods include advertising which is advertising by use of mass media, internet marketing which involves placing adverts on internet pages, public relations which is developing a constructive relationship among the organization, the media as well as public in general, social media where firms post daily messages on social media for instance twitter and facebook and sponsorships where the hotel decides to pay an organization or event to their branding and logos.

It can be measured by considering the number of adverts either on print media, televisions or radios, number of poster in Nyeri County, number of bill boards, number of public relations talks, number of sales promotions and number of sponsorships. With appropriate promotion techniques a hotel can be able to retain existing customers and attract new ones. According to (Munusamy and Hoo, 2008) marketers should come up with appropriate communication which offers consistent messages about a firms products and it should be positioned in media that customers in the target market are expected to use so that that they can be able to learn about the different products on offer.

2.6.4 Place and Growth

It is a set of interdependent institutions that caters to the process of making a product available to the customers (Armstrong and Kotler, 2006). According to Hirankitti et al. (2009) place is referred to as the easiness of access with which possible customers' connects to a service for instance distribution and location. Copley, (2004) stated that an organization should emphasize on how to convey the product at the correct time as well as at the correct place and which channel ought to be used to convey the product.

This is how customers are able to get information on location, offers and services. Most of the information they get is from Tour operators, Travel agents, Trade shows and Web pages hence it should be exhaustive to ensure that customers make informed decisions with the information they receive from such channels without necessarily having to travel to the physical location of the hotel. It can be measured in terms of number of tour operator routes, number of travel agencies, distance from town centre,

size of hotels by room and number of social amenities next to the hotel. The presence of improved infrastructure such as tarmacked roads, piped water, electricity, malls and shopping centres mostly come up as a result of growth of a firm to ensure that that place is easily accessible hence attracting more customers. With many tour operator routes and many travel agents and agencies a business is able to attract customers from all over the world because they have various sources to seek information from and make bookings based on their needs.

2.7 Critique of Empirical

The major issue for this study is to assess the effects of marketing mix on the growth of selected hotels in Nyeri County, Kenya. The 4ps have particular significance to marketing of goods but have been criticized as inadequate in the marketing of services because of the nature of services. It also suffers from the inability to look at marketing as a relationship tool between a firm and the internal and external customers. However this tool has wide application and is to be tested in the context of hotel industry in Nyeri County. Relationship between the 4Ps and growth in hotels is to be determined and their interaction effect explained.

2.8 Chapter Summary

From the literature reviewed, marketing mix which includes price, product, promotion and place has an influence on a firm's growth. However, part of the literature has been obtained from other sectors like insurance and banking industries which offer different products and services from the hotel industry. There was therefore a research gap on the marketing mix effects on the growth of hotels which the study intended to fill.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter comprises the research methodology target population, research instruments, techniques of sampling and sample size, data collection methods as well as data analysis.

3.2 Research Design

A research design can be described as a structure, plan as well as strategy of investigation to obtain response to questions of research and control variance (Ogula, 2005). A research design that was used in the proposed study was descriptive survey. A descriptive research is used in the case where the problem at hand has been well considered. The research design involves reality finding as well as enquiries of various types. It gives details of a situation as it exists (Orodho, 2004). According to Mugenda and Mugenda, (2003) any investigator who take up this design of descriptive survey tries to produce data that is appropriate, holistic, descriptive, in-depth as well as rich in details.

3.3 Target Population

A target population is a complete set of cases, individuals or objects with some common visible characteristic (Mugenda and Mugenda, 2003). That is, the target population is the total group of individuals from which the analysis sample might be drawn. The target population for this study was the selected hotels in Nyeri County. The respondents comprised of hotel managers and the sales executives.

Table 3.1: Target population

NO	CATEGORY	MANAGERS	SALES EXEC	TOTAL
1	Whiterhino	2	2	4
2	Eland Hotel	1	1	2
3	Naru moru Lodge	1	2	3
4	Batian Hotel	1	1	2
5	Greenhills Hotel	2	3	5
6	Mountain Lodge	2	2	4
7	WestWood Hotel	1	1	2
8	Sangare Farm House	1	1	2
9	Girrafe Ark Lodge	2	2	4
10	Aberdare Country club	2	3	5
11	The Ark	2	2	4
12	Ibis Hotel	2	3	5
13	Golden Gates	1	1	2
14	Outspan Hotel	2	2	4
15	Treetops Lodge	2	2	4
16	RhinoWatch Lodge	1	1	2
17	Mt. Kenya Leisure lodge	1	2	3
TOTAL				57

No sampling was done as the population was deemed small. Out of the 17 hotels under study, all the hotel managers and the marketing managers per hotel were the respondents to this study therefore a census was conducted.

3.4 Data Collection

The process of data collection involves capturing raw primary data from single or multiple sources. (Mugenda & Mugenda, 2003). The main data collection instrument that was used in this study includes questionnaires. For the purpose of this study, a semi-structured closed ended questionnaire was used to obtain data from the hotel managers and marketing managers. The questionnaires were rooted in the objectives of the study. These are easier to administer as well as economical in terms money and time and are easier to analyse. Questionnaires had both closed and open ended questions. A questionnaire is suitable for collecting data for research because it is

appropriate for collecting a lot of information over a short period of time (Ogula, 2005). A questionnaire with both open and closed ended questions allows for every likely question to have a response to ensure that the required data is collected (Burns and Grove, 2005).

3.5. Test of Reliability and Validity

3.5.1 Reliability of Data Collection Instrument

Mugenda & Mugenda, (2003) describes reliability as a measure of degree to which instruments of the researcher produce reliable result or data after repetitive trials. Reliability includes dependability, consistency, or tests' stability (Nachmias and Nachmias, 1996). According to Orodho (2004) it is a degree to which specific measuring procedures gives comparable results over a number of repetitive trials. To enhance reliability of the instruments, a pilot study was conducted among three hotels managers and marketing managers who did not form part of the respondents in the main study. The researcher used test retest method to ensure consistency of the data. Comparable questions were issued and repeated after a period of one week. The responses were summarized and compared to the earlier ones. The relationship between the two tests in the pilot study was calculated using the Pearson product moment correlation coefficient to establish reliability after which questionnaires were edited for completeness and consistency as suggested by Bryman and Cramer (1997) that collected data ought to be edited to make sure that there is uniformity across the respondents.

3.5.2. Validity of Data Collection Instrument.

Content validity is the process of quantifying the degree to which collected data using a given instrument stand for a specific area of indicators or content of a particular concept. Validity is the accuracy and meaningfulness of inferences which are usually based on the results from carrying out the research (Mugenda and Mugenda, 2003).

The pilot study helped to develop the content as well as validity of the instruments. The researcher used validity content to verify whether the items within the questionnaire answer the objectives of the research. The questionnaires were given to the supervisors to critique it. The supervisors suggested the areas that needed changes so as to establish the content of the instrument validity. After the piloting the

questions in the questionnaire were assessed and if found not to be clear were reframed for clarity. It was ensured that the structured questionnaire remain focused, accurate and consistent with the study objectives.

3.6 Data Analysis and Presentation

This study explored the marketing mix effects on the growth of selected hotels in Nyeri County. The independent variables were the price, product, promote and the place. The dependent variable was growth on the hotel. Both qualitative as wells as quantitative approaches were used for analysis of collected data. The collected data was analyzed by use of a Statistical Package for Social Science (SPSS) to generate descriptive statistics and inferential statistics. Descriptive statistics were analyzed by use of measures of central tendency such as mean, median and mode as well as measures of spread such as standard deviation. Inferential statistics is used to make conclusions using t-test, analysis of variance and multiple linear regression. The following formula for the model of regression was used to analyze the relationship:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where; Y	=	Growth of hotels
β_0	=	Constant or coefficient of intercept.
X_1	=	Price
X_2	=	Product
X_3	=	Promotion
X_4	=	Place
$\beta_1 - \beta_4$	=	coefficients of independent variables
ϵ	=	Error factor

The error term represent either all the factors that affect the dependent variable but are not included in the model because they were difficult to measure or others that the researcher was not aware of. After data analysis, the results were presented with the help of percentages, frequency tables, standard deviation as well as mean score. The resulting information was presented and discussed as stated by the study objectives.

3.7 Ethical Issues

Ethical issues were considered during the study which included voluntary participation, informed consent, confidentiality and anonymity. According to Strydom (2002), obtaining informed consent means that every likely information regarding the

aim of the investigation, the procedure to be followed during the investigation, the likely advantages, disadvantages as well as dangers to which participants might be exposed ought to be put to the possible participants in the research. Knowledgeable approval is also required to ensure identity confidentiality (Kvale, 1996). Before the commencement of the study, the researcher sought authorization from the authorities relevant to the study. An introductory letter was obtained from the university. The researcher made clear to the respondents the aim of the study ahead of involving them. The researcher in addition assured the respondents that the information they gave was to be used for the reason of the study plus their identity would be treated with secrecy.

CHAPTER FOUR: FINDINGS AND DISCUSSION

4.1 Introduction

This chapter four presents data analysis, interpretation as well as presentation of findings. The broad objective of this study was to investigate the effect of marketing mix on growth of selected hotels in Nyeri County, Kenya. Questionnaires were used to gather data from the respondents in the selected hotels in Nyeri County. Data was coded, analyzed and the results obtained by use of inferential and descriptive statistics guided by the research objectives as well as research questions. The findings then were presented using frequency tables and their implications explained. Multiple regression analysis was used to determine the extent of the relationship between the independent variables and dependent variables.

4.2 Response Rate

Data that was analyzed was obtained from fifty (50) respondents out of the targeted fifty seven (57) employees of the selected hotels in Nyeri County. Thus the response rate was achieved at 87.7% which was very good according to (Mugenda & Mugenda, 2003).

Table 4.1: Response Rate

Response Rate	Targeted	Returned
Numbers	57	50
Percentage	100%	87.7%

4.3 Demographic Information of the Respondents

Respondents' background information was deemed necessary since the capability of the respondents to provide adequate information on the variables of the study significantly depended on the total number of years the respondents has worked in the institution, educational background, age among other considerations. The respondents background information solicited data regarding the samples has been shown below.

4.3.1 Response by Gender of Hotel Respondents

The study wanted to find out the gender composition of the personnel working with the selected hotels under this study.

Table 4.2: Response by Gender of hotel respondents

Response by Gender	Frequency (n)	Percent (%)
Male	30	60.0
Female	20	40.0
Total	50	100.0

From Table 4.2, the results indicate that 60.0% of the engaged respondents were male while 40.0% were female. The study revealed that majority of the hotel managers or sales executives working in selected hotels in Nyeri County are male. The finding of this study may be explained by the male dominance culture in leadership.

4.3.2 Age Category of Hotel Respondents

The age of an organization has been used in many studies as a measure of an organization's maturity or level of structure stability or establishment. The study thus sought to establish the age group of the engaged respondents.

Table 4.3: Age category

Age category	Frequency (n)	Percent (%)
26 - 35 years	13	26.0
36 - 45 years	19	38.0
46 - 50 years	13	26.0
Above 50 years	5	10.0
Total	50	100.0

As shown by Table 4.3, the study revealed that 26.0% of the respondents were between 26-35 years, 38.0% were aged between 36-45 years, 26.0% were aged between 46-50 while 10.0% were above the age of 50 years. This indicates that majority of the respondents that were engaged aged between 26 - 50 years which is the period staff are productive and energetic to deliver the expected results.

4.3.3 Position in the Organization of Hotels

The researcher sought to establish the position of respondents working with the selected hotels under this study.

Table 4.4: Position in the Organization

Position in the Organization	Frequency (n)	Percent (%)
Hotel Manager	27	54.0
Sales Executive	23	46.0
Total	50	100.0

Table 4.4, indicate that 54.0% of the engaged respondents were hotel managers while 46.0% were sales executive. This is an indication that both categories were adequately represented by the study.

4.3.4 Work experience in Selected Hotels

The study wanted to find out the period under which the engaged respondents have worked with the hotel. This was meant to establish whether the respondent can articulate the issues in this study relating to effect of marketing mix on the growth. The results are as shown in Table 4.5

Table 4.5: Years of experience

Years of experience	Frequency (n)	Percent (%)
1 - 3 years	3	6.0
4 - 6 years	36	72.0
7 - 9 years	7	14.0
10 years above	4	8.0
Total	50	100.0

From Table 4.5, the results indicate 6.0% have hotels for a period of 1-3 years, 72.0% for a period of 4-6 years, 14.0% for a period of 7-9 years while 8.0% have worked for more 10 years and above. This is an indication that the respondents could articulate the issues in this study relating to effect of marketing mix on the growth.

4.3.5 Level of Education of the Respondents

The education level of the engaged respondents was sought in this study so as to establish whether the respondents would fill the questionnaire as well as internalize the intended purpose with ease.

Table 4.6 Level of education

Education level	Frequency	Percent
Certificate	6	12.0
Diploma	34	68.0
Degree	10	20.0
Total	50	100.0

From Table 4.6, the results indicate that 12.0% had certificate, 68.0% of the respondents had diploma while 20.0% had bachelor degree. The finding of the study indicate that slightly above half of the staff working with the selected hotels were diploma holders while slightly below a quarter being bachelor degree holders.

4.4 Price and growth of Selected Hotels in Nyeri County.

Price can be defined as the total amount of money charged for a given product. Peter & Donnely, (2007), reported that clientele generally buy products based on their price before other features therefore hotel managers should carefully set the prices of the various products on offer having in mind the target market they wish to attract. It on this basis the study sought to find out the relationship between price and development of selected hotels in Nyeri County.

4.4.1 Prices of Products in Relation to Competition Pricing

The study wanted to find out how the respondents could rate the prices of products in the hotels they were working for in relations to the competition pricing. The results were as indicated in Table 4.7.

Table 4.7: Prices of products of selected hotels in relation to competition pricing

Prices of products	Frequency (n)	Percent (%)
Very affordable	6	12.0
Affordable	34	68.0
Unaffordable	8	16.0
Very unaffordable	2	4.0
Total	50	100.0

As shown in Table 4.7, 68.0% of the respondents indicated that prices were affordable, 16% unaffordable, 12% very affordable while 12% said that the prices were very unaffordable. This indicated that prices of products of selected hotels in relation to competition pricing were affordable. According to Singh and Krakover (2013), the capability of any given business to charge superior prices for superior quality is dependent on the easiness with which customers can establish the products quality.

4.4.2 Price Changes Frequency in the Selected Hotels in Nyeri county

The results of frequency of changing the prices of products were tabulated in Table 4.8

Table 4.8: Frequency of changing the prices of products

Frequency of changing the prices	Frequency (n)	Percent (%)
Very often	10	20.0
Often	26	52.0
Rarely	14	28.0
Total	50	100.0

As shown in Table 4.8 52.0% said that the frequency of changing the prices of products is often while 28.0% and 20.0% said that the prices were changes rarely and very often respectively. The finding of the study that Hotels review their prices oftenly concurs with Fyall & Garrod (2005), who concluded that price is the mainly flexible element of the marketing mix, the only element that produces revenue and it can be changed quickly.

4.4.3 Price Practices of Selected Hotels in Nyeri County.

The study sought to establish how the respondents would rate price practices of the selected hotels in Nyeri County. The engaged respondents were required to rate each factors in a scale of one to five. Descriptive statistics were generated using SPSS as indicated by table 4.9 and results were discussed

Table 4.9: Descriptive Statistics on Price and Organization Growth

Price and organization growth	N	Mean	Std. Deviation
The prices of standard lunch affects growth of hotels	50	3.3400	1.59860
The prices of beverages affects growth of hotels	50	3.5800	1.60471
The prices of breakfast influence growth of hotels	50	3.4600	1.60624
The prices of rooms affects growth of hotels	50	4.1600	1.31491
Valid N (listwise)	50		

As shown in Table 4.9, the study revealed that prices of rooms greatly affect growth of hotels having a mean score of 4.16 followed by prices of beverages with a mean score of 3.58. The prices of breakfast recorded a mean score of 3.46 while prices of standard lunch had a mean score of 3.34. The finding of the study that growth of hotels mainly relies on prices of rooms, beverages, breakfast and standard supports earlier study by Markgraf (2015), who found out that the price charged should match the product. Devashish (2011), concluded that the price strategy not only includes the actual price that the institution charges but also includes discounted price as well as volume discounts for bundled products. Kamau, Waweru, Lewa and Misiko (2015), stated that there are different pricing strategies which include price skimming whereby hotels charge the highest price likely that customers who most desire the product being offered will pay for it. They draw market segments which are more concerned with quality, uniqueness as well as status. They also indicated that the pricing of market penetration is intended to confine market share by incoming the existing market with a low price in relation to the competition to attract customers. According to Singh and Krakover (2013), when customers are uncertain on quality they be likely to use price as a pointer of quality in most cases. This therefore proposes a relationship between price and quality whereby apparent quality absolutely manipulates price.

4.4.4 Effect of Price on Growth of Selected Hotels in Nyeri County.

Table 4:10 to 4.12 shows the effect of each price factor on growth of hotels in Nyeri County.

Table 4.10 Model Summary of price and growth of selected hotels in Nyeri County.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.377 ^a	.142	.124	1.16802

a. Predictors: (Constant), Price

From the regression results as shown in Table 4.10, the R value was 0.377 signifying that a positive relationship exists between price and hotels on growth in Nyeri County. The R squared (R^2) value of 0.142 indicates that 14.2 percent of the hotels growth in Nyeri County government is explained by price. The remaining 85.8 percent is explained by other factors

Table 4.11 ANOVA for price and growth of selected hotels in Nyeri County.

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	10.835	1	10.835	7.942	.007 ^b
1 Residual	65.485	48	1.364		
Total	76.320	49			

a. Dependent Variable: Growth of selected hotels

b. Predictors: (Constant), Price

The model was significant with the F ratio = 7.942 at p value $0.007 < 0.05$. This is an indication that price when considered singly has a significant effect on hotels growth in Nyeri County.

Table 4.12 Regression Coefficients of price and growth of selected hotels in Nyeri County.

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.956	.552		3.544	.001
Price	.399	.142	.377	2.818	.007

a. Dependent Variable: Growth of selected hotels

Price had positive and significant effect on hotels growth in Nyeri County with $\beta = 0.399$ at p value 0.007 which is less than 0.05. The finding of this study that price affect organisation growth to a great extent reaffirms a study by Rogerson (2013) who stated that price is the value attached to a product and it's the only element of the marketing mix that makes profit for the company. He noted that changing the price of a product in relation to competitors prices has a major influence on the marketing strategy because it affects demand of a product and hence the sales. Rogerson (2013) added that however attractively made and packaged a product is, its demand will not be high if the prices are unattractive relative to competitors prices.

4.5 Product and Growth of Selected Hotels in Nyeri County.

Product refers to services or goods offered by an organization to its clientele. This study sought to determine the function of product in the growth of selected hotels in Nyeri County.

4.5.1 Perception about the Quality of Products

The researcher wanted to establish the perception of the engaged respondents on the quality of their products.

Table 4.13: Perception about the quality of products

Perception about the quality of products	Frequency	Percent
Very high	12	24.0
High	21	42.0
Low	14	28.0
Very low	3	6.0
Total	50	100.0

Table 4.13, 24.0% indicated that their products were of very high quality, 42.0% high quality, 28.0% low quality while 6.0% were of the opinion that their product were of very low quality. This is an indication that even though majority of the respondents felt that their products were of high quality more than a quarter rated that product as of low quality. Based on this finding the quality of the product should be addressed as its one of the major determinant of the organization growth.

4.5.2 Customers Complains frequency in the Selected Hotels in Nyeri county

The study wanted to find out the frequency of customers complains about the quality of products. The responses were tabulated in Table 4.14

Table 4.14: Frequency of customers complains about the quality of products

Frequency of customers complains	Frequency	Percent
Very often	12	24.0
Often	15	30.0
Rarely	17	34.0
Never	6	12.0
Total	50	100.0

As shown on Table 4.14, 24.0% indicated that customers complain very often about the quality of the product, 30.0% often complain while 34.0% of the customers rarely complain. This is an indication that even though most of the respondents perceive that products they offer to be of high quality, majority of the customers still complain about quality.

4.5.3 Frequency of Introducing New Products on Hotel Menu

This study further wanted to find out the frequency of introducing new products on hotel's menu. The findings were as indicated in Table 4.15

Table 4.15: Frequency of introducing new products on hotel menu

Frequency of introducing new products	Frequency	Percent
Monthly	5	10.0
Half yearly	10	20.0
Yearly	11	22.0
It depend of customers need	20	40.0
No specific time frame can be ascertained	4	8.0
Total	50	100.0

As shown on Table 4.15, 10.0% of the respondents indicated that new products are introduced in hotel menu monthly, 20.0% half yearly, 22.0% yearly, 40.0% said that it depend of customers need while 8.0% said that no specific time frame can be ascertained. The results of the study indicated that the frequency of product

development may not be time based but may be determined by other factors such as customers need among others. Yang, Liu and Qi (2014), stated that product activities such as innovations also enhance a brand’s perceived quality and increases the chances of attracting more customers.

4.5.4 Products Customization According to Customers’ Demands

The study sought to establish whether hotels do customize their products according to customers’ demands. The results were indicated in Table 4.16.

Table 4.16: Products were customized according to customers’ demands

Products customization	Frequency	Percent
Yes	30	60.0
No	20	40.0
Total	50	100.0

As shown in Table 4.16, 60.0% of the respondents indicated that the products were customized according to customers’ demands while 40.0% felt that the products were not customized according to customers’ demands. The finding of this study that slightly above half of the respondents felt that the products could be customized according to customers’ demands even though that would be the ideal situation, the nature of some products like structures might not be easily adjusted to meet specific customer’s need. A study by Lauterborn (1990), concluded that an organization ought to only sell a product that fulfills demands of the consumer. Therefore, business researchers as well as marketers must carefully study the customer needs and wants in order to develop product that meet customers demand.

4.4.3 Product Practices and Growth of Selected Hotels in Nyeri County.

The study sought to establish how the respondents would rate product practices of the selected hotels in Nyeri County. The respondents were required to rate each factors of product in a scale of one to five. Descriptive statistics were generated using SPSS as indicated by table 4.17 and results were discussed

Table 4.17: Descriptive Statistics on Product and Organization Growth

Product and Organization Growth	N	Mean	Std. Deviation
The number of rooms categories affect growth of hotels	50	3.8200	1.49407
The number of beverages products influence growth of hotels	50	3.5800	1.60471
The number of foods line impact growth of hotels	50	3.4600	1.60624
The number of conference halls influence growth of hotels	50	4.0800	1.45462
Valid N (listwise)	50		

Table 4.17, revealed that the number of conference halls greatly influence growth of hotels recording a mean score of 4.08 followed by the total number of rooms categories with a mean score of 3.82. The number of beverages products recorded a mean score of 3.58 while the number of foods line had a mean score of 3.46. The finding of the study that growth of hotels depends on the number of conference halls, number of rooms categories, number of foods line and beverages products asserts earlier study by Theodore (1986), who suggested that product differentiation is one of the most important strategic and tactical activity in which firms must constantly engage in so as to make themselves better than their competitors. Rogerson (2013), cautioned that firm must know the value attached to their products by customers when setting prices of the customer perceived value for their products because in some cases the quality of a product is attached to its price.

4.4.4 Effect of Product on Growth of Selected Hotels in Nyeri County

Table 4:18 to 4.20 shows the effect of each product factor on growth of selected hotels in Nyeri County.

Table 4.18: Model Summary of product and Growth of selected hotels in Nyeri County

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.424 ^a	.180	.163	1.14210

a. Predictors: (Constant), Product

From the regression results as shown in Table 4.18, the R value was 0.424 signifying that a positive relationship exists between product and the growth of selected hotels in Nyeri County. The R squared (R^2) value of 0.180 indicates that 18.0 percent of the growth of selected hotels in Nyeri County is explained by product. The remaining 82.0 percent is explained by other factors

Table 4.19: ANOVA for product and Growth of selected hotels in Nyeri County

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	13.709	1	13.709	10.510	.002 ^b
1 Residual	62.611	48	1.304		
Total	76.320	49			

a. Dependent Variable: Growth of selected hotels

b. Predictors: (Constant), Product

The model was significant with the F ratio = 10.510 at p value $0.002 < 0.05$. This is an indication that product when considered singly has a significant effect on the growth of selected hotels in Nyeri County.

Table 4.20: Regression Coefficients of product and Growth of selected hotels in Nyeri County

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.865	.512		3.644	.001
Product	.428	.132	.424	3.242	.002

a. Dependent Variable: Growth of selected hotels

Product had positive and significant effect on hotels growth in Nyeri County with $\beta = 0.428$ at p value 0.002 which is less than 0.05. The finding of this reaffirms a study by Yang, Liu and Qi (2014) who reported a significant correlation between products performance and company's reputation. They further found a relationship between qualities of the product with loyalty of the customer. Their study concluded that, hotels with high quality food and accommodation were more preferred.

4.6 Promotion and Growth of Selected Hotels in Nyeri County

Promotion can be defined as the actions that communicate features of the products and benefits as well as convince clientele to buy the product. This study as a result, wanted to assess the effect of strategies of promotion on the growth of selected hotels in Nyeri County.

4.6.1 Promotional Strategy used to Market Selected Hotels in Nyeri County

The study sought to establish the promotional strategy organization use to market their products

Table 4.21: Promotional strategy used to market organization

Promotional strategy used	Frequency	Percent
Advertising	2	4.0
Sales promotion	5	10.0
Personal Selling	12	24.0
Public relations	7	14.0
Direct marketing	8	16.0
Digital marketing	16	32.0
Total	50	100.0

As shown in Table 4.21, 4.0% place adverts to market their product, 10.0% focus on sales promotion, 24.0% use personal selling, 14.0% public relations, 16.0% direct marketing while 32.0% use digital marketing. The finding of the study revealed that digital marketing and personal selling were the commonly used promotion strategies in selected hotels in Nyeri County.

4.6.2 Communication to Customers when there is New Product

The study sought to establish whether customers were timely informed when there is introduction of new products, the results were tabulated in Table 4.22.

Table 4.22: Effective communication to customers when there is new product

Effective communication	Frequency	Percent
Yes	33	66.0
No	17	34.0
Total	50	100.0

As shown in Table 4.22, 66.0% of the respondents said that customers were effectively informed about when new products were developed while 34.0% felt that customers were not effectively informed. The results by slightly more than a third that customers were not effectively informed reveals that hotels growth might be stalled by lack of effective communication about changes taking place within the organization. According to Ndivo, Waudu and Waswa (2012), who examined Kenya's tourist destinations', they found that a considerable number of Kenyan people may not be conscious of the majority of the domestic tourist destinations plus established the fact that only a small number of attractions in Kenya were common by the market of domestic tourist since only inadequate sources of travel information is accessible to Kenyan people.

4.6.3 Promotion Practices and Growth of Selected Hotels in Nyeri County

The study sought to establish how the respondents would rate promotion practices of the selected hotels in Nyeri County. The respondents were required to rate each factors of promotion in a scale of one to five. Descriptive statistics were generated using SPSS as indicated by table 4.23 and results were discussed

Table 4.23: Descriptive Statistics on Promotion and growth of Selected Hotels

Promotion and organizational growth	N	Mean	Std. Deviation
The number of adverts impacts growth of hotels	50	4.1400	1.34027
Number of public relations talks influence growth of hotels	50	3.5200	1.46022
Number of sales promotions impacts growth of hotels	50	3.9000	1.44632
Number of sponsorships influence growth of hotels	50	3.7000	1.51523

Table 4.23, revealed that the number of adverts place by the hotels has great impact on growth of hotels which recorded a mean score of 4.14 followed by number of sales promotions with a mean score of 3.90. The number of sponsorships offered by the hotel had a mean score of 3.70 while number of public relations talks had a mean score of 3.52. The finding of the study that the number of advertising and sales promotion had a major impact on growth of hotels corresponds with earlier study by Lamb, Hair and McDaniel (2012), who concluded that promotion is more than mere advertising which is just one way of promoting products. It should also cover all ways in which the organization communicates and relates with its customers and other interested external and internal stakeholders.

4.6.4 Effect of Promotion on Growth of Selected Hotels in Nyeri County

Table 4:24 to 4.26 shows the effect of each promotion factor on growth of selected hotels in Nyeri County.

Table 4.24: Model Summary of promotion on growth of selected hotels in Nyeri County

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.307 ^a	.094	.075	1.20016

a. Predictors: (Constant), Promotion

From the regression findings in Table 4.24, the R value was 0.307 signifying that a positive relationship exists between promotion and growth of selected hotels in Nyeri County. The R squared (R^2) value of 0.094 indicates that 9.4 percent of the growth of selected hotels in Nyeri County government is explained by promotion. The remaining 90.6 percent is explained by other factors

Table 4.25: ANOVA for promotion on growth of selected hotels in Nyeri County

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.182	1	7.182	4.986	.030 ^b
	Residual	69.138	48	1.440		

Table 4.27: Convenience of accessing hotel

Convenience of accessing hotel	Frequency	Percent
Very convenient	22	44.0
Convenient	20	40.0
Inconvenient	8	16.0
Total	50	100.0

Table 4.27, 44.0% indicated that it was very convenient to access that hotel, 40.0% said it was convenient while 16% said that it was inconvenient to access their hotel. This is an indication that the convenience of accessing the selected hotels differs depending on its location from Nyeri town and from the main road.

4.7.2 Place Practices and Growth Selected Hotels in Nyeri County

The study sought to establish how the respondents would rate place practices of the selected hotels in Nyeri County. The respondents were required to rate each factors of place in a scale of one to five. Descriptive statistics were generated using SPSS as indicated by table 4.28 and results were discussed

Table 4.28: Descriptive Statistics on Place and organizational growth

	N	Mean	Std. Deviation
The number of tour operators impact on growth of hotels	50	3.7600	1.49229
Number of travel agencies influence the growth of hotels	50	3.7200	1.48516
Distance of the hotel from town impact growth of hotels	50	4.0800	1.38269
Market coverage have an impact on growth of hotels	50	4.3400	1.20560
Valid N (listwise)	50		

Table 4.28, revealed that market coverage have major impact on growth of hotels which recorded a mean score of 4.34 followed by the distance of the hotel from town with a mean score of 4.08. The number of tour operators' impact on growth of hotels

had a mean score of 3.76 while the number of travel agencies had a mean score of 3.72. Hotels which are located in place where customers need to organize for special transportation were rated lowest with a mean score of 1.74. The finding of the study that growth of hotels mainly relies on market coverage and the distance of the hotel from town asserts earlier study by Kasim et al. (2013), who reported a significant relationship between place and customer satisfaction. However they indicated that location also includes provision of safe and adequate parking space, service bays and clean washrooms which were the place parameters found to have greater impact on growth rather than the locality of the hotels.

4.7.3 Effect of Place on Growth of Selected Hotels in Nyeri County

Table 4:29 to 4.31 shows the effect of each place factor on growth of selected hotels in Nyeri County.

Table 4.29: Model Summary of place and Growth of selected hotels in Nyeri County

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.059 ^a	.003	-.017	1.25877

a. Predictors: (Constant), Place

From the regression findings in Table 4.29, the R value was 0.059 signifying that a positive relationship exists between place and growth of selected hotels in Nyeri County. The R squared (R^2) value of 0.003 indicates that 0.3 percent of the growth of selected hotels in Nyeri County is explained by place. The remaining 99.7 percent is explained by other factors

Table 4.30: ANOVA for place and on Growth of selected hotels in Nyeri County

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.263	1	.263	.166	.685 ^b
1 Residual	76.057	48	1.585		
Total	76.320	49			

a. Dependent Variable: Growth of selected hotels

b. Predictors: (Constant), Place

The model was insignificant with the F ratio = 0.166 at p value 0.685 > 0.05. This is an indication that place when considered singly has an insignificant effect on growth of selected hotels in Nyeri County.

Table 4.31: Regression Coefficients of place and Growth of selected hotels in Nyeri County

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	3.133	.774		4.046	.000
Place	.088	.215	.059	.408	.685

Place had positive but insignificant effect on s growth of selected hotels in Nyeri County with $\beta = 0.088$ at p value 0.686 which is greater than 0.05. The finding of this study that location of the hotel affect organisation growth to a very little assert a study by Lamb, Hair and McDaniel (2012), who concluded that, place is more than just the physical movement of products from producers to consumers. It includes issues such as ease of access to the products, the way they are displayed and presented to customers whether in an enticing manner and the environment in which they are made available for use by the customers.

4.8 Growth of Selected Hotels in Nyeri County

The researcher sought to know how the respondent would rate the growth of hotels in Nyeri County. The results are as indicated on Table .26

Table 4.32: Rate of growth of the hotel for last five years

	Frequency	Percent
No growth	11	22.0
Slight growth	26	52.0
Moderate growth	8	16.0
Rapid growth	5	10.0
Total	50	100.0

As shown in Table 4.32, 22.0% indicated that there has been no growth for the last five years, 52.0% said that there has been slight growth, 16% moderate growth while

10.0% said that there has been rapid growth of hotels for the last five years. The findings of the study revealed that the growth of hotels in Nyeri county has been very minimal if any.

Table 4.33: Growth of selected hotels in Nyeri County

	N	Mean	Std. Deviation
Number of loyal customers influence growth of hotel	50	3.3920	1.17731
Sales volume influence growth of hotel	50	4.2520	.76964
Valid N (listwise)	50		

Table 4.33, revealed that growth of hotels is greatly affected by sales volume with a mean score of 4.25 while number of loyal customers had a mean score of 3.39. The indication of the finding was that hotels should embark on strategizing on how to increase sales revenue in order to enhance growth.

4.10 Multiple Regression Analysis on Marketing Mix

Marketing mix is among the essential concepts in marketing and it centers on four major aspects namely product, price, promotion and place. To determine the relationship between the independent (growth of hotels) as well as dependent variables (marketing mix), multiple regression for the parameters considered under each objective was obtained. This was carried out using the field data as well as the results interpreted according to the R values, the beta values, R² values, and F ratio at the 5% level of significance. Explanation and interpretation of the findings regarding the expected relationships between marketing mix and growth of selected hotels in Nyeri County.

Table 4.34 Model Summary of marketing mix

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.595 ^a	.354	.296	1.04693

a. Predictors: (Constant), Place, Promotion, Product, Price

From the regression findings above, the value of R was 0.595 signifying that a positive relationship exists between marketing mix and growth of selected hotels in Nyeri County. The R squared (R²) value of 0.354 indicates that 35.4 percent of

growth of selected hotels in Nyeri County is explained by marketing mix. The remaining 64.6 percent is explained by other factors put in place

Table 4.35: ANOVA for Marketing Mix

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	26.997	4	6.749	6.158	.000 ^b
1 Residual	49.323	45	1.096		
Total	76.320	49			

a. Dependent Variable: Growth of selected hotels

b. Predictors: (Constant), Place, Promotion, Product, Price

The model used was significant with the F ratio = 6.158 at p value $0.000 < 0.05$. This indicates that marketing mix has a positive and significant effect on growth of selected hotels in Nyeri County.

Table 4.36: Regression Coefficients of Marketing Mix

Model	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-.692	1.058		-.654	.516
Price	.357	.118	.380	3.034	.004
1 Product	.449	.123	.445	3.660	.001
Promotion	.294	.138	.259	2.136	.038
Place	.119	.186	.080	.641	.525

a. Dependent Variable: Growth of selected hotels

Coefficient table shows that the beta coefficients of the resulting model indicate that price, product, promotion and place had a positive effect on growth of selected hotels in Nyeri County with slopes of $\beta_1=0.357$, $\beta_2=0.449$, $\beta_4=0.119$ and respectfully. This means that holding all other variables constant, the growth of selected hotels in Nyeri County increase by 0.357 units when prices was adjusted by one unit, increase by 0.449 units when products differentiation goes up by one unit and increase by 0.294

units when promotion goes up by one unit. The regression equation for this study can be stated as: $Y = -0.692 + 0.357X_1 + 0.449X_2 + 0.294X_3 + 0.119X_4 + e$.

The finding of the study that price, had positive and significant effect growth of selected hotels in Nyeri County with $\beta = 0.357$ at p value 0.004 which is less than 0.05 concurs with finding by Rogerson (2013), who concluded that price determines the amount of profits a company makes. He stated that price is the value attached to a product and it is the only marketing mix element that makes profit for the institution. According to Rogerson changing the price of a product in relation to competitors prices has a major influence on the marketing strategy because it affects demand of a product and hence the sales.

Product had a positive and significant effect growth of selected hotels in Nyeri County with $\beta = 0.449$ at p value 0.001 which is less than 0.05. the finding of this study reaffirms earlier finding by Rodriguez (2014), who argued that product decisions influence various aspects of a firm such as the marketing mix to adopt, the firms long term growth and expansion strategy, human resources, and investment policies. Most importantly they noted that services quality have a great influence on tourist satisfaction hence the kind of tourist products offered hence greatly influence a customer's choice of tourist destination. Hence hotels that provide excellent services are likely to rank high in the mind of customers

Promotion had a positive and significant effect growth of selected hotels in Nyeri County with $\beta = 0.294$ at p value 0.038 which is less than 0.05. The finding of this study asserts earlier study by Pegas, Weaver and Castley (2015), who added that marketing communication channels have a great impact on domestic tourism growth because through them existing and potential customers are able to know about a company's offering, differentiates a company's product from what competitors are offering, convinces them to buy tourism products, strengthens experiences, promotes goodwill as well as positions the unique benefits of the product to consumers. A survey by World Travel and Tourism Council, 2014 of senior executives in the tourism sector, revealed that a well-formulated marketing promotion strategy and campaign is likely to increase brand awareness by

customers, improves perceptions of tourist destinations, hence leading to increased bookings by tourists and tourist spending hence earning a country income.

Place had a positive but insignificant effect on growth of selected hotels in Nyeri County $\beta = 0.119$ at p value 0.525 which is greater than 0.05. The finding of this study that price, product and promotion had positive and significant effect on hotel growth while place had insignificant effect contradicts the earlier findings by Muchina (2012), who did a study on the marketing mix effects on the profitability of organizations in the sector of banking in Kenya and found out that pricing, product decisions, distribution as well as promotion had significance affect productivity in the industry of banking. The contradiction emanates from varied nature of business where location of financial institution is paramount due to other related facilities like shopping mall, means of transporting goods as opposed to hotels which are mainly treated as refreshment facilities.

The finding of this study that marketing mix plays a significant role in hotel growth concurs with earlier finding by Low and Tan (2005), who concluded that marketing mix is very important for a firm since it assists marketing managers and strategic level management in resource allocation. Zeithaml, Bitner and Gremler (2006) gave details that strategy of marketing is a roadmap that clearly shows how an organization allocates its resource efficiently and effectively and how it relates to its external and internal environment which in turn leads to achieving of the firms purposes so as to generate more economic value as well as keep the organization in front of its competitors.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter is a fusion of the whole report and it contains the summary of the findings, conclusion arrived at and policy recommendations arising from the study. Research gaps recognized during the study are also identified as foundation for future studies.

5.2 Summary of Major Findings

This study intended at establishing the effects of marketing mix on the growth of selected hotels in Nyeri County, Kenya. The specific objectives of the study were to investigate the effect of price, product, promotion and place on the growth of selected hotels in Nyeri County. Overall, the findings of the study revealed that price, product and promotion had positive and statistically significant effect on organization growth while place had positive but statistically insignificant effect

5.2.1 Price and Growth of Selected Hotels in Nyeri County

Objective one of the study sought to find out the effect of price on the growth of selected hotels in Nyeri County. The results on the extent to which pricing affect growth of hotels in Nyeri County indicated price affect organization growth to a great extent. Descriptive analysis showed that price factors that were found to have greater impact on growth included prices of rooms and beverages. In addition, pricing breakfast and standard lunch had an impact on growth. Further the prices of products of selected hotels were found to be affordable although the frequency of changing the prices of products was often. At 5% level of significance the regression results indicated that price had positive and statistically significant effect on growth of hotels in Nyeri County at $\beta=0.357$ at p value $0.004 < 0.05$.

5.2.2 Product and Growth of Selected Hotels in Nyeri County

Objective two of the study sought to establish the role of product in the growth of selected hotels in Nyeri County. The results on the extent to which quality of products affect growth of hotels in Nyeri County indicated product quality affect growth of hotels to a great extent. Descriptive analysis showed that the number of conference halls and the number of rooms categories greatly influence growth of

hotels. The number of foods line and the number of beverages products also had impact on growth of hotels. Further the results revealed that slightly more than half felt that hotels in Nyeri County offer products of high quality while more than a quarter rated product as of low quality. The result on frequency of customers complains about the quality of products more than half indicated that customer's oftenly complain about quality. At 5% level of significance the regression results indicated that product had positive and statistically significant effect on growth of hotels in Nyeri County at $\beta=0.449$ at p value $0.001 < 0.05$.

5.2.3 Promotion and Growth of Selected Hotels in Nyeri County

Objective three of the study was to assess the effect of promotion on the growth of selected hotels in Nyeri County. The results on the extent to which promotional strategies affect growth of hotels in Nyeri County indicated promotion affect growth of hotels very much. Descriptive analysis showed that promotional strategies that were found to significantly affect growth included the number of adverts place by the hotels and the number of sales promotions. In addition, the number of sponsorships presented by the hotel as well as the number of public relations talks held were found to be effective promotional strategy. Further the results revealed that digital marketing and personal selling were the commonly used promotion strategies by hotels in Nyeri County with slightly more than half indicating that communication to customers the product was effective while more than a third had contrary opinion. At 5% level of significance the regression results indicated that promotion had positive and statistically significant effect on growth of hotels in Nyeri County at $\beta=0.294$ at p value $0.038 < 0.05$.

5.2.4 Place and Growth of Selected Hotels in Nyeri County

Objective four of this study was to find out the influence of place on the growth of selected hotels in Nyeri County. The results on the extent to which place affect growth of hotels in Nyeri County indicated place affect growth of hotels very little. Descriptive analysis showed that place factors that would significantly affect growth included the market coverage and the distance of the hotel from town. The number of tour operators and the number of travel agencies were found to have an impact on growth of hotels. The results further indicated that most of the hotels under the study could be conveniently accessed from Nyeri town or from the main road. At 5% level

of significance the regression results indicated that place had positive but statistically insignificant effect on growth of hotels in Nyeri County at $\beta=0.119$ at p value $0.525 > 0.05$.

5.3 Conclusion of the Study

The general aim of the study was to find out the effects of marketing mix on the growth of selected hotels in Nyeri County, Kenya. One of the essential concepts in marketing is marketing mix and it focuses on four major aspects namely product, price, promotion and place. It also refers to a set of variables that can be controlled as well as the levels that the organization uses to convince the target market. The study was guided by specific objectives with the aim of investigating the effect of price, promotion, product, and place on growth of hotels. The study results revealed that there is a positive as well as significant relationship between price and growth of hotels in Nyeri County. The prices of rooms, beverages, breakfast and standard lunch were prices found to have greater impact on growth of hotels. Generally, the price of hotels products and services depends on many factors such as the time of year whether its peak season or off peak seasons, the physical specifications of the room such as room size, room service among others, the specification of the hotel including location, star rating, hotel brands, amenities among others, the market competitors prices, the duration of stay, the rate of occupancy, and the number and type of guests. Therefore hotels should review their pricing strategies to ensure that they offer different prices for their products based on the quality of the products and ensure that price changes is effectively communicated to the potential customers although such changes should not be very often.

Product quality had a positive as well as significant effect on growth of hotels in Nyeri County. The results indicated that the number of conference halls, rooms categories, beverages products and foods line greatly affects growth of hotels. Managers should focus on product features to ensure that they tailor make their products to meet customers' needs while at the same time differentiating them from competitor's products to acquire a competitive advantage over their competitors. The study therefore concludes that hotels should enhance the quality of the products and convince their customers about quality by continuously improving the product on the basis of customers' feedback. For hotels targeting high end customers they should

focus more on quality of the products offered because such customers associate high prices with better quality and hence they should get value for their money.

In addition, promotion strategies had a positive and significant effect on growth of hotels. The results further indicated that having several adverts about the services offered by the hotels and being aggressive in promoting existing and new products were the best promotion strategies for hotels. The findings indicated that this could be achieved through digital or personal selling. Promotion is meant to enable customers to know about the existence of a hotel, offers available and important information such as pricing, offers and discounts available, location and the various options available for payment. Some of the methods such as digital marketing which ranges from advertising through mass media, use of internet marketing which involves placing adverts on internet pages, social media has proved to be effective way which supplement personal selling. From the findings, the study concludes that hotels should embrace use of digital marketing as the main platform but can still make use of several marketing communication channels to inform customers about their products. In addition, marketers should come up with appropriate and consistent messages about firms' products which should be positioned in media that customers in the target market are probable to use.

Place had positive but insignificant effect on hotel growth. The study further revealed that market coverage and the distance of the hotel from town could greatly affect the growth of hotels. The number of tour operators and travel agencies had an impact on growth of hotels. Since half of the hotels were not located in the town center, the study concludes that hotel managers should consider facilities that attract customers such as attractiveness and ambience of a place, free services such as free Wi-Fi, less congested places, ample parking space, security in order to target customers who relies on tour operators and travel agencies. In Addition, the location of hotels should be influenced by presence of improved infrastructure such as roads, piped water and electricity to ensure that the place is easily accessible and various amenities are available in order to attract more customers.

5.5 Recommendations

Following the findings of this study, a number of recommendations can be made. To start with, the findings of study clearly show that pricing is a major factor that influences growth of hotels as long as it is based on product quality. Following these findings, this study recommends that hotels should review their prices and ensure that quality is paramount in setting prices

Product quality had positive and significant effect on hotel growth. Following these findings, this study recommends that hotels should concentrate on offering quality products and services as opposed to other products attributes.

Promotion also had positive and significant effect on growth of hotels although having several marketing communication channels to inform customers about the products was crucial. Therefore hotels should come up with promotion policy or criteria that should ensure communication reach all the potential customers effectively.

In addition, place had positive but insignificant effect on hotel growth. Precisely, physical facility, ambience place, safety and ample parking space were the place factors that had major impact on hotel growth. Following these findings, this study recommends hotels should focus on strategizing how to improve on the physical facilities, ample parking, and safety rather than considering the convenience of the location of the hotel.

From the findings of this study out of the four variables under consideration the existing and upcoming hotels should mainly focus on pricing, product quality and promotional strategies as the clients are determined to access the hotel regardless of its locality as long as no special transport arrangement is required if the price is based on quality and there has been effective communication about the existing and new products.

5.6 Suggestions for Further Research

This study makes a significant contribution in our understanding of the marketing mix that influences growth of hotels. It further brings out the specific parameters that have

significant effect on hotel growth in Nyeri County. Based on this study, the researcher makes a number of recommendations to be considered for further research. A study investigating the challenges hotels face when they focus on four aspects of marketing mix with a view of enhancing growth.

Future researchers may adopt a case study research design for star rated hotels in other counties so as to establish whether marketing mix that influence growth of hotels in Nyeri County would still apply to other counties.

This study considered four variables, namely price, product, promotion and place. Future researchers should also focus on other factors that may influence growth of hotels.

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APPENDIX I: QUESTIONNAIRE

Please fill in the following questionnaire by answering all the questions given as instructed. All information will be treated in high confidence and shall only be used for the purposes of research. Please do not indicate your name anywhere in the questionnaire.

SECTION A: Personal Data (Tick Appropriately)

1. What is your gender?

Male Female

2. What age bracket are you within?

Below 25 years 26-35 years 36-45years 46-50 years

Above 51 years

3. What is your designation? Overall Hotel Manager Marketing Manager

4. For how long have you worked in this organization?

1-5years 6-10years 11-15years Above 16 years

5. What is your highest level of education?

O-level College University Vocational

Section B: Price and organization growth

6. Do you have a price list in your organization?

Yes No

7. How would you rate the prices of your products in relation to competition in the region?

Very affordable Affordable Unaffordable Very unaffordable

8. How often do you change the prices of products?

Very often Often Rarely Never

9. Kindly indicate your level of agreement to the following statements where SA = Strongly Agree, A = Agree, D= Disagree and SD = Strongly Disagree

Details	SA	A	D	SD
The prices of standard lunch affects growth of hotels				
The prices of breakfast influence growth of hotels				
The prices of beverages affects growth of hotels				
The prices of rooms affects growth of hotels				

10. To what extent does the price of products affect the growth of your organization?

Great extent [] Moderate extent [] small extent [] No extent []

Section C: Product and organization growth

11. How would you rate the quality of your products?

Very high [] High [] Low [] Very low []

12. How often do customers complain about the quality of your products?

Very often [] Often [] Rarely [] Never []

13. How often do you introduce new products on your menu?

Monthly [] Half yearly [] Yearly [] Any other (specify).....

14. Do you offer customized products according to customers' demands?

Yes [] No []

Give a reason for your answer in (a) above

15. Kindly indicate your level of agreement to the following statements where SA = Strongly Agree, A = Agree, D= Disagree and SD = Strongly Disagree

Details	SA	A	D	SD
The number of rooms categories affect growth of hotels				
The number of beverages products influence growth of hotels				
The number of foods line impact growth of hotels				
The number of conference halls influence growth of hotels				

16. Do you think your products contribute to the growth of the hotel?

Very much [] Much [] A little [] Not at all []

Section D: Promotion and organizational growth

17. What promotional strategy do you use to market your organization? (Tick all appropriate)

Advertising [] Sales promotion [] Personal selling []

Public relations [] Direct marketing [] Digital marketing []

18. a) Do you inform your customers when there is any new product in your organization?

Yes [] No []

b) Give a reason for your answer in (a) above

.....

19. Kindly indicate your level of agreement to the following statements where SA = Strongly Agree, A = Agree, D= Disagree and SD = Strongly Disagree

Details	SA	A	D	SD
The number of adverts impacts growth of hotels				
Number of public relations talks influence growth of hotels				
Number of sales promotions impacts growth of hotels				
Number of sponsorships influence growth of hotels				

20. Do you think the promotional strategies affect the growth of your organization?

Very much [] Much [] A little [] Not at all []

Section E: Place and organizational growth

21. How far are you from the Nyeri town? kilometres

22. How would you rate the convenience of coming to your hotel?

Very convenient [] Convenient [] inconvenient [] Very inconvenient []

23. Kindly indicate your level of agreement to the following statements where SA = Strongly Agree, A = Agree, D= Disagree and SD = Strongly Disagree

	SA	A	D	SD
The number of tour operators impact on growth of hotels				
Number of travel agencies influence the growth of hotels				
Distance of the hotel from town impact growth of hotels				
Market coverage have an impact on growth of hotels				

24. How much does the location of the hotel affect its growth?

Very much [] Much [] A little [] Not at all []

Section F: Growth of Hotels

25. How would you rate the growth of your organization in the last five years?

Rapid growth [] Moderate growth [] Slight growth [] No growth []

To what extent does the following factor affect the growth of hotels in Nyeri County?

		Very Great extent	Great extent	Moderate extent	Small extent	No extent at all
a).	Number of loyal customers influence growth of hotel					
b).	Sales volume influence growth of hotel					

Thank you for your cooperation

APPENDIX II: LIST OF HOTELS IN NYERI COUNTY

- 1 Whiterhino
- 2 Eland Hotel
- 3 Narumoru Lodge
- 4 Batian Hotel
- 5 Greenhills Hotel
- 6 Mountain Lodge
- 7 WestWood Hotel
- 8 Sangare Farm House
- 9 Girrafe Ark Lodge
- 10 Aberdare Country club
- 11 The Ark
- 12 Ibis Hotel
- 13 Golden Gates
- 14 Outspan Hotel
- 15 Treetops Lodge
- 16 Rhino Watch Lodge
- 17 Mt. Kenya Leisure lodge

Source

APPENDIX III: INTRODUCTION LETTER

Lucy Wangui Wachira

P.O Box 12080

NYERI.

Dear Respondent,

RE: A QUESTIONNAIRE ON EFFECT OF MARKETING MIX ON THE GROWTH OF SELECTED HOTELS IN NYERI COUNTY, KENYA'

I am a postgraduate student undertaking Master of Business Administration at Dedan Kimathi University of Technology. I am carrying out a research on the 'Effect of Marketing Mix on the Growth of Selected Hotels in Nyeri County, Kenya' and this questionnaire is designed to gather general information about your hotel for use in this study.

The information will be strictly used for academic purposes and will be treated with utmost confidentiality. Your assistance in responding honestly and objectively will be of great value.

Kindly fill all items in the questionnaire and do not write your name on the questionnaire

Thank you.

Yours faithfully,

Lucy Wangui Wachira