

**SERVICE DESIGN AND DELIVERY OF FOUR- AND FIVE-
STAR HOTELS IN NAIROBI, KENYA**


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NAIROBI.**

2022

DECLARATION

I, the undersigned, declare that this research project is my original work and has not been submitted to any other college, institution or university for academic credit.

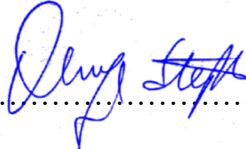
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DEDICATION

I dedicate this project to my mother Salome Kerubo Oturia, my brothers and my sisters who supported me with prayers. May God bless you all

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ABBREVIATIONS AND ACRONYMS

FSQ	Functional Service Quality
GST	General System Theory
IoT	Internet of Things
TSQ	Technical Service Quality
USF	Unified System Theory

ABSTRACT

The study sought to determine the service design implemented by the four and five-hotels in Nairobi, Kenya and to establish the relationship between the service design and delivery in the four- and five-star hotels in Nairobi, Kenya. Relevant empirical studies were reviewed to inform the conceptual framework. The study adopted cross-sectional descriptive survey research design. The study targeted 34 four- and five-star hotels in Nairobi and census was used. Primary data was gathered with aid of the questionnaire and the analysis was done through SPSS by means and standard deviations and regression analysis and presented through Tables. It was noted that service design had been implemented in the studied hotels where service concept ($\beta=0.412$) had the largest effect on service delivery followed by service delivery design to customer needs ($\beta=0.280$), delivery systems ($\beta=0.255$) and then service encounters ($\beta=0.181$). The study concludes that implementation of this service design had positively contributed towards service delivery of these hotels. In particular, service concept had the largest effect on service delivery followed by service delivery design to customer needs, delivery systems and then service encounters. The study recommends that the human resource managers in four and five-hotels in Nairobi, Kenya should have in place customer and service delivery training for employees to enhance their customer service and care skills. The operation managers working in four and five-hotels in Nairobi need to enhance the service delivery landscapes including the enhancement of the delivery systems.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Firms are constantly under pressure to meet and exceed the changing demands of the customers. Indeed, service design has emerged as one of the priorities among firms in the increasing turbulent environment. However, firms are constantly facing a challenge of how best to enhance quality service in the organization so that they are able to contribute towards realization of the stipulated objectives (Erl, 2008). Therefore, service design has emerged as a critical aspect of the quality services in the organization that strive to provide with customers with what they need and at the time their want it so as to survive in the increasing turbulent business environment. In fact, as shared by Brown & Wyatt, 2015), service design has emerged as a strategic aspect of an entity that seeks to have in place efficient and effective operations. Presently, organizations have realized the role played by service design on operational performance. Service design ensure that customers' demands are met in an efficient and effective manner (Mager, 2009). In this era of increased globalization and Internet of Things (IoT), the concept of service design has gained significant momentum.

The study was guided by the unified services theory and the general systems theory. The Unified services theory developed by Froehle and Sampson (2006) considers with service design in place, customers' inputs is paramount in designing how the process will be in the organization. The unified system theory states that the production process as a service process, presence of inputs from customers is an essential and sufficient circumstance (Trinh & Kachitvichyanukul, 2013). The general system theory developed by Bertalanffy (1969) recognizes service design as a system that constitutes constant interaction with their environment. It recognizes system design that that

has interdisciplinary interaction by identifying and naming common processes in the organizational processes (Amagoh, 2011).

Service design involves all the activities that ensures the customers access a specific products and services. All the activities revolve around the purchasing, manufacturing and with the distribution of the products and services to meet the needs of the customers (Miller, 2010). The desired service delivery levels of the five and four-star hotels is determined by the service design which is influenced by the capacity of the hotels to ensure the products and services are availed to the customers at the right quality, right quantity, at the right place within the right time with the right price. Indeed, over the decades, the number of the five and four-star hotels have increased resulting into an intense competition in the hotel industry, in which most of the five and four-star rated hotels have put more emphasizes on the service design practices in order to be competitive and sustainable in the dynamic environment (Munyoki, 2014). As a result, there has been need for the five and four-star hotels to maintain an optimal service delivery level in order to reduce on the cost that is tied up on the excessive cost and to ensure meeting and exceeding the customers demand due to having the desired serve design practices in the organization. Hence, it is essential to determine the service design practices adopted by the five and four-star rated hotels in Nairobi and their influence on the service delivery.

1.1.1 Service Design

Service design is the activity of planning and organizing people, infrastructure, communication and material components of a service in order to improve its quality and the interaction between service provider and customers. Service design comprises both the “what” is to be done for the customer and the “how” it is to be achieved (Edvardsson and Olsson, 2016). Service design is an important strategic issue since it allows a company to transpose its strategy to the operational level

(Roth & Menor, 2003) and that the effectiveness of operations strategy is contingent upon making the right design choices (Heskett, 2007). Service design methodologies help in designing according to the needs of customers or participants, so that the service is user-friendly, competitive and relevant to the customers.

The purpose of service design is to have processes that consistently deliver high quality services to drive customer satisfaction and customer retention, whilst maintaining process efficiency (Johnston and Clark, 2005). Thus, good design gives service businesses leverage to gain a competitive edge in the marketplace (Shostack, 2004; Verma, et al. 2002). The design activity should focus on ensuring high standards of both technical service quality (TSQ), the right service outcome, and functional service quality (FSQ), doing things appropriately in the process of delivery, so that the service is perceived as being of good quality (Mohr and Bitner, 2015) and generates customer satisfaction (Dabholkar and Overby, 2005). Service delivery design practices discussed included service delivery design to customer needs, service concept, service encounters and delivery systems.

1.1.2 Service Delivery

Service delivery means differently in different organization. In some organization, service delivery entails when the service or products has been delivered, how the service or the product have been delivered, where the service has been delivered and how much of the service and the product has been delivered to the customers (Lovelock & Wright, 2002). Service delivery is regarded as the ascertaining the customers need as per the fulfillment of the customers in terms of the time, cost, quality and quantity (Helmsing, 2005). The service delivery is a deliberate obligatory decision of the organization to deliver the products and services to meet and exceed the customers' expectations. Therefore, the service delivery in the organization is concerned with the standards,

policies and principles that are used to provide guidance in the design of the offering of the services and products to the customers.

There is high need of the organization to enhance the service delivery in the organization as it influences the profitability and sustainability of the organization in the competitive environment. According to Atuahene-Gima's (2012) organizations are striving to enhance their service delivery through different platform such as the control and practices of some of the practices in the organization, acquiring of the new skills through learning and training and through innovation. The service delivery indicators include the accessibility, responsiveness, empathy, quality, efficiency and reliability. The service delivery involves the coordination, control and management of the standardized competencies in ensuring customers' satisfaction. Responsiveness, reliability, empathy and assurance has been associated with high level of customer satisfaction and overall performance of the organization hence gaining a competitive advantage in the industry (Dabholkar & Overby, 2005).

1.1.3 Four and Five Star Hotels in Kenya

A hotel is a service establishment that provides meals, lodging and other hospitality services for the paying guests and travellers. Mitra (2001) defines hotel as an established structure that offers meals and provides room services for the visitors in returns for some payments. Hospitality industry is a crucial sector in the building of the economy of this in conjunction with tourism industry and therefore, changes correlates in their functions and service delivery. The initiatives by the government of Kenya to market the country have started to bear the fruits (Economic Survey, 2019), for there have been a tremendous growth on the number of the tourists in the country and also there has been an increased growth in the number of local tourists.

The hotel industry in Kenya is regulated by the hotels and restaurant regulation of 1988, the hotel and restaurant authority. This acts are mandated to provide a conducive environment for the operation of the hotel industry and classification of the hotels based on various set standards, these are five classes denoted by stars, five stars being the highest; four stars; three stars; two star and one star being the lowest class and this classification is carried in a manner that is described under the Hotels and Restaurant Authority in the Legal Notice No. 30, 2020. The hotels are essentials for they provide conference facilities, basic accommodations recreation places and meals. The hotel industry contributes to the economy of the country through revenue generations, provision of employment opportunities and business opportunities for the suppliers and hotel services providers.

The hotel industry in Kenya has gone through the turbulent times in the last decade. The increased competition has resulted in some hotels especially the five and four stars to experience the liquidity constraints and some even to be held under receivership. Given the ever-changing business environment, there is high need for the hotel managers and directors to think of the strategies they need to adopt in order to remain sustainable in the competitive environment and especially from the mushrooming small hotels (Anand & Girota, 2004). With the recovery being experienced in the tourism industry, there is increase demand for the hotel services, and this has seen the reopening of the of some hotels which were initially closed due to low business while other new ones are being opened in order to meet the increased demand of the hotel services. This has led to stiff competition in the industry, thus the need of the five and four star rated hotels to implement service design practices in order to remain competitive in the environment.

1.2 Research Problem

Service design have emerged as relatively new concept in the field of operations around the world (Seyitoğlu, & Ivanov, 2020).). Despite its relative newness, Service design have gained attention among scholars and policy makers since it is widely recognized to be a trigger for improved service delivery in an organization (Meyer, 2020). Effective service designs have been associated with reduction in costs, improved service, quality, flexibility, effectiveness as well as efficiency within the organizations. In fact, proper service designs have been recognized as a strategic asset that helps an organization to gain competitive advantage through the measures of service delivery including cost reduction, responsiveness, empathy and assurance (Chelladurai & Chang, 2000). Implementation of service design has become strengthened through service delivery by ensuring high level of customer satisfaction, meeting the goals and objectives of the firm. At the same time, it specifies the procedures, tasks and functions which should be improved in the organization (Helkkula, 2011). There may be doubt as to whether service design lead to improved service delivery (Hernon, & Nitecki, 2001).

Four and Five-star hotels in Kenya operate under highly competitive environment. Five and four-star hotels do not only compete among each other but also with small and medium eateries and other luxury joints both local and foreign (Gichuki, Yobesia, & Kihima, 2020). In the quest to improve their services, retain and attract customers, Five and four-star hotels have come up with several service delivery design practices. These includes but not limited to; service delivery design to customer needs, service delivery design to service concept, service delivery design to service encounters, design for service delivery systems and service delivery design for direct manipulation of satisfaction, all in the interest of enhancing service delivery for customers satisfaction (Isaenko & Degtyar, 2015). These efforts, which aim at bringing satisfaction to the customers, seem to be

futile. Customers' preferences and expectations seem not to match up with the hotels initiatives. There is continuous complaint of long waiting for the food to be served, failure of network system, high cost of service that is not commensurate to the value received among others that signals a level of dissatisfaction among the customers.

A number of studies have been done on service quality delivery and service delivery. Ponsignon, et al. (2007) suggested that many of the existing frameworks found within service literature require re-appraisal to ensure their relevance and utility in a radically changing business landscape. Further, the paper suggested that a new framework for future research on service delivery processes grounded within the system discipline needs to be developed. Osei-poku (2012) found out that the level of service performance in the bank varied from one dimension of service to another. She found out that despite the high scores of service performance by the bank, the expectations of the customers were also very high and outweighed performance of the banks. She recommended that much attention should be given to tangibility and assurance dimension of service and service delivery systems and processes. Betty (2011) found out that there is a clear relationship between quality services and customer satisfaction. In her recommendations, she pointed out that there is need for improved communication, more attention to customers' complaints and need for the banks to improve the tangible dimension of services through improvement of physical facilities. Kiarie (2012) found that customer satisfaction with the bank services varied from one service to another, which was mainly attributed to the service encounters as described by the customer including accessibility, feedback response and personalization of service offering, flexibility and efficiency. Her findings are also supported by studies conducted by Metcalfe (2006) who indicated that customer perception of service quality and their satisfaction are profoundly influenced by their service encounters. Ombati (2012) concluded that there was

poor performance of electronic banking facilities compared with an ideal banking service. He recommended the use of importance/performance grid as a strategic tool for the development of strategies. He further recommended implementation of personalized aspects to the services.

From the above findings and recommendations, it is clear that service design and service delivery has not been fully addressed according to be the best knowledge of the researcher. There exists a gap on the way service delivery is designed for the customer in terms of customer needs, service concept, service delivery systems, service encounters, service quality from the perception of the customer and direct manipulation of satisfaction. This research therefore sought to answer the following questions; which are the service design practices employed by the four and five-star hotels in Nairobi, Kenya? What is the relationship between service design practices and service delivery in the Four and Five -star hotels in Nairobi, Kenya?

1.3 Research Objectives

- (i) To determine the service design implemented by the four and five-hotels in Nairobi, Kenya
- (ii) To establish the relationship between the service design and delivery in the four- and five-star hotels in Nairobi, Kenya

1.4 Value of the Study

The study would establish how best firms in the hotel industry can implement or improve on their service delivery. The study would recommend the best service design practices that would help these companies to improve on their service delivery. The management of these hotels would rely on the findings of this study to make relevant and informed decisions with regard to service design practices and how they can lead to better service delivery to customers.

The study would be relevant to regulatory bodies like the Hotels Licensing Board, the management of all the hotels in Kenya. For the regulatory body, the study would recommend possible ways of how to regulate the hotel sector by formulating effective policies and regulation that improve on the service delivery of these hotels.

Future scholars and academicians would use the findings of this study to carry out further studies with regard to how service design practices can be put in place to improve on service delivery. This would be achieved by looking at limitations of the study. The study would add more literature and theory to the existing one with regard to service design practices and service delivery.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter is set out to document a review of the theories that are relevant in explaining service design and service delivery. There is also a conceptual review of literature on service delivery practices and service delivery as well as some past empirical studies. The reviewed literature is summarized to point out gaps as well as the conceptual framework that will be used to underpin the study.

2.2 Theoretical Review

The study was guided by the unified services theory and the general systems theory as discussed in the subsequent sections.

2.2.1 The Unified Services Theory

Developed by Froehle and Sampson (2006), the Unified Services Theory provides a basis for delineation of service from non-service related processes and helps to identify differences between distinct service providers. The theory provides a demonstration of some principles that are so common to a number of services and providing a unifying basis for a number of theories as well as models in regard to service operations (Sampson, 2010). Such principles include the attributes of services, operational implications in regard to management of demand and capacity and service strategy among others (Gataara, 2014). The basis of this theory is that customers are highly involved in the process of production in the same way as the suppliers. They do this by supplying relevant inputs as well as labor services.

Therefore, quality issues as well as improvements must have an implication and be affected by customers in their different roles (Chase, 2010). It is very hard for service providers to control the inputs supplied which helps in determination of the outcome of service production activities and processes (Mentzer, Min & Bobbitt, 2004). This calls for the need to train customers so that they are better suppliers. It is critical to acknowledge and appreciate every suggestion from the customer in a way that is systematic (Sampson, 2001). This theory is relevant to the current study that focuses on service delivery. The theory was applied to underpin this independent variable service delivery.

2.2.2 The General Systems Theory

The proponent of this theory was Bertalanffy (1969) and it considers service design as comprising of a number of elements that collectively make up a service delivery system. Under this theory, a system is regarded as a collection of components that collectively work together to attain a given goal or objective (Skyttner, 2001). Systems can either be open or closed. When working with systems, efforts should be made to specify the levels of system (Luhmann, N., Baecker & Gilgen, 2013). Open systems comprise of inputs and outputs as well as through puts. Systems also do undergo specialization and differentiation (Whitchurch & Constantine, 2009). There is high relationship between the system and the environment including dependence (Skyttner, 2005).

In the context of the present study, service design is a collection of a number of elements whose interaction will determine the level of service delivery. The theory was therefore used to underpin the independent variable service design practices.

2.3 Service Design Practices

Service delivery design to customer needs is an important practice that any firm should not underscore. Firms should seek to have a careful understanding of the needs of their customers and put in place mechanisms of meeting or exceeding them (Bayus & Shane, 2008). Service quality in organizations should be measured and determined as a proxy of satisfaction and customer value (Han, 2010). An important thing to understand is that the needs of the customers keep on changing as they are not static and so should the firm be able to adjust so as to remain viable. An organization can meet the needs of the customers by providing quality services that conform with the specifications established by the customers (Camilleri, 2018).

Service concept is another important practice that firms should not overlook when they seek to survive and compete. The service concept relates with the overall outcome that customers receive and it comprises of tangible as well as intangible elements (Goldstein, Johnston, Duffy & Rao, 2002). This concept describes the services in terms of the attributes and value and benefits to customers. It involves among other issues, service offering, packaging as well as bundle (Helkkula, 2011). Service related organizations should always pay focus towards design of systems which allow for production and delivery of the service concept to customers. The real design of the service delivery process begins with the concept of service that provides the nexus between the process and the strategy of provision of services. This concept provides an exact explanation of the requirements of the customers in view of their perception of value and the process of their satisfaction. There are four key elements within the service concept: service operation, experience, outcome and value (Hernon & Nitecki, 2001).

Service encounter is a critical practice that outlines the interaction between employees and customers in an organization (Joly, Teixeira, Patrício & Sangiorgi, 2019). There are two broad levels of interaction in the service delivery process; service provider and the customer as well as employee and client. The perceptions of customers on how the delivery of service took place are key in the service encounter process and activity (Stickdorn, Hormess, Lawrence & Schneider, 2018). Service encounters mostly place focus on interactions at the individual level which occur between service providers and the customers. Thus, the interaction between the service providers and the customers will lead to experience that would in turn determine if the customer is retained or not (Lee, Oh & Choi, 2020).

Service delivery systems cover a number of structures that include the equipment and facilities as well as infrastructures like skills and job design besides processes that collectively work together to deliver quality services to customers. Such a system is made up of different and interdependent service processes (Seyitoğlu & Ivanov, 2020). Service process comprises of a set of activities, interactions and flows between the required resources, activities and the delivery of the service outcome. In design of the service delivery system, emphasis should be on clear definition of roles and relevant infrastructures that work to create service related outcome (Karthikeyan, Devi, Narmatha, Uma & Thirunavukkarasu, 2020). Delivery process of the service is an end-to end process that involves direct interaction with the customers of the organization. This process is initiated once there is the first interaction between the service system/organization and comes to an end when there is completion of delivery of the required service. This is the pot when the customers exceed the service delivery process (Hadden, Groom & Waddington, 2018).

2.4 Service Delivery

The study builds on the service quality mode that cover assurance, responsiveness, and empathy and reliability dimensions as indicators of service delivery (Masiya, Davids & Mangai, 2019). Assurance is the courtesy and knowledge levels of the staff and their ability in conveying trust and confidence to customers. Staff should have adequate knowledge that they can showcase as they offer services to customers. Responsiveness is the willingness of the staff to assist customers while prompt services promptly. Responsiveness allows staff to react quickly in resolving the complaint of the customer within an established timeframe (Kekez, Howlett & Ramesh, 2019). Empathy is the caring attitude of the staff and it allow employees of the firm to pay attention to problems of customer at an individual level while seeking to address the identified issues with ease. The extent which the firm addresses the issues of customers identified raises are also referred to as empathy. Reliability is the extent which the staff is in position of performing the said service accurately and dependably. It is the process which the service provides remains faithful as the service is rendered to customers (Hout, Wagner & Demena, 2022).

2.5 Empirical Review

The study conducted by Sun, Phoebe and Ziwei (2022) focused on service design and the relevance in future. The inquiry was an empirical study that was guided by qualitative methods guided by interviews in United Kingdom. It emerged from the diverse views of the respondents that service design is not taken as a practice that is unified but an array of practices that adopted in varied contexts. The study by Ding (2015) was an appraisal of the implication of service design and process management on clinical quality. The study covered a panel data set that included 201 health centers within the horizon 2005-2011 in the context of Florida. It emerged from analysis

that service design is an instrumental process that predicts clinical quality at the health facility level. The study focused on the health center in Florida which their mode of operation is different from the four-and five star hotels in Nairobi, Kenya.

The study done by Meyer (2020) was on service design and service creation covering a University in Germany. Given that only one institution was covered, this was a case study and thus qualitative methods were adopted. Evidence from analysis provided an indication that service design is a positive predictor of service quality for the concerned stakeholders at firm level. The study focused on a university in Germany which is a case study thus creating a methodological gap and the study also focused on a university which their mode of operation is different from the four-and five star hotels in Nairobi, Kenya.

Locally in Kenya, Mutitu (2014) did an analysis of service design practices and satisfaction of customers while placing emphasis on Kenyan commercial banks. The specific aspects of service design that were studied in this study include customer needs, service concept, service encounter, delivery system and direct manipulation of satisfaction. The study used a descriptive research design. Questionnaires were used to collect the data from the branch customer service managers or their equivalent. The study used multi-regression analysis to analyze the collected data. From the findings, it was established that service design practices are significant predictors of customer satisfaction. Although the study focused on Kenya commercial banks which their mode of operations is quite different from the four and five star hotels hence creating a contextual gap, and it was established the study focused on the customer satisfaction hence creating a conceptual gap since the current study will focus on service delivery.

Wambui, Benson, Okong'o, Wanyonyi, Mutende, Magutu and Nyamwamu (2020) did a study whose focus was on service operation design practices and customer satisfaction. In total, 15 banks in Kenya were targeted and included in the sample and the participants covered the staff from the banks. The study used a descriptive research design and multi-regression analysis as a method of analysis. The finding from the analysis established the existence of a positive nexus between service operation design practices and customer satisfaction. Although, the gap was identified from the current study, as the research focused on banks in Kenya hence creating a contextual gap since the current study will focus on the five and four star hotels in Nairobi, Kenya. The research also focused on customer satisfaction as an dependent variable hence creating a conceptual gap with the current study as it focused on service delivery.

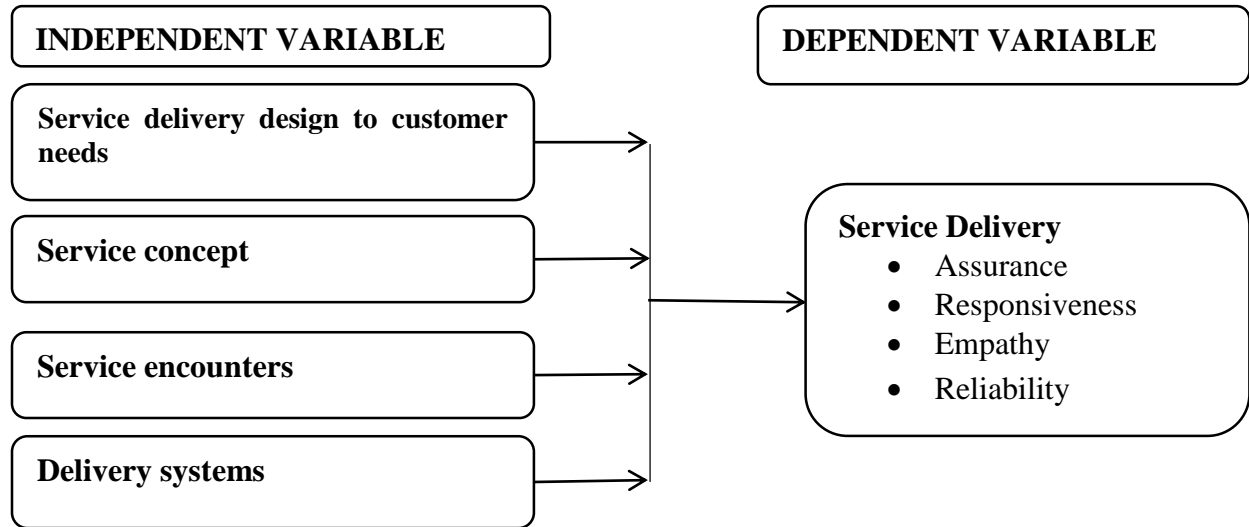
2.6 Summary of Literature and Gaps

The chapter has reviewed literature that creates a number of gaps. For instance, the study conducted by Sun, Phoebe and Ziwei (2022) focused on service design but failed to link it as a concept with the dependent variable. The study by Ding (2015) focused on clinical quality which is conceptually different from service delivery in a hospitality setting. The context of the study by Meyer (2020) was in one university in Germany, which meant adoption of case study approach that is methodologically different from the proposed study that adopted cross sectional methodology. Mutitu (2014) utilized customer satisfaction and not service delivery as the dependent variable.

2.7 Conceptual Framework

Figure 2.1 is the conceptual framework of the study

Figure 2.1: Conceptual Framework of the Study



CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter is out to provide a discussion of the methodologies that were adopted to answer the research objectives. These include the research design, population, data collection and analysis.

3.2 Research Design

The study adopted cross-sectional descriptive survey research design focusing on the hospitality industry in Kenya. The unit of analysis was the 4 and 5-star hotels in Nairobi. Descriptive design was used since it allowed the researcher an opportunity to provide responses to questions regarding what, when, why and how in respect to a given phenomenon. This descriptive survey design was used to describe the current state of affairs in respect to service design practices and service delivery in respect to 4 and 5-star hotels in Nairobi.

3.3 Study Population

The study targeted 34 four and five star hotels in Nairobi (appendix I). Since the population of the study was small, census was undertaken. Therefore, all the 34 hotels were covered and included in the study.

3.4 Data Collection

The study gathered primary data through the questionnaire. The justification of using primary data was because it was first hand source of information for the study. Questionnaire was useful in the sense that it provided a precise opinion from the respondent as far as the range of research is concerned. It also provided timely and reliable data to the study. Questionnaires were close ended items hence quantitative data. This eased the process of analyzing the findings. The questionnaire

contained items designed on a 5-point Likert scale where 1=not at all and 5=very great extent. The respondents of the study were one (1) operation manager, customer service manager or their equivalent. The questionnaire was divided into three sections with general information being capture in section A, service design in section B and relationship of service design and delivery in section C.

3.5 Data Analysis

The study analyzed the collected data through SPSS guided by means and standard deviations as well as regression analysis. The regression model adopted took the form:

$$SD = \beta_0 + \beta_1 CV + \beta_2 SC + \beta_3 SE + \beta_3 DS + \varepsilon$$

Where;

SD-Service delivery

CN- Service delivery design to customer needs

SC- Service concept

SE-Service encounters

DS- Delivery systems

ε is the error term

β_0 is the regression beta coefficient

The findings were presented through tables.

Table 3.1: Data collection and analysis methods' summary

Objectives	Questionnaires'	Analysis of data
General Information	Section A	Descriptive Statistics
To determine the service design implemented by the four and five-hotels in Nairobi, Kenya	Section B	Descriptive statistics
To establish the relationship between the service design and delivery in the four- and five-star hotels in Nairobi, Kenya	Section C	regression analyses

Source: Researcher (2022)

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSION

4.1 Introduction

The findings from analysis are presented in this chapter. It covers the response rate, general information and the analysis of the objectives.

4.2 Response Rate

From the 34 questionnaires that were administered to four and five star hotels in Nairobi, 31 were fully completed and returned. This was equivalent to a response rate of 91.2%, which was adequate and consistent with the assertion of Babbie (2010) who shared that an above 70% response is ideal for supporting the analysis.

4.3 General Information of Respondents

The researcher assessed the general information of respondents that included their work position and years of experiences.

4.3.1 Years of operations

The researcher sought to determine the number of years in which the hotels have been in operation.

Table 4.2: Years of Operations

Work Position	Frequency	Percent	Valid Percent
Less than 10 years	3	9.7	10.0
11-20 years	14	45.2	45.0
21-30 years	12	38.7	39.0
Over 31 years	2	6.4	6.0
Total	31	100.0	100.0

Research Data (2022)

From the findings, most of the hotels 45% were in operations between 11-20 years, 39% were in operations between 21-30 years, 10% were in operation in less than 10 years, 6% were in operations for over 31 years. This shows that most of the hotels of the study were in operations for a longer period of time, indicating their have experience in the hotel industry to understand how service design operates in the industry thus were knowledgeable about the focus of the study.

4.3.2 Star Rating

The researcher sought to determine the rating levels of the hotels under the study. The table 4.3 shows the findings

Table 4.3: Star-Rating

Star-Rating	Frequency	Percent	Valid Percent
Four-star	21	67.7	68.0
Five-Star	10	32.3	32.0
Total	31	100.0	100.0

Research Data (2022)

From the findings, most of the respondents 68% are four-star rating hotels while 32% were five-star rating hotels. This shows that the hotels under the study were fairly distributed in terms of stars rating hence to be able to understand how the service design operates in both for and five star hotels in regards to the variables of the study.

4.3.3 Scope of Operations

Table 4.4: Geographical Area of Operations

Geographical Area	Frequency	Percent	Valid Percent
Locally (within Kenya)	12	38.7	39.0
Regionally (within East Africa)	15	48.4	48.0
Globally (beyond East Africa)	4	12.9	13.0
Total	31	100.0	100.0

Research Data (2022)

From the findings, most of the hotels operations regionally 48%, 39% operates locally while 13% operates globally. This shows that hotels of the study have a well representation in terms of the scope of operations. Hence diversity of the variables of the study that is in the interest of the study.

4.4 Service Design Implemented by the Four and Five-Hotels

The objective of the study was to establish the extent to which service design was implemented in the four and five star hotels in Nairobi, Kenya.

4.4.1 Service Delivery Design to Customer Needs

The first dimension of service design was service design to customer needs. In this regard, the researcher formulated various statements on service design to customers and respondents were asked to indicate the extent of their satisfaction on the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= moderately agree, 4= agree, and 5= strongly agree. The study generated mean and standard deviations. Table 4.7 gives a breakdown of the results.

Table 4.5 is a breakdown of findings on Service Delivery Design to Customer Needs

Table 4.5: Service Delivery Design to Customer Needs

Statements on Service Delivery Design to Customer Needs	Mean	Std. Dev
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Customer satisfaction is taken very seriously by this hotel	3.94	.728
This hotels seeks to exceed the needs of the customers	3.97	.747
Customer value is highly valued in this hotel	3.90	.824
The hotel quickly responds to the ever changing needs of the customers	4.00	.730
The hotel handles customer complaints effectively	3.87	.921
Average	3.94	0.790

Research Data (2022)

From Table 4.5, it is evident that the studied four and five-hotels had implemented service delivery design to customer needs (M=3.94). This allowed them to quickly responds to the ever changing needs of the customers (M=4.00), exceed the needs of the customers (M=3.97) as well as take seriously the need for customer satisfaction (M=3.94). The study noted that customer value was highly valued in this hotel (M=3.90) and that the hotel handled customer complaints effectively (M=3.87).

4.4.2 Service Concept

The second dimension of service design was service concept. In this regard, the researcher formulated various statements on service concepts and respondents were asked to indicate the extent of their satisfaction on the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= moderately agree, 4= agree, and 5= strongly agree. The study generated mean and standard deviations. Table 4.6 is a breakdown of the findings on service concept.

Table 4.6: Service Concept

Statements on Service Concept	Mean	Std. Dev
We provide unique service experience to customers	3.93	.727
Our services are effectively priced	3.80	.542
The hotel provides services that are above industry practices	3.87	.707
The services of this hotel conform to customer specification	3.77	.832
After sale services are provided to customers of this hotel	3.80	.601
Average	3.83	0.682

Research Data (2022)

The study observed that service concept had been implemented in the studied hotels (M=3.83). Through this, it was possible to provide unique service experience to customers (M=3.93) besides providing services that were above industry practices (M=3.87). The study showed that the services were effectively priced (M=3.80), after sale services were provided to customers (M=3.80) and that the services of this hotel conformed to customer specification (M=3.77).

4.4.3 Service Encounters

The third dimension of service encounters was service concept. In this regard, the researcher formulated various statements on service encounters and respondents were asked to indicate the extent of their satisfaction on the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= moderately agree, 4= agree, and 5= strongly agree. The study generated mean and standard deviations. Table 4.7 is an overview of results on service encounter.

Table 4.7: Service Encounters

Statements on Service Encounters	Mean	Std. Dev
Employee value their interaction with customers	3.87	.870
The interaction with customers create different experiences	3.83	.820
The interaction with customers in this hotel influences their retention	4.00	.816
The interaction of the hotel with its employees create unique experiences	3.74	.929
The perceptions of customers on how the delivery of service took place are key in the service encounter process	3.77	.599
Average	3.84	0.807

Research Data (2022)

From Table 4.7, it can be deduced that service encounters had been implemented in the studied hotels (M=3.84). It was shown that the interaction with customers influenced their retention (M=4.00), employee valued their interaction with customers (M=3.87) and that the interaction with customers created different experiences (M=3.83). The perceptions of customers on how the delivery of service took place were key in the service encounter process (M=3.77) and that the interaction of the hotel with its employees created unique experiences (M=3.74).

4.3.4 Delivery Systems

The four dimension of service encounters was delivery. In this regard, the researcher formulated various statements on service encounters and respondents were asked to indicate the extent of their satisfaction on the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= moderately agree, 4=

agree, and 5= strongly agree. The study generated mean and standard deviations. The findings on delivery systems were determined and summarized in Table 4.8.

Table 4.8: Delivery Systems

Statements on Delivery Systems	Mean	Std. Dev
Our employees have relevant skills to deliver quality services to customers	3.77	.990
There is clear definition of roles to create service related outcome	3.70	.706
There are relevant infrastructures to create service related outcome	4.03	.546
Delivery process of the service is an end-to end process that involves direct interaction with the customers	3.54	.850
Delivery process of the service is initiated once there is the first interaction with customers of this hotel	3.66	.752
Average	3.74	0.769

Shown in Table 4.8 is that delivery systems had been implemented in the studied hotels (M=3.74). The study noted that there were relevant infrastructures to create service related outcome (M=4.03), employees had relevant skills to deliver quality services to customers (M=3.77) and that there was clear definition of roles to create service related outcome (M=3.70). Delivery process of the service was initiated once there was the first interaction with customers (M=3.66) and that delivery process of the service was an end-to end process that involved direct interaction with the customers (M=3.54).

4.5 Relationship between the Service Design and Delivery

Regression analysis was used to test the relationship between service design and delivery of the four and five star hotels. Table 4.9 is a model summary.

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811 ^a	.657	.605	.38682

Research Data (2022)

- a. Dependent Variable: service delivery
- b. Predictors: service delivery design to customer needs, service concept, service encounters, Delivery Systems

Table 4.9 shows that 65.7% variation in service delivery of the four and five-hotels in Nairobi, Kenya is explained by service design. This means that there are other additional factors affecting service delivery that future studies should focus. The ANOVA findings were determined and summarized as shown in Table 4.10.

Table 4.10: ANOVA Results

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	7.464	4	1.866	12.471	.000 ^b
Residual	3.890	26	.150		
Total	11.355	30			

Research Data (2022)

- a. Dependent Variable: service delivery
- b. Predictors: service delivery design to customer needs, service concept, service encounters, Delivery Systems

The ANOVA findings were determined and it became evident that the overall regression model of the study was significant ($F=12.471$, $p=.000<0.05$). Table 4.7 is a breakdown of the findings on beta coefficients and significance.

Table 4.11: Coefficients and Significance

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	18.223	.992		18.368	.000
Service Delivery Design to Customer Needs	.280	.077	.692	3.645	.001
Service Concept	.412	.199	.961	2.072	.048
Service Encounters	.181	.076	.395	2.372	.025
Delivery Systems	.255	.122	.572	2.090	.026

Research Data (2022)

- a. Dependent Variable: service delivery
- b. Predictors: service delivery design to customer needs, service concept, service encounters, Delivery Systems

From Table 4.11, the following regression model is predicted:

$$SD= 18.223+0.280CV+0.412SC+0.181SE+0.255DS$$

Where;

SD-Service delivery

CN- Service delivery design to customer needs

SC- Service concept

SE-Service encounters

DS- Delivery systems

T test was utilized in testing the statistical significance of the explanatory variables. Beta coefficients reflect the change in the response measure for each unit change in the explanatory variable. The study observed that service concept ($\beta=0.412$) had the largest effect on service delivery followed by service delivery design to customer needs ($\beta=0.280$), delivery systems ($\beta=0.255$) and then service encounters ($\beta=0.181$). At 5% level of significance, it was shown that

service concept, service delivery design to customer needs, delivery systems and service encounters were all significant predictors of service delivery.

4.6 Discussion of Findings

On the first objective, it was shown that the studied hotels had implemented a number of service designs. These include service delivery design to customer needs, service encounters, service concept and delivery systems. The purpose of service design is to have processes that consistently deliver high quality services to drive customer satisfaction and customer retention, whilst maintaining process efficiency (Johnston & Clark, 2005). Thus, good design gives service businesses leverage to gain a competitive edge in the marketplace (Shostack, 2004; Verma, et al. 2002). The design activity should focus on ensuring high standards of both technical service quality (TSQ), the right service outcome, and functional service quality (FSQ), doing things appropriately in the process of delivery, so that the service is perceived as being of good quality (Mohr and Bitner, 2015) and generates customer satisfaction (Dabholkar & Overby, 2005).

In terms of beta coefficients, the study observed that service concept had the largest effect on service delivery followed by service delivery design to customer needs, delivery systems and then service encounters. Considering significance, it was shown that service concept, service delivery design to customer needs, delivery systems and service encounters were all significant predictors of service delivery. The findings agree with the study by Ding (2015) where it was noted that service design is an instrumental process that predicts clinical quality at the health facility level. The study done by Meyer (2020) provided an indication that service design is a positive predictor of service quality for the concerned stakeholders at firm level. Mutitu (2014) did an analysis of service design practices and satisfaction of customers while placing emphasis on Kenyan

commercial banks. It was established that service design practices are significant predictors of customer satisfaction. Wambui, Benson, Okong'o, Wanyonyi, Mutende, Magutu and Nyamwamu (2020) established the existence of a positive nexus between service operation design practices and customer satisfaction.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter provides a summary of the analyzed findings and conclusion. The recommendations, limitations and areas that require further inquiries are also pointed out.

5.2 Summary of the Study

This study was set out to achieve two objectives, which include the need to establish the service design implemented by the four and five-hotels in Nairobi, Kenya and to establish the relationship between the service design and delivery in the four- and five-star hotels in Nairobi, Kenya. On the first objective, it was shown that the studied hotels had implemented a number of service designs. These include service delivery design to customer needs, service encounters, service concept and delivery systems.

The relationship between service design and delivery in the four- and five-star hotels in Nairobi was explored through regression analysis. From the findings, it was shown that sixty point five percent variation in service delivery of the four and five-hotels in Nairobi, Kenya is explained by service design. In terms of beta coefficients, the study observed that service concept had the largest effect on service delivery followed by service delivery design to customer needs, delivery systems and then service encounters. Considering significance, it was shown that service concept, service delivery design to customer needs, delivery systems and service encounters were all significant predictors of service delivery.

5.3 Conclusion

Service design has been implemented among the four and five-hotels in Nairobi, Kenya. Within an established ranking, service delivery design to customer needs, service encounters, service concept and delivery systems. The implementation of this service design had positively contributed towards service delivery of these hotels. In particular, service concept had the largest effect on service delivery followed by service delivery design to customer needs, delivery systems and then service encounters.

5.4 Recommendations of the Study

The study recommends that the human resource managers in four and five-hotels in Nairobi, Kenya should have in place customer and service delivery training for employees to enhance their customer service and care skills. The operation managers working in four and five-hotels in Nairobi need to enhance the service delivery landscapes including the enhancement of the delivery systems. This will contribute towards improved service delivery mechanisms that may enhance customer satisfaction. The customer service manager working in four and five-hotels in Nairobi should work on the existing customer service systems and processes in order to achieve customer satisfaction.

5.5 Limitations of the Study

The study focused on 34 four and five star hotels in Nairobi, this limits the generalization of the findings across the entire hospitality industry in Kenya. The study was limited to information obtained from primary data with aid of the questionnaire. The study was limited to census as a method of sampling; this is not scientific in nature. The nature of the study was cross sectional, as information was gathered in a single period of time.

5.6 Suggestions for Further Research

In the present study, it was observed that 60.5% variation in service delivery of the four and five-hotels in Nairobi, Kenya is explained by service design. The focus of future studies should therefore to study and establish additional factors with an effect on service delivery aside from service design. Furthermore, the focus of future studies should be on other service-oriented firms like hospitals and supermarkets away from hotels.

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APPENDICES

Appendix I: Questionnaire

SECTION A: GENERAL INFORMATION

1. Kindly indicate the number of years your hotel has been in operations

- Less than 10 years
- 11-20 years
- 21-30 years
- Over 31 years

2. Kindly indicate the respective star rating of your hotel

- Four-star
- Five-star

3. Kindly indicate the geographical scale/scope of operation of your hotel

- Locally (within Kenya)
- Regionally (within East Africa)
- Globally (beyond East Africa)

4. Is service design practiced in your hotel?

- Yes
- No
- I don't know

5. If Yes in question number 4 above, kindly tick the relevant services design practice(s) that have been embraced by your hotel. Select all that applies to your hotel:

- Service delivery design to customer needs
- Service concept
- Service encounters
- Delivery systems

SECTION B: SERVICE DESIGN

6. Below are a number of statements on service design (service delivery design to customer needs, service concept, service encounters and delivery systems) that have been adopted in your hotel.

Kindly tick the extent of your agreement with each of these statements using a scale of 1-5 indicated in Table below.

Statements on service delivery design to customer needs	Strongly disagree	disagree	undecided	agree	Strongly agree
Customer satisfaction is taken very seriously by this hotel					
This hotels seeks to exceed the needs of the customers					
Customer value is highly valued in this hotel					
The hotel quickly responds to the ever changing needs of the customers					
The hotel handles customer complaints effectively					

Statements on service concept	Strongly disagree	disagree	undecided	agree	Strongly agree
We provide unique service experience to customers					
Our services are effectively priced					
The hotel provides services that are above industry practices					
The services of this hotel conform to customer specification					
After sale services are provided to customers of this hotel					

Statements on service encounters	Strongly disagree	disagree	undecided	agree	Strongly agree
Employee value their interaction with customers					
The interaction with customers create different experiences					
The interaction with customers in this hotel influences their retention					
The interaction of the hotel with its employees create unique experiences					
The perceptions of customers on how the delivery of service took place are key in the service encounter process					

Statements on delivery systems	Strongly disagree	disagree	undecided	agree	Strongly agree
Our employees have relevant skills to deliver quality services to customers					
There is clear definition of roles to create service related outcome					
There are relevant infrastructures to create service related outcome					
Delivery process of the service is an end-to end process that involves direct interaction with the customers					
Delivery process of the service is initiated once there is the first interaction with customers of this hotel					

SECTION C: SECTION C: SERVICE DELIVERY

7. Kindly provide relevant responses based on the scale of 1-5 by way of ticking.

Statements on service delivery	Strongly disagree	disagree	undecided	agree	Strongly agree
I am knowledgeable					
I can convey trust to customers					
I convey confidence to customers					
I can showcase knowledge as I offer services to customers					
I am willing to assist customers					
I handle customer complaints promptly					
I pay attention to problems of customer at an individual level					
I address the issues raised by customers with ease					
I perform my duties accurately					
I carry out my duties dependably					
I always remain faithful even as I render services to customers					

THANK YOU

Appendix I: List of Four and Five-Star in Nairobi, Kenya

1. Boma Nairobi
2. Clarion hotel
3. Crowne Plaza
4. Crowne Plaza Nairobi Airport
5. Dusit D2
6. Emara Ole Serena
7. Fairmont Safari Club
8. Grand Regency
9. Heming ways
10. Hermosa Garden Hotel
11. Hilton Hotel
12. House of Waine
13. Laico Regency Hotel
14. Marble Arch Hotel
15. Mövenpick Hotel & Residences Nairobi
16. Nairobi Safari Club Hotel
17. Nairobi Serena Hotel
18. New Stanley
19. Norfolk
20. Ole Sereni
21. Panari hotel
22. Radisson Blu Hotel
23. Safari Park Hotel and Casino
24. Sankara Hotel
25. Sarova Stanley Hotel
26. Serena
27. The Boma Nairobi
28. The Concord Hotel & Suites
29. The Fairmont Norfolk Hotel
30. The Giraffe Manor
31. Tribe Hotel
32. Villa Rosa Kempinski
33. Weston Hotel
34. Windsor Golf Hotel

Source: Tourism Regulatory Authority