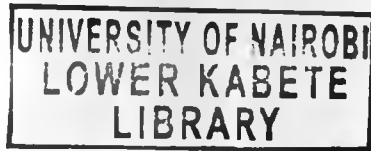


**MARKETING INCENTIVES USED BY HOTELIERS IN NAIROBI TO
PROMOTE DOMESTIC TOURISM**

BY

MUTUNGA N WAMBUA




**A Research Project submitted in Partial fulfillment of the Requirement for the
Degree of Master of Business Administration, (MBA), School of Business, and
University of Nairobi**

OCTOBER, 2012

DECLARATION

This management research project is my own original work and to the best of my knowledge it has not been submitted for a degree award in any other University or institution of higher learning.

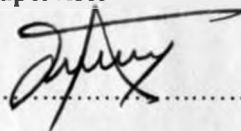
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This management research project has been submitted for examination with my approval as University Supervisor

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DEDICATION

I dedicate this work to God, who gave me the wisdom and strength to be able to finish this work, and to my parents, who believed in me and supported me in all ways to ensure that I would finish this work. I love you so much and God bless you.

ACKNOWLEDGEMENT

I would like to acknowledge all the lecturers for the knowledge they accorded me during the two years of my postgraduate, which I need so much to complete this project. I am also grateful to my supervisor Dr J.M. Munyoki for the much needed corrections and direction during the writing of this research project. To all of the MBA classes (Marketing) of 2010 colleague were just phenomenal. I love you all, and God bless you and open ways for you, Amen!

ABSTRACT

The government of Kenya had for a long time placed a lot of focus on international tourism, with little regard to domestic tourism. However, with the apparent challenges facing international tourism, it has become quite imperative to re-evaluate this position and begin to place more focus on domestic tourism. Presently efforts are being made to publicize and promote domestic tourism evident through the re-launch of the domestic tourism council of Kenya (DTCK) in 2008. Tourism has been viewed by the locals as an alien sector, leading to negative perceptions in the minds of the local people. The objective of the study was to investigate the importance of incentives in the quest to promote domestic tourism in the Nairobi region by hotels.

The study adopted a descriptive survey to determine marketing incentives used by hoteliers in Nairobi to promote domestic tourism. The target population was star rated classified hotels in Nairobi region, higher star ratings indicate more luxury. The study targeted 50 hotels within Nairobi region. The primary data was collected by use of a semi-structured questionnaire. Both quantitative and qualitative data. The researcher examined the collected data to make inferences through a series of operations involving editing to eliminate repetitions and inconsistencies, classification on the basis of response homogeneity and subsequent tabulation for the purpose of inter-relating the variables under study. Analyzed data was presented in graphical and tabular form. Qualitative analysis on the other hand was involve reading through the data collected, coding the data, interpreting the data by attaching significance to the themes and patterns observed and drafting a report detailing the findings.

The study found that hat domestic tourism has improved marginally due to incentives in the Nairobi region. There are many people who are willing to travel for domestic tourism but are not aware of the tourist attractions and facilities in their country, and it was apparent that most of them would travel for leisure if only they knew about the tourist attractions around their environments. Employers should also improve the tourism industry by providing their employees with more free time, and give deserving salaries or wages which can cater for basic needs and for leisure time. For hotels, national parks and reserves and places of attraction, much should be done to improve the stay of the locals and their indulgence in domestic tourism.

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LIST OF ABBREVIATIONS AND ACRONYMS

- D.T.C.** - Domestic Tourism Council
- D.T.C.K** - Domestic Tourism Council of Kenya
- K.T.B** - Kenya Tourism Board
- KTN T.V** - Kenya Television Network
- K.W.S** -Kenya Wildlife Services
- N.P** - National Park
- N.R** - National Reserve
- W.T.O** - World Tourism Organization
- M.I.C.E** -Meetings, Incentives, Conference and Exhibitions

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Tourism is an activity which cuts across conventional sectors in the economy. It requires inputs of an economic, political, socio-cultural, psychological and environmental nature. Tourism began early; then known as pre-historic tourism, the medieval times and into the early seventeenth century when the first signs of industrial growth began to affect the way of life which had been established over the centuries Cooper (2011). Tourism activities involve complex mixtures of materials and psychological elements. The materials are accommodation, transport, attraction and entertainment. The psychological elements include expectation which range from pure escapism to the fulfillment of a dream or a fantasy or a rest recreation, education and other social interests.

According to Kotler (2002), Promotion is one of the market mix elements. The specification of five promotional mix or promotional plan. These elements are personal selling, advertising, sales promotion, direct marketing, and publicity. A promotional mix specifies how much attention to pay to each of the five subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image. Fundamentally, however there are three basic objectives of promotion. These are: to present information to consumers as well as others, to increase demand and to differentiate a product. Promoters use internet advertisement, special events, endorsements, and newspapers to advertise their product. Many times

with the purchase of a product there is an incentive like discounts, free items, or a contest. This is to increase the sales of a given product.

Tourism marketing analysis is essential to optimizing marketing programs' return on investment (ROI). Analysis should use a variety of tools and methods and should be incorporated into all tourism marketing efforts. At a minimum, marketers need to analyze the effectiveness of each marketing campaign, using tools and metrics appropriate to the campaign. For instance, the number of emails opened and the number of links clicked in an email offer valuable insight into the performance of an email campaign, while the number of calls to a dedicated 800 number provides a measure of a radio commercial's success. Over the course of a quarter or a year, measure the overall effectiveness of a marketing channel, such as email or social media. Although it's hard to attribute the acquisition of a new customer to one channel, since people see multiple marketing messages, it's possible to attribute acquisitions with some accuracy and even relative measures of channel effectiveness are valuable.

The firms concerned like hotels and tour companies reduce the expenses to locals mostly in low seasons, but they are still making efforts to reduce the rates in both high and low seasons for the locals to participate in domestic tourism. By this, locals are allowed to enjoy and use the tourism facilities to maximum satisfaction at low rates which they can afford, thus increasing the number of domestic tourists in the tourism industry. Collin, (2010) Organizations are now sponsoring their employees with an incentive travel in order to encourage them in their working performance. The incentive travels also include accommodation in some of the five star hotels, by this the locals escape the chaos of working conditions thus getting to participate in

domestic tourism activities, which create demand for more travel after such an experience.

1.1.1 Concept of promotion strategies

The marketing concept is the philosophy that firms should analyze the needs of their customers and then make decisions to satisfy those needs, better than the competitor. Today most firms have adopted the marketing concept, but this has not always been the case. The production concept focuses on those products that it could produce most efficiently and that the creation of low-cost products would in and of itself creates the demand for the products. The marketing concept holds the key to achieving organizational goals. It consists of being more effective than competitors in integrating marketing activities toward determining and satisfying the needs and wants of target markets. Tourism marketing analysis is essential to optimizing marketing programs' return on investment. Analysis should use a variety of tools and methods and should be incorporated into all tourism marketing efforts. Kotler (2002), over the course of a quarter or a year, measure the overall effectiveness of a marketing channel, such as email or social media. Although it's hard to attribute the acquisition of a new customer to one channel, since people see multiple marketing messages, it's possible to attribute acquisitions with some accuracy and even relative measures of channel effectiveness are valuable.

To optimally measure marketing communications, assess the effectiveness of particular offers and messages, regardless of channel. For instance, messages positioning a venue as a great weekend getaway destination may generate more sales than those marketing it for weeklong vacations. Discovering which offers resonate the most with customers is among the most valuable forms of tourism marketing analysis.

Tourism businesses have turned to using network marketing methods to promote themselves to customers. Marketing networks reach a broader audience than a single business can. Contributors pool resources to produce marketing tools, such as brochures and websites.

Internet, The World Wide Web opens a new level of potential customer traffic. A fully functional website allows you to advertise a weekend deal to millions of people in a matter of minutes. Most Internet users rely on search engines as a main source of finding information, so search engine optimization gives your website the best chance of being ranked highly in search results. Other Internet marketing tools include email, blogs, forums, review sites and pay-per-click advertising. PPC allows you to put advertisements on other popular sites; you pay only for clicks that drive traffic to your website.

Consumers want the most out of their money. Offering exclusive deals attracts families and money-saving individuals. If you offer incentives when visitors stay at your hotel more than one night, you can gain repeat customers and a reliable profit base. Consumers spend more when they feel they're getting a quality deal. Event promotion on hotel has the space, soliciting services and amenities are a profitable marketing tool. A concert or charity event will draw new patrons to the establishment. Although they may plan to stay in a room, they will spend time in the business to see your quality of service firsthand. Big events typically attract people from out of town, meaning they will need a place to stay the night. You may entice more visitors by offering a discount on event admission with the purchase of a room.

1.1.2 The Tourism industry in Kenya

The Kenyan Vision 2030 recognizes the retail and wholesale sector as one of the six sectors to drive growth under the economic pillar. The Kenyan Government decided, through its National Economic and Social Council (NESC), to come up with Vision 2030, a guiding template for the country's development over the next two and a half decades, the Vision was developed in order to build on the momentum of growth following the implementation of the Economic Recovery Strategy for Wealth and Employment Creation'. The Vision is meant to ensure that the momentum in growth achieved since 2003 is sustained and built upon, to ensure that the targeted sustained growth rate of 10% annually is achieved. Its principle aim is to catapult the country to a middle income status by 2030. In the documents available, vision 2030 outlines the main pillars as Economic, Social and political pillars. Priorities in the economic pillar which include; Tourism One of Kenya's major economic pillars, enjoying significant growth (13% p.a.) over past few years, largest contributor to foreign exchange earnings (US\$1billion), is far underdeveloped compared to other top tourist destinations (number of tourists, yield, diversity of experience).

Tourism in Kenya dates back to pre-independence days and history has it recorded that as early as the 1930's, overseas visitors and explorers had started coming to Kenya 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. At that time, there was already a relatively well developed but limited tourism infrastructure. The available accommodation was Spartan but ideal for both the visitors as well as the settler community in Kenya. However, soon after independence, the Kenya

Government realized the enormous potential of the nascent tourism industry and hence undertook to upgrade the existing infrastructure and superstructure as well as investing in additional facilities. To achieve its goal, the Government encouraged local and foreign entrepreneurs to invest in the tourism and hospitality industries thus paving the way for the future development of the sector, (Ouma, 2006).

In view of the proven potential of the tourism sector, the Government formulated Sessional Paper No.8 of 1969 on the Development of Tourism in Kenya which defined the growth targets that it hoped to achieve in the years ahead as well as outline the areas where the Government would participate jointly with the private investors in developing the tourist industry. The Government projected an average growth rate of approximately 20% each year in visitor arrivals (Gachenge, 2008).

The tourism industry in Kenya is the 2nd largest source of foreign exchange revenue followed by agriculture. The main tourist attractions are photo safaris through the 19 national parks and game reserves. Other attractions include the mosques at Mombasa; the renowned scenery of the Great Rift Valley; the coffee plantations at Thika; a view of Mt. Kilimanjaro, across the border into Tanzania, Ouma (2006) Kenyan tourism hasn't developed on its conservation of natural resources, though "beach tourism, eco-tourism, cultural tourism, sports tourism all form part of the portfolio."During the 1990s, the number of tourists travelling to Kenya decreased, partly due to the well publicised murders of several tourists. However, tourism in Kenya has been the leading source of foreign exchange since 1997, when it overtook coffee, and the trend continued, with the exception on 1997-1998.

Following the controversial 2007 presidential election and the 2007-2008 Kenyan crisis that followed, tourism revenues plummeted 54 percent from 2007 in the first quarter of 2008. It fell to 8.08 billion shillings (US\$130.5 million) from 17.5 billion shillings in January–March 2007 and a total of 130,585 tourists arrived in Kenya compared to over 273,000 that year. Tourist income from China, however, dropped 10.7 %, compared with over 50 % from traditional revenue earners the United States and Europe. Domestic tourism also improved by 45 %, earning the tourist sector 3.65 billion shillings out of the 8.08 billion in the period being reviewed: Kenya National Bureau of Statistics (2010). A large proportion of Kenya's tourism centres around safaris and tours of its great National Parks and Game Reserves. While most tourists do visit for safari there are also great cultural aspects of the country to explore in cities like Mombasa and Lamu on the coast. The Maasai Mara National Reserve is usually where the Maasai Village can be found that most tourists like to visit, Sindiga (2011).

Kenya recorded the highest number of tourists' arrivals ever at 1,095,945 tourists as at 31st December, 2010. This was a 15% growth compared to the 952,481 experienced in 2009. The 2010 Tourism performance has surpassed the 2007 record by 4.5 percent the later being the best recorded year in terms of tourist arrivals and earnings. This performance is impressive and is optimistic to achieving Kenya's vision target of 2million international tourists by 2012. The sector has earned Kshs. 73.68 billion in terms of revenue earnings within the same period. This is the highest tourist revenue ever recorded and it represents an impressive growth of revenue by 18 percent compared to the 2009 revenues. Source: Kenya National Bureau of Statistics (2010).

1.1.3 Domestic tourism activities within Nairobi region

The city lies on the Nairobi River, in the south of the nation, and has an elevation of 1795 m above sea-level. Nairobi is the most populous city in East Africa, with a current estimated population of about 3 million. According to the 2009 Census, in the administrative area of Nairobi, 3,138,295 inhabitants lived within 696 km² (269 sq mi). Nairobi is currently the 12th largest city in Africa, including the population of its suburbs.

Tourist attractions in Nairobi include; Nairobi, the national park is unique in being the only game-reserve of this nature to border a capital city, or city of this size. The park contains many animals including lions, giraffes, and black rhinos. The park is home to over 400 species of birds. The Nairobi Safari Walk is a major attraction to the Nairobi National Park as it offers a rare on-foot experience of the animals. Nairobi is home to several museums, sites and monuments. The Nairobi National Museum is the country's National Museum and largest in the city. Other prominent museums include the Nairobi Gallery, Nairobi Railway Museum and the Museum, also Meetings, incentives, conferences, and exhibitions. The acronym mice is applied inconsistently with the "e" sometimes referring to events and the "c" sometimes referring to conventions. mice is used to refer to a particular type of tourism in which large groups, usually planned well in advance, are brought together for some particular purpose.

According to Burton (2007), Nairobi is nicknamed the Safari Capital of the World, and has many spectacular hotels to cater for safari-bound tourists. Five star hotels in Nairobi include the Nairobi Serena, Laico Regency (formerly Grand Regency Hotel), Windsor (Karen), Holiday Inn, Nairobi Safari Club (Lilian Towers), The Stanley

Hotel, Safari Park & Casino, InterContinental, Panari Hotel, Hilton, and the Norfolk Hotel. Other newer ones include the Crowne Plaza Hotel Nairobi in Upper Hill area, the Sankara Nairobi in Westlands, Tribe Hotel-Village Market, House of Wayne, The Eastland Hotel, Ole Sereni and The Boma located along Mombasa Highway.

1.2 The Research Problem

Tourism services all over the world currently face rapid changes due to market globalization, intensified competition and the dynamic evolution of new technologies. Moreover, it is expected that tourism will be one of the industries that will be most affected by the current recession. The long-term success of tourism services in such a fierce competitive and financially difficult environment depends not only on being able to satisfy customers' needs and desires, but to strategically respond to current global challenges. Therefore, strategic marketing becomes a necessary practice in contemporary tourism services firms. Marketing strategies such as experiential marketing, branding, target marketing, relationship marketing and e-marketing in tourism will help to sustain the industry.

In order to ensure the competitiveness of Kenya's wholesale and retail sector, a number of challenges must be addressed. However, there are also many opportunities that could be exploited in the current system. This will be necessary in order to achieve the goals specified for this sector under Vision 2030. It will further be necessary for the central Government, in conjunction with local authorities, to identify areas of high potential in retailing and wholesaling and to identify trade partners. The main objective of this initiative will be to integrate small traders while creating possibilities of economies of scale. The initiative will be designed in such a way as

not to disrupt current retail operations, but to support them by avoiding price fluctuations, product wastage and distribution bottlenecks.

Domestic tourism had been given little focus in Kenya during the last decade. Though existing, the policy makers had placed much focus on international tourism. In 2011, the Domestic Tourism Council (DTC) was formed to uphold the prospects of domestic tourism in Kenya. Studies done in Kenya have indicated that earnings from domestic tourism have formed a very important component of the general economy and overall tourism earnings Pearce, (2010), also the World Tourism Organization (WTO) estimated in 2010, a higher income from domestic tourism worldwide, this is further proved by Goeldner (2003) who state that despite the importance of international tourism, for many countries, domestic tourism is becoming more important. Therefore there is much need to promote domestic tourism due to major reasons like seasonality, international travel advisories among others. Domestic tourism had lacked impact in the Kenyan tourism industry in the recent decades, because the local people had been ignorant about it, and the lack of knowledge about the tourist facilities and attractions (tourism opportunities) to the few who have the discretionary income to spend.

A number of studies have been done both locally and internationally in the areas of domestic tourism. Mwaniki (2010), conducted a case study on methods of marketing tourism by travel agents in Kenya and found that the use of old methods of marketing led to reduction in tourism earnings, similarly Kandie (2010), studied the impact of tourism marketing both international and local giving similar findings. Finally Omolo (2011), conducted a study about analysis of the factors inhibiting the growth of

domestic tourism and the level of awareness about domestic tourism amongst middle level income employees in Kenya and it was discovered that there is a significant relationship between the low level of domestic tourism amongst middle level income employees and the attitude of the tourism sector. This study therefore seeks to determine the influence of promotion on growth of domestic tourism in the Nairobi region by hotels. It will be guided by the following question: Which incentives promote domestic tourism?

1.3 Objectives of the study

To investigate the importance of incentives in the quest to promote domestic tourism in the Nairobi region by hotels

1.4 Value of study

The research will be of great significance to: The local people will understand the benefits brought about by domestic tourism and their role in conserving the natural resources thus benefiting through employment which is provided by tourism causing an increase of their income.

The project is intended to help the government on how to come up with incentive strategies and the planning of domestic tourism to bridge the gap during the off-peak seasons. The research also intends to help the tour firms to set standards of promoting domestic tourism by formulating suitable fares and rates which are affordable by the local people. The project will also assist the (K.W.S) to work hand in hand with the government and tour firms in the promotion of domestic tourism through education on the importance of domestic tourism.

Promotions and marketing will help to entice tourists to visit more destinations, be it a city, an attraction, a convention center, a hotel, a sports facility or some other location that draws tourists. It will help to understand tourism marketing and promotions methods to make the most informed decisions for destination and budget. The reputation of a hotel can be increased depending upon the marketing techniques employed. More features are included in any application with the help of updates reflecting the needs of tourists.

Visitors want more information about the product before making a decision. Writing this project will help solve their problem and pointing out all the benefits of the product will allow the visitor to make an informed decision. The project will help place them in a better position to buy. The findings from this study could also be used by researchers and academicians as a basis to carry out more research on competitive ways of promotion on domestic tourism in all involved firms or even in context as well as in training.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter set out to review studies by other scholars on subject related to incentives promoting tourism. Topics covered include research overview, Tourism marketing strategies and key elements of domestic promotion, Determinants of domestic tourism, Tourism activities and opportunities for taking a holiday, Problems experienced in domestic tourism, Developing a promotional strategy for domestic tourism and Incentives offered to locals by all stake holders.

2.2 Tourism marketing strategies and key elements of domestic promotion

According to Andriotis (2004), Successful tourism marketing strategies increase outside awareness of your destination and overall tourism. Whether your property is a beachside resort or a historic landmark, a well-crafted marketing plan is essential to the long-term success and profitability of your destination. The best tourism marketing strategies encourage group attendance and spur repeat visits. Market your tourist destination to groups, organizations and businesses that sponsor conventions. Create comprehensive information packages that focus on meeting spaces, hotel availability, catering options, local activities and entertainment options. Distribute these packages through website requests, targeted direct mail campaigns and in welcome centers. Offer customized convention planning services to help lure larger conventions. Conventions can be a boon to a local economy through a large increase in spending by convention attendees. If you properly position your activities and location options, you can increase the number of family members and guests that

accompany the convention attendee. Conventions boost your tourism profile, which can lead to increases in non-convention visitors and tourism.

Barnett (2001) says that offering promotions will entice tourists to visit your destination. Consider offering group discounts, coupons, off-season specials and free items to entice tourists to spend their holiday monies with you. Work with multiple attractions to create a bigger package and steeper discounts. If you are a small tourist town, work with the trolley car tour, museums and other attractions to offer package discounts. Consider half-price options if visitors purchases at least two activities. For a more comprehensive approach, bundle lodging, food and activities into savings packages that target families, honeymooners or seniors. The increase in visitors can offset discounts and can increase tourists choosing your destination over rival locations.

Offer activities and options for visitors who want learning experiences, activity-based experiences, shopping, relaxation or family bonding. Realize each tourist has a different vision for her vacation, so the more experience options you create, the greater chance you will connect with more potential visitors. Market your experience options through your website and targeted pamphlets. On your website, create well-defined sections that highlight each experience. For example, a water-based tour operator for a historical river could highlight the nature experience, the river history experience and even an action experience. By targeting multiple experiences, potential clients are more likely to bond with your tourism option and choose to spend their vacation with you. To maximize the impact of this strategy, offer customized activities for each experience (Laws, 2008).

Kotler (2002), defines a business' total marketing communications programme as "promotional mix" and consists of a blend of advertising, personal selling, sales promotion and public relations tools. Advertising any paid form of non-personal communication of ideas or products in the "prime media": i.e. television, newspapers, magazines, billboard posters, radio, cinema etc. Advertising is intended to persuade and to inform. The two basic aspects of advertising are the message (what you want your communication to say) and the medium (how you get your message across)

Personal Selling Oral communication with potential buyers of a product with the intention of making a sale. The personal selling may focus initially on developing a relationship with the potential buyer, but will always ultimately end with an attempt to "close the sale".

Sales Promotion Providing incentives to customers or to the distribution channel to stimulate demand for a product.

Publicity The communication of a product, brand or business by placing information about it in the media without paying for the time or media space directly, otherwise known as public relations.

2.3 Determinants of domestic tourism

Domestic tourism refers to locals traveling within their own country to destinations other than their place of residence for more than 24 hours but for less than a year for the purposes of recreation, business and other specified reasons. To a tour company, it is the selling of tourism resources to local residents Collin, (2010). Tourism as it is, has been reputed to be the travel of people from their places of residence, to other places in more than 24 hours and in less than a year, for the purposes of recreation, business, or other purposes that range from education to medical purposes. According to Goeldner (2003), due to the seasonal trends in the tourism industry, hotels, lodges

and policymakers have resolved to bridge the gap formed by the seasonality. The major way to counter low seasons is by encouraging domestic tourism.

Geo-Chocky, (2004) explains why people buy a holiday or takes a business trip, how they go about selecting their holiday, why they choose one particular company over another, and why they choose to travel when they do, is vital to those who work in the tourism industry. Tourists needs and wants as explained by Maslow's hierarchy of needs, motivators and facilitators time and money, and other factors such as psychological and sociological factors influencing motivation (buying behavior and decision making, the tourism 'image', attitudes to the products, risk as a factor in tourism choice, theories of decision making fashion and tastes, lifestyle and marketing and personality traits) are the leading tourist motivational and behavioral factors.

According to Geo-Chocky (2004), the interest of the local people to travel within the boundaries of their residential countries has been so dormant that there was need to encourage the locals to practice domestic tourism hence the need for incentives. Incentives vary from one country to another, so long as they promote domestic tourism. Some of these incentives include lowered hotel rates to the locals, lowered gate entry rates to the National parks, free entry during national holidays also play a great role in promoting domestic tourism, promotional domestic family rated during the holidays amongst many others. At the Nairobi region, domestic tourism has developed significantly and has really tried to bridge the gap left as a result of seasonality, in the recent past domestic tourism has seen the rise of recreational facilities to aid in answering the surging population of domestic tourists. Employment exerts important influence on both the level and nature of tourism demanded by an individual.

Dieke, (2000) explains tourism as an activity which is expensive and demands a certain amount of discretionary income. The most useful measure of the ability to participate in tourism is discretionary income that is the income left when tax, housing and the basics of life have been deducted. Employment does not influence travel propensity by determining income and holiday entitlement but it also has an effect on the type of holiday demanded as the mechanism of peer and reference group pressure is left. People's mobility also has an important influence on travel propensity. A car is the dominant recreational tool for domestic tourism; ownership of a car stimulates travel for pleasure or recreational purposes. Improved educational standards and media channels boost awareness of tourism opportunities and transportation and mobility rise in line with these changes. High status in life, attitudes and expectations are other reasons why people are able to indulge in tourism during their vacations. Social impacts on tourism demand arise because of the stress and strains of daily life. The greater they are the more people are likely to seek recuperation through some form of relaxation in tourism.

According to Goeldner (2003), more people are able to purchase the trips depending on several factors with are: wealth which will increase domestic tourism participation, attitude towards traveling will also play a role, that is the way the locals view traveling will depend with the desire and ability to buy tourism products but also the awareness of their availability helps to create demand. Lifestyle will depend on what they do during their free time, if they are modern they may like to visit natural features like parks but if they are conservative, they would view the travel to see animals in the wild as a waste of money and time, thus they will only travel when visiting friends or relatives.

High education and the increase in the number of working women, also affects the growth in demand. Encouragement of girls' education results to women earnings which increase the family's discretionary income thus more discretionary income making travel affordable (Trigg, 2005). Persons with higher education levels will tend to take a trip to a particular place or take his family for a holiday in a certain attraction place a place that matches his/her status. If more people are educated the more they get the information and they are more aware of what to explore in their country. Educational trips which are prepared in schools and institutions make locals more aware of features found in their country. Also sports and other activities which are organized by the schools like drama and music festivals will give the students the opportunities to visit other areas and learn more about those people found in that particular place thus promoting domestic tourism.

2.4 Tourism activities and opportunities for taking a holiday

Recently, there has been an industry trend towards using the term meetings industry to avoid confusion from the acronym. Other industry educators are recommending the use of "events industry" to be an umbrella term for the vast scope of the meeting and events profession. Most components of mice are well understood, perhaps with the exception of incentives. Incentive tourism is usually undertaken as a type of employee reward by a company or institution for targets met or exceeded, or a job well done. Unlike the other types of mice tourism, incentive tourism is usually conducted purely for entertainment, rather than professional or educational purposes.

Mice tourism usually includes a well-planned agenda centered on a particular theme or topic, such as profession trade organization, a special interest group or an educational topic. Such tourism is often a specialized area with its own exhibition.

Location of mice events are normally bid on by specialized convention bureaux located in particular countries and cities and established for the purpose of bidding on mice activities. This process of marketing and bidding is normally conducted well in advance of the actual event, often several years. Mice tourism is known for its extensive planning and demanding clientele.

The mice and tourism strategy committee was formed in 2010 with the aim of securing mice business for Kenya and establishing the country as the preferred mice destination worldwide. Also launched alongside the mice strategy were other strategies that include; the cultural tourism strategy that seeks to build capacity in cultural tourism, the youth and Sports Strategy that is aimed at showcasing Kenya in the International Scene as a sporting nation and the Agro-Tourism strategy that targets the Country's farmers by providing linkages between the farmers and the tourism sector while at the same time, enhancing their access to mainstream industry.

According to Laws (2008), taking a break with the family is a great chance to spend some quality time together. Plenty of hotels and lodges have special entertainment, menus and activity programs just for kids, which mean they'll be having the time of their lives while you relax and unwind. Romantic Getaway is nothing more romantic than a special break just for two. A surprise break away is a great way to show somebody just how much you care or the perfect backdrop for a proposal. Stop when headed home to visit the family can make you explore some local attractions in your home area. A single night stop over on a family trip will add a whole new element to your time off- and you'll probably learn things you never knew about that place.

Active Travel is a holiday feeling isn't just about rest and relaxation, it's about

experiencing life. Holidays are all about having fun and making new friends is part of the fun- you may well come home with a bigger group of friends than you left with. According to Sindiga (2011), team Challenge will bring your workmates even close together, improve their team skills, problem solving skills and broaden their outlook. An organized holiday or conference away for your team may just be what you are looking for. Time out of the office can open, clear and refresh the mind. A joint challenge- an organized hike, white water rafting or rock climbing- can strengthen bonds and teach us about working together.

2.5 Problems experienced in domestic tourism

According to Pearce (2001), problems of infrastructure has led to the increase of fares due to the high maintenance of the vehicles thus making it more difficult for the locals to participate in domestic tourism and in the long run they look for other alternatives which can earn them a better living. Poor standards of living of the locals makes it hard to afford the cost of the facilities provided for tourists like in the lodges, hotels and other places of travel making the facilities to be solely by the international tourist.

Domestic tourism has been sidelined for a long time, for example when dealing with advertising of tourism, the government had been more concerned with advertising international tourism so in the long run the government ignored the locals, until recently when it became evident that domestic tourism is imperative to ensure the profitability of the tourism industry, Geo-Chocky (2004). From researches carried out there is indication of discrimination of local tourists and favor of the international tourists thus discouraging the domestic tourists.

2.6 Developing a promotional strategy for domestic tourism

According to Kotler (2002), promotion is very important for any business because it helps customers find out about what the company has to offer. Promotion deals with advertising, public relations and anything else that has to do with dealing with the public. Without promotion, the general public would not know about a company and sales would suffer. This aspect of the marketing mix helps to bring new customers in the door and close sales for the business. The promotion component of the marketing mix is made up of several other parts. A business can choose to use all of these components or it could only use a few. The parts of the promotional mix include advertising, personal selling, trade fairs, sales promotion, public relations, direct mail and sponsorship. Some may be more effective than others depending on what type of business you are in. The promotional mix is all about helping the perception of the company in the minds of consumers.

Deciding on a marketing communications strategy is one of the primary roles of the marketing manager and this process involves some key decisions about how who the customer is, how to contact the consumer them, and what the message should be. These questions can be answered using a three stage process, which is equally relevant for all elements of the marketing mix: Segmentation, dividing potential customers into discrete groups is vital if you want to increase the success rate of any communications message. Once you have an idea of the customer, you should further drill down to explore them in more detail. Their media consumption habits, their expectations and aspirations, their priorities, disposable income they have, their buying habits, they likely to have children and number of holidays they take a year .

For the purposes of advertising, targeting is the process of communicating with the right segment(s) and ensuring the best possible response rate. The methods you use to target your audience must relate to your marketing plan objectives - are you trying to generate awareness of a new product, or attract business away from a competitor?

Positioning is the process of developing an image for your company or product. This can be achieved partially through branding, but it's important to realise that all elements of the marketing mix combine to provide the full picture. You must ensure that all areas of your business live up to expectations in order to successfully position yourself in the way you hope. Positioning also considers the competition, and you need to explain why you are unique in the marketplace and better than the other products on the shelf.

2.6.1 Incentives offered to locals by all stake orders

According to Sindiga (2011), incentives are tangibles or intangibles which encourage/increases the urge for something. It is also a means of additional compensation to be paid or given. The purpose is to give a certain share in saving resulting on account of additional production, saving in time and cost. Incentives which promote domestic tourism include; - Lowered rates, incentives travel, high paid salaries, entertainment allowances, paid leaves, production of local food by international hotels, cruise or charter travel, education for free and improvement of infrastructure and superstructure. Lowered rates by firms concerned like the hotels and attraction places, also tour companies reduce the cost of expenses to locals mostly in low seasons, but they are still making efforts to reduce the rates in both high and low seasons for the locals to participate in domestic tourism. By this locals are allowed to enjoy and use the tourism facilities to maximum satisfaction at low rates

which they can afford thus increasing the number of domestic tourists in the tourism industry. Special rates for the locals who would like to visit the national parks and reserves were recently introduced by the government by giving free entry to locals who wish to visit any reserve or park in the country during a public holiday.

Trigg, (2005) argues that organizations are now able to sponsor incentive travel for their employees in order to encourage them in their working performance. The incentive travels also include accommodation in some of the five star hotels, By this the locals escape the chaos of working conditions thus getting to participate in domestic tourism activities, which create demand for more travel after such an experience. Locals are being paid in their places of work in such a way that they get discretionary income which enables them to travel and also to do others things part from settling their normal basic needs Organizations are paying people while they in their holidays and by these they encourage them to use their leisure time to travel to certain areas for recreation.

According to Sindiga, (2011) some organizations in the region are able to give discounts and waivers for their regular members to encourage them keep visiting their establishments. While other people become loyal customers to certain establishments because they offer the services they need so much, others become loyal because they feel a sense of belonging in such establishments that offer them discounts and waivers just because they frequent that particular place.

Improvement of the infrastructure is being made by the government through construction of roads, airports, harbors, airstrips among others, so as to encourage tourism development, Ouma (2006). Through this the locals are able to travel to various places of attraction without problems and in a quick way. Improvement of

superstructure is also an issue which is being tackled and there has been development in tackling pollution. For example construction of good sewage systems that does not pollute the environment.

The governments come up with policies to help promote domestic tourism, for example the lowered park entry rates for the locals. The government of Kenya has embarked on the promotion of domestic tourism through the media, for instance the government has sponsored one program which airs in the KTN television called “*up and about*” that basically deals with the promotion of domestic tourism to help create more awareness on the domestic tourism opportunities to the locals. Stability and peace is being promoted among ethnic groups; integration and useful co-existence is also encouraged among Kenyan communities which make them live in unity thus promoting the country’s domestic tourism, Akama, (2009).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used as an aid to carrying out the research study. It was to plan for selecting the sources and types of information to answer the research questions and meet the study objectives. It was a framework for specifying the relationships among the study variables. The chapter covers various aspects of the target population, sampling methodology, data collection procedure and method, and data analysis.

3.2 Research design of the study

The study adopted a descriptive survey to determine marketing incentives used by hoteliers in Nairobi to promote domestic tourism. According to Douglas and Pamela (2002), study concerned with the finding out who, what, which and how of a phenomenon is referred to as descriptive design. Similar design has been used by Kiilu (2004) and Chemayiek (2005) Descriptive survey seeks to ascertain the respondents' perspectives or experiences on a specified subject in a predetermined manner. The reason why the researcher used descriptive survey is mainly because it describes and explains the present status, situations, events and trends, Kothari (2004).

3.3 Target Population

In this study, the target population was star rated classified hotels in Nairobi region, higher star ratings indicate more luxury. Hotel is an establishment that provides lodging paid on a short-term basis. The provision of basic accommodation, in times past, consisting only of a room with a bed, a cupboard, a small table and a

washstand has largely been replaced by rooms with modern facilities, including en-suite bathrooms and air conditioning or climate control. Additional common features found in hotel rooms are a telephone, an alarm clock, a television, a safe, a mini-bar with snack foods and drinks, and facilities for making tea and coffee.

The reason for selecting these organizations is because they are well established and have clear information on domestic tourism. A survey was conducted in all these fifty organizations as per appendix one.

3.4 Data collection

Primary data was collected by use of a semi-structured questionnaire. The questionnaire was divided in to two parts; part one will be deal with the background information of the respondents, the second part dealt with tourism and promotion. The respondents were the marketing managers of these organizations. The researcher delivered the questionnaires and collected them as agreed with the respondents.

3.5 Data analysis

The study involved both quantitative and qualitative data. The researcher examined the collected data to make inferences through a series of operations involving editing to eliminate repetitions and inconsistencies, classification on the basis of response homogeneity and subsequent tabulation for the purpose of inter-relating the variables under study. Once the data was checked for completeness ready for analysis, it was coded according to the themes researched on. The refined quantitative data was analyzed using descriptive statistics involving percentages, mean scores and standard deviation to determine concentrations and to measure disparities. Analyzed data was presented in graphical and tabular form. Qualitative analysis on the other hand was

involve reading through the data collected, coding the data, interpreting the data by attaching significance to the themes and patterns observed and drafting a report detailing the findings.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis of data findings to investigate the significance of incentives in the quest to promote domestic tourism in the Nairobi region by hotels. The research targeted employees of various hotels in Kenya. Descriptive analysis was used to analyse the data collected through the questionnaire. The data collection instrument, which was the questionnaires, were sent to 50 employees. However, out of the 50 questionnaires sent, 50 questionnaires were received back fully completed making a response rate of 100%. The respondent held various roles in the organizations which were hotel attendant, marketing the organization, account, housekeeper, supervisor and managers. This is an indication that respondent held various role in the hotel industry.

4.2 General information

The respondents were asked to indicate the length of service as employees of their organization. The results are shown in the table 4.1.

Table 4.1: Length of service the organization

	Frequency	Percent	Cumulative percent
Less than one year	6	12	12
1 to 2 years	11	22	34
2 to 4 years	26	52	86
5 years and above	17	34	100
Total	50	100	

From the findings on the length of service the respondent had served in their respective organization, the study found that 52% of the respondent indicated that they

had served in the organization for 2 to 4 years, 34% of the respondent indicated that they had served in their organization for 5 years and above, 22% of the respondent indicated that they had served in their organization for 1 to 2 years, those who indicated that they had served in their organization for less than one years were shown by 12% , this is an indication that majority of the respondent had served in their organization long enough and thus they would give credible information to the study .

The study sought to determine how long the organization had been in operation and therefore requested the respondent to indicate how long the organization been in operation, from the findings the study revealed that organization had been in operation for 10 to 29 years , this is an indication that organization had been in operation long enough to support domestic tourism. From the findings on the size of the company in terms of outlets, the study revealed that the number of the organization outlets ranged between 7 to 35 outlets.

4.3 Information about Tourism and Incentives Promotion

The respondents were asked to indicate the Services offered to the clients in their organization. The results are shown in the table 4.2.

Table 4.2: Service offered to the clients

Service offered	n	Frequency
Recreational services (N =50)	34	68
Accommodation (N =50)	50	100
Food and beverage (N =50)	50	100
Excursions and tours (N =50)	39	78

From the findings on the type of services offered to clients in the organization, the study found that all the organizations offered accommodation and food and beverage

as shown by all respondents, excursions and tours as shown by 78% and recreational services as shown by 68%. Other were tour and travel facilities, tour guide and travel advisory.

The respondents were asked to give information on the performance of their organization. The results are shown in the table 4.3.

Table 4.3: Performance of the organization

Rating	Frequency	Percent
Very good	3	6
Good	26	52
Neutral	21	42
Total	50	100

From the table on the performance of the organization in comparison with other organization, the study found that 52% of the respondents indicated that the performance was good, 42% of the respondents indicated that the performance was neutral whereas 6% of the respondents indicated that their organization performance was very good, this is an indication that performance of the organization in comparison with others was good.

The respondents were asked to indicate the Incentive given to the locals when they visit the organization. The results are shown in the table 4.4.

Table 4.4: Incentive given to the local when they visit the organization

Incentives	Percent
Discounts	66.0
Traditional cuisine	52.0
Transports	38.0
Waivers to members	78.0

From the findings on the incentives that are given to the locals when they visit the organization to encourage domestic tourism, the study found that majority of the respondent indicated that these incentive were waivers to members as shown by 78%, discounts as shown by 66% , traditional cuisine as shown by 52% and transport as shown by 38%.

The respondents were asked to indicate the time/season Kenyans mostly visit the organization. The results are shown in the table 4.5.

Table 4.5: Time/season Kenyans mostly visit the organization

Scale	Mean	Std deviation
After work	2.1817	.76399
Vacation time	1.6355	.74901
Weekends	1.5892	.71467
Any time	2.6344	.60406

From the findings on the time at which time/season that Kenyans mostly visit the organization, a five Likert scale was used where those stamen with mean close to 1 were regarded as strongly agreed to , those with mean close to 2 were regarded as agreed to , those with a mean of 3 were regarded as neutral , those with mean close to four were regards as disagreed to whereas those with mean close to 5 were regarded as strongly disagreed to , from the findings majority of the respondent agreed that they

visits weekends as shown by mean of 1.5892, vacation times as shown by mean of 1.6355, after work as shown by mean of 2.1817, respondent were neutral on Kenyan visit their organization any time as shown by mean 2.6344. This information was supported by low standard deviation an indication that respondent held similar opinion.

The respondents were asked to give information ways of the organization market themselves. The results are shown in the table 4.6.

Table 4.6: Ways of the organization market themselves

Ways	Frequency	Percent
Through media	37	74.0
Exhibition	40	80.0
Through the internet	44	88.0
Brochures and website	38	78.0

On the various method that are used by the organization in marketing themselves the study found that this was through internet as shown by 88% , exhibitions ads shown by 80%, brochures and websites as shown by 78% and through media as shown by 74%. This shows that the organization establishment marketed out to the public through, the media exhibitions, through the internet and brochures and websites.

The respondents were asked to give information on the need to promote domestic tourism. The results are shown in the table 4.7.

Table 4.7: Need to promote domestic tourism

Length	Frequency	Percent
Yes	43	86.0
No	7	14.0
Total	50	100

On whether there was need to promote domestic tourism, the study found that majority of the respondent as shown by 86% indicated that there was need to promote domestic tourism , whereas 14% of the respondent indicated that there was no need to promote domestic tourism , this clearly show that there was need to promote domestic tourism in the country . The need to promote domestic tourism was to increase revenue in the tourism sector and also enhance stability in the sector.

The respondents were asked to Rate domestic tourism in the region. The results are shown in the table 4.8.

Table 4.8: Rating domestic tourism in the region

Length	Frequency	Percent
Excellent	8	16.0
Fair	31	62.0
Poor	11	22.0
Total	50	100

From the findings on table 4.8 on the respondent rating domestic tourism in Kenya, the study found that 62% of the respondents rated domestic tourism as fair in the region, 22% of the respondent rated domestic tourism as poor whereas those who rated domestic tourism as excellent in the region were shown by 16%, this depict that there was low level of domestic tourism in the region.

The respondents were asked to indicate the factors influencing domestic tourism in Kenya. A scale of 1 = strongly agree, 2 = agree, 3= neutral, 4= disagree and 5= strongly disagree. The results are shown in the Table 4.9.

Table 4.9: Factors influencing domestic tourism in Kenya

Factors	Mean	Std deviation
High paid salaries	1.6559	.54163
Paid leaves	1.5269	.54357
Lowered hotel and park rate	1.4516	.61708
Publicity and efficient marketing	1.6559	.86596

From the finding the factors that mostly influence domestic tourism in Kenya, a five Likert scale was used where those stamen with mean close to 1 were regarded as strongly agreed to , those with mean close to 2 were regarded as agreed to , those with a mean of 3 were regarded as neutral , those with mean close to four were regards as disagreed to whereas those with mean close to 5 were regarded as strongly disagreed to, the study revealed that majority of the respondent strongly agreed on lowered hotel and park rate as shown by mean of 1.4516, respondent agreed that paid leaves as shown by 1.5269, publicity and efficient marketing and high paid salaries as shown by mean 1.6559 in each case . This is in indication that factors that mostly influence domestic tourism in Kenya were lowered hotel and park rate, paid leaves, publicity and efficient marketing and high paid salaries.

The respondents were asked to give information on the need for government to promote domestic tourism .The results are shown in the table 4.10.

Table 4.10: Need for government to promote domestic tourism

	Mean	Std deviation
Regulate and reduce the rates for locals	1.7957	.86677
Educate locals more	1.5161	3.38992
Organize for exhibitions	1.7204	1.12642
Increase salaries	1.5031	.99343

From the findings on the opinion on what the government should be done to promote domestic tourism, a five Likert scale was used where those statements with mean close to 1 were regarded as strongly agreed to, those with mean close to 2 were regarded as agreed to, those with a mean of 3 were regarded as neutral, those with mean close to four were regarded as disagreed to whereas those with mean close to 5 were regarded as strongly disagreed to, the study found that majority of the respondent agreed that the government should increase salaries as shown by mean of 1.5031, educate locals more as shown by mean 1.5161, organize for exhibitions as shown by mean of 1.7204 and regulate and reduce the rates for locals as shown by mean 1.7957.

The respondents were asked to indicate the factors limiting locals to be involved in domestic tourism. A five Likert scale was used where those with mean close to 1 were regarded as strongly agreed to, those with mean close to 2 were regarded as agreed to, those with a mean of 3 were regarded as neutral, those with mean close to four were regarded as disagreed to whereas those with mean close to 5 were regarded as strongly disagreed. The results are shown in the table 4.11.

Table 4.11: Factors limiting locals to be involved in domestic tourism

	Mean	Std deviation
Lack of finances	1.5871	.64323
Inadequate marketing	1.7419	.72086
Lack of knowledge of tourist facilities	1.6774	.70958
Negative perception	1.5914	.85002

The study found that majority agreed that factors limiting locals to be involved in domestic tourism were lack of finances as shown by mean 1.5871, negative perception

as shown by mean of 1.5914, lack of knowledge of tourist facilities as shown by mean of 1.6674 and inadequate marketing as shown by mean of 1.7419.

The respondents were asked to indicate the factors influencing the participation of the locals in domestic tourism. A five Likert scale was used where those statements with mean close to 1 were regarded as strongly agreed to, those with mean close to 2 were regarded as agreed to, those with a mean of 3 were regarded as neutral, those with mean close to four were regarded as disagreed to whereas those with mean close to 5 were regarded as strongly disagreed to, The results are shown in the table 4.12.

Table 4.12: Factors influencing the participation of the locals in domestic tourism

Scale	Mean	Std deviation
Increased salaries	1.6774	.70958
Lowered hotel rates	1.5914	.85002
Marketing and publicity	1.9355	.74901

The study found that respondent agreed that lowered hotel rates influence the participation of the locals in domestic tourism as shown by mean of 1.5914, increased salaries as shown by mean of 1.6774 and marketing and publicity as shown by mean of 1.9355, this is an indication that factors that influence the participation of the locals in domestic tourism were increased salaries, lowered hotel rates and marketing and publicity.

The respondents were asked to give recommendations for organization to improve domestic tourism in future. The results are shown in the table 4.13. Five Likert scale was used where those statements with mean close to 1 were regarded as strongly agreed to, those with mean close to 2 were regarded as agreed to, those with a mean of 3

were regarded as neutral , those with mean close to four were regards as disagreed to whereas those with mean close to 5 were regarded as strongly disagreed to

Table 4.13: Recommendation for organization to improve domestic tourism in future

Scale	Mean	Std deviation
More reduction of hotel rates	1.5116	.54163
More promotions	1.6559	.54357
Educate the locals on domestic tourism	1.7957	.61708

The study found that respondent agreed on more reduction of hotel rates as shown by mean of 1.5116, more promotions as shown by men of 1.6559 and educate the locals on domestic tourism as shown by mean of 1.7957, this is an indication that the organization in tourism industry need to improve domestic tourism in future, more reduction of hotel rates, more promotions and educate the locals on domestic tourism.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following discussions, conclusion and recommendations were made. The responses were based on the objectives of the study. The researcher had intended to investigate the significance of incentives in the quest to promote domestic tourism in the Nairobi region by hotels.

5.2 Summary of the findings

Type of services offered to clients in the organization was offered to clients in the organization; accommodation and food and beverage, excursions and tours and recreational services, tour and travel facilities, tour guide and travel advisory. The performance of the organization in comparison with others was good. On the incentives that are given to the locals were waivers to members, discounts, traditional cuisine and transport. The study found that Kenyans mostly visit the organization on weekends, vacation times, after work, respondent were neutral on Kenyan visit their organization any time. The various methods that are used by the organization in marketing themselves were internet, exhibitions, brochures and websites and through media.

The study found that there was need to promote domestic tourism in the country. The need to promote domestic tourism was to increase revenue in the tourism sector and also enhance stability in the sector. There was low level of domestic tourism in the region. The study revealed that majority of the respondent strongly agreed on lowered

hotel and park rate, respondent agreed that paid leaves, publicity and efficient marketing and high paid salaries.

5.3 Conclusion

From the findings of the study, it can be concluded that domestic tourism has improved marginally due to incentives in the Nairobi region. There are many people who are willing to travel for domestic tourism but are not aware of the tourist attractions and facilities in their country, and it was apparent that most of them would travel for leisure if only they knew about the tourist attractions around their environments. Most of the domestic tourism which occurs within the Nairobi area involves the people in the high-class cadre, educational institution and small groups of organizations, even though an increasing number of the mid-class populations are also indulging in domestic tourism.

It is complex to monitor the growth of domestic tourism because there is no definite way of collecting the data which is precise; most domestic tourists spend their nights in private houses making it difficult to monitor the growth of domestic tourism. From the above statements organizations must get more involved than before in educating the locals on the importance of tourism and giving more incentives. Employers should also improve the tourism industry by providing their employees with more free time, and give deserving salaries or wages which can cater for basic needs and for leisure time. For hotels, national parks and reserves and places of attraction, much should be done to improve the stay of the locals and their indulgence in domestic tourism.

5.4 Recommendations

5.4.1 Recommendation with policy implication

There is need for the government to should increase salaries, educate locals more, organize for exhibitions and regulate and reduce the rates for locals as the study found that factors limiting locals to be involved in domestic tourism were lack of finances,

There is need for local hotel to provide more incentive to the local people as this will help to promote domestic tourism in Kenya as the study found that incentives are the major motivator of domestic tourism, but still have not achieved the desired results, therefore there is need to diversify the incentives and even come up with more creative incentives to promote domestic tourism in the area.

There is need for the local companies to provide more information on the service they offer in their hotels as this will help in enlightening the local people on the travel and leisure available locally as the study found that that a large percentage of locals claim to have the money to travel for leisure but they have no sufficient information about the tourist facilities and attractions around their areas.

5.4.2 Recommendation for further research

The study sought to determine the importance of incentives in the quest to promote domestic tourism in the Nairobi region by hotels, the study recommends an in-depth study on challenges facing local hotels in their promotion of domestic tourism.

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APPENDICES

Appendix I: Questionnaires

PART A: GENERAL INFORMATION

From the Role in the organization.....

1. How long have you worked in this organization?

- Less than a year 1 – 2 2 – 4 5 years and above

2. For how long has your organization been in operation?

3. How big is your company in terms of outlets?

SECTION B: INFORMATION ABOUT TOURISM AND INCENTIVES PROMOTION

4. What type of services do you offer to your clients in this organization?

- Recreational services Accommodation
 Food and beverage Excursions and tours others, please specify.....

5. How do you think you're performing compared to other organization?

- () Very good () good () neither good nor poor () very poor () poor

8. Which incentives are given to the locals when they visit your organization to encourage domestic tourism?

- Discounts Traditional cuisine Free picnics Transports
 Waivers to members Other, please specify

9. At which time/season would you say Kenyans mostly visit your organization?

Scale	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
After work					
Vacation time					
Weekends					
Any time					

10. How is your establishment marketed out to the public?

- Through the media Exhibitions Through the internet
 Brochures and websites other specify.....

11 Do you think domestic tourism should be promoted?

- Yes No (ii) If yes, why.....

12. How would you rate domestic tourism in this region?

- Excellent Fair Poor

13 In your own opinion what would most influence domestic tourism in Kenya?

Scale	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
High paid salaries					
Paid leaves					
Lowered hotel and park rate					
Publicity and efficient marketing					

14 In your opinion, what should the government do to promote domestic tourism?

Scale	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Regulate and reduce the rates for locals					
Educate locals more					
Organize for exhibitions					
Increase salaries					

15. Factors limiting locals to be involved in domestic tourism?

Scale	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Lack of finances					
Inadequate marketing					
Lack of knowledge of tourist facilities					
Negative perception					

16. In your opinion what do you think would influence the participation of the locals in domestic tourism?

Scale	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Increased salaries					
Lowered hotel rates					
Marketing and publicity					

17. To what extent would you recommend your organization to improve domestic tourism in future?

Scale	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
More reduction of hotel rates					
More promotions					
Educate the locals on domestic tourism					

Thank you

Appendix II: List of selected hotels in Nairobi region

1. Laico Regency Hotel ★★★★★
2. Hilton Nairobi ★★★★★
3. Nairobi Serena Hotel ★★★★★
4. Tribe Hotel ★★★★★
5. Meltonia Luxury Suites ★★★★★
6. Crowne Plaza Hotel Nairobi ★★★★★
7. Sarova Panafric ★★★★★
8. Safari Park Hotel Nairobi ★★★★★
9. InterContinental Nairobi ★★★★★
10. 680 Hotel ★★★
11. Ole Sereni Hotel Nairobi ★★★★★
12. Sentrim Nairobi Boulevard Hotel ★★★
13. Hotel Kipepeo ★★★
14. Paris Hotel Nairobi ★★★★★
15. Nairobi Transit Hotel ★★★★★
16. Fairmont The Norfolk ★★★★★
17. Nairobi Safari Club ★★★★★
18. Sarova Stanley ★★★★★
19. Kenya Comfort Hotel ★★
20. Mirema Serviced Apartments ★★★
21. The Oakwood Hotel ★★★★★
22. Windsor Golf Hotel and Country Club ★★★★★
23. Khweza Bed and Breakfast ★★
24. Hotel La Mada Nairobi ★★★★★
25. PrideInn Hotel Westlands Road ★★★
26. The Panari Hotel ★★★★★
27. Nomad Palace Hotel Nairobi ★★★
28. The Strand Hotel Nairobi ★★★
29. Blue Hut Hotel ★★★
30. Masai Mara Sopa Lodge Nairobi ★★★
31. Jacaranda Hotel Nairobi ★★★★★
32. Hartebeest Camp ★★★

33. Southern Sun Mayfair Nairobi ★★★★★
34. Mvuli House ★★★★★
35. West Breeze Hotel ★★★★★
36. Yaya Backpackers Nairobi ★
37. Fahari Guest House ★★★★★
38. Redcourt Hotel ★★★★★
39. Nairobi Tented Camp ★★★★★
40. PrideInn Hotel & Conferencing Nairobi ★★★★★
41. Hotel Ambassadeur ★★★★★
42. Meridian Court Hotel ★★★★★
43. Hotel Embassy Nairobi ★
44. Lenana Mount Hotel ★★★★★
45. Jamiat Hotel Nairobi ★★★★★
46. Glory Royal Suite Hotel ★★★★★
47. Giraffe Manor Hotel Nairobi ★★★★★
48. Mokoyeti Resort Nairobi ★★★★★
49. Lukenya Getaway Nairobi ★★★★★
50. Ol Seki Mara Camp ★★★★★

Source: Kenya tourism guide 2011