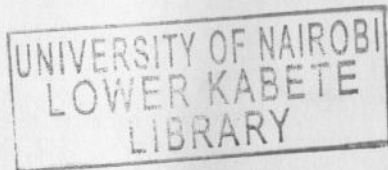


**EFFECTS OF PRICING STRATEGIES ON
PROFITABILITY OF HOTEL INDUSTRY IN KENYA.**

**BY
NJENGA JOHN NJUGUNA**

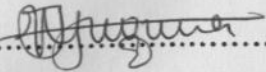


**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN
PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE
AWARD OF MASTERS IN BUSINESS ADMINISTRATION (MBA)
DEGREE, SCHOOL OF BUSINESS UNIVERSITY OF NAIROBI.**

OCTOBER 2011

DECLARATION

This management research project is my original work and has not been submitted for a degree award in any other university.

Signed.....

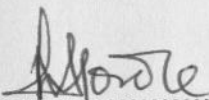
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This research project has been submitted for examination with my approval as the university supervisor.

Signed.....

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DEDICATION

To my dear wife Emma, my children Kevin, Evans and Lucia for their love, support and encouragement.

ACKNOWLEDGEMENT

This project could not have been complete without the assistance and guidance given by all those that were involved. Special thanks to God almighty for all His blessings.

I wish to thank my supervisor, Mrs Mary Kinoti, for her guidance, professional advice and encouragement which gave me the motivation to complete this project.

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May God bless you all.

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LIST OF ABBREVIATIONS AND ACRONYM

4p's Four p's of marketing mix namely product, price, promotion and place.

AAA American Automobile Association

ANOVA Analysis of variance

d.f. Degrees of freedom

F F statistics

GOK Government of Kenya

HSD Highly significant differences

MGP Maximum gross profit

TROI Target returns on investment

L&CF Liquidity and cash flow

SRLP Sales revenue and long term profitability

ABSTRACT

Hotel industry in Kenya continues to draw attention from both the government, local and foreign investors due to the direct linkage to the multibillion tourism industry. Competition has shifted from local players to multinational luxurious hotels and this has revolutionized their marketing approaches to win customers and operate profitably. Different hotels continue fetching varying levels of profitability based on different pricing strategies and little research has been done on them. Information is therefore required on what pricing strategies to customize for optimum profitability.

This study therefore sought to establish the pricing strategies used by Hotels in Kenya and determine how these strategies impact on profitability to the businesses. The population of study was the hotels in six key cities namely Nairobi, Mombasa, Nakuru, Kisumu, Meru and Nyeri which are representative of diverse demographics in the four main administrative regions country. The research design was descriptive survey which was carried out using semi structured questionnaires administered to 109 respondents out of the 120 intended for the full sample. This constituted a response rate of 90.8%.

The results revealed that hotels in Kenya employ a number of pricing strategies to achieve their pricing objectives. Cost plus pricing was revealed to be the most popular pricing strategy across all hotel classes. Other strategies that featured as highly applied were price signalling, break even pricing and image premium pricing. On the impact of pricing strategies on profitability, Cost plus pricing was recognized as a high contributor to all profitability aspects namely gross profit, target return on investment, liquidity and cash flow and sales revenue and long term profitability of the business. Price signaling, customer value pricing, and image premium pricing were noted to contribute moderately to maximum gross profit. Price signaling, image premium pricing and flexible pricing strategies were scored moderately on target return on investment. Parity pricing, leader pricing, and experience curve pricing were moderately associated with liquidity and cash flow while high sales revenue and long term profitability were attributed moderately to customer value pricing, parity pricing and experience curve pricing.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The global business environment has been facing increasing magnitudes and rates of change in the recent past with regard to marketing strategies and the context in which pricing decisions are planned and carried out and the information tools that marketers have at their disposal. There is now greater extent of volatility in the environment and the increasing level of uncertainties in the world's economy. These uncertainties are represented by an erratic rate of economic growth, high rates of inflation, fluctuating exchange rates and globalization of markets and competition. Present day marketing managers will require getting insights on the trends of growth in service sector of the economy, the importance of service in maintaining customer satisfaction and the growing importance of relationships for improved coordination of marketing programs that offer value to the customer (Walker et al. 2006)

In the last few decades, pricing has been complicated further by rapid development of new information and communication technologies which have enabled organizations to collect and analyse more detailed information about potential customers, their needs, preferences, and buying habits. Thus information technology is enabling many firms to identify and target defined market segments and customize product features, promotional appeals, prices and financing arrangements to fit such segments. Organizations can serve much larger geographical areas so that companies now have their price offers competing with many foreign firms. The Information explosion has made today's buyers more sophisticated and more empowered in price negotiation and determination. Strategic pricing process will require to be ongoing and adoptive, involving participants from marketing and other functional departments in order to pay attention to what is happening with their environments, customers, competitors in order to offer differentiated superior value for competitive advantage (Kotler, 2006; Walker et al., 2006).

In the light of these changes, Walker et al. (2006) note that most firms in all industries will have to be market oriented, tightly focused on customer needs and desires, and highly adoptive to succeed and prosper in the future. This will require effective marketing practices particularly those associated with tracking, analyzing, and satisfying customers' needs and will be done by multifunctional teams in all levels in the organization. The ability to create, manage and sustain exchange relationships with customers will be a key strategic competence in the future and pricing therefore will need a special focus since it's the only element of the 4 P's that generates revenue to the firm.

According to Cravens (1997) marketing managers who embrace a marketing concept will have to ensure that guidelines for price strategies are set by strategic choices on market targets, positioning strategies, and product and distribution strategies. Product quality features, type of distribution channel, end users served, and the functions performed by the value chain members all help establish a feasible price range. When an organization forms a new distribution network, selection of the channel and intermediaries is driven by price strategy. The strategic role of pricing is however too often not recognised because the pricing concept is poorly understood and treated as the last marketing decision. The most common approach by many firms is to design products, communication plans, and a method of distribution before setting the price. They then use pricing tactically to capture whatever value they can. This practice should be avoided by allowing pricing to play a strategic role in marketing strategy.

The responsibility of pricing as noted by Kotler (2006) varies across organizations where marketing executives are more involved in most companies. In small companies, prices are often set by the boss. In large companies, pricing is handled by division and product-line managers. Even in this case, top management sets general pricing objectives and policies and often approves the prices proposed by lower levels of management. The industries where pricing is a key factor example aerospace, railroads and oil firms, companies will often establish a pricing department to set or assist others in determining appropriate prices. This department reports to the marketing department, finance

department, or top management. In present practice, the others who exert an influence on pricing include sales managers, production managers, finance managers, and accountants.

Kotler (2006) illustrates the importance of pricing for profitability as demonstrated in a 1992 study by McKinsey & Company. Examining 2,400 companies, McKinsey concluded that a 1 percent improvement in price created an improvement in operating profit of 11.1 percent. By contrast, 1 percent improvements in variable cost, volume, and fixed cost produced profit improvements, respectively, of only 7.8 percent, 3.3 percent, and 2.3 percent. Effectively designing and implementing pricing strategies requires a thorough understanding of consumer pricing psychology and a systematic approach to setting, adapting, and changing prices.

1.1.1 Pricing Strategies

Price is defined as the sum of all the values such as money, time, energy, and psychic costs that buyers exchange for the benefits of having or using a good or service (Strauss et al., 2006). It's also defined as the value placed on a good or service by customers at some point in time (Kibera & Waruinge, 1988). Throughout the history, prices were set by negotiation between buyers and sellers and the price for a commodity or service would be agreed between the two parties. Fixed price policies - Setting one price for all buyers- is a relatively modern idea that arose with the development of large-scale retailing at the end of the nineteenth century (Kotler & Keller, 2006). Price is seen by marketers to carry a psychological impact on consumers making it be used symbolically. High prices can be used to emphasize quality of a product or service and increase the status associated with it while lowering it encourages the price sensitive customers to go for the product.

Pricing strategies are the means by which the firm's pricing objectives are to be achieved and to formulate them, a manager needs to be guided by the internal and external conditions faced by the firm to select the best choice of strategies. Cravens (1997) argues that when setting pricing strategies, a market oriented firm would be expected to factor all the pricing elements into the decision process and still deliver value to the customer. In the end the price strategy must accomplish its objectives without negatively impacting

customer expectation and perception. When managing the four core elements of the marketing mix, marketing managers often perceive pricing as the most difficult element to manage because the price a company charges for its products or services will have a major impact on the bottom line revenue and profits.

Kotler (2006) and Hoffman et al. (2002) note that many companies do not handle pricing well when setting strategies. They simply determine their costs and take their industry's traditional margins. Other common mistakes are failure to revise price often enough to capitalize on market changes, setting price independently from the rest of the marketing mix rather than as an intrinsic element of market-positioning strategy, and failure to vary price enough for different product items, market segments, distribution channels, and purchase occasions. Firms offering undifferentiated products and services need to monitor what competitors are charging and price accordingly as seen in competitor based pricing strategies. When the firms offerings are differentiated in quality and costs, value pricing strategies are applicable where the pricing refers to the value perceived by the customers since no customer will pay more for a product or service than the perceived value.

Nagle and Holden (2001) present two basic premises of competitive considerations when setting prices where one is based on buyers view and the other is competitor's reaction. The first one suggests that the buyer's choice is affected by not only the company's offer, but also by the competitors' offers. The buyer chooses the one that he or she perceives as the best. The second premise is how competitors react to a company's set pricing strategy. According to Nagle and Holden (1995), a pricing strategy set without consideration of competitors' reactions is one that can only be effective in the short run. Dolan and Simon (1996) introduce the price tier concept which suggests that many markets have a structure in which brands or products are aligned on a value map of perceived product value versus price.

A market can have different numbers of price tiers, each of which implies different level of perceived quality and associated price and a good example is the present hotel market in Kenya. A hotel can participate with its products or services in one or more price tiers. The significance of this concept is that competition within a price tier is typically more vigorous than across tiers and there is an asymmetry in competition across tiers; i.e. price cuts by higher quality tiers are more powerful in pulling customers up from lower tiers, than lower tier price cuts are in pulling customers down from upper tiers (Dolan and Simon 1996).

To survive and thrive profitably in the highly competitive retail world, hotels must become more attentive and meticulous with their pricing and therefore competitor and cost oriented strategies are proposed in such situations. If the company sets a price much lower than the rest of the market, this may trigger a price war, harming market share; but setting a price too high risks failing to attract customers from competitors with a cheaper product more than ever before, the financial success of companies selling retail goods and services depends on their price strategy (Scarborough, 2011). Consumers demand fair prices in exchange for their business and are constantly comparing prices while shopping. With the ever-present pressures from shrinking margins, rising costs, and competition, achieving the profitability objective today demands price strategies that factor in costs and hence cost oriented strategies (Kotler, 2006). Cost plus pricing and break even pricing are given as examples of pricing approaches that are purely based on costs.

1.1.2 Profitability

The general public and the business community typically define profit as the residue of sales revenue minus the explicit costs of doing business. Grinols & Mustard (2001) define business profit or accounting profit as the amount available to fund equity capital after payment for all other resources used by the firm. The economists also define profit as the excess of revenues over costs while factoring inputs provided by owners, including entrepreneurial effort and capital which must be compensated. The economist's definition includes a normal rate of return on equity capital plus an opportunity cost for the effort of the owner-entrepreneur as costs of doing business, just as the interest paid on debt and the

wages are costs in calculating business profit (Wilkinson, 2005). The risk-adjusted normal rate of return on capital is the minimum return necessary to attract and retain investment. Similarly, the opportunity cost of owner effort is determined by the value that could be received in alternative employment.

Glautier (2001) defines Return on Sales or Profit Margin (%) as the Profit Margin of a company which determines its ability to withstand competition and adverse conditions like rising costs, falling prices or declining sales in the future. The ratio measures the percentage of profits earned per dollar of sales and thus is a measure of efficiency of the company and the formula is given by $\text{Profit Margin} = (\text{Net Profit} / \text{Net Sales}) \times 100$. He further defines the Return on Equity of a company as a measure of the ability of the management of a company to generate adequate returns for the capital invested by the owners of a company. He argues that generally a return of 10% would be desirable to provide dividends to owners and have funds for future growth of the company. The formula is expressed as $\text{Return on Equity} = (\text{Net Profit} / \text{Net Worth or Owners Equity}) \times 100$, where $\text{Owners Equity} = \text{Total Assets (minus) Total Liability}$.

The Return on Assets of a company is given as its ability to utilize the assets employed in the company efficiently and effectively to earn a good return. The ratio measures the percentage of profits earned per dollar of Asset and thus is a measure of efficiency of the company in generating profits on its Assets. The formula is expressed as $\text{Return on Assets} = (\text{Net Profit} / \text{Total Assets}) \times 100$. Underutilized assets will lead to a smaller return on assets. Since the Hotel industry is asset-intensive, these returns are generally small, except when a hotel leverages facilities or equipment of other hotels or services (Brealey, 2001)

1.1.3 Pricing strategies and profitability

According to Sahaf (2008) research in actual practice reveals that majority of firms decide prices of their products with an aim to maximize profits. Survival in the short run is also a major concern through prices that cover both fixed and variable costs. Very few

firms have been focusing on other objectives as an ultimate goal of their business. Kotler (2006) highlights the focus on profitability both in the short and long run by firms when pricing through maximum current profits, cash flow and target return on investment. Sahaf (2008) and Kibera (1988) present the focus on satisfactory profits by firms when setting pricing strategies. Besides maximizing profits firms also aspire to deliver satisfactory profits which are acceptable to owners and top management.

Other profitability intentions by firms when pricing as given by Kibera (1998) and Sahaf (2008) are generating adequate cash flow to achieve the necessary liquidity and maximization of sales revenue through low profits in the short run and growing sales to achieve long term profitability. High sales are seen by most businesses as a positive indicator for high profits when economic constraints like inflation and competition are minimal.

1.1.4 Hotel Industry in Kenya

The word hotel is derived from the French *hôtel* which refers to a French version of a townhouse and a place that offers accommodation (Lundberg, 1974). Many authors define a hotel as an establishment that provides paid lodging on a short-term basis with the provision of basic accommodation facilities consisting of a room with a bed, a cupboard, a small table and a washstand. This has largely been replaced by rooms with modern facilities, including en-suite bathrooms and air conditioning or climate control. Additional common features found in today's hotel rooms are a telephone, an alarm clock, a television, internet connectivity, a safe, a mini-bar with snack foods and drinks, and facilities for making tea and coffee. Luxury features include bathrobes and slippers, a pillow menu, twin-sink vanities, and Jacuzzi bathtubs. Larger hotels may provide additional guest facilities such as a restaurant, main bar, swimming pool, fitness center, business center, childcare, conference facilities and social function services.

Hotel industry is a major beneficiary of tourism which is a vital part of the global economy. International tourism generated roughly above \$1 trillion in global receipts in 2010 (up 1.8 percent from 2009), and was ranked as the fourth-largest industry in the

world, after fuels, chemicals, and automotive products. The breadth of international travel also has greatly expanded in recent years to encompass the developing world. In 1950 just fifteen destinations, primarily European, accounted for 98 percent of all international arrivals. By 2007 that figure had fallen to 57 percent. Once essentially excluded from the tourism industry, the developing world has now become its major growth area. Tourism is a key foreign exchange earner for 83 percent of developing countries and the leading export earner for one-third of the world's poorest countries and for the world's forty poorest countries, tourism is the second-most important source of foreign exchange after oil (United Nations World Tourism Organization, 2010).

Hotel business in Kenya dates back to pre-independence days and history has it recorded that as early as 1905, visitors from foreign countries could book for accommodation in some of the oldest hotel facilities like The Norfolk Hotel. In the 1930's, overseas visitors and explorers had started coming to Kenya in masses mainly for big-game hunting expeditions while others came in search of solitude. These expeditions were locally referred to by the Swahili word "Safari" thus bequeathing to the travel world literature with a new vocabulary. Among the early visitors were Statesmen, Royalties and celebrities such as Theodore Roosevelt, Her Majesty Queen Elizabeth II, and Ernest Hemingway respectively all who had to seek for accommodation within the local hotel facilities

The hotel industry has therefore undergone great transition since then evolving from simplicity to impress generation after generation of visitors with different expectations by adjusting their levels of standards of service, luxurious style, hospitality and comfort. This has resulted therefore to the present close relationship of hotel and tourism industries. Hotels in Kenya are grouped into different categories based on the quality of services offered. These categories are Five Star Deluxe, Five stars, Four Star, Three Star Two star, one star and Budget Hotels to suit all types of travellers. Most of these hotels are located in major towns across the country and in some of the best and popular tourist

destinations in the country (Kenya Tourist Development Corporation review, 2010 & AA British & American Hotel Rating System).

Kenya has over the years become a major tourist destination of the world due to the breath taking scenery, amazing wildlife and diverse culture that has been attracting tourists from all across the world every year. The Tourism agenda in the country has therefore acquired a lot of importance over the past few years due to being a major contributor to the country's Gross Domestic Product and economic development hence the government has left no stone unturned in attracting tourists to this exotic country and investing in hotels. Large number of Hotels has been coming up in most regions of the country since all the visitors have to be provided with recreation facilities which have led to the need for aggressive marketing activities as the players seek to achieve sustainable competitive advantage.

The Government of Kenya has also positioned tourism as one of the leading sectors that will enable the achievement of the Vision 2030 Goals. Kenya hopes to be among the top ten long-haul tourist destinations in the world offering a high-end, diverse and distinctive visitor experience that few of her competitors can offer. Among the specific goals is to increase the number of international visitors from the present 1.6 million in 2006 to 3 million in 2012, Increase hotel beds from 40,000 to at least 65,000, combined with an emphasis on a high quality service (Government of Kenya, Vision 2030).

The specific strategies for realizing the goals will involve an aggressive strategy to develop Kenya's coast (north and south) by developing resort cities with state of the art hotels in two key locations in addition to the Isiolo resort cities, achieving higher tourism revenue yield by increasing the country's premium safari parks and improving facilities in all under-utilized parks, creating new high value niche products (e.g. cultural eco-sports and water-based tourism), revamping business-visitor offering by attracting high-end international hotel chains, and by investing in new conference facilities. This will give a new dimension to the Hotel industry and will require the hotel managers to invest

more resources in money time and effort to come up with the most suitable management and marketing strategies to tap these great opportunities (Government of Kenya, Vision 2030). It's for this reason therefore that hotel managers must cautiously make their pricing decisions while crafting their marketing strategies to ensure profitable value creation, customer satisfaction and retention of loyal customers.

1.2 Statement of the Problem

The last two decades has seen a lot of changes in the Kenyan economy mainly due to liberalization, globalization, technology advancement and more educated and enlightened consumer. The harsh economic conditions have seriously affected the market share and profitability of businesses (Government of Kenya Economic Review, 2011). This competitive pressure has forced hotels to employ strategic planning; aggressive marketing and customer focused pricing strategies to survive in the turbulent environment. Hotels in Kenya need to adopt pricing strategies that take care of a diverse clientele since they present their services in different levels of quality standards to different segments of customers in an effort to offer value for the amount of money spent to achieve satisfaction and manage profitability. Different hotels in Kenya continue to generate different profitability levels based on their different pricing strategies but for them to achieve sustainable competitive leverage and profitability, information is still required on what pricing strategies to customize for their businesses in order to optimize profitability.

Studies on pricing strategies have been done both on locally and internationally. Hall and Hitch, (1939) focused on the pricing strategies used by business executives in United States of America when setting prices for their products and found that firms take competitor reaction into account and emphasize on competitor based pricing strategies. Similar studies were done by (Shipley, 1981) on pricing and profit objectives of British manufacturing firms which found out that there is a considerable relation of pricing strategies and profitability that vary with size and number of competitors.

Numerous studies on pricing have also been done locally. Munyoki (1997) studied Retail pricing strategies on selected consumer goods sold by supermarkets in Nairobi, Kiiru (2002) focused on pricing of electricity by power producers in Kenya, Ndole (2006) studied pricing practices on transport bus companies in Kenya while Wamiori (2009) studied pricing strategies adopted by manufacturers of fast moving consumer goods in Mombasa.

The pricing strategies applied by firms may have been documented by different researchers however no known study has established the common strategies used by the hotel industry in Kenya and the relationship to profitability. This study will therefore attempt to answer the following research questions.

What pricing strategies are adopted by hotels in Kenya?

What relationship exists between pricing strategies and profitability of hotels in Kenya?

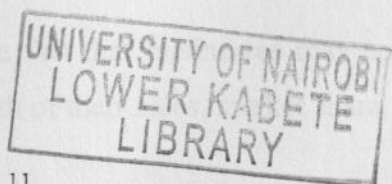
1.3 Research objectives

The objectives of this study are;

- (i) To establish the pricing strategies used by the hotel industry in Kenya.
- (ii) To determine the relationship between the pricing strategies and profitability of hotels in Kenya

1.4 Significance of the study

This study will add to the knowledge and understanding of pricing which is an important variable in the marketing mix, its application in the hotel industry and therefore scholars and researchers may use the results of the study as a source of reference. The results of this study will also offer to marketing managers in the hotel industry some insight into pricing strategies that are more likely to achieve profitable business performance.



CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses theories and practice in the field of pricing strategies and their relationship to profitability by highlighting the economists and marketers view. It then brings up the practical and theoretic views of pricing. The discussion then narrows down to the various alternatives of pricing strategies available to marketers in the hotel industry.

2.2 Pricing theory and practice

There are two main different views on pricing in theory: economic view and marketing view. These two different views are put across by neoclassical economic thinking and behavioral pricing research respectively (Moore, 1995; Estelami and Maxwell, 2003). The economic theory relates price to the supply and demand relationship while Cost, competition, and the price elasticity are key factors in determination of price. In competitive markets, the combined forces of competition and the desire of the sellers to maximize profits will bring supply and demand to an equilibrium point where price, marginal cost and average cost are equal (McCain, 1981; Moore, 1995; Kibera & Waruinge, 1988)

In its basic form, the economic theory rests on assumptions that the business has only one aim that is the maximization of total profits, knows exactly the costs of each level of output, and how much will be sold at each possible price. This therefore implies maximum profit will be realized when marginal revenue is equal to marginal cost. Very few business men would accept these assumptions as being realistic for practical application. According to the theory of demand a customer will buy more at a lower price than a higher price. This makes it equally challenged due to impractical assumptions. Marketers are however supposed to know the elasticity of demand which is how the market would react to a price change.

Modern theories on pricing recognize the fact that businesses may not be interested in profit alone but also in the extent of growth of their sales, market share, inventory

position, liquidity, prestige, labor relations, etc, and that the customer choice is influenced by a multiplicity of factors like his social standing, peer opinion, advertisements, shop displays etc.

Glautier (2001) argues that in command economies, central control leads to the use of cost base methods of pricing, while in market economies price is a function of supply, demand and competition. Business and their management accountants have to move pricing away from cost based methods towards market driven pricing and factor in all the other elements. There is however an increase in acceptance of the marketing views of pricing in literature (Estelami & Maxwell, 2003). As companies are increasingly becoming customer oriented, they are giving more importance to their marketing strategy. Common in marketing strategies is the 4 P's (Product, Price, Promotion and Place). Among the 4 P's, the one that is least researched is Price. These can be the fuel of the recent increase in pricing research. One would expect marketing view on pricing and hence behavioral pricing research to provide more relevant solutions to firms' current pricing problems, which are mainly marketing related.

While the pricing theories may be valuable in understanding fundamental economic relationships, there are weighty reasons why they are not suitable for the solution of practical pricing problems. Business authors agree on the critical aspect of pricing for a firm's profitability and the need for more research on the topic, which will improve understanding of how pricing decisions are taken and most importantly how they can be based on a strategic orientation. Nagle (1987) commented that "if effective product development, promotion and distribution sow the seeds of business success, effective pricing is the harvest. While effective pricing can never compensate for poor execution of the first three elements, ineffective pricing can surely prevent those efforts from resulting in financial success".

2.3 Pricing Strategies

Most scholars and practitioners share a common perspective on the issue of pricing that pricing should be handled as a strategic effort. They stress the importance of aligning

pricing strategy with overall corporate strategy and marketing strategy Nagle (1987) and Myers (2002). This therefore implies that firms are likely to employ diverse strategies given the different working situations. Cravens (1997) however notes that pricing is becoming increasingly challenging for many firms because of relying on factors that are difficult to analyze and articulate i.e. demand, competition, costs, deregulation, informed buyers and slow market growth, The fact that price may also influence on buyers value positioning and be used as a measure of product quality then justifies the need for a well crafted pricing strategy.

A composite of pricing strategies as presented by Jain (2004) and Kotler (2006) comprises of pricing strategies for new products and established products, flexible pricing strategies, product line-pricing strategy, bundling-pricing strategy and price-leader strategy. Different pricing strategies are recommended to fit with changes in marketing programs, market conditions, and product life cycles. Cost considerations are associated with strategies like Cost plus pricing, break even pricing strategies (Kibera, 1988). Other special pricing situations as presented by Cravens (1997) may occur given unique circumstances and require special strategies e.g. differential pricing, negotiated pricing and periodic discounting. Psychological pricing where odd number pricing, reference pricing and everyday low pricing are also given under the special situations (Cravens, 1997)

Lovelock et al. (2007) describes pricing strategies as a tripod with costs to the provider, competition, and value to the customer as the three legs. He notes the need that the goal of an effective pricing strategy is manage revenues in ways that support firm's profitability. This requires a strategy that considers costs, competitors pricing and values created for the customers. To make a profit, a firm must set high prices enough to recover the full cost of producing and marketing the product or service, and a sufficient margin to yield the desired profit margin at the predicted sales volume Lovelock (2010).

Several authors point out the importance of aligning pricing strategy to company's overall profitability goal. This alignment leads to consistency in the message delivered through marketing mix about the company and the product to the customers (Nagle, 1987). Cravens (1997) recognise that managers use their pricing strategies to achieve specific objectives and profitability. Kibera (1988) notes that pricing decisions are influenced by profitability goals which are guided by the increase or maintenance of largest possible contribution or gross profit, the achievement of target return on investment, generation of desired cash flow, maximizing revenue by varying prices to target segments over time and covering of costs. The pricing strategies are not mutually exclusive and therefore a firm can employ several types based on their situation.

Competition based strategies are presented based on two premises by Nagle, (1987). One is based on buyer's reactions while the other on competitor reactions and as a result, several strategies are given. The projection of a differentiated product or service image, matching of competitor pricing, maintenance of a well managed level of competition to avoid price wars with competitors and undercutting competitor pricing are given as approaches to competitor based pricing strategies.

Lovelock (2007) claims that creating a viable service requires a business model that allows the costs of creating and delivering the service plus a margin for profits to be recovered through realistic pricing and revenue management strategies. Nagle and Holden (1995) argue that a key step in pricing is to identify all the relevant costs when setting pricing and relevant costs are those that determine the profit impact of the pricing decision. According to Dolan and Simon (1996), the cost structure of the firm affects profitability, the price charged, and the number of sales. Cost structure concerns the ratio of variable and fixed costs to the total costs. In asset intensive industries like the hotels, fixed costs are high in comparison to variable costs, and in certain sales quantity intervals profitability is substantially increased with an increase in number of sales, because revenues increase while the total costs remain relatively stable.

However, in industries where variable costs are high, increase in number of sales does not lead to substantial increase in profitability. Kibera (1988) notes that many businessmen resort to the simple formula to arrive at their price which eliminates judgement on the part of the price setter. Firms that use cost plus pricing strategies set prices by totalling their costs and adding a reasonable margin of profit. This approach however doesn't consider whether the market will pay the price or not. The costs that a firm needs to recover usually impose a minimum price, or floor for a specific product or service offering, and the customer perceived value of the offering sets a maximum or ceiling. The price charged by competitors for similar or substitute services typically determine where, within the floor to ceiling range, the price can be set. Cost based strategy is mostly used by business intermediaries as product moves from manufacturers to consumers.

Kibera (1988) refers demand oriented pricing strategies as those that base it on the demand level of the product. In this approach, the marketer charges a higher price when demand for a product or service is high and a low price when it's weak. He however notes that one needs to be able to estimate the amounts of these products which will be demanded at different prices and bear in mind customer perceptions of value. The level of demand can also be a base for price discrimination where same product or service is offered at different prices to different customers depending on the customer's perceived value hence value pricing (Zeithaml, 2006). High price elasticity then favours a strategy of lowering costs for profitability and low price elasticity implies that the price should be increased to the point that market can bear for profitability (Moore, 1995).

Flexible pricing strategies are referred by different authors in different terms such as dynamic pricing, variable pricing and discriminative pricing. Jain (2004) refers to all these situations as offering the same products or quantities to different customers at different prices. Flexible pricing strategies enable firms to charge a higher price to customers who are willing to pay it and a lower price to those who are unwilling, although legal difficulties may be encountered if price discrimination becomes an issue.

Kotler (2006) explains that these differentiated prices can be based on target customer segments and different versions of products or services. The intended image to be communicated, the location and time of offer are also mentioned as causes for different pricing for same product.

Jain (2004) describes fixed price strategy as a one-price strategy that sets the same price for all customers who purchase goods under essentially the same conditions and in the same quantities. The one-price strategy is fairly typical in situations where mass distribution and mass selling are employed. This pricing strategy offers administrative convenience and also makes the pricing process easier. It contributes to the maintenance of goodwill among customers because no single customer receives special pricing favors over another. Scarborough (2011) discusses situations where this technique is applied by manufacturers who print suggested retail prices on their products and include them on invoices or wholesale catalogues.

Three basic strategies given by most authors as effective for introducing new products are market penetration, skimming and life cycle pricing strategies. Market penetration pricing strategy involves offering a product at an initial low price to achieve the largest possible market share as quickly as possible (Dean, 1969; Kibera, 1988; Jain, 2004; Scarborough, 2011). This approach is suitable for products and services that don't symbolise social status here the market is sensitive to price. In this case the firm will rely on high sales volumes to build market share. Skimming pricing is termed as the strategy of establishing a high initial price for a product with a view to "skimming the cream off the market" at the upper end of the demand curve. This strategy is accompanied by heavy expenditure on promotion. A skimming strategy may be recommended when the nature of demand is uncertain, when a company has expended large sums of money on research and development for a new product, when the competition is expected to develop and market a similar product in the near future, or when the product is so innovative that the market is expected to mature very slowly (Jain, 2004; Scarborough, 2011).

Scarborough (2011) and Cravens (1997) present lifecycle pricing as a strategy that depend on the stage of a life cycle of a product. In this case, the product is introduced at a high price which then gradually drops as it moves through the life cycle and as costs are reduced through accumulated experience. They also note that price becomes more active element of strategy as products move through the life cycle and competitive pressure build, costs decline and volume increases. This strategy is however required to be consistent with the overall marketing program positioning strategy of the firm.

Kotler (2006) and Scarborough (2011) describe promotion pricing techniques as those strategies that are used to stimulate increased purchase. Loss leaders or leader pricing, special event pricing, cash rebates, and discounts are given as examples. They describe leader pricing strategy as one that involves marking down the normal price of a popular brand item in an attempt to attract more customers who will make incidental purchases of other items at other prices. Special event pricing is explained as seasonal pricing offers during unique events like Christmas holidays. Referring to Kotler (2006), cash rebates strategies are used to encourage product purchases in a specified time period. This helps to clear inventories without cutting the stated list price. According to Kibera (1988) discount or markdown pricing strategies are reductions from the marked list price offered to customers in terms of cash or something else of value.

According to Kotler (2006), price-setting logic must be modified when the product is part of the total product and service mix offered by a firm. In this case, the firm searches for a set of prices that maximizes profits on the total mix. He argues that the pricing issue is complicated by the fact that various products have demand and cost interrelationships and are subject to different degrees of competition. He therefore distinguishes six situations involving product-mix pricing: product-line pricing, optional-feature pricing, captive-product pricing, two-part pricing, by-product pricing, and product-bundling pricing.

Price lining or product line pricing strategy offers different price points to different products in a product line depending on their quality, features and costs (Kotler, 2006 ; Scarborough, 2011). Under this system, entrepreneurs stock merchandise in several

different price ranges or price lines. Each category of merchandise contains items that are similar in appearance but differ in quality, cost, performance, or other features. Scarborough (2011) argues that the many lined products appear in different quality sets e.g. good, better, best designed to satisfy different market segments and wide range of shoppers.

Kotler (2006) and Scarborough (2011) present optional feature pricing strategy as a technique which offers optional products, features, and services along with their main product then sets low prices for the main product to pull crowds and high prices for other additional products. He adds that companies must decide which items to include in the standard price and which to offer as options. He gives an example of Restaurants which face a similar pricing problem. Customers can often order liquor in addition to the meal and many restaurants price their liquor high and their food low so that the food revenue covers costs, and the liquor produces the profit.

Scarborough (2011) describes captive product pricing strategy as a technique that involves selling a product for a low price and charging a higher price for the accessories that accompany it. Kotler (2006) illustrates captive product pricing with the examples of desktop printers which sells the printer at low price and earn high margins on the replacement cartridges, Manufacturers of razors, digital phones, and cameras often price them low and set high markups on razor blades and film, respectively. AT&T may give a cellular phone free if the person commits to buying two years of phone service.

Two part pricing strategy is given by Kotler (2006) as a method where a firm offers a basic item at a fixed fee and a variable usage fee e.g. the registration fees of member clubs and variable charges based on facility usage. He then describes by-product pricing strategy as a pricing approach where both a product and its by-products are priced on their value to customers. The income earned on the byproduct makes it easier for the company to charge a lower price on its main product if circumstances like competition forces it to do so. He illustrates this method by the example of meat, petroleum products and sugar industries.

Referring to Scarborough (2011), price bundling involves grouping together several products or services or both into a package that offers customers extra value at a special price. He gives an example of software manufacturers who bundle several computer programs into suites that offer customers a discount over purchasing the same packages separately. Kotler (2006) however notes that a firm can use pure bundling when products or services are only available as a bundle or mixed bundling where the seller offers goods both individually and in bundles. The price for a bundle is usually less than when items are purchased separately and this offers choice for those customers who may have not planned to purchase the whole bundle.

Kibera (1988) and Kotler (2006) argue that price causes psychological reactions on the part of customers where high prices are associated with high quality or prestigious product while low price may mean real bargains or even inferior product. Psychological pricing strategies are therefore commonly designed to encourage purchases that are based on emotional rather than rational responses at the retail level. They further give an example of psychological pricing as odd pricing where the end number of the price is made an odd number e.g. sh. 999 and not sh.1000. Another example as given by Kotler (2006) is psychological discounting where an artificially high price is set and then a savings price is offered. Example “Was 359, now 239”.

2.4 Profitability

Jhingan and Stephen (2008) describe profits as compensation received by a firm for its managerial function. Profits may be normal when they give minimum returns essential to induce the firm to remain in business in the long run and not withdraw from the industry while supernormal profits are realized when the firm exceeds normal profits. According to Jhingan and Stephen (2008) some economists consider profits as a functional reward to the entrepreneur for engaging in the risk and bearing the uncertainties of doing the business. When unforeseen profitable circumstances prevail, a firm can earn windfall

profit by mere chance without much effort, example when prices go up in an inflationary boom.

According to Kunwar and Nyandemo (2007) profit is regarded as residual income left after payments to all hired factors are made and is termed as gross profit. This contains interest on the entrepreneurs own capital, rent and land used for the business and wages for his non entrepreneurial labor. By using his personal factors in his own firm, the entrepreneur loses what he could have earned if he lent out these factors and services in the market. According to economists these implicit costs should be added to the paid out explicit costs to arrive at total costs which when deducted from total income in a given period gives net profit. Kunwar and Nyandemo (2007) argue that from a managerial point of view, economic profits are more important than accounting profits because they reflect the true profitability of an enterprise. A firm may be incurring losses while making accounting profits which may force the firm to withdraw itself from business in the long run.

Functions of profits as given by Jhingan and Stephen (2008) are to measure performance or the net effectiveness of the business efforts. A higher profit is an indicator that the business is run successfully and effectively. However, profit is far from being a perfect measure of business efficiency but is probably the best indicator of the general efficiency of the firm. Profits also ensure supply of future capital for innovation and expansion through self financing or inducement of external capital which optimizes the company's capital structure and its cost of capital. Profit also guarantees the survival of the business. It's the risk premium that covers the cost of staying in business, obsolescence, market and technical risks and uncertainties. No firm can survive long in the absence of at least a minimum rate of return on investment.

Referring to Kunwar and Nyandemo (2007) a sole objective of profit maximization by a firm is not the same as the objective of rendering useful service to the society while earning profits in the process. The former is a short term objective and generally conflicts with the social welfare. All firms which aim to grow in a social set up must learn to

sacrifice short term gains and build up strength and image which will be useful and profitable in the long run. Profit therefore, must be looked at from the view of financial soundness of the firm and contribution to the society rather than in terms of yearly returns on capital only.

2.5 Pricing and profitability

Profitability is a common goal for many for profit organizations and hence its importance while setting pricing strategy. The firm's long term survival depends on its ability to sell its products at prices that will cover costs as well as providing a profit margin that will ensure a reasonable rate of return to investors (Glautier, 2001). Lovelock (2007) argues that creating a viable product or service requires a business model that allows the costs of creating and delivering the product or service plus a margin for profits to be recovered through realistic pricing and revenue management strategies. A key goal of effective pricing strategy is to manage revenues in ways that support the firm's profitability objectives. This requires an understanding of costs, competitors' pricing, and the value created to customers.

Glautier (2001) illustrates that classical theorists believe that firms should determine the optimum price which maximizes the firm's profits. From their point of view, the price that maximizes profits implies the most efficient use of the economic resources held by the firm. This actually agrees with the tenets of classical philosophy of capitalism, that is, the objective of the firm is to maximize the returns accruing to the owner of its capital. The price which maximizes profits is given as that level of sales where the marginal costs are equal to the marginal revenue (Kibera, 1988). The authors agree that the economic theory imposes very exacting conditions on the analysis of the optimum pricing for profitability and requires information that is difficult to get. Classical theorists argue, nevertheless, that this principle is a useful guide to profit maximization.

According to Etzel et al. (2007) a firm may select one or more profit oriented goals for its pricing policy. Achievement of a target return, profit maximization and satisfactory profit are the most common ones. A firm may price its product to achieve a target return which

is a specified percentage return on its sales or on its investment. Many retailers and wholesalers use a target return on sales for short periods e.g. one year or seasonal sales. They add an amount to the cost of the product, which is a mark up, to cover anticipated operating expenses and provide a desired profit for the period. Achieving a target return on investment is measured in relation to firms net worth (Assets minus liabilities). This pricing goal is used by industry leaders because they can set their pricing goals more independently of competition than smaller firms in the industry.

A firm may also set pricing strategies with an aim of maximizing profits and making as much money as possible. This goal has a problem of being seen as profiteering, high prices and monopoly (Sahaf, 2008). In both economic theory and business practice, however, there is nothing wrong with profit maximization. Theoretically if profits become high in an industry due to short supply in relation to demand, new capital will be attracted to increase production capacity which will increase supply and eventually reduce profits. Profiteering in the market place doesn't last long periods because substitutes become available, purchases can be postponed, and competition can increase to keep prices at reasonable level (Etzel et al., 2007).

Referring to Etzel et al. (2007) a profit maximization goal is likely to be more beneficial to a company if it is pursued over the long term. In this case, business firms may require accepting modest profits or even losses over the short term by setting low prices to build a large clientele then maximize profits from repeat purchases from this large group in the long term. A firm in this kind of situation can set low and relatively unprofitable prices on some products in order to stimulate sales of others as long as the overall pricing goal is to maximize profits on total output. Sahaf (2008) argues that some firms prefer to have satisfactory level of profit as main objective of pricing strategies instead of profit maximization or fixed target rate. Satisfactory level of profit represents an amount that is not only sufficient to cover costs but also enables a firm to make future investments. He notes that satisfactory profit should be reviewed from time to time since changes may occur in costs of production, distribution or advertising.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research design

The design of this study was descriptive survey. This was appropriate in learning the who, what, where, when and how of pricing decisions by hotels in Kenya. Through this design it was possible to make estimates of the proportions of the hotel population that have certain pricing characteristics and the associations among the different pricing variables. According to Cooper & Schidler (2009) surveys are more efficient and economical than observations.

3.2 Population of study.

The population of this study was the hotel establishments in six key towns in Kenya, namely Nairobi, Nakuru, Kisumu, Meru, Nyeri, and Mombasa. The population therefore was the 1160 hotels in the six cities as listed in the Kenya business directory (Appendix B, list of 1160 hotels in six towns).

3.3 Sample size & sampling design

The sample size was 120 hotels which was an estimate of 10% of the population. The sampling design of the study was multiphase sampling design which involved the grouping the hotels into clusters made up of key cities in the country and categorizing the various hotel classes into four segments (strata) based on AA British & American hotel rating system. Proportionate stratified random samples was then drawn followed by simple random sampling to select participating hotels from each stratum as illustrated in table 3.3 & 3.4.

Table 3.3:- Proportionate Stratified sample allocation

Stratum	Proportions %	Population	Sample	Sample Size
Budget	55%	642	n 1	66
1 Star	24%	280	n 2	29
2 to 3 Star	15%	175	n 3	18
4 star & above	6%	70	n 4	7
Total	100%	1167		120

Table 3.4: Sample allocation within clusters

Cluster	Nairobi		Mombasa		Nakuru		Kisumu		Nyeri		Meru	
	N	n	N	n	N	n	N	n	N	n	N	n
Budget	301	30	207	21	41	4	57	6	19	1	17	1
1 Star	132	13	81	8	17	2	25	3	8	1	7	1
2 to 3 Star	78	8	60	6	11	1	15	1	5	1	5	1
4 star & above	37	4	29	3	3	1	6	1	3	1	1	1
Total	549	57	377	39	72	7	104	11	35	4	30	4

3.4 Data collection

Primary data was used for this study. The data was collected using a semi-structured questionnaire with three parts. Part A covered the business background information, part B the pricing strategies used by hotels and part three the relationship between pricing strategies and profitability. Data was collected from hotel owners, managers or supervisors through personal interviews or drop and pick later method. A pilot study on ten hotels was conducted in Nairobi CBD market to test and improve on the validity of the survey instrument.

3.5 Data analysis

The questionnaire was coded in respect to questions for ease of electronic data tabulation and processing. Statistical Package for the social sciences (SPSS) was used and descriptive statistics such as mean scores, standard deviation, frequency distributions and inferential statistics e.g. Analysis of variance (ANOVA) and product moment correlation were used to analyze the data.

The first section of the questionnaire, part A which contained background information of the hotels was analysed using frequencies and percentages. Part B which investigated the pricing strategies used by the hotels was analysed using mean scores and analysis of variance (ANOVA). Part C which measured the effects of pricing strategies on aspects of profitability was analysed using mean scores and Pearson product moment correlation.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents the broad findings of the study. Out of the total targeted 120 respondents who received the questionnaire, 109 duly filled and returned the completed questionnaires which represents 90.8% response rate. The findings presented in this chapter therefore are based on 90.8 response rate.

4.2 Background information of the company

4.2.1 Age of hotel

Majority of the respondent hotels (80.7%) were aged over five years while 19.3 were aged less than five years.

Table 4.2.1 Age of Hotels

Age of hotel	Frequency	Percent	Cumulative Percent
0-1 yrs	4	3.7	3.7
1 - 4 yrs	17	15.6	19.3
5 - 9 yrs	41	37.6	56.9
10 - 14 yrs	17	15.6	72.5
15 - 19 yrs	29	26.6	99.1
over 20 yrs	1	0.9	100.00
Total	109	100.00	

Source: Research Data.

4.2.2 Number of employees in the hotels

A majority of 92.7% Budget class hotels reported having between one and twenty employees, 80% of one star had between eleven and fifty employees, 89% of 2 to 3 stars reported twenty one to 100 employees while 72.7% of four stars reported over fifty employees. This indicates that the employee's number increased with the AA Star ratings of hotels.

Table 4.2.2 Number of employees in hotels as percentage

No. of employees	Budget		One star		2 - 3 star		Four star	
	%	cum %	%	cum %	%	cum %	%	cum %
1 to 10	38.2	38.2	4	4	5.6	5.6	0	0
11 to 20	54.5	92.7	20	24	0.0	5.6	9.1	9.1
21 to 50	7.3	100	60	84	38.9	44.5	18.2	27.3
51 to 100	0.0	100	8	92	50.0	94.5	54.5	81.8
> 100	0.0	100	8	100	5.6	100	18.2	100

Source: Research data

4.2.3 Products offered by the hotels

As indicated in tables 4.2.3 below, majority of products were offered by the hotels with bottled water having highest availability of 99.1%, juices were 2nd with 97.2% and wines & spirits 3rd with 96.3%. However the least offered products were cocktails and cigarettes with availability of 76.1% and 84.4% respectively.

Table 4.2.3 Products offered by hotels

	Beer	wine & spirit	Bottled water	Carbon soft drinks	Juices	Cocktails	Cigarettes	Food	Energy drinks
	%	%	%	%	%	%	%	%	%
Yes	95.4	96.3	99.1	90.8	97.2	76.1	84.4	94.5	90.8
No	4.6	3.7	0.9	9.2	2.8	23.9	15.6	5.5	9.2

4.2.4 Services offered by hotels.

The services offered by hotels as indicated in table 4.2.4 below show that 100% of all interviewed reported offering accommodation. The 2nd most common service was conferences with 68.8% availability and banquets third with 52.3% availability. However, the least offered services were banking with availability of 17.2% of the hotels, car wash services available in 18.2% and games which were available in 29.4% of the hotels.

Table 4.2.4 Services offered by Hotels

	Accomm	Car wash	Cyber	Conference	Banquets	Games	Recreation & beauty	Banking
	%	%	%	%	%	%	%	%
Yes	100	18.3	33.9	68.8	52.3	29.4	33.0	17.4
No	0.0	81.7	66.1	31.2	47.7	70.6	67.0	82.6

Source: Research Data

4.2.5 Pricing decision makers in hotel industry.

The study showed that pricing decisions in budget class hotels, 34.5% are made by directors, 20% by share holders and 20% by functional heads. In one star category, the study found that prices are set by functional heads in 28% of the hotels, 24% hotels by directors and 28% by functional heads. In 2-3 star hotels, 55.6% of hotels pricing decisions are made by functional heads, 11.1% by share holders and 11.1% by directors. In the four stars and above category, price decisions are made by directors in 45.5% of hotels, 27.3% middle management and 9.1 by share holders. Overall, the pricing decision rests on directors in 29.4% of hotels, functional heads in 26.6% of hotels and share holders in 18.3% of the hotels.

Table 4.2.5: Pricing decision makers in hotels

Price decision makers	classification				Total
	Budget %	One star %	2 - 3 star %	Four star %	%
Share holders	20	24	11.1	9.1	18.3
Directors	34.5	24	11.1	45.5	29.4
Functional heads	20	28	55.6	9.1	26.6
Middle management	1.8	0	0.0	27.3	3.7
Share holders & top management	9.1	4	11.1	0.0	7.3
Top management & directors	14.5	20	11.1	9.1	14.7
Total	100	100	100	100	100

Source: Primary data

4.3 Pricing Strategies used in the hotel industry

Each respondent was presented with a list of 20 pricing strategies encompassing a variety of pricing situations and asked to select the extent to which the hotels apply the given strategies on a 5 point scale where 1 = to no extent and 5 = to a very large extent. For

purposes of interpreting the findings, pricing strategies mean scores of 1 to 2.5 will be interpreted as small extent of usage, 2.6 to 3.5 moderate extents, and above 3.5 as large extent.

4.3.1 Mean scores for pricing strategies

4.3.1 Pricing strategies used to large extent.

For the whole sample, the leading pricing strategy used to large extent was cost plus pricing with a mean score of 4.1. The hotel managers expressed their concern on meeting their markups and margins which are set long before other pricing factors are considered. The second strategy was price signaling with mean score 3.9. The third pricing strategy was break even pricing with mean score of 3.6. Other strategies noted as used to moderate extent were image premium pricing, customer value pricing, flexible pricing and parity pricing strategies (mean scores of 3.4, 3.2, 3.0 and 3.0 respectively).

Pricing strategies based on hotel classification (table 4.3.1) show that the pricing strategies used to large extent by budget hotels were cost plus pricing, price signaling and break even pricing with mean scores of 4.1, 3.8 and 3.6 respectively. Pricing strategies used on large extent by one star were cost plus pricing, price signaling and image premium with mean scores of 4.2, 3.9 and 3.6 respectively. The pricing strategies scored to high extent for 2-3 stars are cost plus pricing, price signaling and break even pricing with mean scores of 4.1, 3.9 and 3.8 while those of 4 stars and above were cost plus pricing, price signaling and image premium pricing with mean scores of 4.1, 4.1 and 4.1 respectively.

4.3.2 Pricing strategies used to small extent

The least scored pricing strategies used to low extent for the whole sample as shown in table 4.3.1 below were price skimming with a mean score of 1.9, psychological pricing, internet pricing and low price supplier pricing all with a mean score of 2.0. Based on hotel classification, the strategies scored low on extent of usage by budget are internet pricing (mean score 1.8) and price skimming (mean score 1.9). Pricing strategies scored low on extent of usage by one star are low price supplier (mean score 1.9) and price skimming (mean score 2.0) while for 2-3 star were price skimming (mean score 1.7) and

low price supplier (mean score 1.8). The four stars and above scored psychological pricing (mean score 1.5) and price skimming (mean score 1.5) as used to low extent.

Table 4.3.1 Mean scores for pricing strategies

Mean interpretation key: 1 to 2.5 = small extent of usage, 2.6 to 3.5 = moderate extents, and above 3.5 = large extent.

Pricing strategy	Budget	one star	2 - 3 star	4 star	Full sample
Price skimming	1.9	2	1.7	1.5	1.9
penetration pricing	2.5	2.4	2.1	1.8	2.3
Experience c. pricing	2.7	2.4	2.2	1.9	2.5
leader pricing	2.9	2.8	2.7	2.1	2.8
parity pricing	3.1	3.1	2.9	2.6	3.0
low price supplier	2.2	1.9	1.8	1.5	2.0
price bundling	2.9	2.9	3.1	2.7	2.9
customer value	3.2	3.3	3.1	3.5	3.2
cost plus pricing	4.1	4.2	4.1	4.1	4.1
break even pricing	3.6	3.4	3.8	3.3	3.6
price signaling	3.8	3.9	3.9	4.1	3.9
Image premium. p	3.2	3.6	3.7	4.1	3.4
flexible pricing	2.7	2.8	3.5	3.6	3.0
Promotion pricing	2.6	2.6	2.5	2.6	2.6
Perceived value. p	2.5	2.6	3.0	3.0	2.6
internet pricing	1.8	2.1	2.2	2.0	2.0
Product line pricing	2.7	2.8	2.8	2.5	2.7
Optional feature. p	2.4	2.5	2.5	2.2	2.4
Two part pricing	2.1	2.4	2.1	2.2	2.2
psychological pricing	2.0	2.1	1.9	1.5	2.0

Source: Research data

4.3.3 Analysis of variance (ANOVA) for pricing strategies in different hotel classes

Before conducting the ANOVA, two assumptions of concern were tested. These are population normality and homogeneity of variance. The population from which the samples were drawn had to be normal and this was checked by skewness and kurtosis while the scores in each group required having homogenous variances and this was checked using Levene's statistics. Based on the statistics given in appendix C, the distributions of pricing strategies scores are normal with slight negative skew values between -0.9 to +0.9 and kurtosis values -0.9 to +1.23, therefore the assumption of normality is not violated.

Based on the findings given in appendix B, the second assumption is met since the significance (p value) of Levene's test $F(3,105)$ d.f is larger than the $\alpha = 0.05$ for all strategies except break even pricing ($p = 0.031$) therefore the null hypothesis will be accepted that the variability of the hotel groups are equal. The homogeneity assumption is therefore not violated to proceed with ANOVA.

The analysis of variance is based on a confidence level of 95%, ($\alpha = 0.05$). V_1 is equal to 3d.f. and V_2 ranges between 105 and 108 based on the number who responded to the question. F ratio with an F probability value less than 0.05 will be significant hence suggesting that hotel class significantly influences choice of strategy. $F(3,108) = \text{Value}$; $p < 0.05$. Based on ANOVA findings (Appendix E), the significance of F value indicates that the main effect on choice of strategies by hotel classification was on three strategies namely experience curve pricing ($p = 0.03$), image premium pricing ($p=0.008$) and flexible pricing ($p=0.021$). To locate the source of differences caused by classification on choice of pricing strategy, one way ANOVA with Post Hoc tests was done. The Turkey HSD multiple comparisons show that the three pricing strategies, experience curve pricing, image premium and flexible pricing significant differences occur between budget classes and 4 star hotel classes.

4.4. Pricing strategies and profitability

Each respondent was presented with the list of 20 pricing strategies and asked to rate the contribution of each strategy to various aspects of profitability namely maximum gross profit, target return on investment, liquidity & cash flow and sales revenue & long term profitability. The rating was done using a three point scale where 1= low and 3 = high. For interpretation purposes, mean scores of 1 - 1.4 = low, 1.5 - 2.4 = moderate, 2.5 - 3.0 high profitability

4.4.1 Gross profit

The pricing strategies reported to contribute high gross profits as shown on table 4.4 below were cost plus price strategy (mean score 2.9), price signaling (mean score 2.6). Image premium pricing, flexible pricing, and customer value pricing were scored as contributing moderately all with mean score of 2.4. However, the low gross profit contributors were psychological pricing (mean score 1.3), internet pricing and penetration pricing with mean scores of 1.4.

4.4.2 Target return on investment

The pricing strategies reported to contribute high target return on investment was cost plus price strategy (mean score 2.7). Moderate contributors were price signaling (mean score 2.3) and image premium, flexible pricing, and break even pricing all with mean score of 2.2. Other moderate contributors to target ROI were psychological pricing (mean score 1.5), internet pricing and experience curve pricing with mean scores of 1.5 and 1.6 respectively as shown in table 4.4 below.

4.4.3 Liquidity and cash flow

There was no pricing strategy that was reported as contributing high liquidity and cash flow. The pricing strategies that were rated as moderate contributors to liquidity and cash flow were experience curve pricing, leader pricing, parity pricing and cost plus pricing all with a mean score of 2.1. Other moderate contributors were psychological pricing, internet pricing and low price supplier with mean scores of 1.5, 1.6 and 1.6 respectively.

4.4.4 Sales revenue and long term profitability

Parity pricing strategy was rated as moderate contributor to sales revenue and long term profitability with a mean score of 2.4. Other pricing strategies rated moderate contributors were experience curve pricing and cost plus pricing both with a mean score of 2.3. Psychological pricing, skimming pricing and internet pricing with mean scores of 1.6, 1.7 and 1.7 respectively were also rated as moderate contributors.

The overall rating on pricing strategies contribution to profitability as indicated in table 4.4 show that cost plus pricing (mean score 2.5) is a high contributor to overall profitability of hotels. The other pricing strategies rated as moderate contributors to overall profitability were image premium pricing, break even pricing, price signaling, and customer value pricing all with a mean score of 2.2.

4.5 Pricing strategies product moment correlation with net profit of hotels

Based on the bivariate Pearson product moment correlation analysis (appendix D) the output confirms significant positive relationships between net profit and several pricing strategies as follows. Cost plus strategy ($r = 0.14$, $p < 0.05$), flexible pricing ($r = 0.15$, $p < 0.05$) customer value ($r = 0.25$, $p < 0.05$), price signaling ($r = 0.28$, $p < 0.05$) and image premium ($r = 0.39$, $p < 0.05$). This shows that the above pricing strategies are associated with high net profits.

Table 4.4 Mean scores for contribution of pricing strategies to profitability

Key: mean score 0 - 1.4 = low, 1.5 - 2.4 = moderate, 2.5 - 3.0 high profitability

Pricing Strategies	Max G Profit		Target ROI		L& C Flow		SR&L Profits		Overall Mean
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev	
Price skimming	1.7	0.6	1.9	0.6	1.7	0.7	1.7	0.8	1.8
Penetration pricing	1.4	0.6	1.7	0.6	2.0	0.7	2.0	0.7	1.8
Experience c. pricing	1.5	0.5	1.6	0.6	2.1	1.2	2.3	0.6	1.9
leader pricing	1.8	0.8	1.9	0.6	2.1	0.7	2.2	0.7	2.0
Parity pricing	1.8	0.8	1.9	0.7	2.1	0.7	2.4	0.7	2.1
Low price supplier	1.6	0.7	1.7	0.8	1.6	0.6	2.1	0.7	1.8
Price bundling	1.9	0.8	1.9	0.8	1.8	0.6	2.2	0.8	2.0
Customer value	2.4	0.7	2.1	0.7	1.9	0.8	2.2	0.8	2.2
Cost plus pricing	2.9	0.3	2.7	0.5	2.1	0.6	2.3	0.7	2.5
Break even pricing	2.4	0.7	2.2	0.6	2.0	0.7	2.2	0.7	2.2
Price signaling	2.6	0.7	2.3	0.7	1.9	0.7	2.1	0.8	2.2
Image premium pricing	2.4	0.8	2.2	0.7	1.8	0.7	2.2	0.7	2.2
Flexible pricing	2.4	0.8	2.2	0.8	1.8	0.7	2.1	0.8	2.1
Promotion pricing	1.9	0.7	1.7	0.6	1.9	0.8	2.2	0.8	1.9
Perceived value pricing	1.7	0.7	1.9	0.6	1.7	0.7	2.0	0.8	1.8
internet pricing	1.4	0.7	1.5	0.7	1.6	0.7	1.7	0.8	1.6
Product line pricing	1.8	0.8	1.7	0.7	1.9	0.8	2.1	0.8	1.9
Optional feature pricing	1.9	0.8	1.8	0.6	1.9	0.8	2.1	0.8	1.9
Two part pricing	1.7	0.7	1.7	0.6	1.7	0.7	1.8	0.7	1.7
Psychological pricing	1.3	0.6	1.5	0.7	1.5	0.7	1.6	0.6	1.5

Source: Research data

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction.

This Chapter presents the summary of findings and the conclusions. It also incorporates the recommendations made from the study, the limitations encountered and the suggestions for further research

5.2 Summary of the findings

The study aimed at achieving two objectives namely establishing the pricing strategies used by the hotel industry in Kenya and determining the relationship between the pricing strategies and profitability of the hotels. The study established that most hotels in Kenya use a combination of pricing strategies to large extent which are Cost plus pricing, price signaling and break even pricing. The study also showed that image premium pricing, customer value pricing, flexible pricing and parity pricing strategies are used to a moderate extent.

Generally the pricing strategies across the various hotel categories were similar however, some variations on choice of pricing strategy were noted in the budget class and the 4 star and above. The pricing strategies that varied significantly across the two hotel categories were flexible pricing, image premium pricing and experience curve pricing strategies. Most of the other pricing strategies didn't show significant variations across the hotel classes. Going by explanations given by respondents, the four star hotels use image premium prices to communicate the quality of their products and services to their customer and keep off the non target clientele. They also use flexible (dynamic) pricing as often as possible depending on season, customer or occasion unlike the budget hotels that set fixed prices throughout and have no much image to demonstrate through pricing. The respondents noted that penetration pricing strategy is preferred to skimming strategy for new products so that they attract customers, build a loyal customer base then raise the prices. Psychological pricing and internet pricing were both not popular and not associated with profitability.

The second objective was to relate the pricing strategies to profitability of the hotels. Based on the findings, several pricing strategies were found to be associated with profitability of the hotels. The overall rating on pricing strategies contribution to profitability showed that cost plus pricing contributes high overall profitability of hotels. Other pricing strategies rated moderately were image premium pricing, break even pricing, price signaling, and customer value pricing. This was further confirmed with product moment correlation coefficients with net profits of the hotels where same strategies were rated as high contributors to net profit.

Cost plus pricing was recognized as high contributor to all profitability aspects namely gross profit, target return on investment, liquidity and cash flow and sales revenue and long term profitability of the business. Price signaling, customer value pricing, and image premium pricing were noted to contribute moderately to maximum gross profit. Price signaling, image premium pricing and flexible pricing strategies were scored moderately on target return on investment. Parity pricing, leader pricing, and experience curve pricing were moderately associated with liquidity and cash flow while high sales revenue and long term profitability were attributed to customer value pricing, parity pricing and experience curve pricing moderately.

5.3 Conclusions

In conclusion, the different hotel categories have to weigh their situations and address their pricing objectives with several strategies. Based on the results it's clear that there is no one pricing strategy that offers all solutions to the pricing decision but the hotel managers have to apply the strategy that works best given the prevailing circumstances. Hotel categories use several combinations of pricing strategies with some significant variations between Budget class and 4 stars. These pricing strategies contribute differently to profitability where only one strategy was found to be adopted across all hotel categories and leading in profitability contribution. This was cost plus pricing which happened to be the rule of the thumb i.e. they load their industry margins on costs to set their prices. All managers are therefore conscious with their margins and will rather not offer a product or service that does not promise their minimum set margins. The other

not offer a product or service that does not promise their minimum set margins. The other important strategies associated with profitability were image premium pricing, break even pricing, price signaling, and customer value pricing in that order.

5.4 Recommendations from the study

While noting the turbulent environments and increased globalized competition, the seasonality of hotel business and the critical role played by pricing in profitability it is necessary that Hotel operators and managers put more emphasize in improving the pricing decision, understanding the underlying situations and the intended pricing objectives so that they can settle on the right combination of pricing strategies. Based on the study findings, such combination should include the strategies that are associated with high profitability like cost plus pricing, price signaling and flexible pricing strategies, customer value pricing and break even pricing. This will ensure survival of the business during low seasons and tap the potential from different customer levels and different seasons for maximum business profitability.

5.4 Limitations of the study

While carrying out this study, various limitations were encountered. The principal limitation was time constraint given that the data collection method was personal administration of questionnaires with managers and owners. Drop and pick method was used where respondents were not available. The other limitation was getting full cooperation from the respondents and obtaining accurate business data from as originally planned. Some respondents were reluctant to part with information and therefore could have concealed some facts. Lastly there was a time limitation to thoroughly work on the project due to official duty engagements and the study findings could have been complete if all targeted respondents were interviewed.

5.5 Suggestions for further research.

The purpose of this study was to determine the pricing strategies used by hotels in the country and the effects of those strategies on profitability. The study was carried out on

120 hotels located in six key cities without including others that could be located in other towns in the country. It is possible that the results are not representative of the entire country. The researcher therefore would suggest that similar studies be carried out to include more towns in the country and increase the sample size to improve on the reliability of the study results. Further research should also be carried out from the perspective of the internal and external factors that affect the selection of pricing strategies and how hotel managers combine their strategies to arrive at the final price in order to shed light on a holistic pricing decision process.

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Appendix A. Mean scores for pricing strategies

Rating scale 1 = to no extent and 5 = to very large extent

Budget Hotels

Pricing strategy	Kisumu	Meru	Mombasa	Nairobi	Nakuru	Nyeri	Total
price skimming	2.2	2.0	2.1	1.8	1.3	2.0	1.9
penetration pricing	3.0	3.0	2.3	2.6	2.0	2.0	2.5
experience c. pricing	3.5	1.0	2.6	3.0	2.0	3.5	2.7
leader pricing	3.2	2.0	2.7	3.2	3.3	2.0	2.9
parity pricing	3.3	3.5	2.6	3.5	3.3	3.5	3.1
low price supplier	2.2	1.0	2.5	2.2	1.3	2.5	2.2
price bundling	2.8	3.5	2.8	3.0	2.8	2.5	2.9
customer value	3.0	4.5	3.0	3.1	3.5	3.5	3.2
cost plus pricing	4.2	4.5	4.0	4.0	4.5	4.0	4.1
break even pricing	3.8	3.0	3.4	3.7	4.0	3.5	3.6
price signaling	3.5	4.5	3.8	3.8	4.5	3.0	3.8
image premium pricing	3.3	4.5	3.2	3.1	3.3	2.5	3.2
flexible pricing	2.7	1.5	3.3	2.6	2.3	2.0	2.7
promotion pricing	3.5	3.5	2.5	2.4	2.3	2.5	2.6
perceived value pricing	3.3	1.5	2.6	2.3	1.5	2.5	2.5
internet pricing	2.7	1.5	1.9	1.6	1.5	2.5	1.8
product line pricing	3.7	3.0	2.2	2.8	2.8	3.0	2.7
optional feature pricing	2.8	2.0	2.3	2.4	2.0	3.0	2.4
two part pricing	1.7	2.0	2.1	2.3	2.0	2.0	2.1
psychological pricing	1.5	4.0	2.2	1.8	2.3	2.0	2.0

One Star hotels

Pricing strategy	Kisumu	Meru	Mombasa	Nairobi	Nakuru	Nyeri	Total
price skimming	2.0	2.0	2.0	2.2	1.0	2.0	2
penetration pricing	3.3	3.0	2.3	2.4	1.0	3.0	2.4
experience c. pricing	2.0	1.0	2.9	2.3	3.0	1.0	2.4
leader pricing	3.7	2.0	2.7	2.6	4.0	2.0	2.8
parity pricing	3.3	4.0	3.1	2.6	4.0	4.0	3.1
low price supplier	2.7	1.0	2.6	1.4	2.0	1.0	1.9
price bundling	3.0	3.0	2.9	2.8	3.0	3.0	2.9
customer value	2.7	4.0	3.4	3.2	3.5	4.0	3.3
cost plus pricing	4.0	5.0	3.9	4.3	4.0	5.0	4.2
break even pricing	4.0	3.0	3.6	3.1	4.0	3.0	3.4
price signaling	4.3	5.0	3.3	3.8	5.0	5.0	3.9

image premium pricing	3.7	4.0	3.4	3.5	4.0	4.0	3.6
flexible pricing	2.7	2.0	3.6	2.6	2.5	1.0	2.8
promotion pricing	2.7	3.0	3.1	2.3	3.0	1.0	2.6
perceived value pricing	3.0	1.0	2.4	2.7	2.0	3.0	2.6
internet pricing	3.3	1.0	2.6	1.8	1.0	1.0	2.1
product line pricing	3.0	3.0	3.0	2.9	2.0	1.0	2.8
optional feature pricing	2.7	2.0	2.1	2.7	2.0	3.0	2.5
two part pricing	2.7	2.0	2.6	2.5	2.0	2.0	2.4
psychological pricing	2.7	4.0	2.4	1.8	1.0	2.0	2.1

2 to 3 Star Hotels

Pricing strategy	Kisumu	Meru	Mombasa	Nairobi	Nakuru	Nyeri	Total
price skimming	2.0	2.0	1.7	1.6	1.0	2.0	1.7
penetration pricing	2.0	4.0	2.0	1.8	3.0	3.0	2.1
experience c. pricing	5.0	2.0	2.7	1.6	2.0	2.0	2.2
leader pricing	4.0	3.0	2.7	2.5	3.0	3.0	2.7
parity pricing	4.0	3.0	3.2	2.6	3.0	2.0	2.9
low price supplier	3.0	2.0	1.7	1.6	1.0	3.0	1.8
price bundling	4.0	3.0	3.0	3.4	3.0	1.0	3.1
customer value	4.0	3.0	2.8	3.4	3.0	2.0	3.1
cost plus pricing	4.0	4.0	4.3	4.1	4.0	2.0	4.1
break even pricing	4.0	4.0	4.3	3.4	4.0	4.0	3.8
price signaling	4.0	2.0	4.5	3.6	5.0	3.0	3.9
image premium pricing	4.0	3.0	4.2	3.3	4.0	5.0	3.7
flexible pricing	3.0	3.0	3.8	3.5	3.0	3.0	3.5
promotion pricing	3.0	3.0	2.0	2.6	3.0	3.0	2.5
perceived value pricing	4.0	3.0	2.7	3.3	3.0	2.0	3.0
internet pricing	3.0	2.0	2.0	2.3	1.0	3.0	2.2
product line pricing	4.0	4.0	2.2	2.9	4.0	2.0	2.8
optional feature pricing	4.0	4.0	2.2	2.4	2.0	3.0	2.5
two part pricing	2.0	2.0	1.7	2.1	2.0	4.0	2.1
psychological pricing	1.0	2.0	1.7	1.8	4.0	3.0	1.9

4 Star & above

Pricing strategy	Kisumu	Meru	Mombasa	Nairobi	Nakuru	Nyeri	Total
price skimming	1.0	2.0	1.3	1.8	1.0	1.0	1.5
penetration pricing	2.0	2.0	1.0	2.8	1.0	1.0	1.8
experience c. pricing	3.0	1.0	2.3	1.5	3.0	1.0	1.9
leader pricing	2.0	2.0	2.3	2.3	2.0	1.0	2.1
parity pricing	3.0	4.0	2.7	2.8	1.0	2.0	2.6
low price supplier	2.0	1.0	1.3	1.5	3.0	1.0	1.5
price bundling	4.0	2.0	2.3	3.0	3.0	2.0	2.7
customer value	4.0	3.0	3.7	3.5	4.0	2.0	3.5
cost plus pricing	4.0	4.0	4.3	3.8	5.0	4.0	4.1
break even pricing	2.0	2.0	4.7	3.0	3.0	3.0	3.3
price signaling	4.0	4.0	4.7	3.5	5.0	4.0	4.1
image premium pricing	4.0	3.0	4.7	3.8	5.0	4.0	4.1
flexible pricing	4.0	1.0	4.3	3.8	4.0	3.0	3.6
promotion pricing	4.0	2.0	3.0	2.8	1.0	2.0	2.6
perceived value pricing	0.0	1.0	3.3	3.5	3.0	2.0	3.0
internet pricing	4.0	1.0	3.0	1.3	0.0	1.0	2.0
product line pricing	3.0	2.0	2.0	2.8	3.0	2.0	2.5
optional feature pricing	4.0	1.0	2.0	2.3	2.0	2.0	2.2
two part pricing	4.0	1.0	2.0	2.5	2.0	1.0	2.2
psychological pricing	1.0	3.0	2.3	1.0	1.0	1.0	1.5

Appendix B: Levene's Test

Test of Homogeneity of Variances ($p > 0.05$)

Pricing strategy	Levene Statistic	d.f.1	d.f.2	Sig.
price skimming	0.82	3	105	0.485
penetration pricing	0.68	3	105	0.565
experience curve pricing	0.42	3	105	0.739
leader pricing	0.87	3	105	0.457
parity pricing	0.13	3	105	0.945
low price supplier	0.91	3	105	0.439
price bundling	1.19	3	105	0.316
customer value	0.80	3	105	0.497
cost plus pricing	0.04	3	105	0.990
break even pricing	3.08	3	105	0.031
price signaling	0.18	3	105	0.907
image premium pricing	2.58	3	105	0.057
flexible pricing	1.59	3	105	0.196
promotion pricing	0.23	3	105	0.874
perceived value pricing	1.86	3	104	0.142
internet pricing	2.68	3	104	0.051
product line pricing	0.94	3	105	0.425
optional feature pricing	1.21	3	105	0.311
two part pricing	1.89	3	105	0.136
psychological pricing	0.57	3	105	0.636

Source: Research data

In this data, the significance (p value) of Levene's test is larger than the $\alpha = 0.05$ for all strategies except break even pricing therefore acceptance of null hypothesis that the mean variances are equal.

Appendix C: Skewness and kurtosis pricing strategies

Pricing strategy	Mean	Std. Dev	Skewness	Kurtosis
price skimming	1.9	0.7	0.53	-0.02
penetration pricing	2.3	0.9	0.06	-0.94
experience curve pricing	2.5	1.0	0.15	-0.86
leader pricing	2.8	1.0	0.18	-0.59
parity pricing	3.0	1.0	-0.35	-0.59
low price supplier	2.0	1.0	0.76	-0.18
price bundling	2.9	0.8	0.21	-0.05
customer value	3.2	0.9	-0.09	-0.35
cost plus pricing	4.1	0.7	-0.85	1.23
break even pricing	3.6	1.0	-0.94	0.68
price signaling	3.9	1.1	-0.9	0.42
image premium pricing	3.4	0.9	-0.88	0.46
flexible pricing	3.0	1.2	-0.35	-0.85
prom otion pricing	2.6	1.0	0.3	-0.06
perceived value pricing	2.6	1.0	0.14	-0.4
internet pricing	2.0	1.0	0.97	0.54
product line pricing	2.7	1.0	0.29	-0.72
optional feature pricing	2.4	0.8	0.64	-0.27
two part pricing	2.2	0.8	0.56	0.98
psychological pricing	2.0	1.0	0.95	0.46

Appendix D Analysis of variance for pricing strategies

		Sum of Squares (SS)	d.f.	Mean Square (MS)	F	Sig.
price skimming	Between Groups	3.2	3	1.1	2.067	0.109
	Within Groups	54.4	105	0.5		
	Total	57.7	108			
penetration pricing	Between Groups	4.7	3	1.6	1.811	0.150
	Within Groups	91.1	105	0.9		
	Total	95.8	108			
experience curve pricing	Between Groups	9.0	3	3.0	3.086	0.030
	Within Groups	102.2	105	1.0		
	Total	111.2	108			
leader pricing	Between Groups	6.6	3	2.2	2.506	0.063
	Within Groups	91.6	105	0.9		
	Total	98.1	108			
parity pricing	Between Groups	2.6	3	0.9	0.905	0.441
	Within Groups	102.3	105	1.0		
	Total	104.9	108			
low price supplier	Between Groups	6.1	3	2.0	2.152	0.098
	Within Groups	99.9	105	1.0		
	Total	106.0	108			
price bundling	Between Groups	1.2	3	0.4	0.592	0.621
	Within Groups	73.4	105	0.7		
	Total	74.7	108			
customer value	Between Groups	1.1	3	0.4	0.404	0.750
	Within Groups	93.1	105	0.9		
	Total	94.1	108			
cost plus pricing	Between Groups	0.2	3	0.1	0.125	0.945
	Within Groups	58.0	105	0.6		
	Total	58.3	108			
break even pricing	Between Groups	2.9	3	1.0	0.998	0.397
	Within Groups	102.1	105	1.0		
	Total	105.0	108			
price signaling	Between Groups	1.0	3	0.3	0.290	0.832
	Within Groups	123.9	105	1.2		
	Total	124.9	108			
image premium pricing	Between Groups	10.1	3	3.4	4.170	0.008
	Within Groups	84.9	105	0.8		
	Total	95.0	108			
flexible pricing	Between Groups	13.4	3	4.5	3.371	0.021
	Within Groups	139.5	105	1.3		

	Total	152.9	108			
promotion pricing	Between Groups	0.2	3	0.1	0.060	0.980
	Within Groups	102.2	105	1.0		
	Total	102.4	108			
perceived value pricing	Between Groups	5.6	3	1.9	1.813	0.149
	Within Groups	107.8	104	1.0		
	Total	113.4	107			
internet pricing	Between Groups	2.0	3	0.7	0.675	0.569
	Within Groups	101.9	104	1.0		
	Total	103.9	107			
product line pricing	Between Groups	1.1	3	0.4	0.320	0.811
	Within Groups	115.9	105	1.1		
	Total	117.0	108			
optional feature pricing	Between Groups	0.9	3	0.3	0.409	0.747
	Within Groups	75.4	105	0.7		
	Total	76.2	108			
two part pricing	Between Groups	2.4	3	0.8	1.372	0.256
	Within Groups	61.3	105	0.6		
	Total	63.7	108			
psychological pricing	Between Groups	2.7	3	0.9	0.919	0.434
	Within Groups	103.1	105	1.0		
	Total	105.9	108			

Appendix E: Correlation coefficients with net profits

	N = 109	Net profit pm
price skimming	Pearson Correlation	-0.15
	Sig. (2-tailed)	0.13
penetration pricing	Pearson Correlation	-0.11
	Sig. (2-tailed)	0.25
experience curve pricing	Pearson Correlation	-0.23*
	Sig. (2-tailed)	0.02
leader pricing	Pearson Correlation	-0.05
	Sig. (2-tailed)	0.59
parity pricing	Pearson Correlation	0.03
	Sig. (2-tailed)	0.76
low price supplier	Pearson Correlation	-0.13
	Sig. (2-tailed)	0.18
price bundling	Pearson Correlation	0.09
	Sig. (2-tailed)	0.33
customer value	Pearson Correlation	0.25**
	Sig. (2-tailed)	0.01
cost plus pricing	Pearson Correlation	0.14
	Sig. (2-tailed)	0.15
break even pricing	Pearson Correlation	0.11
	Sig. (2-tailed)	0.24
price signalling	Pearson Correlation	0.28**
	Sig. (2-tailed)	0.00
image premium pricing	Pearson Correlation	0.39**
	Sig. (2-tailed)	0.00
flexible pricing	Pearson Correlation	0.15
	Sig. (2-tailed)	0.11
promotion pricing	Pearson Correlation	0.15
	Sig. (2-tailed)	0.12
perceived value pricing	Pearson Correlation	0.26**
	Sig. (2-tailed)	0.01
internet pricing	Pearson Correlation	0.03
	Sig. (2-tailed)	0.79
product line pricing	Pearson Correlation	0.12
	Sig. (2-tailed)	0.23

optional feature pricing	Pearson Correlation	0.08
	Sig. (2-tailed)	0.41
two part pricing	Pearson Correlation	0.02
	Sig. (2-tailed)	0.84
psychological pricing	Pearson Correlation	-0.17
	Sig. (2-tailed)	0.07

*Correlation is significant at the 0.05 level (2-tailed).

**Correlation is significant at the 0.01 level (2-tailed).

			Mean	Std. Deviation	Lower Bound	Upper Bound
*Correlation is significant at the 0.01 level (2-tailed).						
	1-3 star	0.52	0.27	0.01	0.93	1.01
	4 star & above	0.98	0.33	0.05	1.69	1.69
2 star	budget class	0.39	0.24	0.07	1.01	0.74
	1-3 star	0.14	0.30	0.07	0.55	0.53
	4 star & above	0.43	0.35	0.09	1.48	1.38
3 star	budget class	-0.07	0.27	0.23	1.22	0.18
	one star	-0.14	0.30	0.07	0.95	0.66
	4 star & above	0.31	0.38	0.04	1.07	1.30
4 star & above	budget class	-0.04	0.33	0.06	1.69	0.01
	one star	-0.65	0.35	0.09	1.38	0.48
	1-2 star	-0.31	0.28	0.04	1.30	0.67

4 Star Tests

4 Star TSD Multiple Comparisons

one part pricing

Classification	U classification	Mean Difference (Std. Error)	Sig.	95% Confidence Interval	Lower Bound	Upper Bound
budget class	one star	-0.38	0.12	0.01	-0.64	-0.13
	2-3 star	-0.54	0.14	0.03	-0.82	-0.26
	4 star & above	-0.61	0.10	0.01	-0.88	-0.33
one star	budget class	0.38	0.22	0.04	-0.19	0.94
	2-3 star	0.16	0.18	0.44	-0.20	0.52
	4 star & above	-0.53	0.33	0.03	-1.19	0.12
two star	budget class	0.34	0.24	0.13	-0.16	1.18
	one star	0.18	0.25	0.64	-0.36	0.72
	4 star & above	-0.37	0.34	0.71	-1.07	0.33
three star & above	budget class	0.30	0.30	0.01	-0.33	1.58
	one star	0.53	0.33	0.07	-0.12	1.38
	2-3 star	0.37	0.34	0.71	-0.33	1.27

APPENDIX F: POST HOC TESTS

Turkey HSD Multiple Comparisons

Experience Curve pricing

(I) classification	(J) classification	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
experience curve pricing					Lower Bound	Upper Bound
budget class	one star	0.39	0.24	0.37	-0.24	1.01
	2 - 3 star	0.52	0.27	0.21	-0.18	1.22
	4 star & above	0.84	0.33	0.06	-0.01	1.69
one star	budget class	-0.39	0.24	0.37	-1.01	0.24
	2 - 3 star	0.14	0.30	0.97	-0.66	0.93
	4 star & above	0.45	0.36	0.59	-0.48	1.38
2 - 3 star	budget class	-0.52	0.27	0.21	-1.22	0.18
	one star	-0.14	0.30	0.97	-0.93	0.66
	4 star & above	0.31	0.38	0.84	-0.67	1.30
4 star & above	budget class	-0.84	0.33	0.06	-1.69	0.01
	one star	-0.45	0.36	0.59	-1.38	0.48
	2 - 3 star	-0.31	0.38	0.84	-1.30	0.67

Post Hoc Tests

Turkey HSD Multiple Comparisons

Image premium pricing

(I) classification	(J) classification	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
budget class	one star	-0.38	0.22	0.31	-0.94	0.19
	2 - 3 star	-0.54	0.24	0.13	-1.18	0.10
	4 star & above	-0.91	0.30	0.01	-1.68	-0.13
one star	budget class	0.38	0.22	0.31	-0.19	0.94
	2 - 3 star	-0.16	0.28	0.94	-0.89	0.56
	4 star & above	-0.53	0.33	0.37	-1.38	0.32
2 - 3 star	budget class	0.54	0.24	0.13	-0.10	1.18
	one star	0.16	0.28	0.94	-0.56	0.89
	4 star & above	-0.37	0.34	0.71	-1.27	0.53
4 star & above	budget class	0.91	0.30	0.01	0.13	1.68
	one star	0.53	0.33	0.37	-0.32	1.38
	2 - 3 star	0.37	0.34	0.71	-0.53	1.27

flexible pricing

(I) classification	(J) classification	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
budget class	one star	-0.05	0.28	1.00	-0.78	0.67
	2 - 3 star	-0.75	0.31	0.08	-1.57	0.06
	4 star & above	-0.89	0.38	0.10	-1.88	0.10
one star	budget class	0.05	0.28	1.00	-0.67	0.78
	2 - 3 star	-0.70	0.36	0.21	-1.63	0.23
	4 star & above	-0.84	0.42	0.19	-1.93	0.25
2 - 3 star	budget class	0.75	0.31	0.08	-0.06	1.57
	one star	0.70	0.36	0.21	-0.23	1.63
	4 star & above	-0.14	0.44	0.99	-1.29	1.02
4 star & above	budget class	0.89	0.38	0.10	-0.10	1.88
	one star	0.84	0.42	0.19	-0.25	1.93
	2 - 3 star	0.14	0.44	0.99	-1.02	1.29

APPENDIX G: QUESTIONNAIRE

Respondents Name	Date of interview
Telephone	Hotel Name
E- mail address	Town

We will be grateful if you spare a few minutes to complete this questionnaire on pricing decisions in your outlet to help us understand the underlying pricing strategies and how they impact on your profitability. This will be beneficial to you and to the entertainment industry in identifying and sharing the best practices that yield most attractive results.

We are promising absolute confidentiality to your contribution and the sharing of the research results with you once they are ready. Your details will be helpful in sharing some token of appreciation.

Part A: Background information of the company.

Please tick the appropriate answers on the selected choices.

V1a)- Number of years in hotel business.

- (1)- Less than one year ☐ (2) - One year to four years ☐
 (3)- Five years to nine years ☐ (4) - Fifteen years to nineteen years ☐
 (5)- Twenty years and over ☐

V1b)- Hotel classification.

- (1)- Budget class ☐ (2) – One star ☐ (3)- Two to Three star ☐ (4)- Four star & above
 (5)- Others (please specify) _____

V1c)- Number of employees in your firm

- (1)- 1 – 10 employees ☐
 (2)- 11- 20 employees ☐
 (3)- 21 – 50 employees ☐
 (4)- 50 – 100 employees ☐
 (5)- ≥ 101 employees ☐

V1d) - Please show by ticking appropriately the PRODUCT categories offered by your firm.

You may tick more than one as necessary.

- (1)- Beer ☐ (2) - Wines and spirits ☐
 (3)- Bottled water ☐ (4) - Carbonated soft drinks ☐
 (5)- Juices ☐ (6) - Cocktails ☐
 (7)- Cigarettes ☐ (8) - Food ☐
 (9)- Energy drinks ☐ (9) - Others (please specify) _____

V1e) Please show by ticking appropriately the SERVICE categories offered by your firm.

You may tick more than one as necessary.

- (1)- Accommodation ☐ (2) - Car Wash ☐

- (3)- Cyber ☐ (4) - Conference facilities ☐
 (5)- Banquets ☐ (6) - Games ☐
 (7)- Recreation & beauty ☐ (8) - Banking ☐
 (9)- Others (please specify) _____

V1f)- Please tick where appropriate the person who sets prices in your firm.

- (1)- Proprietors / share holders ☐ (2) - Directors ☐
 (3)- Top functional heads ☐ (4) - Middle level Management. ☐
 (5)- Others (please specify) _____

V1g)- Please rate by ticking where appropriate your firm's average net profit per month in Kenya Shillings.

- (1)- Ksh 1 to 50,000 pm ☐ (2)- Ksh 51,000 to 100,000 pm ☐
 (3)- Ksh 101,000 to 500,000 pm ☐ (4)- Ksh 501,000 to 1 million ☐
 (5)- Ksh 1m to 5 million ☐ (6)- Ksh 5.1m to 10m ☐
 (7)- Ksh 11m to 50 m ☐ (7)- Ksh 51m to 100m ☐
 (8)- Other (Please specify) _____

V1h)- Please rate by ticking where appropriate your firm's average Sales revenue per month in Kenya Shillings.

- (1)- Ksh 1 to 50,000 pm ☐ (2)- Ksh 51,000 to 100,000 pm ☐
 (3)- Ksh 101,000 to 500,000 pm ☐ (4)- Ksh 501,000 to 1 million ☐
 (5)- Ksh 1m to 5 million ☐ (6)- Ksh 5.1m to 10m ☐
 (7)- Ksh 11m to 50 m ☐ (7)- Ksh 51m to 100m ☐
 (8)- Other (Please specify) _____

V1i)- Please rate by ticking where appropriate the estimate asset base for your hotel's.

- (1)- Ksh 1 to 50m ☐ (2)- Ksh 51 to 100m ☐
 (3)- Ksh 101m to 500m ☐ (4)- Ksh 501m to 1 b ☐
 (5)- Ksh 1b to 5 b ☐ (6)- Ksh 5.1b to 10b ☐
 (7)- Ksh 11b to 50 b ☐ (7)- Ksh 51b to 100b ☐
 (8)- Other (Please specify) _____

V1j) - Which of these best describes your designation? Please tick one.

- 1 Director ☐ 2 Manager ☐ 3 Supervisor ☐ 4 proprietor ☐
 5. Other, specify.....

V1k) On a 5 point scale where 1 represents not involved at all and 5 represents strongly involved, what's the level of your involvement in the pricing decision in your firm? Please tick the appropriate answer

1. Not involved at all ☐ 2. Not involved ☐ 3 slightly involved ☐ 4 Involved in several stages ☐ 5 strongly involved in all stages ☐

Part B: Pricing Strategies

You are presented with a list of pricing strategies used by the hotel industry in Kenya. On a 5 point scale where 1 represents to no extent and 5 represents to very large extent, please indicate by ticking where appropriate, the extent to which your firm uses the following pricing strategies.

Example. We use recommended pricing strategy to a small extent (2).

1- To no extent	2- A small extent	3- Moderate extent	4- large extent	5- Very large extent
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Pricing strategy	Description of strategy	1-	2-	3-	4-	5-
1-Price skimming strategy	We set the initial price for new products or services high and then systematically reduce it overtime. Customers expect prices to eventually fall.					
2-Penetration pricing	We set the initial price low to accelerate product adoption.					
3-Experience curve Pricing	We set the price low to build volume and reduce costs through accumulated experience.					
4-Leader pricing	We mark down the price of a popular brand to attract customers and build traffic.					
5-Parity pricing	We match the price set by the overall market or leading competitors.					
6-Low-price supplier	We always strive to have the lowest price on the market.					
7-Price bundling	We offer this product as part of a bundle of several products, usually at a total price that is lower than the sum of individual prices e.g. <i>full board, bed & breakfast or x beers & a platter.</i>					
8-Customer value pricing	We price one version of our product at very competitive levels, offering fewer features than are available on other versions. <i>E.g. different buffet types with different prices or different room types at different prices.</i>					
9-Cost-plus pricing	We establish the price of the product at a point that gives us a specified percentage profit margin or mark-up over our cost					
10-Break-even pricing	We establish the price of the product at a point that will allow us to recover the basic costs of developing the product.					
11-Price signaling	We use price to signal the quality of our product to customers.					
12- Image/Premium pricing	We price our products and services at a premium, offering more features than are available in other outlets.	1-	2-	3-	4-	5-
13-Flexible-Pricing	We periodically or randomly Charge different prices to different customers or different seasons for the same product or service and quantity.					
14-Promotion pricing	We set our price on periodic promotional offers to stimulate increased purchase.					

15-Perceived value pricing	We price this product based on our customers' perceptions of the product's or service's value.					
16-Internet pricing	We price this product or service differently on our Internet website from the price we charge through our sales outlets					
17-Product Line-Pricing	We price products or services at different price points to different product lines depending on their quality.					
18-Optional feature pricing	We provide optional offers at high prices along with main products which are priced low to pull crowds e.g. <i>costly rooms and low priced beers or meals.</i>					
19-Two part pricing	We offer basic items at a fixed fee and a variable charge for extras e.g. <i>all inclusive accommodation services.</i>					
20-psychological pricing	We set artificial list prices but offer savings prices to influence customers emotionally e.g. <i>was sh50 now sh30.</i>					
Other,(Pls specify)						

Part C: Relationship between pricing strategies and profitability

V3) You are presented with pricing strategies and four aspects of profitability for hotels in Kenya. On a 3 point scale where 1 represents low, 2 represents moderate and 3 represents high, please rate by indicating the respective level of contribution of each pricing strategy to achieving the given profitability goals in your firm.

- 1- Contribution to achievement of **maximum gross profit.**
- 2- Contribution to achievement of **target return on investment.**
- 3- Contribution to achievement of **liquidity and cash flow.**
- 4- Contribution to generation of high **sales revenue and long-term profitability.**

1- Low	2- Moderate	3-High
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Pricing strategy	Description of strategy	1 MGP	2 TROI	3 L&Cf	4 SRLP
1-Price skimming	We set the initial price for new products or services high and then systematically reduce it overtime. Customers expect prices to eventually fall.				
2-Penetration pricing	We set the initial price low to accelerate product adoption.				
3-Experience curve Pricing	We set the price low to build volume and reduce costs through accumulated experience.	1 MGP	2 TROI	3 L&Cf	4 SRLP
4-Leader pricing	We mark down the price of a popular brand to attract customers and build traffic.				
5-Parity pricing	We match the price set by the overall market or leading competitors.				
6-Low-price supplier	We always strive to have the lowest price on the market.				

7-Price bundling	We offer this product as part of a bundle of several products, usually at a total price that is lower than the sum of individual prices <i>e.g. full board, bed & breakfast or x beers & a platter.</i>				
8-Customer value pricing	We price one version of our product at very competitive levels, offering fewer features than are available on other versions.				
9-Cost-plus pricing	We establish the price of the product at a point that gives us a specified percentage profit margin or mark-up over our cost				
10-Break-even pricing	We establish the price of the product at a point that will allow us to recover the basic costs of developing the product.				
11-Price signaling	We use price to signal the quality of our product to customers.				
12-Image/Premium pricing	We price our products and services at a premium, offering more features than are available in other outlets.				
13-Flexible-Pricing (Dynamic pricing)	We periodically or randomly Charge different prices to different customers or different seasons for the same product or service and quantity.				
14-Promotion pricing	We set our price on periodic promotional offers to stimulate increased purchase.				
15-Perceived value pricing	We price this product based on our customers' perceptions of the product's or service's value.				
16-Internet pricing	We price this product or service differently on our Internet website from the price we charge through our sales outlets				
17-Product Line-Pricing	We price products or services at different price points to different product lines depending on their quality.				
18-Optional feature pricing	We provide optional offers at high prices along with main products which are priced low to pull crowds <i>e.g. costly rooms and low priced beers or meals.</i>				
19-Two part pricing	We offer basic items at a fixed fee and a variable charge for extras <i>e.g. all inclusive accommodation services.</i>				
20- psychological pricing	We set artificial list prices but offer savings prices to influence customers emotionally <i>e.g. was sh50 now sh30.</i>				
Other,(Pls specify)					

Signed by customer..... Date.....End of Survey.

"Thank you for your time and cooperation. We appreciate your participation in this survey

APPENDIX H: HOTELS IN SIX CITIES

KISUMU HOTELS

1. Milimani, Kisumu
2. Ambala Complex
3. Kisian Lodge
4. Buddies Bar
5. Parkview Hotel & Apartments
6. Lakeside Guest House
7. Forest Gardens Resort
8. Airport View Resort
9. Nesta Club
10. Crescent Hotel
11. Naselica Restaurant
12. Wonderline Guesthouse
13. Homeground Bar And Restaurant
14. Tokyo Lodge
15. Royal City Hotel
16. Pabari's Paradise
17. Olwalo Bar And Restaurant
18. Simba Bar & Restaurant
19. Museum View Hotel
20. Hotel Travel Inn
21. Geneva Christian Guesthouse
22. Macedonia Resort And Club
23. Riversand Hotel
24. Dewchurch Country Lodge & Hotel
25. Jumuiia Resort
26. Lakebreeze Hotel
27. Plainlands Hotel
28. Kisumu Lakers Inn
29. Action Place Hotel
30. Lakewood Hotel
31. Kiboko Bay Resort
32. Joy Guesthouse (Dunga)
33. Phaldomar Guesthouse
34. Hotel Marina And Gourmet Restaurant
35. The Great Lakes Hotel Ltd
36. Hotel Mamba
37. Hotel Suedoy
38. Kalamindi Inn
39. Magline Guest House
40. Magline Guesthouse
41. Kisumu Sunset Hotel
42. Triple Trojan Hotel Kisumu
43. Beograda Hotel & Restaurant
44. Migosi Blue Castle Guest House
45. Koriwo Guest Home
46. Hotel Palmers
47. Julie Guesthouse
48. Kisumu Furnished Apartments
49. Mlimani Resort Lodge
50. Le Savannah Lodge
51. Cozy Guest Garden
52. Brilliant Bar
53. Raj Palace Motel & Indian Spicy Food Restaurant
54. Twiga House
55. Nightrose Guesthouse
56. Macedona Resort Club
57. Highlanes Hotel
58. Athens Villa Guesthouse
59. King George Apartments
60. Hotel Mlimani Resort
61. Mariposa Restaurant
62. Clarence Guest House

63. St. Ann Guest House & Conference Centre
64. Denver Guest House
65. Abeka Guest House
66. Groove Hut Apartments
67. Assisi-Provincialate
68. Kabasa Guest House
69. Vera Inn Christian Guest House
70. Pinky Guest House
71. Buogi Guesthouse
72. Agenda Guest House
73. Chacalica Guest Home
74. Mamboleo Resort
75. Hotel Shalom
76. Masha-Allah Guest House
77. Mohammed's Super Lodge
78. The Duke Of Breeze Hotel
79. Canon Jacob Ombara Guest House
80. Hadassah Guest House
81. Sizzler Hotel
82. Stadview Guest House
83. Ong'ong'a Motel
84. Hotel Elyon
85. Mountain View Resort
86. Rock Resort
87. Beaty's Hotel
88. London Guesthouse And Guest Home
89. The Vic Hotel Ltd
90. Comfort Guest Home And Holiday Apartments
91. Classic Guest House
92. Deacons Guest House
93. Joventure Guest House And Hotel
94. Le-Savanna Country Lodge
95. Korando Pub & Lodge, Otonglo.
96. Beirut Bar & Restaurant
97. Midway Hotel
98. Hillside Villa
99. Imperial Hotel
100. Museum View Hotel
101. Excellent Magere Guest House
102. Mlimani Resort -Kisumu
103. Sooper Guest House
104. Mlimani Guest House

NYERI

1. Nyeri's Must Stop Destination
2. Mountain Palace Hotel
3. Najos Villa
4. Kamondo Rental Houses
5. Aberdare Safari Hotel - Outspan
6. Aberdare Safari Hotel - Treetops
7. Michuki Widsa Hous Investments
8. Metropole Bar And Resturant
9. Count Inn
10. Club Stesco
11. Mweiga Mugumo-Ini Inn
12. Nanyuki Green Estate
13. Mpeta Guest House
14. Africana Moonlight

15. Paresia Hotel
16. Batian Grand Hotel
17. Tent Villa
18. Kandara Gardens House
19. Red Court Hotel
20. Westwood Hotel
21. Afrique Paradis Hotel
22. Ellomos Conference Centre
23. Nyeri Star Hotel
24. Villa Guest House
25. Nyokabi Gardens
26. New Silent Hotel
27. Batian Guest House
28. Chaka Meat Centre
29. Banana Leaf Hotel
30. S.T Pub Boarding And Lodging
31. Cave Lodging
32. Maru Court
33. Ibis Hotel
34. Green Hills Hotel
35. Grand Batian Hotel

MOMBASA

1. Bakarani, Mombasa
2. Rama's Huts
3. Galu Inn
4. Sunset Paradise Apartments
5. Daima Guest House
6. Tausi Villas
7. Iko Kenya
8. Kaloleni Guest House
9. Petuscha Garden Lodge
10. Kibokoni Hotel Malindi
11. Brain Shades Guest House
12. Breezes Hotel
13. Ndoto Apartments
14. Clarina Apartments
15. Happiness Real Limited
16. Panaroma Hotel
17. Aberdare Safari Hotel - Shimba Hills
18. Uplands Guest House
19. Henda Vino Guest House
20. Precious Apartment/Guest House
21. Kiembeni Super Guest House
22. 2010-Lodge
23. Mario's Appartments And Restaurant
24. Eden Parlour Restaurant Nyali
25. Nyali Beach Holiday Resort
26. Likoni Accomodations / Bomas Suites
27. Sentido Neptune Paradise
28. Masam Guest House Ltd
29. Pwani Holiday Homes, Inc.
30. Mwanamgeni Ali
31. Kent Villa
32. Mkongo Tours & Safari
33. Glory Inn
34. Milele Beach Hotel
35. Bandari Hotel
36. Panora Gardens Hotel
37. Greenview Accomodation
38. Cool Breeze Hotel Ltd
39. Welcome Inn Ltd & Kenya Hotels

APPENDIX H: HOTELS IN SIX CITIES

40. Sun Coast
41. Amani Tiwi Beach Resort
42. Bomas Pub Incorporated
43. Pride Inn Hotel
44. Paris Apartments
45. Glory Holiday Resort
46. Sonia Hotel & Accommodations
47. Ghana Guest
48. Jambo Travel house Safaris
49. Highway Guest
50. Golden Palace Hotel
51. Sai Rock Hotel
52. Jambo Paradise
53. Ack Guest House
54. Sands At Nomad Hotel
55. Winners Cafe
56. Tamarind Village
57. Al Hidayah Guest House
58. Panorama Gardens Hotel
59. Kalkag Car Hire
60. Thuvu Land Real Estate
61. Serene House And Lodges Airconditioned
62. Prideinn Hotel & Conferencing
63. Zagota Hotel And Resort
64. North Breeze Apartments
65. Dengozi Apartments
66. Coconut Groove
67. Pride Inn Hotel Diani
68. Sofi's Apartment
69. Pangoni Beach Resort And Spa
70. Pangoni Beach Resort & Spa
71. Pride Inn Hotel & Conferencing
72. Step By Step Mini Shop
73. Village Hut
74. Al Nasser Hotel & Restaurant
75. Nyali Sunnyside
76. Diplomat Guest House
77. Bububu Guest House
78. Tanke Tours & Safaris
79. Mazeran Annex Guest House
80. Villa Allena
81. Tamasha Luxury Villas
82. Denta Estate Agents
83. Pemba Channel Fishing Club.Shimoni
84. Suhufi Palace Hotel
85. Ramis Beach Cottages
86. Jonde Apartments
87. Animo Resort
88. Sentrim Hotel & Lodges(Castile Royal Hotel Msa)
89. Tumaini Guest House
90. Nightingale Apartments Hotel
91. Buxton, Mombasa
92. Rembo Hotel
93. Natron Boarding House
94. Paola Safari
95. St Mary Girls Hostel
96. Paradise Apartments
97. Good News Church Africa
98. Marathon Lodge
99. Service Furnished Apartments-Kongowea
100. Bamburi Guest House
101. Valencia Inn
102. Indiana Beach Hotel
103. Mukala Guest House
104. Hotel Dorset
105. Tikara Guest Inn
106. Mombasa Continental Resort
107. Plaza Beach
108. Yomoke Restaurant And Accommodation
109. Thika Guest House Bar & Restaurant
110. Summit Guest House
111. Mwa-Nyaisio Guardian Motel
112. Precious Joint Guest House
113. Metric Inn Guest House
114. Zion Apartments
115. Comfort Hostel
116. Kitu Kidogo Cottages
117. Il Covo Restaurant
118. Eden Parlour Restaurant
119. Flamboyant Eco Camps
120. Leisure Lodge Beach And Golf Resort
121. Saga Guest House
122. New Luxury Guest House
123. Asin's Holiday Inn
124. Midview Hotel
125. Maweni & Capricho Beach Resort
126. Danrock Guest House
127. Marahaba Safaris Tours
128. Kinondo Kwetu
129. St Thomas Hostel
130. Mombasa Serena Beach Hotel & Spa
131. New Palm Tree Hotel
132. Fantasy Resort (Mtwapa)
133. Glory Guest House
134. Lotus Hotel
135. Hotel Hermes
136. Likoni Happy Gardens
137. Mombasa Luxury Apartments
138. Jahazi Hotel & Restaurant
139. A C De Souza & Co (Kilindini Bar)
140. Tausi Guest House
141. Alliance Africana Sea Lodge
142. National Council Of Churches Kenya Jumuia Conference And Beach Resort
143. Mombasa Beach Apartments
144. Glory Hotel
145. Ceaser Palace Apartments
146. Excellent Hotel
147. Dancourt Hotels
148. Southern Palms Beach Resort
149. Galu Sea Lodge
150. Pinewood Village Beabh Resort
151. Sands At Nomads Hotel
152. Bamburi Beach Resort
153. Saca Guest House
154. North Coast Beach Hotel
155. Ocean Sports Resort
156. Dannex Hill Guest House
157. Makwetu Resorts
158. Royal Palace Hotel
159. Berachah Hotel
160. Savannah Cottages
161. Tanzanite Resthouse
162. Evening Guest House
163. Surfside Beach Club
164. Papillon Lagoon Reef
165. Almanara Diani Beach Luxury Resort
166. Summerlink Hotel
167. Atoshi Guest House
168. Kijiji Cottages
169. Dancourt Hotel
170. Grand Motel
171. Sweet Corner Guest House
172. Wajonah Bahati Bar,Restaurant And Guest
173. Dolphin Villas
174. Glory Palace Hotel
175. Roromo Guest Hse
176. Comba Bush Cottages
177. Breeze Bay Apartments
178. Modern South Guest House
179. Black & White Guest House
180. Sentido Neptune Paradise Village
181. Hotel Seaview
182. Tijara Beach
183. Forget Me Not
184. Sunset Villas
185. Anglican Church Of Kenya Guest House Mombasa(A.C.K Guest House)
186. Cdc Cottages
187. Southern Palms Beach Resort
188. Kenya Bay Beach Hotel Ltd
189. Shanzu Guest House
190. Alfajiri Villas
191. Diani Forest Lodge
192. Golden Beach Hotel
193. Maweni And Capricho Beach Cottages
194. Mombasa Continental Resort
195. Tikara Guest Inn
196. Summit Guest House
197. Jambo Village
198. Woget Hotel
199. Gateway Paradise Hotel
200. Kokisa Guest House
201. Jaki Group Of Hostels
202. Darajani Hotel
203. Diani Palm Hotel
204. Seleni Apartments
205. Amani House
206. Cool Breeze Hotel
207. Comfort Kafoca Hotel
208. Vindigo Cotages
209. Diani Cottages Beach & Safaris
210. Simba Apartments
211. Simba Village
212. Nyali Academy
213. Malaika Holiday Villas
214. Spice Of The Coast
215. Diani Beach
216. Likizo-Lodge Diani Beach
217. Voyager Beach Resort Mombasa
218. Sunset Villa & Guesthouses
219. Diani Reef Beach Resort & Spa
220. Bahari Dhow Beach Villas
221. Taj Riviera House

APPENDIX H: HOTELS IN SIX CITIES

222. The Sands At Chale Island Resort
223. Shambani Cottages
224. Indian Ocean Beach Club
225. Sunrise Cottages
226. Asha Cottages Ltd
227. Mango Rosys Apartments
228. Kenyaways Hotel And Kite Village
229. Water Lovers Beach Resort
230. Stilts Backpacker's Diani Beach
231. Galu Sea Lodge
232. Flamboyant House
233. Beach Cottages In Kenya
234. Almanara Resort
235. Diani Beachalets
236. Baobab Beach Resort
237. Sable Valley Treehouses
238. Galu Beach Retreat
239. Villa Barizi
240. Forest Dream Cottages
241. Mombasa Club
242. California Lodge
243. Sevarin
244. Ogalis K-Coast Hotel
245. Mulunge Mwamusa
246. Hotel Kumbe
247. Kamanjira Arcade
248. Sweetl Lodges Hotel
249. Fantasy Hide Out Lodge
250. Amakon Guest House
251. Fantasy Guest House
252. Villa Mangrove View
253. Hide Out Guest House
254. Hotel Geogias
255. Club Rio
256. London Guest House
257. New Ijara Guest House
258. Alpha Apartments
259. Uzier Apartments
260. Merry Villa Flats
261. Luck Apartments
262. Egl Estate Gate Lodge
263. Hibiskus Lodge
264. Corner Stone Home Enterprises
265. Nyali West Guest House
266. Jahazi Marine
267. Glory Villas
268. Nyali Chalets
269. Rick Seaside Villas
270. Lagos Guest House
271. Ibsa Hotel
272. Nyali Parkside Resort
273. Container Holiday Inn
274. Mei Place
275. Jambolulu Guest House
276. Leisure Lodge Resort
277. Sunset Guest House
278. Diani Classic Guest House
279. Hanas House
280. Mikindani Sunset Lodge
281. Stridges Guest House
282. Jamaica Guest House
283. Lotus Hotel
284. A.C.K Guest House
285. Blue Marlin
286. Leonotis Guest House
287. Ijara Lodge
288. Metrix Annex Hotel
289. Jawambe Hotel
290. Nganjoni Wananchi Hotel
291. Peluma House
292. Stadium Holiday Inn
293. Coast Safari Hotel
294. Landmark Guesthouse
295. Beyond Equator Holidays
296. Minalove Hotel
297. Bamburi Beach Homes
298. Neema Apartments
299. Ocean Crown Hotel
300. Ramadhan Guest House
301. Red Brick Hotel
302. Hotel Radiance
303. Holiday Homes Kenya
304. Mtwapa Creek Villa
305. Daveliz Inn
306. Bahnhovu Rest Kengeleni
307. Hilton Hotel
308. Glory Guest House
309. New Peoples Hotel
310. Alymira Holiday Inn
311. Sea View Guest House
312. Bareco Guest House
313. Dimples Guest House
314. Comfort Inn
315. Danicha Apartments And Hotel
316. Danpark Hotel And Apartments
317. Chania Guest House
318. Magisa Guest House
319. Hq Lodge
320. Bahari Beach Hotel
321. Mombasa Beach Apartments
322. The Royal Comfort Hotel
323. Solomons Gate
324. Alnish Developments
325. Nyali International Beach Hotel
326. Mamba Apartments
327. Bustani Excutive Bedrooms
328. Kigothos Hotel And Apartments
329. Jackjora Apartments
330. Kahama Hotel
331. Glory Holiday Resort
332. Papillon Garden Villa
333. Aloha Beach Bar & Club
334. Travellers Beach Hotel
335. Bamburi Beach Hotel
336. Severin Sea Lodge
337. Sentido Neptune Beach Resort
338. Dancourt Hotel
339. Bamburi Seafront Chalets
340. Wildlife Club Of Kenya
341. Sea Breeze
342. Millbrook Hotel
343. Kenda Ocean View Hotel & Apartments
344. Thuviland
345. Kamson Villa & Cottages
346. Kaskazi Beach Hotel
347. Diani Paradise Villas
348. Nzekey Guest House
349. Malindi Apartments
350. Joy Guest House
351. Destiny Inn
352. Hotel Basilea
353. Jungle Dream Villas
354. Coral Beach Cottages
355. Sand Island Beach Cottages
356. Kohinoor Suite Hotel
357. Maggie House
358. Chelsea Ranch Apartments
359. Excutive Bungalow
360. Diani South Breezed
361. Glory Hotel
362. Gishungo Apartments
363. Pa Pweza Adamsville Beach Suites
364. Singh Restaurant
365. Hotel Sapphire Ltd
366. Super Eighteen Hotel
367. Plaza Guest House
368. Sharif Guest House
369. Arusha Guest House
370. Quale Hotel And Guest House
371. Al Amin Guest House
372. Coast Pride Hotel
373. New Daba City Guest House
374. Salius Lodge
375. Coast New Addis Hotel & Lodging
376. Tana Rest House
377. Josleejim Hotel

NAKURU

1. Langa Langa, Nakuru
2. Enterprise Hotel Ltd
3. Bedwins Guest House And Cafe
4. Hotel Geneveive
5. Sweet Memories Bar And Lodging
6. Rufason Serviced Apartments
7. Abbey Resort
8. Motel Magnolia
9. Good Times Hotel
10. Nakuru Kiti Guest House
11. The Hotel Cathay
12. Tropical Lodge
13. Kunste Open Gardens
14. Mama David Rentals
15. Dakaka Lodge
16. Ufanisi Resorts
17. Cranes Hotel
18. Vienna Hotel Ltd
19. Kabarak University Guest House
20. Marlin Guest Resort
21. Blue Bay Hotel
22. The Hotel Jamka
23. Euro Guest House
24. Merica Hotel
25. Greenview Pub And Accomodation
26. Rwathia Pub And Lodging
27. Eldorado Resorts
28. Norain Paradise Hotel
29. Graceland Hotel
30. Royal Guest House
31. Glane Hotel Enterprises
32. Choma Zone Restaurant
33. Nakuru Village Park Hotel
34. Witas Lodge
35. Peacock Guest House
36. Oasis Eco Camp
37. Joyann Guest House

APPENDIX H: HOTELS IN SIX CITIES

38. Muriu's Guest House
39. Nakuru Comfort Motel
40. Jumuia Guest House
41. Kenlands Relax Inn
42. Chester Hotel Limited (Nakuru)
43. Kivu Retreat
44. Maombi Ladies Hostel
45. Safe Lodge
46. Harmony Guest House
47. Hotel Joska
48. Nuru Palace Hotel
49. Hygienic Butchery Café And Accomodation
50. Bamboo Hut China
51. Hotel Royal Spring
52. El -Bethel Guest House
53. Lake Nakuru Flamingo Lodge
54. Kimotho Hotel
55. Viena Hotel Ltd
56. Kamume Guest House
57. Milele Resort
58. Eliana Village Inn
59. Ack Imani Guest House
60. The Stem Hotel
61. Lake Nakuru Lodge
62. Pekars Lodge Bed And Breakfast
63. Sundowner Lodge
64. Avenue Suite Hotel
65. Hotel Waterbuck -Nakuru
66. Hotel Kunste
67. Club Five Heshima Lodge
68. Botto Solar Hotel
69. Muthaiti Guest House
70. Naivasha Simba Lodge
71. Kilimo Hotel
72. Sarova Lion Hill Game Lodge

NAIROBI

1. Gossip Beverdar Club
2. Royal Sky Hotel
3. Kinangop Village
4. Karen End Guest House
5. Bilton Hotel
6. Angaza Guest House
7. Gukemue Guest House
8. Cassanovar Inn-Bar
9. Hannah's Lodge And Hotel
10. Dafam Hotel
11. Ole Sereni Hotel
12. Klub Mavada
13. Small World Gardens
14. 1000 Green Village
15. The Headquarters Inn Hotel
16. Rangers Pub
17. New Barcelona Pub
18. Wida Highway Motel
19. Ridge View Lodge
20. Buffalo Den Resort
21. Fpik Kindaruma Guest House
22. Osoita Lodge(Ongata Rongai)
23. Africa Lodges Limited Jungle Bar
24. Modern Green Day & Night Club
25. New Amar Day And Nigt Club

26. Nyatoro Guest House
27. Lodging Services
28. Unique Cafe And Hotels
29. New Kinangop Restaurant
30. Black And White Hotel
31. Rudys Guest House & Club House
32. Gloria Pub & Restaurant
33. The Smith Hotel
34. Rosewood Court
35. Pilly Management Properties
36. Pathway Hotel
37. Gatoyo Restaurant And Lodging
38. Tulip Guest House
39. Leadway Hotels
40. Ngara Springs Club &Guest House
41. Eldorado Guest House
42. Mdawida Homestay
43. Jimlizer Hotel
44. Red Hotel
45. Kasarani Guest House
46. Twinson Hotel
47. Spotless Lodgings
48. Lexx Place
49. Pinez Iii Club & Guest House
50. Pass By Inn
51. Kabiria Road Kimunjo Faniture
52. Cheers Guest House And Lisbon Club
53. Terry Guest House Karen
54. South View Lodge
55. Esgray Hostels Westlands
56. Jambo House
57. Kikuyu Mara Accomodation
58. Kahama Hotels
59. Cool Breeze Gardens
60. The Ramada Inn
61. Rosssmina Bed & Breakfast
62. Mada Hotels
63. Benrose Motel
64. Pride Inn Hotel
65. Leopard Rocks Mico Ltd
66. Sabasaba Tourist Lodge.
67. Brighton Hotel
68. Equator Pub
69. Blue Kat Bar
70. Hooting Bay Resort And Restaurant
71. Furaha Guest House And Lodge
72. Sunton Bar
73. Bellwood Motel
74. Maanzoni Lodge
75. Countryhouse Inn Karen(Bed&Breakfast)
76. Gema Bar And Restaurant & Boarding/Lodging
77. Generous Inn Bar And Restaurant
78. Godial's Bed & Breakfast
79. Park Place Hotel
80. Karen Embers Guest House
81. Homely House
82. Ole Dume Serviced Hotel And Restaurant
83. Nyangumi Court
84. Msafiri Guest House

85. Kikuyu Guest House
86. View Joint Guest House
87. Salama Hotel (Luthuli)
88. Guest House Km
89. Skyblue Garden
90. Biblica Guest
91. Rongai Shopping Complex Business Park
92. Southside Lodge
93. Bustani Grill Lodge
94. Royal Steps
95. Ol Tukai Lodge Ltd.
96. Covenant Guests House
97. West Guest House
98. Cinpul Guest House
99. Trans Lodge Bar
100. Bushra City Hotel
101. Grand Royal Hotel
102. Continental Guest House
103. Sweet Dreams Guest House
104. Diani Reef Beach Resort & Spa
105. Caphill Hotel & Makuti
106. Mukanyi Center Shop& Kilungu Lodge
107. The Complex Restaurant
108. Damillah House
109. M Villa
110. Boggie View Inn
111. Dash Africa Ltd
112. Boni House Bed & Breakfast
113. Lorodo Traders
114. Redbrick Hotel
115. Enashipai Resort & Spa
116. Eritrean Community Asmara Bar & Restaurant
117. Tarpo Innovation In Temporary Shelter
118. Normad Palace Hotel
119. Bypass Inn Pub & Accomodation
120. Kenya Comfort Hotel
121. Delta Hotel
122. Mountain Rock Lodge (K) Ltd.
123. Mayfield Guest House (Aim) International
124. Meho Victory
125. Nairobi Hotel
126. Kianga Guesthouse
127. Solace Haven
128. Chilonya Plaza
129. Headquater Inn
130. Neptune Shelters
131. Paris Hotel
132. The Strand Hotel
133. Ushirika Guest House
134. Nyamavilla
135. Shelter Hunters
136. St. Mary's Hospital Guest House
137. Mayas Guest House
138. Greenville Horizons Hotels
139. Karibu Hotel
140. Afralti Guest House
141. Kwa Tony Guest House
142. Nairobi Airport Stop Over House
143. Chak Guest House & Conference Centre
144. Lulus Bar And Restaurant

APPENDIX H: HOTELS IN SIX CITIES

145. Guest Room
146. Mount Kenya Leisure Lodge
147. Garden House Kenya
148. Hotel Ambassadeur
149. Kross Road Inn
150. Prim Rose Rest House
151. Shalom Lane Guest House
152. Silent Guest House
153. St John's Ladies Hostel
154. Kimba Hotels
155. Hannan Guest House
156. Tabby House
157. Tennessee Court
158. Naromoru River Lodge
159. Safaribackpacker
160. Pride Inn
161. The Sarova Stanley Hotel
162. Airways Plaza-Penchars Club And Guesthouse
163. Kama Nyumbani Guest House
164. Kenya Comfort Hotel
165. The King Post Hotel
166. Glory Grand Hotel
167. Natureville Acacia
168. Mosa Guest House
169. Comfort Gardens Guest House
170. Milimani Backpackers
171. Hotel Nyakoe
172. Ainul Qamar Lodge
173. Hotel Downtown
174. Kenya Safari Guesthouse
175. Reef Hotels Kenya
176. Mbucho House
177. Mvuli House Hotel
178. Blue Hot Club
179. Red Court Hotel
180. Kahama Hotel
181. Banjuka Pub
182. Manila Bar & Lodge
183. Stokers Guest House
184. J.K.A Garden Resort Club
185. Goshen Gardens
186. Desai Villa
187. Convent Garden House
188. Kings Court Hotel
189. Maryjohn Guest House And Hostels
190. Ack Guest House (Nairobi)
191. Ambiance Restuarant
192. Karangi Hotel
193. Dreamland Inn
194. Harlequin Suites Hotel
195. Jacaranda Hotel
196. Desai Villa Ngara
197. African Touch Adventures Ltd.
198. Mimosa Court
199. Kingsfolks Gardens
200. Double M Bar & Restaurant
201. New Meatland Guest House
202. Bobs Bar And Accomodation
203. Afriva Hotels Ltd
204. Nomad Palace Hotel
205. Utawala Guest House
206. Jupiter Guest Resort
207. Fahari Gardens Hotel
208. Waterloo Annex Club
209. Transit Motel,Chogoria
210. The United Kenya Club
211. Mianzi Hotel
212. Makah Guest House
213. Nyatike Village Inn And Guest
214. Olive Valley Resort
215. Jogoo Blue Hotel
216. Sosmar Hotel
217. Bukabi Investments Ltd
218. Fransae Hotel
219. Seaview Resort
220. Sirikwa Lodge
221. Dubai Hotel
222. The Salute Place
223. Westpark Royale
224. Muhugu Gardens
225. Pango Gourmet Brasserie
226. Ramila Guesthouse And Lodging
227. International Guest House
228. Waves Wing Guest House
229. Al Farah Lodge
230. Mioro Lodge
231. Kijani Willows
232. Garden Guesthouse (Thome)
233. Muthaiga Grove Court
234. R. Gikambura Hotel Co. Ltd
235. Salama Guesthouse
236. Blueman Bar And Lodging
237. Mara Lodging And Guest House
238. Viraj Gardens
239. Sunning Hills
240. Mwingi View Point Lodge
241. The Courtyard
242. Al-Mubarak Lodge
243. Acacia Campsite
244. Asari Guest House
245. Gethathuru Gardens
246. Langata Link - Home From Home
247. Suki Lodging
248. Progressive Park Hotel
249. The Royal Realm Ltd
250. Ack Guest Hse
251. Brentwood Inn
252. Kenya Hotels
253. Hennessis Hotel
254. Martinis Ultra Lounge
255. Terrace Hotel
256. Spa Resort Bogoria
257. Sarova Panafric
258. Plums Hotel Ltd
259. Nairobi - Silole Villa
260. La Piazzetta
261. Kenya Continental Hotel
262. Harlequin Suites Hotel
263. Governors Camp
264. Africana Hotel
265. Heritage Hotels
266. Westlands Hotels
267. Leisure Lodge Resort
268. Miraz Bed And Breakfast
269. Hotel Greton
270. Park Road Lodge Ltm
271. Hilltop Lodge
272. Block Hotels Ltd
273. Impala Safari Lodge
274. Magline Lodging
275. Lufua Kindergaten
276. Leading Resorts Of The World
277. Centre Club
278. Mennonite Guest House
279. Primrose Guest House
280. Merlin Court
281. Al- Yusra Restaurant
282. Sagret Hotels Ltd
283. Samad Guest Hse
284. Viraj Gardens
285. New Nyeri Bar & Hotel
286. Jk Camps And Lodges
287. Magaiwa Guest House
288. Amazon Accomodation Hotel
289. Ack Guest House
290. Heron Court Hotel
291. Rest House Inn
292. Wonder Paradise
293. Holiday Inn
294. Gemina Court
295. Peach N Bush
296. Village Walk Motel, The
297. Chemi Chemi Resort Enterprise Office
298. Simjon Lodge
299. Midview Central Hotel
300. Kamwara Annex Lodge
301. Uprumys The Club
302. Gathare Boarding & Lodging
303. Furqan Guest House
304. Green View Centa
305. Headquarter Inn
306. Paulinas Half-Way House And Retreat Centre
307. Lonrho Hotels (Kenya) Ltd
308. Greenline Guest House
309. Harlequin Villa Apartments
310. Al-Fatah Guest House
311. Spring Valley Court Ltd
312. Finch Hattons Safari Lodge
313. Zahra Lodge
314. Odyssey Hotels Ltd
315. Relaxed Lodgings
316. Yasmin Lodge
317. Kenya Comfort Hotel
318. Nairobi Forest Lodge
319. District Grand Lodge Of East Africa
320. Daily Dreams Lodge
321. Leopard Rock Mico Lodges
322. Oyster Paradise
323. Miti Mingi Guesthouse
324. Collimor Court
325. Coco Lounge Springs Bar
326. Impala Hotel
327. Hotel Accra
328. Laico Regency Hotel
329. New Gloria Hostels
330. Envogue Tent House
331. Cand Lodge
332. The Saharan Lodge
333. Windsor Brookes Country Villas
334. Hotel Jaffers
335. Hill Park Hotel-Jomo Kenyatta Intl' Airport
336. Hotel Lamada
337. Brirose Guest House
338. Khweza Bed And Breakfast
339. Kingara Gardens Ltd
340. Palacina, The Residence And Suites
341. Karen Holiday Homes.
342. A C K Guest House
343. New Kenya Lodge

APPENDIX H: HOTELS IN SIX CITIES

344. Gracia Guest Hse
345. Wida Highway Motel Ltd
346. Green Hills Hotel
347. Amboseli Sopa Lodge
348. Usalama Boarding & Hotels
349. Sopa Lodges Limited
350. Sandton Palace Hotel
351. Zen Garden
352. Leopard Beach Resort And Spa
353. The P C E A Guest House
354. Evamay Lodge Kenya
355. Karesh Complex Inn
356. Aquarium Bar & Telagen Guest House
357. Wilderness Lodges Limited
358. Country Lodge
359. Fairview
360. Laurasam Blue Villa
361. Cha-Ngi Gardens
362. Finch Hatton's Lodge
363. Baharini Stage Lodge
364. Hibiscus Guest House.
365. West Breeze Hotel
366. Graphics Guest Resort
367. Wida Highway Motel
368. Nibs Guest House
369. Daves Guest House
370. Stima Hotel
371. Safetyline Lodge
372. Pwani Guest House
373. Glory Hotel N Villas
374. The Kivi Milimani Hotel
375. Sixeighy Hotel
376. Utalii Hotel
377. Grivelea Guest House
378. Bluehut Hotel
379. Sopa Lodge
380. Cool Breeze Hotel
381. Kafico Hotel
382. Mac Bones Hotel
383. Daraja Guest House Ltd
384. Panafic Hotel
385. The Luke Hotel
386. Run Villas
387. Sunton City Hotel
388. Yasmin Lodge
389. New Swanga Lodge
390. Kirobros Plaza Hotel
391. Embakasi Guest House
392. New Swanga Ltd Guest House
393. Ramliance Hotels
394. West Side Annex Guest House
395. Wagon Hotel
396. Seldom Hotel
397. Ol Seki Mara Camp
398. White Guest House
399. Grey Heaven
400. Hanan Guest House
401. Westside Villa
402. Azee Residential Hotel
403. Roasters Inn Ltd
404. Lela Court
405. Robecks Garden House
406. Exciting Hotel
407. Kusyombunguo Guest Hse
408. A I M Mayfield Guest House
409. Jacaranda Hotel
410. Kenga Equatorial Hotels
411. Osoia Lodge
412. Evening Shade Guest House
413. Mvuli House Bed & Breakfast
414. New Visa Place Restaurant
415. Murera Happy Bar & Restaurant
416. Hillview Guest Hse
417. Tawfiq Guest House
418. Garden Guest House
419. Jumua Conference & Country Home
420. Covenant Guest House
421. Bafwaka Lodge
422. Mama Monica Geust House
423. Hebrret Hotel
424. Sheraton Kampala Hotel
425. Intercontinental Hotel
426. Samra Hotel
427. The Presbyterian Guest House And Conference Center
428. Kenya Comfort Hotel Suites
429. Red Court Hotel
430. Classic Guest Home
431. Bridge Villas
432. Palaciana. The Residence & The Suites
433. Alliance Hotels
434. Lodges And Jungle Bar
435. Pangani Guest Hse
436. Ole Sereni
437. Yellow Lodge
438. Up-Rumy's The Club
439. Sunrise Guest House And Lodging
440. Acacia Guest House
441. Marble Arch Hotel
442. Sleep Inn
443. Cafe Royale Ltd
444. Riverfront Villas Ltd
445. Red Sea Restaurant
446. Capstan Ltd
447. Kivi Milimani Hotel
448. Fish Eagle Inn
449. Windsor Golf Hotel
450. Fig Tree Hotel Ltd
451. The Rusam Guest House
452. Riverside Park Ltd
453. Garden Guesthouse (Thome)
454. Kolobot Gardens Ltd
455. Tribe Village Market Hotel
456. Kim General International
457. Kuzal Enter Inn
458. Sabina Country Inn
459. 614 Hotel
460. House Of Waine Karen
461. Ngara Uphill Lodge
462. Melbourne Hotel
463. Meta Meta Hotels Ltd
464. Fairview Hotel
465. Safari Park Hotel & Casino
466. Mushembi Guest House
467. Ngara Mens Hostel
468. Izaak Walton Inn
469. Nafuu Guest House
470. Glory Hotels & Investment Ltd
471. Mamunya Guest House
472. Jupiter Guest Resort
473. The Hilton Hotel
474. New Apollo Bar And Restaurant
475. Maki Apartments
476. Biblica Guest House
477. Aacc Guest House & Conference Centre
478. Kahawa Gateway Hotel
479. Magomano Bar Nd Rest
480. West Shelters Ltd
481. Mathew 14 Guest House
482. Ibs Guest House
483. Stay Hill Hotel
484. Methodist Guest House
485. Adulis Restaurant
486. Talek Guest House
487. Voyage Africa Guest House
488. Kicheche Camp Ltd
489. Salonika Villas
490. Karen Kottage
491. Athusi Bar And Restaurant
492. Everbest Lodge & Restaurant
493. Garden Guesthouse
494. Iisan Hotels & Lodges
495. Crown Plaza Hotel & Resorts
496. Glory Star Hotel
497. Aden Bay Lodge
498. New Al-Aqsa Hotel
499. Fathi Guest House Ltd
500. Andalus Lodge
501. Al-Mubarak Guest House
502. Top 10 Hotel
503. Barakat Hotel
504. Almukaram Guest House
505. Gavinci
506. Tawfiq Mandi House
507. Hiddig Hotel
508. Andalus Restaurant
509. Abbey Hotel
510. Jacaranda Group Of Hotels
511. The Panari Hotel
512. Kenya Hotels Ltd
513. Nyalii International Beach Hotel
514. Serena Hotels
515. Trinity Guest House
516. Gemina Court
517. Samagat Hotel
518. Mac Park Hotel
519. Two Eighty Annex Lodge
520. Alsafa Hotel
521. Sharif Guest House
522. Dalhiis Hotel
523. Norfolk Towers Ltd
524. Rwa Guest House
525. Waves Guest Wing
526. Extended Guest Wing
527. Parsonic Hotel
528. Yamin Lodge & Eating Place
529. Pavillion Ladies Hostel
530. Jamiat Hotel
531. Inside Africa Budget Safaris
532. Alkinas Hostel
533. Relax Sokoni Hotel
534. Care Guest House
535. Hotel Green Court
536. Marteve Guest House
537. Jeery City Hotel
538. New Gloria Hotel
539. Relax Safari Hotel
540. Blue Hut Hotel
541. Citywall Hotel
542. Egloos Garden Restuarant

APPENDIX H: HOTELS IN SIX CITIES

543. Msengoni Homestays
544. Galexon Hotel
545. The New Big Tree
546. Lake Naivasha Sawela Lodge
547. Ngong Hills Hotel Ltd
548. Destination Services Ltd
549. Dahab Guest House

ELDORET

1. The Regal Pub
2. Toofan Guest House
3. North Rift Inns Guest House
4. Blue Post Hotel
5. Cicada Hotel And Accomodation
6. West Safari Lodge
7. Watercrest Kenya
8. Murang'a Restaurant And Bar
9. Esbs Apartments
10. The Country Lodge
11. Mystique Bar, Restaurant And Lodging
12. Eldo Wagon Hotel
13. Shakers Restaurant
14. Stalet Guest House
15. Hotel Sacco- Kapsowar
16. Smart Island Guest House
17. Jazz Guest House
18. Kenmosa Resort And Conference Centre
19. Saazur Guest House
20. Kapsowar Plaza
21. Pinetree Gardens
22. New Mwanzo Accomodation.
23. Guesthouse, Nomads
24. Eldoret Inner Resort Centre
25. Royalton Hotel
26. Sijom Hotel
27. Dreamland Guesthouse
28. Jema Courts
29. Tulia Lodge
30. Slippers Guest House
31. North Rift Palace Hotel
32. Kiratina Lodge And Bar
33. Dodoma Guest House
34. Dom Poa Lodging
35. Imani Hostels
36. Eldoret West Hotel
37. Safari Lodge
38. Relax-Inn Guest House
39. Sunbridge Homes And Resorts
40. Tip Top Lodge
41. Tulia Best Guest House
42. Green Pastures Guest House
43. Ndupawa Prestige Hotel
44. Volcano Resturant And Accomodation
45. Sky Lodge
46. Roots Hotel Kapsoya
47. Hotel Jazz
48. Sango Park Villal
49. Check Point Hotel
50. Safari Lodge Maili Nne
51. Nabongo Guest House
52. Safari Hotel
53. Mountain View Hotel
54. Greenline Lodging &Boarding
55. Bethsaida Guest House
56. Race Course Inn
57. Mioro Cottages
58. Rosewood Cottages
59. Amani Hotel
60. Damuki Guest House
61. Relax Inn Restaurant
62. Jambo Hotel
63. Elshadai Cafe
64. Zion Cafe
65. Kambuni Hotel
66. Keben Hotel
67. Corner Hotel
68. New Amani Hotel & Lodging
69. Guest House Reformed Church
70. Water Zone Hotel
71. Sunset Cafe Hotel For Food & Snacks
72. Lenexa Centre Hotel
73. Mwanzo Guest Hse
74. Midways Guest House
75. Eldoret White Castle Motel & Accomodation
76. Pinetree Gardens
77. Swt Dreams Guest House
78. Royalton Hotel & Accomodation
79. Sunrise Hotel
80. Samco Guest House & Accomodation
81. Hillton Hotel-Ngeria Centre
82. Aldai Gaa Hotel Ngeria
83. Taratibu Guest House
84. Kenmosa Hotel
85. Venus Inn Motel
86. Rustred-Nelly's Bar & Restaurant
87. City Square Hotel
88. Stem Hotel
89. Moon's Bed & Breakfast
90. Stage View Guest House
91. Silver Stage Msafiri
92. The Marriott Hotel
93. Muskat Lodge
94. Gracemont Guest House
95. Eldoret Garden Cafe
96. Asis Hotel And Accomodation
97. Showers Of Blessings
98. Hotel Sirikwa
99. Jeff K Hotel
100. Breeze Restaurant
101. Bandaptai Hotel
102. Family Kitchen Resturant
103. Green Pastures Guest Hse
104. Rex Guest House
105. Nyathiru Hotel
106. Moons Lodge
107. White Highlands Inn
108. The Klique Hotel
109. Asis Hotel
110. Nyathiru Motel Ltd
111. Cicada Hotel
112. Grandpri Hotel
113. Eldoret White Castle Motel Ltd
114. Eldoret Valley Hotel
115. Wakachi House Lodge
116. The Noble Conference Centre
117. Kapsabet Hotel

MERU

1. Milimani Hotel
2. Stress Free
3. Cockpit Hotel
4. Rex Hotel
5. Personality Hotel
6. Golden chick
7. Tusker Pub
8. Movie link
9. Mwendantu
10. Blue bridge
11. Wilco
11. Option
12. Honey pot
13. Nevanaa\
14. Amarula
15. Kasarani
16. Three Steers
17. Royal prince
18. Rocky
19. Meru safari Hotel
20. Royal
21. Ntuge
22. Macrence
23. Continental
24. Amigos
25. Pig & Whistle
26. Shirikisho
27. Sports Club
28. West Wind
29. Green Garden
30. Gatimene garden