

**POSITIONING STRATEGIES ADOPTED BY FIVE STAR HOTELS
IN
NAIROBI, KENYA**

Ayele, Gobezie Abebaw

**Research Project Submitted in Partial Fulfillment of The requirement
For the Award of the Degree of Master of Business Administration
(MBA) School Of Business,
University of Nairobi**

OCTOBER, 2012

DECLARATION

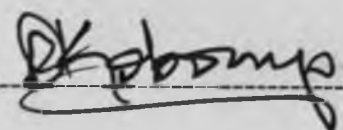
This research project is my original work and has not been presented for the award of a degree in any other universities.

Signed  date 08/11/2012

AYELE, GOBEZIE ABEBAW

D61/62891/2010

This research project has been produced with my approval as the university supervisor.

Signed  date 8/11/12

Prof. Peter K'obonyo

Department of business administration

School of Business

University of Nairobi

DEDICATION

This work is dedicated to my son Bisrat who always calls me and inspired me from distant for the MBA program and this project. To my father AbebawAyele whose passion for education and sacrifices that motivate me to continue the program.

ACKNOWLEDGEMENT

To the All Mighty God for his love, provision, protection and support through the whole journey of this program.

I would like to extend my sincere gratitude to my supervisor Prof. Peter K'obonyo for his support encouragement and guidance on this research project; without his support it was very difficult to finalize it.

I also would like to express my gratitude to my Kenyan friends here in the university of Nairobi for their continues support and advise. Dr .Brian thank you for concern and continuous advise and support starting from the very beginning of the MBA program.

To the respondents of this research who gave me the information without delay.

To Campia Ethiopian restaurant owners w/r Elisa Abdessa and Ibrahim cthucthua and all staffs without your support this project could not be finalized.

To Habesha Ethiopian restaurant staff members, AtoHailuAsfawand AlemayehuDegeffa ,Boshe and your friends, Tsegay , Zeinu,Pamela for your continuous support and advice, and I always remember and forward my sincere gratitude to the Jomo Kenyatta library staffs.

ABSTRACT

This research project investigates the positioning strategies adopted by five star hotels in Nairobi, Kenya to stay competent in the stiff competitive market in the hotel industry. The study has been conducted by considering seven 5-star hotels in Nairobi, Kenya which have been awarded 5-star rate award by the ministry of tourism of Kenya in 2003.

The research considered theoretical frame works that have been drawn from the literature review on the basis or approaches of developing positioning strategies. The research has investigated different researches in the literature review that have been done in the hotel industry on positioning strategies and used for current research purposes.

The research project finds that five star hotels in Nairobi, Kenya have adopted various positioning strategies based on different approaches of developing positioning strategy. The positioning strategies that have been adopted by 5-star hotels include leadership positioning, personal contact positioning and extensive staff training positioning strategies which the six 5-star hotels or organizations have an approach of highest extent . Positioning strategies on the basis of quality customer service, physical attractiveness, range of product offerings ,unique product features, safety and security systems, information technologies are also have been approached by five 5-star hotels to the highest extent. .

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Companies all over the world are facing high competition for market share and resources as globalization of economic, social and technological activities increase from time to time. New technologies, new products, innovation of new idea and new systems are emerging every time. These globalization phenomena forced companies to compete for market share and resources more competently ever than before. Customer demand for varieties of goods and services is rapidly increasing. Competition for market share and resources among competitors in any industry is growing from time to time. Because of this changing business environment, both manufacturing and service-giving companies are forced to operate in such dynamic and ever changing environment by adjusting and revising their operating systems to fit with the changing factors. Companies are also required to create an image of their product or service in the mind of their customers. Firms must compete in a challenging context, which has many factors from the perspective of globalizations. This is because continuous technological and environmental changes affect business environment continuously. In such changing environment, achieving competitive advantage is very challenging for business firms. This implies that companies should identify their capabilities and formulate positioning strategy in the market, Johnson and Sholes (2002).

In the competitive market, companies can become success full by formulating and adopting positioning strategies. Positioning strategy is an important concept in which companies can develop competitive advantage by creating good image for their product in the minds of customers. Through the formulation and adoption of positioning

strategies, service giving economic sectors such as hotels, education, retailing, Tourism and Hospitality industry, Medical and Hospital service, Transportation, Communication and Construction service can improve their competences and then retain customers Petzer, Steyn and Mostert (2003). Once demand is created, a Hotel needs to manage this demand by delivering quality service.

Positioning strategies can be formulated or developed from verity of perspectives, Bhasin (2010). The author argued that strategic positioning could be developed from the object attributes, competition, application of products and types of consumers involved in the exchange. Hotels in the Hospitality industry can adopt positioning strategy from the perspective of offering quality product, having good facilities, from their customers demand, Safety and Security, location and some unique product feature. They can adopt positioning strategy by delivering quality food to their customers that can create good perception in the consumers mind. Hotels can also develop positioning strategy from quality service perspective, which can place their respective Hotel more competent than competitors can. Customers demand is also another perspective that Hotels can use to develop positioning strategy by identifying their customers demand and trying to satisfy that demand more competently than their competitors do.

1.1.1 The Concept of Strategy

Strategy does not have one clear and short definition and it can be misleading to define it in one or two concepts. Rather it is defined in many ways and perspectives. Having this concept in mind, we can take some of the definitions of strategy given by strategic management scholars as follows; Strategy is management's action plan for running the business and conducting operation, which needs the managerial commitment to pursue

the formulation. It is a set of actions in developing the business, attracting and pleasing customers, competing successfully, conducting operation and improving company's financial and market performance, Thompson, Strickland and Gamble (2007).

Strategy is the set of decisions and actions that result in the formulation of plans designed to achieve a company's objectives, Pearce, and Robinson (2011). . Mintzberg, Lampel , Ghoshal and Quinn.(2002) defined strategy as plan, pattern, position, perspectives and ploy of the organization and they added that the word strategy has long been used implicitly in different ways reminding that traditionally it can be defined in one concept. According to Johnson, Scholes and Whittington (2008), strategy is a direction and scope of an organization over the long term, through which firms achieve competitive advantages in a changing environment by configuration of their resources and competences with the aim of fulfilling the stakeholders' expectation.

The above definitions of strategy show that it is context sensitive field of study. Strategic formulation, implementation, control, and performance evaluation processes are environmental sensitive and managers should always be aware of the environmental changes. Strategy, which is effective in some context, may not continue being effective in another context. Strategy, which is effective today, may not be effective after time. This is because companies, which formulate and implement the strategy, are operating in the dynamic and ever changing environment. There are environmental factors which are under continues change such as customer tests and preferences competitors power, availability of resources and technological changes. In general speaking these factors are macro environmental factors like political, economic socio cultural, technological ecological and legal factors. In addition to this, there are also factors like internal

strength weakness, opportunities and threats of the organization, power of stockholders, interest and power of stakeholders. Each factor has an impact on the adoption, implementation, and evaluation and control of the strategy of an organization in the industry, Johnson and Scholes (2002).

Strategy is multi-dimensional field of study with feature of complexity and uncertainty. It can be available in different level of the organization mainly in corporate level, business level and operating level. Each level of strategy has different focus points in decision-making process Johnson et al. (2008). Economic sectors, be it manufacturing or service giving and are operating in any country, region or anywhere in the globe face such environmental changes. Because of this each company doing business in any sector or industry is supposed to adopt positioning strategy that can fit its capability to the environmental changes. On the other hand, competition in any industry is becoming more critical than before. This increasing competition also forced firms to improve their operating system, financial strength, human skills and strategic capabilities, formulate and implement positioning strategy. Hotels in Nairobi, Kenya compete in such competitive environment. Firms can be competitive and profitable by the identification of customers' needs and able to offer as per the needs of customers.

1.1.2 Positioning Strategy

Positioning Strategy is a concept through which organizations concerned with the impact of their external environment on their strategic capability (resources and competences), and expectations and influence of stakeholders, Johnson and Scholes (2002). Many scholars have given positioning strategy different definition and meaning. They argued that positioning has been evolved from market segmentation, targeting and market

structure. Ries and Trout (1986) argued that positioning strategy started with a product, merchandise, service, a company or an institution. They continue to argue that positioning is not about what to do on the product/service but with customers mind and perception. Kotler (2000) has defined positioning strategy from marketing point of view, as the act of designing a company's offerings and image to occupy a distinct place in the target market's mind. The author argued that positioning strategy is defined as the design and implementation of a retail mix to create image in the retailers' mind relative to its competitors and it is a Strategy which is an integrated activity comprises merchandise, environment, and customer service and customer communication decisions.

Positioning strategy as per the definition given by Kalafatis, Tsogas and Blankson (2000) is the central element of doing business. They argued that positioning is the concept of Strategy with a scope of organizational wide. It includes both tangible elements (products and other physical items) and intangibles like image of the company. The authors argued that positioning strategy can be seen from pre-exchange and post-exchange perspectives. They also defined positioning strategy as the act of management to modify tangible characteristics and the intangible perception of marketable offerings in relation to competition and added that it is deliberate and proactive process of defining, modifying and implementing consumer perception of marketable offerings. According to the writers, positioning strategy can emanate from three key issues, which are consumers, companies and competitors. As per the explanation and meaning of positioning strategy given by different authors, it can be useful mechanism through which companies can develop competitive advantage in the competitive market. Wahogo (2006) defined competitive strategy as doing things better than competitors do

in the industry and positioning company's products or services in the mind of consumers.

Companies can develop positioning strategy in different levels (business level corporate level) in the organization, Johnson et al (2008). They can develop Positioning strategy at business level, fundamentally focusing on price and differentiation of products and services. It is also possible for organizations to develop positioning strategy in the corporate level. At this level, decisions related to scope or breadth of an organization. Diversification decisions are also made at the corporate level of the company. International diversification is also a form of diversification in different geographical locations. Innovation is also another possibility for companies to develop positioning strategy by innovating new ideas, technologies and system.

1.1.3 Hotel Industry in Kenya

Hospitality economic sector is a service-giving sector, which evolved in line with the coming of transportation industry and start of trading, Kamau and Waudu (2012). It is one of the oldest professions and is major economic activity all over the World. It is a popular generic name for hotel and restaurant industries. According to Ottenbacher, Harrington and Parsa (2009), it includes Lodging (Hotels, Motels) Foodservice (Restaurants, Caterings), Leisure (Vacations, Parks, Sightseeing, and Hiking), Conventions (Meetings, Trade Shows), Travel (pleasure, business) and attractions (fairs, gatherings, shows). Hospitality industry is labor-intensive service giving economic sector and gives job opportunities for millions of people. Hotel is therefore part of hospitality sector and it is a commercial establishment providing lodges, meals, and guest services. It must have minimum facilities such as private bathrooms, (<http://www.businessdictionary.com/definition/hotel, htm>).

Hospitality industry in Kenya has evolved at the coast region for the first time. This was because of the coming of Arab traders and railway- line construction workers in the

region. Their presence necessitated the building of the first catering establishment at the coast, which was known as the grand Hotel of Mombasa built at the present sit of Manor Hotel, Kamau and Waudu. (2012). They also argued that following the construction of railway, there was a growing demand for catering and the Hospitality industry service. This led to the demand for trained personnel. In 1960, Hotels like Norfolk had reached international five star-rating. Later in 1975, Hospitality training was also started at Kenya Utali College with a limited capacity. The Hospitality service economy in Kenya is one of the major sectors generating more income and job opportunities in the country. It includes Hotels, Restaurants, and Pubs. The Hospitality industry gives services like food and beverages; lodge for any people who want the services. The business operation of Hospitality industry has direct relation with the business operation of Tourism industry. According to Wadongo, Odhuno, Kambona, and Othuon (2010), the Hospitality industry made a significant contribution for the economic development of the Country. It is also becoming source of job opportunities for many people. Wadogo et al. (2010) argued that the World Travel and Tourism Council (2006) explained that Hospitality industry in Kenya contributed 509,000 jobs in 2007 and forecast that the industry will contribute 628,000 jobs in 2017. This steady growth in the sector shows that it is contributing a lot for the general economic development of the Country. One of the industries in the Hospitality sector is Hotel industry. It is part of Hospitality sector which includes 5-star, 4-star, 3-star, 2-star, 1 star and other Hotels. Hotels in Kenya present divers range of services to suit tests of customers. Class, elegance, ambiance and quality services are the major distinguishing factors of the hotels. Hotels in the industry are operating in high competition, (<http://www.kenya space.com/hotels, htm>). Despite the high quality and good facilities of Kenyan Hotels, Competition for resources and market share in the Hotel

industry in Nairobi Kenya is becoming extremely high. Companies operating in the Hotel industry are facing higher competition in the market for skilled labor in the Hospitality profession and for market share. Customers' expectation and preferences are also increasing from time to time. Because of these and other globalization factors, companies should revise their strategy and invest more amount of money in their premises to compete effectively. They should identify their core competences and unique resources to adopt positioning strategy to get competitive advantage in the high competitive market in the industry.

Hotels around the world are classified based on different system of classifications. The star classifications system of Hotels is common in many countries. The higher the star rating of the Hotel indicates the higher luxury. Hotels in Kenya are classified in star-rating system that includes 5-star the higher luxury, 4 –star Hotels, 3-star Hotels, 2-star Hotels and 1-star Hotels. The entity in charge of determining the conditions by which Hotels will be accountable and which will determine whether they receive one or five star is the World Organization of Tourism, Johanna (2010). According to Johanna (2010), currently every Country tends to have its own rules and requirements for determining Hotel classifications in spite of the recognized body. This brings inconsistencies of the star-classification of Hotels. Hotels assessment is based on the facilities they have and the service quality they offer.

According to the Kenya gazette, 13 June, 2003, vol. cv-no.62, there are seven five star Hotels in Nairobi, Kenya in June. The classification base is star- rating. The Ministry of Hotel and Tourism of Kenya is mandated to give this classification- rate. The five star Hotels are the most luxurious ones in the market of Hotel industry in Nairobi Kenya.

According to the information published by the Authority of Republic of Kenya, these five star Hotels are Intercontinental Hotel, Laico Hotel (formerly known as Grand Regency Hotel), Nairobi Hilton Hotel, The Norfolk Hotel, The Stanley Hotel, Nairobi Serena Hotel and Safari Park Hotel.

Some of the services that five star Hotels provide for their customers are full-service meal and drinks at any hour, entertainments. Points that differentiate 5-star Hotels from other star Hotels are: reception opened for 24 hours, multilingual staff, doorman service, spacious reception hall with several seats, and beverage service, personalized greeting for each guest with fresh flowers, mini bar and food and beverage via room service during 24 hours, internet PC in the room and ironing service, Shoe polish service. In case of 4-star Hotels, reception open for 18 hours, no ironing service, no shoe polish service, no personal care products in flacons, there is no service of internet PC in the room and no personalized greetings, (http://en.wikipedia.org/wiki/hotel_rating.) According to the information source, the name for each star Hotel is 1- star (Tourist), 2- star (Standard), 3- star (Comfort), 4- star (first class) and 5-star (luxury).

1.2 Research Problem

The impact of the current hyper competition, high costs of materials, enlightened society, and environmental issues, growing of technological innovations and globalization in general is influencing companies in their business operation. Because of such changing factors in the dynamic environment, companies are required to formulate positioning strategies based on different approaches. Positioning strategy is one of the major concepts of management that enables companies to compete and become profitable in the market, Kotler (2000). The importance of positioning strategies has been proven by direct relation

with the performance and profitability of firms, Broocksbank (1994). Firms that produce and able to offer products as per the customers' needs and develop positioning strategies based on their competence and unique resources can stay competitive and profitable in the market. Hotels operating in the hotel industry in Kenya are therefore, required to formulate such positioning strategies based on different approaches.

According to the data found from Kenya National Bureau of Statistics (Statistical Abstract 2011), Hotel industry in the Country has significant contribution for the gross domestic product (GDP) of the Country. The Hotel sector economy has the following contribution for the years 2006-2010. The contribution in the form of percentage from the total GDP (GDP%: IN 2006: 1.5, IN 2007: 1.6, IN 2008: 1.1, IN 2009: 1.7 and IN 2010: 1.7) and job opportunities for many people in the country. Currently, the Hotel industry is operating under high competitive business environment. The competition for market share among Hotels and Restaurants in the sector is increasing from time to time. Customers' preferences for products and services are increasing faster than ever. They also give more value for money and seeking alternative services instead of having one supplier. Like any other economic sectors, hotel and tourism industry is facing the challenges of globalization. Due to such increasing rate of competition, five star hotels have to position themselves strategically by identifying their core competences and unique resources to gain competitive edge.

However, researchers like Kuria, Peter and Alice (2011) revealed that star Hotels have critical problem of skilled man power, specially chefs, and capacity to compete globally. The study explained that the human capital in the Hotel industry is not properly handled explaining that unfavorable working conditions, poor payment, poor training and

education levels have led to high labor turn over. According to the study, Formal qualifications from new entrants are not highly regarded in the Hospitality industry. Wadongo et al (2010) explained that Hospitality managers in Nairobi monitor competitiveness and financial dimensions of performance with little attention being paid to non –financial measures. Kamau and Waudu (2012) found that Hotel industry in Kenya is in a high competitive market. Onyango, Edwin. Ouma and Lucas (2012) argued that there is positive relationship between drivers and the results of performance in the hotel industry in Kenya. Mishanga and Owuor (2010) argued that hotels are contributing market opportunities for micro and small scale enterprise that supply consumer goods and furniture. The researchers explained that 80% of fruits vegetables, eggs and fishes purchased by hotels come from micro and small scale enterprises. Musyoka (2010) argued that factors like competition, cost of inputs, safety and security problems affect the profitability of hotels in Nairobi, Kenya. None of these researchers however tried to explain the positioning strategy used by firms particularly the five- star Hotels. This presents gap in knowledge. This study will therefore answer the question: What are the Positioning Strategies adopted by five star Hotels in Nairobi, Kenya?

1.3 Research Objective

The objective of the study is to establish Positioning Strategies Adopted by 5-star Hotels in Nairobi, Kenya

1.4 Value of the Study

This study is important to identify the Positioning Strategy adopted by five star Hotels and their competitiveness in the market. The study will contribute information for top management of Hotels to formulate operational policies. It also contributes information

for other economic sectors for the development of business relation policies. Tourism industry is a critical ally for hotel industry and can get information regarding their facilities and capabilities to give efficient services for customers..

The study will also contribute information to the body of knowledge both in the academic and research area of positioning strategies in the country. It can help researchers who want to do research in the future about positioning strategies in the hospitality industry in the country. It can also be helpful for theoretical development of price positioning, customer service positioning, information technology positioning, security and safety positioning in the hospitality industry especially in the five star hotels in Nairobi Kenya.

The findings of the study will also be important for Hotels' top management to get pertinent information on positioning strategies in the Hospitality sector. It will help management to revise their operating system through identification of their unique resources and core competences. Five star Hotels in the industry can therefore use the findings of the study to allocate their resources in the area of operations in which they can be profitable in the market. Hotels which adopt positioning strategies based on different approaches can use the information from this study to strengthen and defend the strategies that they adopted. They can also use the finding of the study to identify their unique resources, and threshold competencies

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter represents types of discussion/researches that have been done by researchers in the past on positioning strategies. The concept of positioning strategy will be discussed first. Different approaches of developing positioning strategies such as customer service positioning, product positioning, safety and security positioning, information technology positioning and price positioning on which researchers did their research will be discussed in the chapter.

2.2 The Concept of Positioning Strategy

Companies operating in the competitive market environment can compete by formulation and adoption of competitive strategies, which enables them to get competitive advantages. One of the strategies that companies can formulate and adopt, is positioning strategy. Different researches have defined the concept of Positioning Strategy in different times from different perspectives. According to Kalafatis et al. (2000), Positioning Strategy is defined, as two stage activities. The first stage is pre-exchange activities such as presence and distinct identity. The second stage is defined as post-exchange activities such as price, product performance and easy to do business. The authors underline three important factors for positioning strategies to dominate the market. These factors include market positioning (geographical coverage), distribution chain and length of market presence. They also gave emphasis that positioning strategy is the system of modifying the firms operating activities on the intangible and tangible perception of marketable offering in relation to competition in the market. This definition signifies that positioning strategy is the concept in which companies can position their offerings in the perception of consumers' mind.

The authors argued that Positioning Strategy is deliberate, proactive process of defining, modifying and monitoring consumer perception of marketable offerings. Fuchs and Diamantopoulos (2010) argued that positioning strategies can be direct benefit positioning and indirect benefit positioning. In the definition given by the scholars positioning is a deliberate, intentional action that managers in the service giving companies like Hotels can do. Managers do positioning strategy on the purpose of getting competitive advantage in the market. It is also an action that managers should take before competitors do and should be able to revise the decision they take. In the definition of positioning, the important point that has been pointed out is, monitoring consumer perception for marketable offerings. The authors concluded that unless strategic considerations are reconciled with operational activities, efforts to develop and implement positioning strategies will fail.

Hotels continually seek new ways of doing business to retain their customers and try to attract new ones. Through developing new strategies and revising the existing ones, companies can increase market share and profitability. Managers who are aware of the high cost of losing customers take such decisions. Quality service is one of the important factors to retain existing customers and attract new ones. The importance of customer service is increasing from time to time .Hotels that can give quality service for their customers can retain their customers and able to attract new ones by the adoption of positing strategies based on different points. Once a company identifies its target market, the next step is to position its service offering.

2.3. Developing Positioning Strategy

Companies operating in a competitive environment can use different approaches or bases to formulate and adopt positioning strategy. According to Bhasin (2010), companies can

take product characteristics of consumer benefits, pricing, production process, product class, cultural symbols and competitors. Bhasin argued that firms operating in a competitive market can consider these characteristics selectively based on the environmental factors. The author suggested that a firm might not be able to formulate positioning strategies using different positioning basis. Companies can choose bases of positioning strategy based on their capacity and the interest of their customers. The bases of positioning strategy can vary from company to company or from industry to industry. One base of positioning strategy in one industry may not be help full in another industry. Chacko (2011) argued that positioning strategy can also be done on the bases of price positioning, positioning by use (attributes), positioning by customers (users) .It is also possible to develop positioning based on product and positioning based on customers. (<http://www.hotelOnline.com/trends/Asiapacificjournal/positionDestination>

Devlin, Birtwistle, and Macedo (2003), argued that positioning strategy should be focused on emphasizing the offer that can act as a vehicle for the attainment of personal relevant end states of existence for customer. They explained that positioning strategy can be effective by, not only presenting the offer but also by showing consumers how the offerings have consequences and in turn, the overall benefit the consumer will gain. According to the authors, retailers who formulate and implement their positioning strategies by offering products or services as per the customers' needs and showing customers the benefit and over all advantages of the offering, the positioning strategy will undoubtedly be more competitive in the market. Based on their study, the important bases for formulation of positioning strategy are image of the company. The image of the company includes physical of the company, additional services by the company, familiar lay out, value for money, quality products or services, good reputation. The researchers

concluded that among the above factors of image of the company, value for money is the single most important attribute one.

The researchers again argued the consequences for customers by selecting and buying in such company includes: saving time, more free time, do not waste money, feel good, get bargain, do not get bored, can afford to live, good health, durability, and pay affair price. Out of these benefits, which the consumers get, the most dominant consequences are saving time, feeling good. The result that customers can have by selecting such good company includes financial security, happiness, quality of life and high self-esteem with happiness and quality of life being the most important. According to different studies, companies operating in the service industry can formulate positioning strategy by engaging product decision, company environment decisions (safety and security), and customer service, price and customer communication decision (information technology). These are reviewed below.

2.3.1 Product Positioning

According to Ries and trout (1986), Positioning Strategy starts with product, arguing that it does not mean that doing with product/service but rather what is done to the mind of prospects. They argued that positioning strategy shifts the emphasis of marketing from the product to the battle of the mind of consumers. Product positioning is therefore, a strategy based on the product features that can give perceived benefit to consumers. Unique product features are important for formulation and adoption of positioning strategy. Companies can therefore use product attributes as a base for formulation and adoption of positioning strategy. Hotels can position themselves by taking the Hotel location as unique feature and can formulate positioning strategy.

In the current business environment (in the global economy), competition for resources and market share among firms is growing very quickly, Karadenize (2009). The market share gets narrower from time to time. The price of inputs is increasing rapidly. In order to get new markets and retain the current market share, companies are trying to create superiority over their rivals by positioning their products aimed at consumer behaviors and perceptions. In this sense, product positioning strategy has emerged and companies conduct studies on this strategy. Hotels can therefore position themselves in the market by offering their service, at the unique location of the premises, which has unique or differentiated location. The location of the hotel as a product must be able to provide additional value for consumers more than a product from any other competitors can do.

A Hotel operating in the competitive industry can position itself based on the product that it can offer perceived value for consumers, Petzer et al. (2003). It is also possible to position by the product class like conference hotels rather than leisure hotel. A company can also position in the market by producing and offering a product, which is durable and reliable to marketers. The product of a company can also give some additional value for users without additional cost. A Hotel can have additional service of internet access, parking service, telecommunication service, gym services and others for its customers. A Firm can position itself in the market by offering its service, at the unique location of the premises, which has unique or differentiated location. The location of the Hotel as a product must be able to provide additional value for consumers more than a product from any other competitors can do.

2.3.2 Customer Service Positioning

In the competitive business environment, customers cannot wait to complain about the service of the hotel rather they take their money to other competitors. Delivering quality products or service, that customers' value is critical for the competitive advantage of firms in any industry. Johnson and Scholes (2002) suggested that assessing and identifying customer value is the initial point for formulation of competitive strategy. Competitive strategy is the base for competitive advantage by designing a way that enable the hotel to be able to offer what customers value .This implies that satisfying customers is the most important issue in the competitive market. In the global economy, Customers have many alternatives to get what they want to buy. They also have Variety of testes and preferences and give more value for their money. In such situations, firms are required to produce and offer what customers value, not what they can produce. Based on such customer service attribute, companies can formulate positioning strategy in the market that in turn helps the companies to get competitive advantages, Brooksbank(1994). Firms can stay in the market competitively, if they can offer what customers value. This is the main reason why firms should formulate competitive strategy to compete in the market. This causes that customer needs and requirements are the critical factors that influence the formulation of competitive strategy in the hospitality industry in Nairobi, Kenya.

Customer Service Decision is one of the bases of formulation of Positioning Strategy. Customers in the global market environment have verity of interest and they can get access to satisfy their interest, Zigan and Zeglat (2010). This implies that companies

waiting to serve customers are operating in the stiff competition environment. According to the researchers, Hotels are competing in the stiff competition environment, which is the Hospitality sector. Because of this, Hotels are supposed to formulate and adopt positioning strategy to retain their customers and to be able to attract new ones. They have to formulate a Strategy that can help the firms to develop competitive advantages. This competitive advantage can be achieved by developing better customer service systems, which can offer perceived customer value more than any other competitors do. Well trained staff, well-furnished facilities and good reception service are some of the customer service activities that Hotels minimally do in their premises.

2.3.3 Positioning According to Safety and Security

Safety and Security, Environmental uncertainty are major factors that hinder Companies operation in all sectors of the economy. Hemming ton (2007), argued that Terrorism is the most direct example of environmental uncertainty in the world and it has serious impact on economic development of any region or country. Any economic sector operating in the world cannot be out of such environmental uncertainties and it has a negative impact on the economic development in the World in general and in Hospitality industry in particular. This is because; Hospitality industry operation has direct relation with the operation of Tourism services. Hotels, Restaurants and Lodges are destination of Tourists and any uncertainty problems related with Tourist movement can affect the Hospitality business. Currently, the Hospitality industry is struggling to recover from the effect of terrorism on its operation. Hospitality industry is operating in the global competitive environment and impact of Terrorism affects the business operation. Safety and Security is again another factor, which has negative impact on the Hospitality industry operation and profitability Punpugdee (2005). The Author argued that safety

involves protecting Employees and Customers with in the Hotel premises from potential injury or death, while Hotel Security deals with preserving the property of Customers and Hotel properties. Because of this, Hotels can develop Positioning as the best service giving Firm by formulation of Positioning Strategy on the bases of Safety and Security issues. This implies that Safety and Security issues are bases for Hotels to formulate Positioning Strategy.

2.3.4 Information Technology Positioning

Technological development and change is one of the major environmental factors that influence the operation of firms in general and it is more important to Hospitality industry in particular. Information Technology is becoming more important for Hotels to handle their communication with international Customers. They organize reservation of tables and booking of rooms using information Technology. According to Pranicovic, Alfrevic and Stumberger (2011), Information Technology (IT) is serving as the bases of information system (IS) can be considered as use full tools to manage business in the Hospitality industry. They argued that different marketing and customer relationship management practices can be performed using internet .This advantage of information system makes it bases for formulation of positioning.

Therefore, five star Hotels in Nairobi, Kenya can develop and use information system for their business operation. Currently, firms can do business online using internet and other Information System Technology. They can get order from their customers and give response on line. Karambu (2011) argued that in the current age of Technology Customers has more influence on Hospitality industry growth than any other economic sectors. This can be done using social media, which helps gusts to give suggestions and

advice on the internet. Karambu (2011) argued that Websites such as Face book, WAYN (where are you now) and trip advisor are changing customers' information source for travel and whom they trust for a true picture of the destination and facilities.

2.3.5 Price Positioning

Firms in the business level Strategy, can position themselves by designing Cost Leadership Strategy. According to Johnson et al. (2008), firms in the business level can formulate cost leadership and differentiation strategies. After designing lower of cost leadership strategy, they can position themselves as the firm offering low priced products and services. They can develop this strategy by reducing costs using different cost reduction techniques. Shaw (1992) observed that Positioning is defined as customers' perception of real or perceived product's value and worth to them. The Author argued that positioning is the act of creating an image of the product in the customers' mind, differentiating the product and offering benefits to customers. Hotels can position themselves as lower price providers based on their cost of doing business. They can use price as a positioning bases. Price of a product can help to identify the product class in the objective positioning. It can also enhance consumers' perceived value in the subjective positioning.

Shaw (1992) posited that positioning by price of products in hospitality industry is key strategic issue. A hotel can first identify customers' needs and satisfy their needs by pricing its product based on the customers' perception.. From the economic or market perspective, cost, demand and competition are key factors for pricing decisions. In 1990s, however positioning has been equally important for pricing decisions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is part of project proposal that shows the design of the study, population of the study and data collection techniques. It also shows the type of data to be collected and the source of data where it can be collected. The techniques of data analysis that the researcher used to analyze and interpret the data has been shown in the research methodology which have been reviewed below..

3.2 Research Design

Descriptive cross-sectional Survey has been used in this study. This research design is considered appropriate for this study because; data has been collected from several organizations at one point in time.

3.3 Population of the study

The target population comprise the seven five star Hotels in Nairobi, Kenya. There are seven five star hotels in Nairobi Kenya, Government of Kenya (2003).These five star Hotels are: Intercontinental Hotel, Hilton Hotel, Nairobi Serena Hotel, The Norfolk Hotel, The Stanley Hotel, Laico Hotel (formerly Grand Regency Hotel) and Safari Park Hotel. Because of the small number of the hotels a census survey has been used. Therefore, the study has been conducted by the data that has been collected and analyzed from the seven five star Hotels which have been taken as target population.

3.4 Data Collection

Primary data that has been collected by structured questionnaires has been used in this study. The respondents were marketing managers who are in charge of marketing department in each hotels.. Questionnaires have been prepared and distributed to the

respondents (managers) by the researcher personally. The questionnaires have been collected from the respondents in the same way. The questionnaires had Part A and part B. Part A has been used to capture the back ground information of respondents and the company. Part B has been used to capture the information on the positioning strategies adopted by each Hotel. The questionnaire was both structured and open ended questions. It has been designed on the bases of Likert -type scale. The questionnaire is attached as appendix 1.

3.5 Data Analysis

The data that has been collected based on the specified collection technique has been classified based similarities. Data has been arranged, editing, for accuracy, uniformity, consistency and completeness. The data has been checked to verify errors omissions and inconsistencies. It has been then arranged and entered into the computer in preparation for final analysis. Data obtained from open ended questions has been evaluated and checked based on the content of the data and has been used to explain the problem.

Data that has been arranged and accordingly has I therefore been presented in the frequency table. The response rate of respondents has been presented in percentage and seen in the table. Data obtained by use of Likert-type scales and arranged and coded for consistency, omission, and accuracy has been arranged in tables. The data shown in tables have been analyzed using mean scores, standard deviation, frequencies and percentages. Results have been presented in tables.

After the analyses of the data in the form of mean, percentages, Standard deviation frequencies and supported by the explanation of the data from open ended questions, it has been presented in table. The data have been interpreted and analyzed as per the research objective. Findings have been discussed and explained in the data analyses.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND RESULTS

4.1 Introduction

This chapter presents, interpretation and analysis and the results of the data that has been collected from the study population. It also presents the proportion of respondents, which responded for the questionnaire given to them and type of responses given by the respondents. The type of data, the data analysis, and interpretation of the data have been reviewed below.

4.2 Background Information of Respondents

This study has been done by considering seven 5-star hotels in Nairobi, Kenya as target population. Data has been collected by using questionnaires prepared in 5-scale likert type and given to respondents. Respondents were planning managers/marketing managers of each hotel. Respondents have been asked to respond how long they serve in the companies and have responded as per the following manner.

Table 1: Background Information of Respondents

Years of services in the company/	frequency	percentage
Less than one year	2	28.50
1-5years	3	42.80
6-10 years	0	0
More than 10 years	1	14.29
Non responses	1	14.29

Source: Research Data (2012)

As per the result in table .1, 28.57 % of respondents has less than one year service in the company and 42.85% of the respondents have service of between one and five years' service in the hotel. 14.29% of respondents have more than 10 years' service in the firm. one 5-star hotel with a proportion of 14.29% of the total population of the study did not respond at all. The educational background of the respondents is ranging from college diploma to university degree.

4.3 Firms' Background Information

The study sought to identify the demographic information of the five star-hotels in Nairobi Kenya and found out that date of award of 5-star rate as follows.

Table2. Background Information's of Firms.

Year of award of 5-star rate	frequency	Percentage
Before 1950 years	0	0
1951- 1980	2	28.57
1981-2000	3	42.96
2001-2003	1	14.29
non response	1	14.29

Source: Research Data

The result in table 2 shows that no hotels have been given five star rate awards before 1950 and 28.57-% of firms has been given the five star rate award between 1951 and 1980 years. 42.96% of firms have been given the five star rate award between 1981 and 2000 years. 14.29% of firms have been given the five stare rate award between 2001 and 2003 years. One 5-star hotel with a proportion of 14.29% of the total population did not respond at all.

4.4 Importance of Positioning Strategy

The study of adoption of positioning strategies in 5-star hotels in Nairobi Kenya has been conducted by collecting and analyzing data about the extent of importance of positioning strategies in the industry. Respondents have been asked to give response about the importance of positioning strategies in their organizations. Among the seven 5-star hotels which are included in the study population, six 5-star hotels have responded. The response rate of the study is 85.71%. This response rate is considered adequate for this study. The response that has been given by the respondents have been presented and analyzed below.

Table 3: Frequency Table for Importance of Positioning Strategy N=7

Statements	Very high importance(5)		High importance(4)		Moderate importance(3)		Low importance(2)		No. importance(1)		No response	
	frequency	%	Frequency	%	frequency	%	Frequency	%	frequency	%	frequency	%
Importance of positioning strategies	5	71.43	1	14.29	0	0	0	0	0	0	1	14.29

Source: Research Data (2012)

Data in table 4.3 shows that the Extent to which positioning strategies is important to five star hotels and the approaches of the hotels to the importance of adoption of positioning strategies. Five 5-star Hotels (71.43%) of the total population has responded by indicating that their organization approach to the importance of adoption of positioning strategies is to very high extent. One hotel (14.29%) of the total population responded its approach to the importance of adoption of positioning strategies is to high extent .No

respondents with response of moderate, low and no extent. One 5-star Hotel (14.29%) of the total population did not respond

Table 4.4 presents the mean score and standard deviation of the data with regard to importance of adoption of positioning strategies in five star hotels in Nairobi, Kenya.

Table 4: Mean Score for Importance of Positioning Strategies

Extent(weight given)	Mean score	standard deviation
Very high important(5)	3.57	0.54
High important (4)	0.57	1.3
Moderate important	0	0
Low important	0	0
No important	0	0
Total man score for respondents	4.14	
non-responses	0.86	

Source: Research Data (2012)

The score were tallied and mean and standard deviation were computed for the importance of adoption of positioning strategies.. As it has been shown in table 4, the mean score for very high extent is 3.57 and for high extent is 0.57. The remaining 0.86 is for the non-response. The total mean score for the data collected from respondents with regard to importance of positioning strategies is 4.14. The high value of mean score(3.57) for the very high important shows that more number of respondents(5) has responded to very high important and shows more five star hotels have responded that adoption of positioning strategies is important for the organizations. The mean score of 0.57 shows that few numbers of respondent(1) has responded to high importance of adoption of positioning strategies. The standard deviation is calculated from the data that results 0.33

4.5. Approaches of Developing Positioning Strategies

The study has been conducted by using different approaches for developing positioning strategies in seven 5-star hotels in Nairobi Kenya. Data has been collected from the study population based on different approaches of adoption of positioning strategies. The approaches that have been used in this study includes: quality customer service ,physical attractiveness , good image of the organization, safety and security , unique product feature ,focus strategies , staff training and easy to do business, price positioning ,cultural symbol positioning, information technology positioning, range of offerings, leadership positioning, personal contact positioning, geographical coverage positioning and safety and security positioning. Among the seven population of the study,six5-star hotels have responded for the questionnaire given to them. This has indicated that the response rate for the study as 85.71%. The data that has been collected from the research population has been presented and analyzed in the following way.

Table 5: Data Presentation Table for Positioning Strategies

statements	Highest extent(5)		High extent(4)		Moderate extent(3)		Low	Lowest extent(1)		No
	frequency	%	frequency	%	frequency	%	frequency %	frequency	%	frequency
Quality service positioning	5	71.43	1	14.29	0	0	0	0	0	1
Price positioning	3	42.86	3	42.86	0	0	0	0	0	1
Physical attractiveness positioning	5	71.43	1	14.29	0	0	0	0		1
Image positioning	5	71.43	1	14.29	0	0	0	0	0	1
Safety and security positioning	5	71.43	1	14.29	0	0	0	0	0	1
Unique product feature positioning	5	71.43	1	14.29	0	0	0	0	0	1
Range of offerings positioning	4	57.14	2	28.57	0	0	0	0	0	1
Information technology positioning	4	57.14	2	28.57	0	0	0	0	0	1
Focus positioning strategies	5	71.43	1	14.29	0	0	0	0	0	1
Leadership positioning	6	85.71	0	0	0	0	0	0	0	1
Cultural symbol positioning	3	42.86	3	42.86	0	0	0	0	0	1
Staff training positioning	5	71.43	1	14.29	0	0	0	0	0	1
Geographical coverage positioning	3	42.86	1	14.29	1	14.29	0	1	14.29	1
Personal contact positioning	6	85.71	0	0	0	0	0	0	0	1
Easy to do business position	5	71.43	1	14.29	0	0	0	0	0	1

Source: Research Data (2012)

As it has been shown in table number 5, six 5-star hotels with a proportion of 85.71% of the total population have responded that their respective hotels have an approach of highest extent to the adoption of positioning strategies based on the leadership positioning and personal contact positioning. No hotel has responded for moderate, low and lowest extent. One 5-star hotel with a proportion of 14.29% of the total population of the study did not respond at all. The result in table 5 also shows that, five 5-star hotels with a proportion of 71.43% of the total population indicated that their organization's approach to the positioning strategies based on quality customer service, physical attractiveness, good image of the organization, safety and security, unique product feature, focus strategies, staff training and easy to do business is to the highest extent. One 5-star hotel with a proportion of 14.29% of the total population responded to high extent to adoption of positioning strategies on these approaches of positioning strategies. One 5-star hotel with a proportion of 14.29% of the total population of the study did not respond at all. No hotel responds for moderate, low, lowest extent.

Four 5-star hotels with a proportion of 57.14% of the total population of the study have responded that their organization has an approach of highest extent for the adoption of positioning strategies based on the range of offerings and information technologies positioning strategies. The table also shows that two 5-star hotels have an approach of high extent for adoption of positioning strategies based on range of offerings and information technologies. One 5-star hotel with a proportion of 14.29% of the total population of the study did not respond at all. No hotel responds for moderate low and lowest extent. Three 5-star hotels with a proportion of 42.86% of the total population have responded that the hotels have an approach of highest extent for adoption of positioning strategies on the bases of price positioning, cultural symbol positioning and

geographical coverage positioning. Three 5-star hotels with a proportion of 42.86% of the total population of the study responded that the hotels have an approach of high extent for adoption of positioning strategies based of price and cultural symbol positioning. One 5-star hotel with a proportion of 14.29% of the total population of the study did not respond at all. No hotel responds for moderate, low and lowest extent for positioning strategies on the bases of price and cultural symbols. One 5-star hotel with a proportion of 14.29% of the total population of the study has responded to high extent for adoption of positioning strategies based on geographical coverage. One 5-star hotel with the proportion of 14.29% responded that the hotel has moderate extent for adoption of positioning strategies based on geographical coverage. One 5-star hotel with a proportion of 14.29% of the total population responded that the hotel has an approach of lowest extent for the adoption of positioning strategies on geographical coverage. One 5- star hotel with a proportion of 14.29% of the total population of the study did not respond at all. No hotel responds for low extent in geographical coverage positioning.

The mean score and standard deviation foreach approaches of developing positioning strategies have been shown in the following way. As it has been shown in table number 4.6, the mean score for highest extent is 3.57. It is the highest of all mean scores indicating that more number of respondents have responded to the highest extent with regard to quality customer service positioning strategy. The mean score for high extent is 0.57 indicating that little number of respondents has responded for the high extent.

The Standard deviation = 0.33, which is calculated by taking the grand mean and frequencies in the table. $S.D = \sqrt{VARIANCE} = \sqrt{0.1085} = 0.33$.

Table 6: Mean score for Customer Service Positioning N= 7

Extents/weight	frequency	%	Mean score	Standard deviation
Highest extent(5)	5	71.43	3.57	0.54
High extent (4)	1	14.29	0.57	1.3
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.14	
Non- response	1		0.86	

Source: Research Data (2012)

The mean score for non-response is 0.86. The reason why the non-response mean- score is a little beat greater than the high extent mean score while they have the same frequencies is the difference of values given for extents.

Table 7: Mean score for Physical Attractiveness Positioning

Extents/weight	frequency	%	Mean score	Standard deviation
Highest extent(5)	5	71.43	3.57	0.54
High extent (4)	1	14.29	0.57	1.3
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.14	
Non- response	1		0.86	

Source: Research Data (2012)

In table number 7, the mean score for highest extent is 3.57. It is the highest of all mean scores indicating that more number of respondents (5) have responded to the highest extent with regard to physical attractiveness positioning strategy. The mean score for

high extent is 0.57 indicating that little number of respondents (1) has responded for the high extent. The Standard deviation = 0.33, which is calculated by taking the grand mean and frequencies in the table. The mean score for non-response is 0.86. The reason why the non-response mean- score is a little beat greater than the high extent mean score while they have the same frequencies is the difference of values given for extents.

Table 8 also shows that the mean score for highest extent is 3.57. It is the highest of all mean scores indicating that more number of respondents (5) have responded to the highest extent with regard to image positioning strategy. The mean score for high extent is 0.57 indicating that little number of respondents (1) has responded for the high extent. The Standard deviation = 0.33, which is calculated by taking the grand mean and frequencies in the table. The mean score for non-response is 0.86. The reason why the non-response mean- score is a little beat greater than the high extent mean score while they have the same frequencies is the difference of values given for extents.

Table 8: Mean Score for Image Positioning, N= 7

Extents/weight	frequency	%	Mean score	Standard deviation
Highest extent(5)	5	71.43	3.57	0.54
High extent (4)	1	14.29	0.57	1.3
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.14	
Non- response	1		0.86	

Source: Research Data (2012)

Table 9: Mean score for Safety and Security Positioning, N= 7

Extents/weight	frequency	%	Mean score	Standard deviation
Highest extent(5)	5	71.43	3.57	0.54
High extent (4)	1	14.29	0.57	1.3
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.14	
Non- response	1		0.86	

Source: Research Data (2012)

As it has been shown in table9 the mean score for highest extent is 3.57. It is the highest of all mean scores indicating that more number of respondents (5) have responded to the highest extent with regard to safety and security positioning strategy. The mean score for high extent is 0.57 indicating that little number of respondents (1) has responded for the high extent. The Standard deviation = 0.33, which is calculated by taking the grand mean and frequencies in the table. The mean score for non-response is 0.86. The reason why the non-response mean- score is a little beat greater than the high extent mean score while they have the same frequencies is the difference of values given for extents

The data in **table 10** clarifies that the mean score for highest extent is 3.57. It is the highest of all mean scores indicating that more number of respondents (5) have responded to the highest extent with regard to unique product features positioning strategy. The mean score for high extent is 0.57 indicating that little number of respondents (1) has responded for the high extent. The Standard deviation = 0.33, which is calculated by taking the grand mean and frequencies in the table. The mean score for non-response is 0.86. The reason why the non-response mean- score is a little beat

greater than the high extent mean score while they have the same frequencies is the difference of values given for extents

Table 10: Mean Score for Unique Product Feature Positioning

Extents/weight	frequency	%	Mean score	Standard deviation
Highest extent(5)	5	71.43	3.57	0.54
High extent (4)	1	14.29	0.57	1.3
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.14	
Non- response	1		0.86	

Source : Research Data (2012)

Table 11: Mean Score for Focus Strategy Positioning N= 7

Extents/weight	frequency	%	Mean score	Standard deviation
Highest extent(5)	5	71.43	3.57	0.54
High extent (4)	1	14.29	0.57	1.3
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.14	
Non- response	1		0.86	

Source: Research Data (2012)

Data analysis in table 11 shows that, the mean score for highest extent is 3.57. It is the highest of all mean scores indicating that more number of respondents (5) have responded to the highest extent with regard to focus strategy positioning strategy. The mean score for high extent is 0.57 indicating that little number of respondents (1) has

responded for the high extent. The Standard deviation = 0.33, which is calculated by taking the grand mean and frequencies in the table. The mean score for non-response is 0.86. The reason why the non-response mean- score is a little beat greater than the high extent mean score while they have the same frequencies is the difference of values given for extents

As it has been shown in table12, the mean score for highest extent is 3.57. It is the highest of all mean scores indicating that more number of respondents (5) have responded to the highest extent with regard to extensive staff training positioning strategy. The mean score for high extent is 0.57 indicating that little number of respondents (1) has responded for the high extent. The Standard deviation = 0.33, which is calculated by taking the grand mean and frequencies in the table. The mean score for non-response is 0.86. The reason why the non-response mean- score is a little beat greater than the high extent mean score while they have the same frequencies is the difference of values given for extents

Table 12: Mean Score for Extensive Staff Training Positioning

Extents/weight	frequency	%	Mean score	Standard deviation
Highest extent(5)	5	71.43	3.57	0.54
High extent (4)	1	14.29	0.57	1.3
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.14	
Non- response	1		0.86	

Source: Research Data (2012)

Table 13 also shows that the mean score for highest extent is 3.57. It is the highest of all mean scores indicating that more number of respondents (5) have responded to the highest extent with regard to extensive easy to do business. The mean score for high extent is 0.57 indicating that little number of respondents (1) has responded for the high extent. The Standard deviation = 0.33, which is calculated by taking the grand mean and frequencies in the table. The mean score for non-response is 0.86. The reason why the non-response mean- score is a little beat greater than the high extent mean score while they have the same frequencies is the difference of values given for extents

Table 13: Mean Score for Easy to do Business Positioning,

Extents/weight	frequency	%	Mean score	Standard deviation
Highest extent(5)	5	71.43	3.57	0.54
High extent (4)	1	14.29	0.57	1.3
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.14	
Non- response	1		0.86	

Source: Research Data (2012)

The standard deviation for price positioning strategy in table 14 is 0.44. The data presented in table 14 shows that the mean score for the highest extent (2.14) is greater than the mean score of high extent (1.71). It also shows that Three (3) hotels indicated the approach of the organization for price positioning is to highest extent, 3 others indicated to high extent, and no hotel indicated to moderate, lower and lowest extent. The mean score for Non responses is 1.15. Respondents has given the same response for adoption of positioning strategies on the approaches of price and cultural symbol positioning. This

shows that data presented in table 14 for price positioning can be used for the analysis of adoption of positioning strategy on the approach of cultural symbol.

Table 14: Mean Score for Price Positioning Strategy

Extent/weight given	Number of hotels (frequency)	%	Mean score	standard deviation
Highest extent(5)	3	42.86	2.14	1.08
High extent(4)	3	42.86	1.71	0.86
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			3.85	
Non response	1		1.15	

Source: Research Data (2012)

Table15: Mean Score for Range of Offerings Positioning Strategy

Extent/weight given	Number of hotels (frequency)	%	mean score	Standard deviation
Highest extent(5)	4	57.14	2.88	0.80
High extent(4)	2	28.57	1.14	1.08
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.02	
Non responses	1		0.98	

Source: Research Data (2012)

Standard deviation for the data presented in table number 15 is 0.37. The mean score (2.88) for the highest extent approach is higher than the high extent approach(1.14)

indicating that more number of hotels (4) has an approach of highest extent to the range of offerings positioning strategy. Two hotels indicated that it has an approach of high extent to range of offerings business positioning strategy. No hotel indicates to moderate, low, and lowest extent. The non response mean is 0.98. Four Respondents have given the same response (highest extent) and two respondents(high extent) for adoption of positioning strategies on the approaches of range of offerings and information technologies .As a result, the data presented in table 15 for range of offerings can be used for the approach of information technology

Table16: Mean score forLeadership Positioning Strategy

Extent/weight given	frequency	%	mean score	Standard deviation
Highest extent(5)	6	85.71	4.29	0.27
High extent(4)	0	0	0	0
Moderate extent(3)	0	0	0	0
Low extent(2)	0	0	0	0
Lowest extent(1)	0	0	0	0
Grand mean			4.29	
Non responses	1		0.71	

Source: Research Data (2012)

Standard deviation for the data presented in table number 16 is 0.27. The mean score (4.29), for the highest extent approach is high value. This indicates that more number of hotels (6) has an approach of highest extent to the leadership positioning strategy. No hotel indicates to high, moderate, low, and lowest. Respondents have given the same response for adoption of positioning strategies on the approaches of leadership positioning and personal contact positioning. Because of this data presented in table 16

for leadership positioning can be taken for analysis of poisoning strategy on the approach of personal contact.

Table 17: Mean Score for Geographical Coverage Positioning strategy

Extent/weight given	(frequency)	%	mean score	Standard deviation
Highest extent(5)	3	42.86	2.14	1.08
High extent(4)	1	14.29	0.57	1.68
Moderate extent(3)	1	14.29	0.43	0.94
Low extent(2)	0	0	0	0
Lowest extent(1)	1	14.29	0.14	0.11
Grand mean			3.28	
Non responses	1		1.72	

Source: Research Data (2012)

Standard deviation for the data presented in table number 17 is 1.12 The mean score (2.14) for the highest extent approach is higher than the high extent approach(0.57) indicating that more number of hotels (3) has an approach of highest extent to the geographical positioning strategy. One hotel indicated that it has high extent approach for geographical positioning strategy. One hotel has indicated that it has moderate extent approach for this positioning strategy and one has low extent approach for the geographical coverage positioning strategy. No hotel indicates to lowest extent.

Table 18: Grand Mean and Standard Deviation of Each Positioning Strategy

Statements	Mean	Standard deviation
Quality service positioning	4.14	0.33
Price positioning	3.86	0.44
Physical attractiveness positioning	4.14	0.33
Image of the company positioning	4.14	0.33
Safety and security positioning	4.14	0.33
Unique product feature positioning	4.14	0.33
Range of offerings positioning	4.02	0.37
Information technology positioning	4.02	0.37
Focus strategy positioning	4.14	0.33
Leadership positioning	4.29	0.27
Cultural symbol positioning	3.86	0.45
Staff training positioning	4.14	0.33
Geographical coverage positioning	3.28	1.12
Easy to do business positioning	4.14	0.33
Personal contact positioning	4.29	0.27

Source: Research Data (2012)

Data presented in table 18 shows that the mean value of 4.14 for positioning strategies based on quality customer service, physical attractiveness, and image of the company, safety and security, unique product features, focus strategy, extensive staff training and easy to do business has been adopted to highest extent by five 5- star Hotels in Nairobi, Kenya. The mean value of 4.29 in table 18 shows that positioning strategies based on leadership and personal contact (efficient customer communication) has been adopted by

six 5- star hotels in Nairobi Kenya .The minimum mean value 3.28 is for geographical coverage positioning strategy .

In addition to the structured questionnaires, respondents have been given open ended questionnaires to state any positioning strategies that the companies have adopted. In response, two respondents have responded that their companies have adopted corporate social responsibility as positioning strategy. Respondents explained that the hotels positioned in helping society during environmental disasters, in sponsoring environmental development program, sponsoring sport and other community service.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMANDATION

5.1 Introduction

This chapter presents the result of data analysis as well as findings of the study and conclusion reached based on data analysis and interpretations in chapter four.. It also incorporates comments and recommendations based on the result of analysis. Summary of Findings have been made along with the objective of the study, which is establishing of positioning strategies adopted by five star hotels in Nairobi, Kenya. Conclusion and limitation of the study have been drawn and recommendation for actions and future studies are given.

5.2 Summary of the Study

The study obtained 85.71% of response rate, which is considered to be sufficient for the study. Questionnaires have been given for strategy /marketing managers in the companies (five star hotels in Nairobi Kenya). Six respondents, one from each five star hotel, have responded to the questionnaires accordingly. Data collected by questionnaires has been presented in frequency table and proportion of respondents has been made. The analysis has shown that 85.71% of the population has responded by indicating that adoption of positioning strategies is important and their approach to positioning strategy is to the highest extent. It also has shown that six 5- star Hotels (85.71% of the study population) have an approach of highest extent for positioning strategies on the bases of leadership and personal contact (effective communication). Five 5-star hotels (71.57% of the study population) have responded that the companies have an approach of highest extent for the adoption of positioning strategies on the basis of Quality customer service,

Physical attractiveness, Image of the hotel, Safety and security system, unique product feature, easy to do business , focus strategy and extensive staff training .Respondents from three 5-star hotels have indicated that their organizations approach to price positioning cultural symbol positioning strategy is to highest extent and high extent respectively. Respondents from four 5-star hotels have indicated that their approach for positioning strategies based on range of offerings and information technology system is to the highest extent and Two respondents to high extent . Respondents from two 5-star hotels have indicated that their companies have adopted positioning strategies based on corporate social responsibilities.

5.3 Conclusion

From the findings of the study it can be possible to draw conclusion that the five star hotels in Nairobi Kenya have adopted different positioning strategies based on different basis of positioning. Leadership positioning, extensive staff training and personal communication positioning strategies are the main strategies that all the six 5-star hotels have an approach of highest extent where as quality customer service positioning, physical attractiveness, information technology, safety and security ,range of product offerings easy to do business unique product features poisoning strategies are the strategies for which five 5-star hotels have an approach of highest extent and one 5-star hotel has an approach of high extent. Price positioning and cultural positioning strategies are the strategies where three 5- star hotels have an approach of highest extent and three 5-star hotels have an approach of high extent towards adoption of the strategies. Geographical coverage positioning strategy is the strategy where by hotels has less approach to the adoption of it. Two five star hotels have indicated that they have adopted positioning strategies based on corporate social responsibilities.

This can lead to the conclusion that five star hotels in Nairobi, Kenya have adopted different positioning strategies that can help them to stay competent in the stiff competitive market

5.4 Limitation of the Study

The study has been conducted by considering the seven 5- star hotels in Nairobi Kenya that has been awarded the five star rate award in 2003. The award has been given by the ministry of tourism of Kenya which has the mandate to do so. There might be more hotels that can get the 5-star rate award currently. The study has taken the reference document published by GOK,(2003) indicating that the seven 5-star Hotels are: Intercontinental Hotel ,Nairobi Hilton Hotel, Laico Hotel Nairobi Serena Hotel, Fairmont Norfolk Hotel ,Safari park Hotel and SarovaThe Stanley Hotel .

The study findings accuracy was limited to the extent to which the respondents were honest in responding to questions .Given the sensitivity nature of data collection, there may have been likelihood of giving answers for questions that avoid crucial and confidential information.

5.5. Recommendation for Further Studies

From this study, the researcher can recommends that 5-star hotels should adopt positioning strategies based on different approaches such as corporate social responsibilities, environmental conservations and participating in community development works. Further research can be done on positioning strategies by including other star hotels like 3-star, 4-star and by increasing the area of coverage. Research can also be done on how 5-star hotels can retain their position in the market as all competitors are trying to use the strategies.

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APPENDIECES:

Appendix I: Questionnaires

Part A: General Information

1. Kindly fill the following

- A. Name of the Hotel -----
- B. Year of establishment -----
- C. Year the 5-star award was given -----
- D. your employment date in the Hotel-----
- E. Number of years on current position-----
- F. Highest Education Level -----

PART B: Positioning Strategies

A) Please **Tick (√)** where appropriate in the range given in the table below indicating that the importance of adoption of positioning strategy to your hotel (putting your Hotel in the minds of customers).

	Very high extent	High extent	Moderate extent	Low extent	No extent
1	5	4	3	2	1
2					

B) To what extent do these statements provide accurate description of your organization's approach to positioning strategy?

Please **Tick (√)**, where appropriate in the range given in the table below.

1 =lowest extent, 2 = lower extent, 3= average extent, 4=higher extent, 5= highest extent.

	Statements	1	2	3	4	5
1	Quality Customer Service positioning (-availability of information technologies facilities; bars; restaurants, gym, cleaning and ironing services.)					
2	price positioning					

	(-reasonable price; Affordable price; Value for money)					
3	Physical Attractiveness positioning (-elegant ; sophisticated; eye-catching)					
4	Image Positioning (-upper class; top of the range; prestige)					
5	Safety and Security System positioning (-stable /,long standing service giving; safe; guaranties)					
6	Unique Product features positioning (-distinct identity; own brands; differentiated offerings)					
7	Range of offerings positioning (-choice of products offered; extra features ; wide range of service offered)					
8	Information Technology positioning					
9	Focusing on a Particular buyer(focus strategy) positioning (-tourists; business travelers; Convention guests)					
10	Leadership positioning (-market leader; well-known name)					
11	Cultural Symbol positioning					
12	Intensive Staff Training positioning					
13	Geographical coverage positioning (-branches; Strategic alliances)					
14	Easy to do business (-convenient to do business with; familiar to do business; suitable arrangements; comfortable)					
15	Personal contact (-personal attention; consider people as important; impressive service; friendly)					

IV) What other positioning strategies has the Hotel adopt? Please specify

Thank you for your time and considerations.