

**THE EXTENT TO WHICH RESTAURANTS AND HOTELS
OPERATING WITHIN THE NAIROBI CENTRAL BUSINESS
DISTRICT ARE SATISFIED WITH SERVICES OF THE CITY
COUNCIL.**

BY

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

OCTOBER 2008

DECLARATION

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

Signed..........Date 14-11-2008.

GETAH JACKSON IRERI

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

Signed..........Date 15th Nov, 2008

MRS MARY KINOTI

LECTURER: Department of Business Administration

DEDICATION

To my wife Roselyne, Son Mbogo, daughters Wanjiru and Muthoni with love and God's blessings.

ACKNOWLEDGMENTS

I am greatly indebted to my wife, son and my two daughters for their moral, financial and emotional support they offered to me in one way or the other throughout the study period. I highly appreciate their patience, understanding and sacrifice during the entire period of study

Special thanks go to my MBA supervisor Mrs. Mary Kinoti. A great appreciation is extended to her, for guiding me patiently and conscientiously throughout the research project time. May God almighty bless you abundantly.

I sincerely would like to acknowledge people whose assistance directly and indirectly facilitated the completion of this project. Many thanks go to all the hotels and restaurants who participated in the study as respondents. I sincerely thank them for their cooperation and for their timely response and completion of questionnaires.

Lastly but not the least, I sincerely thank God, almighty who gave me strength, inspiration and favour to move on despite many odds through the study period. Thank you all and God bless.

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ABSTRACT

This study was conducted with the objective of finding out the extent of the level of customer satisfaction for hotels and restaurant within the Nairobi central business district with services received from the city council of Nairobi and to identify goods and services which these hotels and restaurants are satisfied with and which they are not satisfied with. The main objective of the study was to determine the factors that influence the extent of the level of customer satisfaction in the local authorities sub-sector as well as to classify the factors that influence the level of customer satisfaction.

To achieve the above objectives, primary data was collected from 50 respondents, 20 hotels and 30 restaurants within the city of Nairobi central district. Stratified random

sampling technique was used for purpose of selection. A semi structured questionnaire was used and respondents were required to rate each of several factors indicating satisfaction with city council services on a five point likert scale.

The major findings of the study were that hotels and restaurants within the central business district were somewhat more satisfied with services of water, roads, drainage and sewerage, cleaning and beautification of city streets and street lighting. Attributes influencing the extent of the level of customer satisfaction pertaining to these goods and services from the council were fair price of water, regular, available and reliable water services, regular repairs of drainages and sewerages; regular road repairs and maintenance, regular cleaning of streets and repair of pavements, constant beautification of streets and adequate street lighting.

The most dissatisfying services from the council included garbage collection, car park spaces, licensing and issue of business permits, removal of hawkers and other nuisances, fire brigade and ambulances. Attributes to the extent of the level of this dissatisfaction were found to be irregular garbage collection, official bureaucracy, corruption,

employees lack of responsiveness to customer complaints, employees unwillingness to help customers, employees lack of readiness to provide services and lack of customer focus on the part of the council as an institution with no clear policy on petty traders and small scale businesses.

Recommendations drawn from the study were that players in the public sector should take concern of the identified factors or attributes that were deemed crucial in determining the extent of level of customer satisfaction. If these attributes are considered and implemented, then the public service can be sure to have a competitive edge over other sectors that do not realign their processes and sub processes to these attributes.

The researcher proposes further researches could be more focused and deeper in details about one or two attributes of the extent of the level of customer satisfaction for hotels and restaurants within the wider city jurisdiction and also for all services provided.

Further research could also be done for the entire consumer segment of the city council services within the central business district.

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CHAPTER ONE: INTRODUCTION

1.1.0 BACKGROUND

1.1.1 The concept of customer satisfaction

The market place is changing as a result of major societal forces such as increased knowledge, globalization, deregulation, technological advancements (Kotler 2000).

Organization therefore have to offer "value for money" as customers are increasingly expecting higher quality service and excellent customer service. Lanning (1998) further adds that organizations have to aim for high customer's satisfaction because customers who are just satisfied still find it easy to switch.

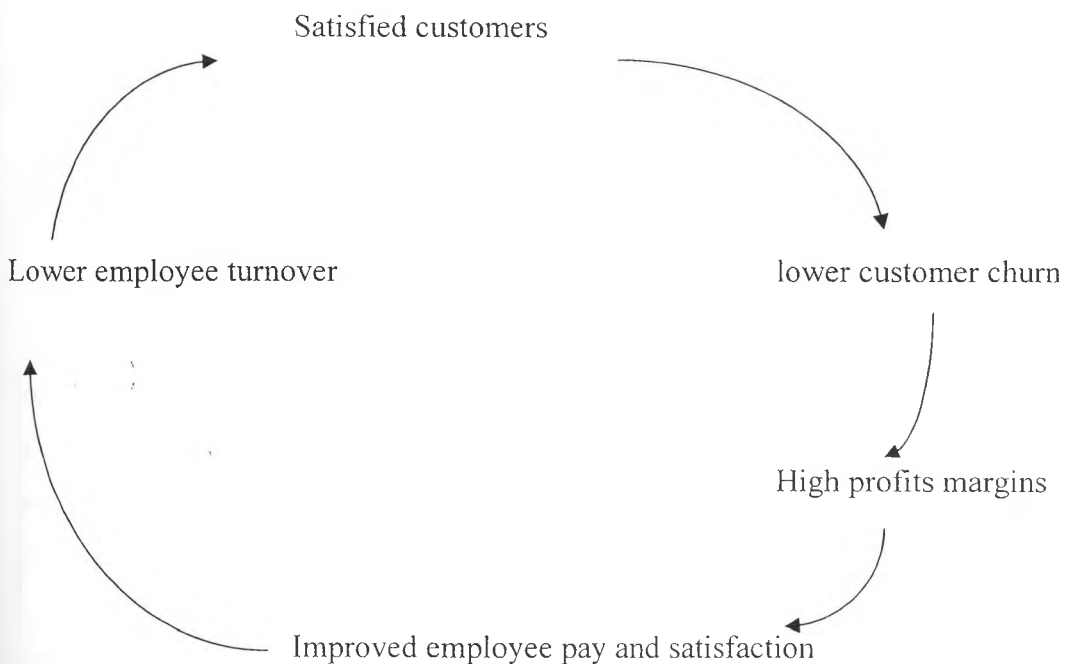
Vavra (1988) highlights that many executives, managers, employees and researchers are wondering why their customers are irritated, switching off and deserting them. Sheila (1988) contends that measuring and managing customer satisfaction is an effective strategy that works to improve customer satisfaction, perceived market value, employee satisfaction and share holder satisfaction enabling a firm to stay afloat in the market place (Mburu,2001).

Literature indicates that the philosophy of customer satisfaction dates back as early as 1906 with Sir Henry Royce declaring that in Rolls-Royce "the ambition is that every purchaser of a Rolls-Royce car shall continue to be more satisfied". According to Professor Sandra Vandermerwe the true test of the appeal (or value) of a product or service is not what goes in (the quality of the product or service). The concept of customer satisfaction is about delivering high value to the customer that goes beyond customer expectations. so that there are no gaps between what a customer expects of the products or services to do and the actual performance after he or she acquires or purchases the product or service. Customer satisfaction aims at retaining and locking the customer to the business for a life time value.

Customer satisfaction is a concept that focuses on customer and good service giving customers what they want and when they want. It emphasizes on a zealous respect for the

value of customer and on how to gather, analyze and use customer data to increase business. Secondly, Kaplan (1996) pointed out that a firm has many stakeholders including employees, suppliers, dealers, governments and shareholders and must operate on the philosophy of balance, delivering high customer value subject to acceptance levels of satisfaction to other stakeholders given its total resources. Schlesinger and Heskitt (1997) have demonstrated through the cycle of good service that customer's satisfaction is about employees and shareholders satisfaction.

Figure 1: **Customer satisfaction and employee satisfaction**



Source: **Sheila K:** Measuring and managing customer satisfaction: going for gold. Wheeler publishers. Delhi, India. 1998. Page 15.

The cycle conceptualizes that satisfied customers tolerate higher prices that produce high profit margins that are used to better employees pay. This boosts employee morale, returns high value to shareholders which in turn helps to produce satisfied customers.

Organizations need to balance and juggle the conflicts of profits, consumer needs, satisfaction and public interests.

1.1.2 Hotels and restaurants in the central business district of Nairobi city

The city of Nairobi hosts several leading hotels and restaurants in Kenya. Hotels such as the Hilton, the Stanley, Norfolk, intercontinental, Serena, safari park, are world class and leading hotels of Africa. The city has about 50 hotels and 90 restaurants within the central business district vide appendix 4. Hotels receive guests from all over the world who come as tourists, visitors and conferences delegates to city of Nairobi which is the regional economic and commercial hub. Hotels and restaurants are both catering units, registered, classified and regulated by the Kenya hotels and restaurant authority under the ministry of tourism and wildlife.

Hotels provide services such as food, beverages and bar rooms, laundry, health club facilities, while restaurants mainly provide food, beverages and bar. Due to the increasing regional, commercial, economic, financial and governmental activities with the city of Nairobi playing a strategic role, hotels and restaurants hospitality is essential and of paramount importance. Kenya government through the vision 2030 aims of making tourism, retail trade, agriculture and manufacturing Kenya's economic pillars. This means the roles of hotels and restaurants in partnering with the government to realize this dream is imminent and critical.

However for hotels and restaurants to play a leading role and partnership with the government in promoting tourism and other economic activities in Kenya, they require to their full satisfaction certain inputs such as water, security, parking spaces, good drainages and sewerages, roads and good roads, street lighting, beautiful streets, garbage collections, market, cleaned streets, parks and an appealing city environment and infrastructure. The city council of Nairobi is lawfully mandated and required not only to provide the above goods and services to hotels and restaurants but to establish, maintain, promote, control hotels and restaurants developments within the city jurisdiction. Hotels and restaurants are important customers of the city council and source of revenue in form of property rates, business licenses and permits, parking fees, water charges and waste

management charges among others, which they pay to the council so as to be provided with the above mentioned goods and services in return.

1.2 Services provided by city council of Nairobi

Historically the provision of various public services to the populace has been shared between central and the local governments (councils). The specialization arose from the fact that certain tasks are better done by one level of governments compared to the other. Services such as urban cleaning, street lighting, housing, nursery schools, water supply, sewers and so forth are best done by an authority that can operate at the local or grass root level. The concept of local government is founded on the premise of representative democracy where Nairobi city residents elect councilors who represent them and articulate their needs and priorities in the councils polity making body.

According to Tangri (1999) councils need to ensure that the needs, customs, urban forms, social priorities and environmental conditions correspond and respond to the expectations and aspirations of their customers, clients and the general public of the cities residents. Councils form the smallest service centre at the community level, and their primary responsibility is the provision of services as provided in the local government Act, Cap 265 (revised edition, 1978).

Services provided to hotels and restaurants by the city council includes:

Provision of land for building hotels and restaurants

Licensing of hotels and restaurants

Cleaning of streets, pavements, footways and roads next to hotels

Repair and replacements of worn out pavements along hotel premises

Provision of car parks for hotel customers and restaurants

Removal of hawkers and other nuisances and obstructions along city hotels pavements

Issue of certificates of medical fitness to hotel staffs and hotel health fitness.

Street lighting, maintenance and beautification next to hotels and restaurants.

Water supply, sewerage and sewers to hotel and restaurants.

Roads maintenance and roads construction next to hotels and restaurants.

Approval of hotel building plans for hotels and restaurants development within the city.

Garbage, refuse collections from hotels and restaurants

Provision of fire brigade services and disaster response facilities to hotels and restaurants.

Provision of market centres, market stalls and open air markets for cafes and restaurants.

Provision of cemetery, mortuaries and burial sites.

Provision of basic education and health facilities to hotels and restaurants.

Provision of vocational training in hotel keeping, for hotels and restaurants staff.

Provision of hotels and restaurants in parks and other recreation areas.

Provision of boats, dams, pools to hotels and restaurants in parks and recreation areas.

1.3 Statement of the research problem

Mbau (2000) contends that the marketing environment has changed posing serious challenges to the survival and profitability of firms. Pearce and Robinson (2003) have analyzed the business environment forces such as global political views, emergence of democratic cultures, networked business, increase of technology, explosion of knowledge to have had profound impact on consumers, shifting their preferences inexplicably and no firm thinking of survival can ignore such customer dynamics.

According to Kibera and Waruingi (1988) firms are critically evaluating their internal and external environments with developments of more effective customer service strategies.

Other organizations have gone on to embrace value driven marketing which focus not only on the customers but on how to create value for them (Churchill and peter, 1998).

With clamour for increased government openness and accountability, competitively stiff elections after every five years, convergence of consumers' preferences, explosions of knowledge, desire to be international and world class, provision of quality public services in Kenya and customer satisfaction is getting high priority (Mwenda1987.)

A study carried out by Maina (2001) on perceived quality of service and satisfaction in the telecommunications industry established that a gap exist between services provided and customers expectations and on average most customers were not satisfied studies carried out by Mwenda (1987) on services from Kenya Ports Authority and customer satisfaction, Ngatia (2000) on service provision in retailing industry and Sossian (2003) survey on customer value proposition on telephone services provision in Nairobi, all showed that gaps exist and on average customers were dissatisfied.

This study is borne of the need to cover a gap in research undertaken by various researchers on customer satisfaction. The research is also triggered by the fact that there has been a change of management of the city council of Nairobi perceived to be more customer focused and client value driven. Secondly, as far as I am concerned no study in the recent past has been carried out on customer satisfaction on city council of Nairobi services with reference to restaurants and hotels within and around the central business district with the aim of determining the extent of the level of customer satisfaction. The question therefore is to what extent are the restaurants and hotels operating in and around the central business district of the city of Nairobi satisfied with services from city council provided to them?, is the city council providing services in a manner that is satisfactory to their customers (restaurants and hotels) within the central business district.

1.4 Objectives of the study

1. To determine the extent of the level of customer satisfaction among hotels and restaurants within the central business district with services from the city council of Nairobi.
2. To find out the city council services which hotels and restaurants operators are satisfied and dissatisfied with.

1.5 Importance of the study

- i) The results of the study will provide useful information to the managers of the city council of Nairobi and other local authorities in Kenya.
- ii) Results of study will provide useful information to potential investors in hotel industry within the central business district.
- iii) The results of the study will provide useful information to ministry of local government and other state agencies that supervise, guide and direct local councils in their policy formulation and implementation.
- iv) Results of the study will provide useful information for further study in the area of customer satisfaction.

CHAPTER TWO: LITERATURE REVIEW

2.1 Customer satisfaction

Customers are individuals and organizations that buy and use a firm's product and services. Aaker (2002) highlights that marketing concept requires customer satisfaction rather than profit maximization to be the goals of organization. **In** other words organizations should be customer oriented and try to understand customer requirements and satisfy them quickly and efficiently in ways beneficial both to the organization and to the customers.

Customer satisfaction has been viewed or defined as an outcome or process. The outcome definition characterizes satisfaction as the end state resulting from consumption experience. Westbrook and Reilly (1983) defines satisfaction as an emotional response to the experiences provided by and associated with particular products or services purchased, retail outlets or even molar patterns of behaviour such as shopping and buyer behaviour. Churchill (1982) defines satisfaction as an outcome of purchase and use resulting from the buyer's comparison of the rewards and the costs of purchase in relation to the anticipated consequences.

As a process customer satisfaction has been considered as a process emphasizing the perceptual, evaluating and psychological processes that contribute to satisfaction. Engel and Blackwell (1982) defined satisfaction as an evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative. **In** this regard customer satisfaction is the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product as perceived after its consumption (Tse and Wilton 1988).

Customer satisfaction therefore is about satisfaction with a product, with a purchase decision experience, with a performance attribute, with consumption experience, with a store or institution or with a pre-purchase experience (Vavra, 1988).

2.1.1 The importance of customer satisfaction

Increased sales and profits; Reichheld (1996) highlighted that once customers get to know a firm and are satisfied with the quality of its services relative to that of its competitors, they tend to give more of their business to the firm. Kotler (2000) adds further that completely satisfied customers will even pay and tolerate higher margins. Humburg et al (2005) contends that satisfied customers will pay more. Buzzel and Gale (1987) contend and provided in their study that there is a link between customer satisfaction and profitability and those firms with high customer satisfaction make high return on investment.

Increased market share; customer satisfaction leads to improved market share. Rust and Zahorik (1993) through their study showed that retained customers through customer satisfaction bring the highest additional business to the organization.

Fornell and Wemefelt (1988) while investigating the link between market share, servicing costs and satisfaction found out that there is a positive relationship between effective complaint management, retention and market share.

Improved industrial competitive advantage; customer satisfaction improves a firm's competitive posture within the industry (Kotler, 2000). Customer satisfaction enables firms to compete in quality focused economies. Japanese industrial revolution and super-performance is closely related to customer satisfaction with results being integrated into business decisions and strategies.

Employees retention; customer satisfaction reduces employee's turnover.

Schlesinger and Heskitt (1991) showed that customer satisfaction is about employee and shareholders satisfaction. Customer satisfaction enables employees to enjoy high pay, product knowledge and confidence, creating loyalty to the firm and to customers and enhancing retention which reduces employees turnover.

Lower costs: customer satisfaction reduces customer attrition and loss, reduces cost of setting up new accounts, advertising and promotion costs. It is less expensive to keep satisfied customers than dissatisfied ones.

Free advertising; satisfied customers advertise a firm product freely through the word of mouth and give a firm's products and image endorsements to the market.

Satisfied customers bring new customers to the firm through referrals to the firm's products and services.

Social and special benefits: satisfied customers remain loyal even when there are inconveniences from the firm, they give a benefit doubt. Existing satisfied loyal customers provide valuable information to the firm of competitor moves and they act as providers of market signals.

2.1.2 Customer expectations and satisfaction

Organizations build customer satisfaction by first understanding the value of a customer as they are the most valued assets to the firms and without them there is no business. Customers are after solution, cost, convenience and communication regarding the firm's products and services so as to maximize the greatest benefits (Kotler 2000). Pearce and Robinson (2003) states that customer's preferences are dynamic and keeping on changing and shifting inexplicably. Rodgers (1986) points out that today's customers are becoming hard to please. They are smarter, more price conscious, more demanding, less forgiving and are in high demand from many competitors (Kotler 2000).

Not knowing what customers expect is one of the root cause of not delivering customer expectations. This creates gaps between customer expectations of a service and the firms understanding of those expectations. Such gaps, according to Sossion (2003) may be due to lack of direct interaction with the customers, unwillingness to inquire about customer expectations and lack of preparedness in addressing the gaps. Customers value convenience, less time and effort as a basis for making decisions.

Customer satisfaction leads to repeat business. Kotler (2000) contends that satisfaction is a function of performance and expectations, satisfaction leads to a feeling of pressure resulting from a customer comparing a products perceived performance in relation to his or her expectations. If the performance matches with the expectations the customer is satisfied and if the performance exceeds the expectations of the customer the customer is very satisfied.

2.1.3 Customer perceived value and satisfaction

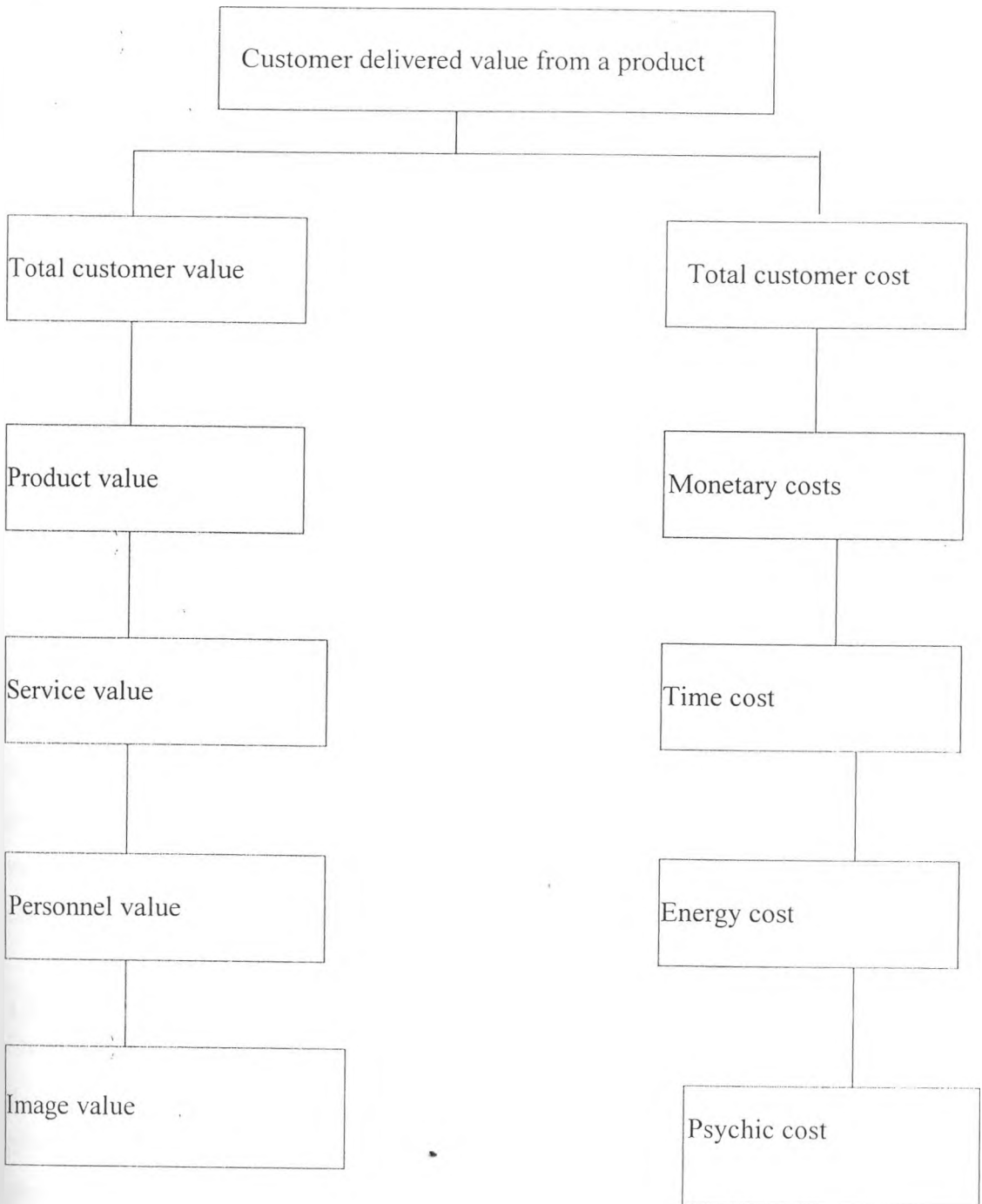
Perception is the process by which individuals select, organize and interpret stimuli into a meaningful and coherent picture of the world (Schiffman and Kanuk 2000). Individuals act on a basis of their perception and not on the basis of objective reality. Therefore, thinking customer value helps organizations to understand value as perceived by the customer.

Customer perceived value is the difference between customer benefits from a product less cost. It is the perceived monetary value economically, functionally and psychologically a customer expects to benefit from a product less its costs (Kotler 2000). According to porter (1990) costs includes the product price, the buyers time, energy and psychic costs.

Customers perceive value in a product in terms of reliability, durability, performance, resale price, delivery, training, maintenance, responsiveness of personnel and corporate image. Mukiri (2001) states that customers will buy from the firm they see offering the highest perceived value. Value therefore reflects the growing customer concern of getting more money value, time and efforts invested in obtaining the product. It is paramount that organizations maintains a closer touch with their customers and adjust their services and products to feature value, lower the cost of distribution activities and meet customer needs quickly (Kotler, 2000).

Kotler (2000) in responding to customer perception of value illustrates as follows:

Figure 2: Customer perception of value



Source: Kotler: marketing management, page 60, 11th edition.

2.1.4 Firms value proposition and customer satisfaction

Value proposition is the net value of both a product and service. starting from the process of finding, ordering and receiving it. Tapcott (1999) notes that every organization or industry is based on a value proposition. the value proposed and consumed by customers. Berry (2002) argued that the aspects of service that are believed to affect consumers include its value, its importance and whether it can be obtained elsewhere or at another time.

Rice (1997) notes that more effort will go into the process of creating "emotional value" as a way of distinguishing an organization product from those of its competitors.

Beckwith and Warner (1997) pointed out that value is not a competitive position but value is what every service promises implicitly or explicitly and is fundamental to survival. Gitomer (1998) notes that organizations must deliver superior value to their stakeholders regardless of their, corporate or cultural heritage because of increased competition, globalization of capital markets and the increasingly active and powerful class of institutional investors that is demanding unequalled performance.

However, Porter (1990) notes that firms should create value for their customers that exceeds the cost of creating it and for organizations to thrive in the business environment they must provide offering and deliver a constantly evolving and superior value proposition to stakeholders. Thompson and Stickland (2003) contend that buyers' judge value based on such signals as price, attractive packaging, content, image, advertising campaigns, seller's facilities, professionalism and personality of seller's employees.

2.1.5 Customer complaints, relations and satisfaction

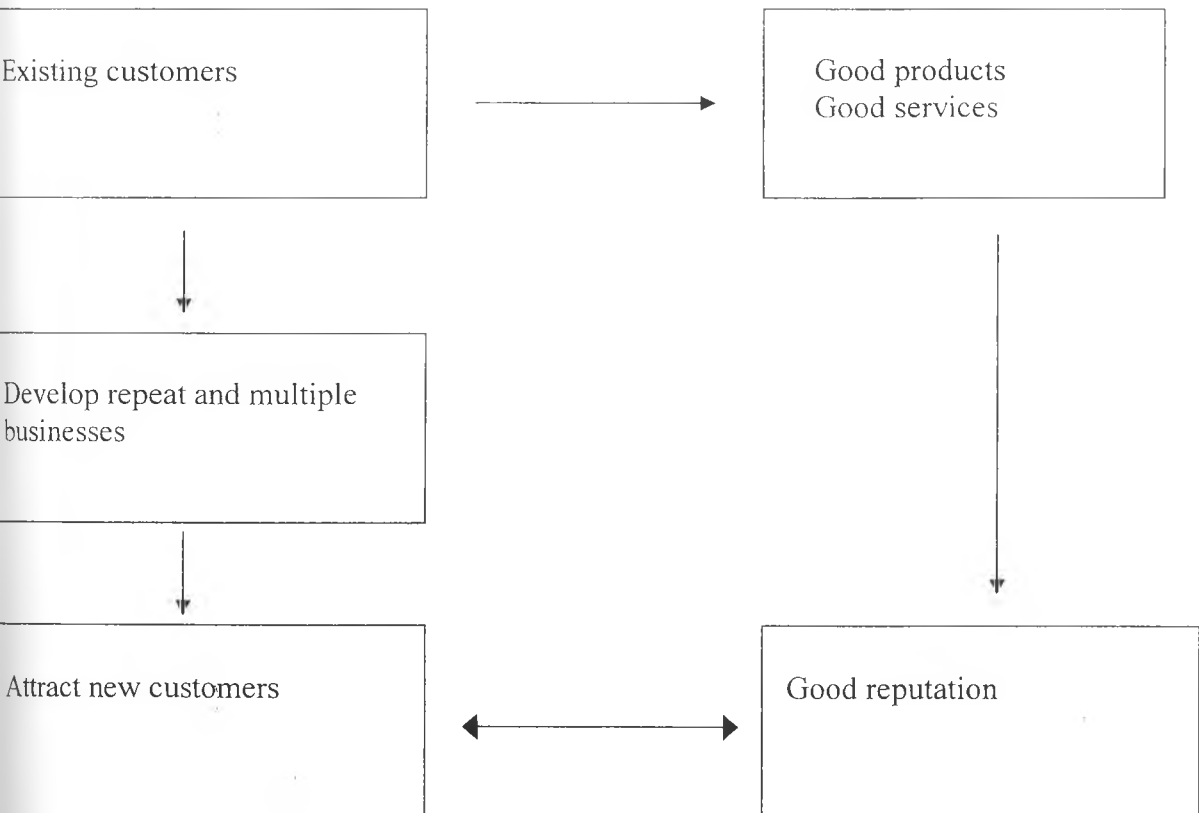
Customer satisfaction involves quick and constructive response to complaints. by making it easy for customers to complain as customers provide clues for developing new products, products features, prices, channels, messages and other marketing mix elements.

Mcathy (1993) noted that 3m company did excel tremendously through products and business improvements by listening from customers. Kotler (2000) pointed out that in service delivery customers generally rely on word of mouth, price and physical cues. Pickton (2001) contends and notes that customers who have complained and had their complaints satisfactory resolved tell an average of five people of the good of the organization. handling complaints is part of value creation and it closes gaps between perceived services and expected and ensures performance exceeds expectations, fostering high customer satisfaction.

Customer complaints help to energize 'organizations responsiveness and willingness to satisfy customers leading to improved relations and enhanced customer satisfactions (Paraguayan, 1991). Buzzel (1987) points out that through customer complaints top management becomes committed to service, high quality standards, putting up complaints monitoring systems and emphasis on employee satisfaction for customer satisfaction. By individualizing and personalizing customer relationships organizations are increasing social bonds with customers (Segupta 1990) while Collins (1994) outlines that thoughtful organizations are turning their customers into clients. Customers relationships through discounts, award programs, strategic alliances and by integrating voices of the customer in all business decisions and enabling customers to reach to the relevant personnel to express their needs, perception and complaints bonds customers close to the company and builds customers satisfaction upwards (George 1994). Through excellent customer relations organizations are able to identify causes of customer attrition and device counter measures to recover the lost customers (Lanning 1998).

Future business depends on reputation which is created by both satisfied and dissatisfied customers talking to friends and colleagues. People tell more of the bad than the good experiences. Dissatisfied customers can therefore do immeasurable damage to a business (Walker, 1994). Cook (2002) study on excellent customer care demonstrated the power of the existing customers and the need to retain them as they help to bring in other customers and push them through the loyalty ladder.

Figure 3: **The power of existing customers**



Source: Sarah Cook (2002), **customer care excellence: How to create effective customer focus**. Kogan limited. London., UK pg 8

2.1.6 Total quality management and customer satisfaction

Customer satisfaction is about customers being satisfied with a firm's quality of its goods and services. Segupta (1990) a quality focused organization satisfies most of its customer needs while Gitomer (1996) highlights total quality as the key to value creation and customer satisfaction. Arthur (1992) states that for successful customer service leading to customer satisfaction a strategy is required that aligns stakeholders processes, resources and organization culture towards the target customers and markets. Allan (1994) contends that organizations must be matched to the customer and ensure that services and products performance conform to customer expectations.

Porter (1990) points out that organizations must deliver quality in identifying customer needs, communicate customer expectations to their employees, have their engineers design products properly, ensure accurate and timely orders deliveries, conduct adequate customer training and instructions on product use and stay in touch with customers after sale to ensure that they are satisfied and remains satisfied, and gather customer ideas for product and service improvements. For customer satisfaction organizations must accept widely and entirely too continuous improvements of their processes, products and services. Buzzel (1987) noted that each activity of an organization must be performed to high standards and quality, high standards in leadership, in people management, in policy and strategy, in resources and processes, if it is to realize people and customer satisfaction and impact on society and business results.

2.2 Services delivery and customer satisfaction

Kotler (2000) defines service as any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Services are characterized by intangibility, inseparability, variability and perishability (Cathy1993)

Segupta (1990) points out that service are perishable and cannot be stored while Mburu (2001) highlights that services have peak and off peak demand, that poses substantial marketing challenges due to fluctuations of demand. Challenges in service delivery include:

Multiple processes: services require different approaches so as to deliver satisfactory service due to complexity of service provision. Kotler (2000) points out that to satisfy customers of services, organizations require customer experience engineering where organizations must picture customer perception of an experience and design a consistent set of performance activities and context clues that supports that experience. Clear sense of target market is required for customer satisfaction (Bitner 1996).

Standardization of the processes: Christopher (1996) describes services as variables and to satisfy customers requires standardization of the service provision process throughout the organization. A blue print depicting events and process in a flow chart like is necessary to build customer satisfaction to the service provided. Porter (1990) pointed out that organizations must excel in designing a better and faster delivery system that ensures reliability, on time delivery, quick in handling transactions, emergencies, product recalls, answering queries and being innovative in creating a better information system. This closes gaps between perceived service and expected service and enhances the level of customer satisfaction.

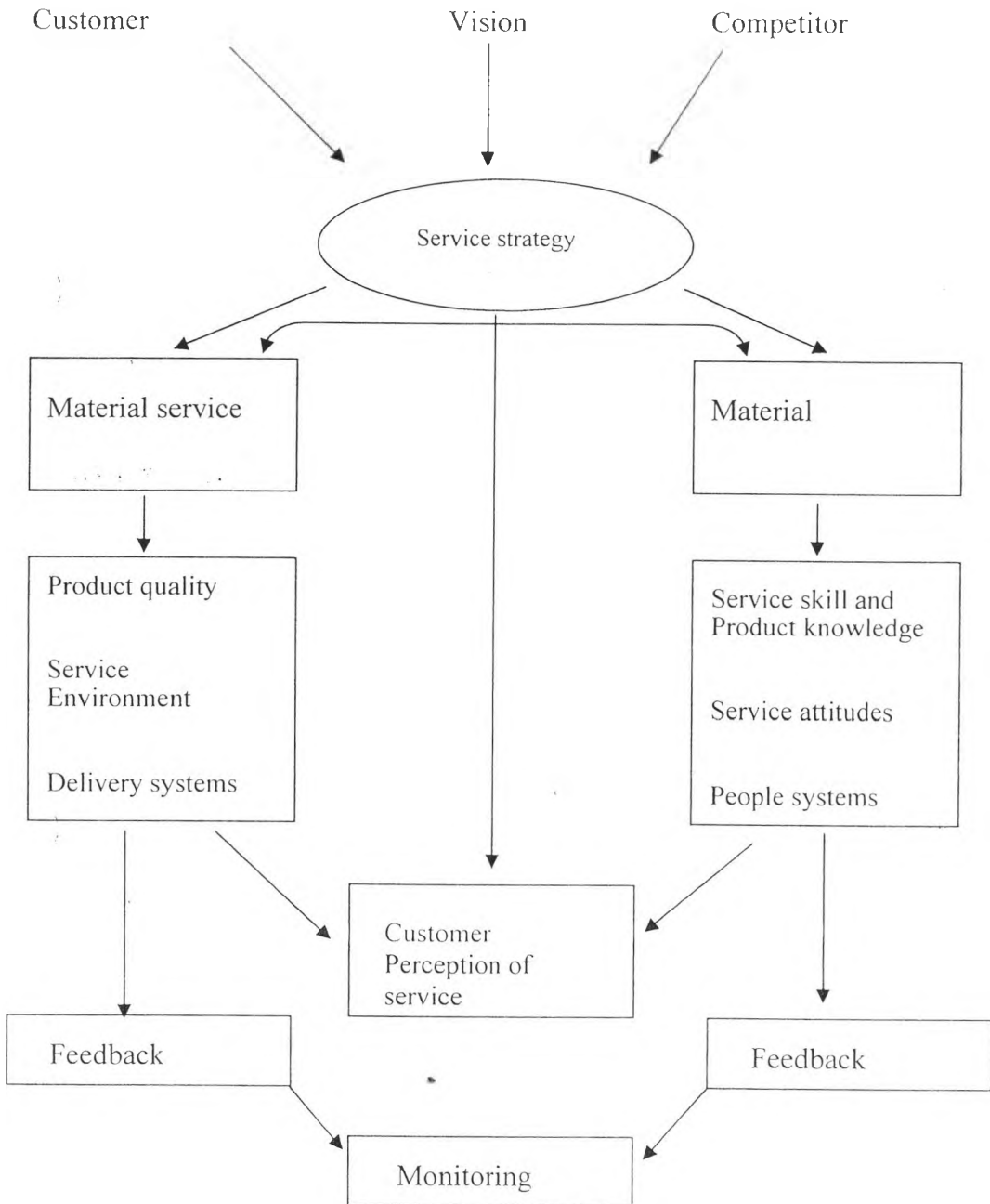
Customizing services: services delivery means customer precise desires and expectations are tailored to services provided making services tangible and positioning the services delivery process.

Synchronizing supply and demand: services are not inventoried or stored. Services pricing, reshaping of services demand and supply is critical to success of service delivery.

Human performance and motivations: services involve contact between the service giver and the service receiver. Baker (2003) highlights that motivating employees, the people factor can make a lot of difference in customer satisfaction as service customers rely on word of mouth, on price personnel and physical cues to judge quality. The assurance, knowledge and courtesy of employees, their ability to convey trust, confidence and offer individualized attention to customers is of strategic essence to enhancing the level of customers satisfaction (Kotler 2000). Parasuraman (1991) contends that employees' reliability, ability to perform a service accurately, responsiveness and willingness to help customers and to provide prompt and timely service is key to enhancing customer satisfaction in service delivery. Employees' competence, caring attitude, initiative, problem solving skills and agility to work coupled with physical and presentation features or traits of improved service quality, enhances customer satisfaction (Baker 2003).

Employee satisfaction is tantamount to customer satisfaction as employees are the internal customers and first customers of the firm. Service delivery involves employees getting feedback from a customer which is utilized to put customer first (walker 1994). Walker (1994) demonstrated how services can be delivered using the following service delivery strategy model.

Figure 4: **Service Strategy Model**



Source: walker (1994) **Customer First; A Strategy For Quality Service**. Gower publishers England page 8

2.3 Public services, products and customers satisfaction

Hardwick (1994) defines public goods as products or services such as defense, roads, street lighting, free primary education and so forth, the consumption of which by one person does not reduce its availability to others in society. They are goods supplied to one another and are available to others at almost zero cost. Public services have the following characteristics:

Non-excludability: public services are goods or services provided almost to all. Individual consumption of public goods or services does not reduce its availability to others.

Impossible to reject: (Kotler 2000) notes that an individual cannot reject consumption of public goods or services as they feature a free ride and are almost accessible to all e.g. street lighting, roads, street beautification and cleaning, a bridge, a road etc.

Difficult to measure: true individual consumer utility and preference is missing on the part of public services due to lack of direct cash purchase as public services are financed through public budgetary allocations. With public services it is difficult to measure sales volume and therefore revelation of true preferences and utility is difficult to tell. Informed consumers and a highly informed customer base are prerequisite in such measures.

Multi-conceptual: Public service involves many concepts and values for example education involves teachers, books, classrooms, curriculum content, strategy and leadership goals and directions, same with roads and streets lighting.

Minimization of bads and hazards: public services involves reductions of social bads such illiteracy, pollutions, diseases, darkness, disorders, lack of housing, lack of roads, alcoholism, poverty, prostitutions, unemployment, among others.

Maximization of social goods and infrastructure: public services involves increases and additions of social goods such as schools, public health dispensaries and clinics, clean environment, sewers, street lighting, markets, car parks, sports facilities among others.

Determinants of the level of customer satisfaction for public services includes:

Product and services features: Ostrom and Lacobucci (1995) states comfort or smoothness of roads, ease of congestion and cleanliness of water enhances customer satisfaction level for such public services.

Service quality dimensions: quality dimensions such as reliability of supply of the products, assurance, regularity of the flow of goods and services, attention to defects and breakages enhances the level of customer satisfaction.

Perception of fairness and equity: fairness in the treatment of all consumers and customers, fair play in pricing to the rich and to the poor, equitable development, resource allocation in decentralization, better quality in provision of services, when bench marked enhances the level of satisfaction.

Employees skills factor: responsiveness of employees to customer complaints, readiness to provide service, possession of the required skills, attitudes, competencies, courtesy, their approachability by customers and ease of contact, their ability to be prompt in services delivery, their decorum in handling customers, their professionalism care and agility to work enhances the level of customer satisfaction (Muriagoro,2006).

Employee's credibility: employees honesty and their ability to create assurance to customers, their capacity to be trusted and to be believed by customers enhances the level of customer satisfaction.

Communications to customer: Kotler (2000) contends that keeping customers informed of product changes, policy changes, business changes, price changes, changes in design and colour in a well communicated, clear, simple, effective language helps to enhance the level of customer satisfaction as communications reinforces clarity, preciseness and convenience to the customers.

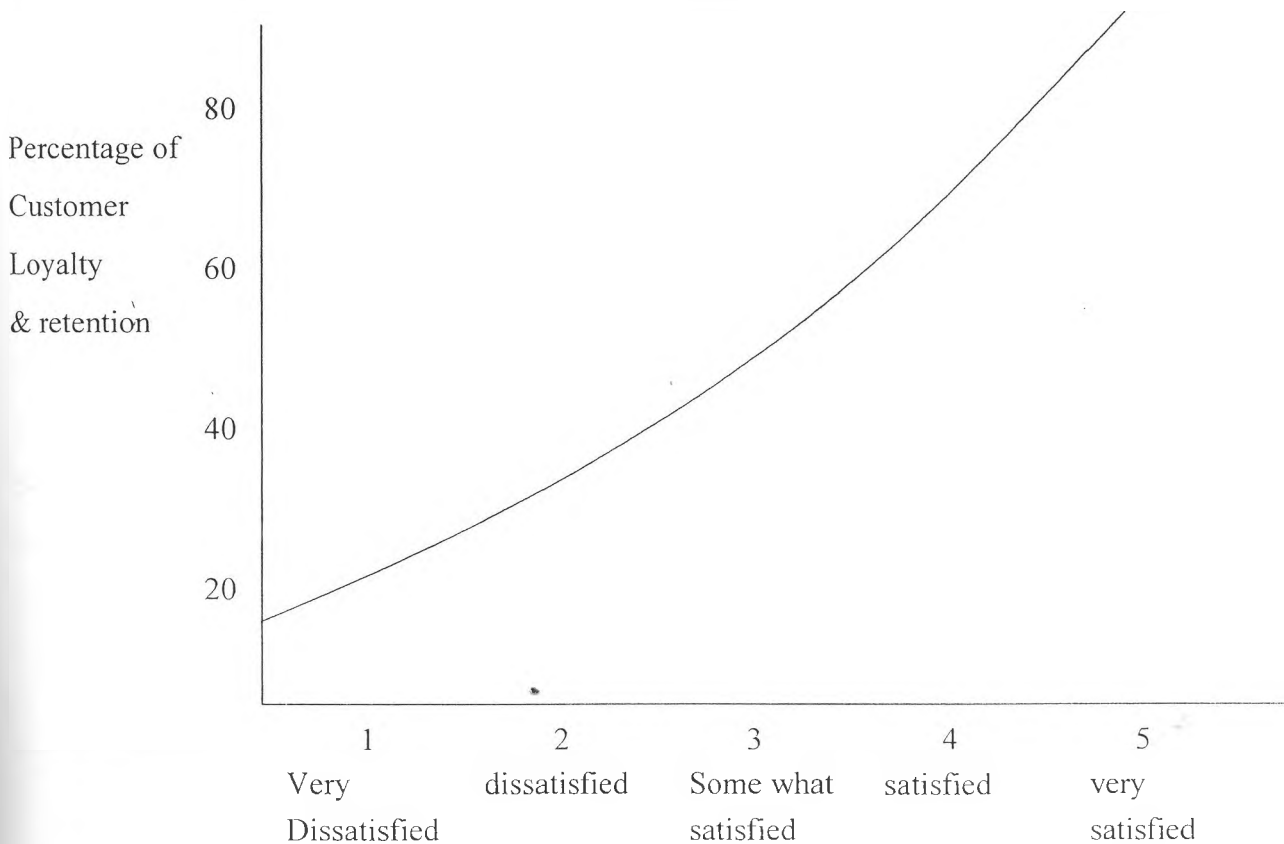
Organization infrastructure and resource base: the tangible appearance of physical facilities, equipments, vehicles, buildings, personnel, plant and machinery, network distribution, branch density tends to reassure customers of service delivery success. The neatness of the banking hall, the cash office, the office security back up, computerization level, the store arrangements, the neatness of employees, good

appearances of vehicles, painting of buildings enhances the level of customer satisfaction (Payne, Christopher and Peak, 1995).

2.4 Measuring the level of customer satisfaction

According to Kotler (2000) customer satisfaction is rated on a rating scale from one to five. The rating is done by levels. Level 1 is the level of very dissatisfied customers, level 2 is the level of dissatisfied customers, and level 3 rates some what or moderately satisfied customers, level 4 rates the customers that are satisfied with organization goods and services and levels 5 rates the very satisfied customers. At level 5 customers are very likely to repurchase the organizations products and even spread a good word of mouth about the firm. At this level of customers satisfaction an emotional bond with the brand or the firm is created and not just a rational preference. The result is customer loyalty and the key to generating high customer satisfaction from customer loyalty is to deliver high customer value, (Lanning 1998). Heskett et al (1997) presents the relationship between satisfaction and loyalty as follows:

Figure 5: **Relationship between satisfaction and loyalty**



Source: James L. Heskett et al, "The service profit chain; how leading companies link profit to loyalty, satisfaction and value. New York, the free press

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research design

Survey design was used in this study since it was found to be best suited to learn about people's knowledge, beliefs, preferences, satisfaction and to measure these magnitudes in the general population. Ary Jacobs et al (1985) defined survey research methodology as a technique where data is collected by posing questions to respondents such that it becomes possible to fix explanations to the social phenomena in question.

3.2 Population of the study

The population of interest for this study comprised all restaurants and hotels operators within the central business district of Nairobi city. Hotels are catering units comprising a restaurant, a bar and lodging rooms or suites, while restaurants are catering units without lodging rooms or suites. The central business district was selected by the research because of accessibility, number of hotels and restaurants, level of customer awareness and limitations of research resources such as time and finances.

3.3 Sampling frame

According to Kenya hotels and restaurants authority, vide Kenya gazette, special issue, Vol CV - No. 62 dated 13th June 2003, there were 90 restaurants and 50 hotels within Nairobi central business district (appendix 4).

3.4 Sample size

A sample of 50 catering units was chosen for study, 30 restaurants and 20 hotels (appendix). The respondents constituted operational managers, beverage managers, customer relations managers, for hotels and managers for restaurants, who were asked to fill the questionnaires. Selection was done using stratified random sampling techniques. The central business district was stratified into five avenues namely; Moi avenue, Haile Sellasie avenue, Harambee avenue, Koinange street, Uhuru highway all along Museum road, Kipande road, Globe roundabout to Moi avenue.

3.5 Data collection method

Primary data was collected through a questionnaire (appendix 3), using drop and pick method. The questionnaire was both structured and semi-structured. It was pre-tested before fieldwork commenced to test clarity. The questionnaire was divided into three sections; section A aimed at obtaining information on attributes the hotels and restaurants considered important, which to an extent has increased their level of satisfaction with the services of the council. This section also aimed at seeking information on services which hotels and restaurants were satisfied with and which they were not satisfied with.

Section B consisted of questions aimed at gauging the hotels and restaurants operator's perception and their satisfaction with the council employee's responsiveness to their complaints, employee's knowledge of work, their willingness to help customers, readiness to provide services, decorum in handling customers and their agility to work.

Section C on the other hand consisted of questions aimed at gauging the perception of central business district hotels and restaurants operators with regard to the city council as an institution. Also the section aimed at harnessing hotels and restaurants operator's recommendations on how they feel the council can improve or do better in service delivery. A five point Likert scale was used to rate the different variables in the area of study.

3.7 Data analysis

Descriptive statistics such as frequency distribution tables, diagrams or graphs, percentages were used to summarize and present the data, as they provide tools for describing collections of statistical observations and reduce information to understandable form (Jacobs et al 1985). Frequency distribution tables were used to compare mean scores of satisfaction ranking occurrences between hotels and restaurants of the variables. Spearman's rank order correlation analysis and the chi-square frequency test were used to measure whether there was any significant difference in the mean scores between hotels and restaurants as to the extent of the levels of customer satisfaction.

CHAPTER FOUR: ANALYSIS AND RESULTS

4.0 Introduction

This chapter analyses the data collected. It also presents and discusses the findings of the study gathered from respondents of the study. Out of 50 questionnaires given to respondents, all were returned duly filled and completed. This was deemed satisfactory for the analysis to draw valid conclusions. The response rate was presented in table 1 below.

Table 1: **Customer Response Rate**

Customers	Response	Percentage
Hotels	20	40
Restaurants	30	60
target	50	100

Source: Research data

4.1 Extent of respondent's satisfaction with services offered from the council

Respondents were asked to indicate the extent to which they were satisfied with the services offered by the city council. Mean score of the frequency rankings was used to analyze the results which are summarized on the table 2 below. A mean score of 5 represent the extent of customer satisfaction as very satisfied, rank 4 satisfied, rank 3 somewhat satisfied, rank 2 dissatisfied and 1 very dissatisfied.

Table 2: Council services and customer satisfaction mean scores ranking

Services offered from city council of Nairobi	Hotels ranking mean (average) score	Restaurants mean (average) score
Water	4	4
Drainage and sewerage	4	3
Cleaning of pavements and streets beautification	3	3
Garbage collection	2	2
Street lighting	3	3
Car park spaces	2	2
Licensing of business	2	2
Road maintenance	3	2
Removal of hawkers and other nuisances	2	2
Town planning	3	2
Fire brigade and ambulance	2	2

Source: Research data

The table above shows that both hotels and restaurants were satisfied with water services with both mean scores of 4, it is worthy noting that both hotels and restaurants were dissatisfied with garbage collection, car park, licensing of businesses, removal of hawkers/nuisances, fire brigade and ambulance services.

4.2.1 Customer value perception and the extent of the level of customer satisfaction

There was need to establish what the customers perceived value to be whilst on consumption of services from the council. This part of the study aimed at establishing those attributes which the customer perceive as determinants of the extent of customer satisfaction pertaining to services from the council. Likewise mean score ranking was taken to facilitate the analysis as presented in table 3 below.

Table 3: attributes of customer satisfaction mean score ranking

Attributes	Customer perception	
	Hotels	restaurants
Fair price or services	4	4
Convenience and availability of products	3	3
Regular repairs of drainage bursts	4	3
Regular roads maintenance	4	3
Regular cleaning of streets and pavements	3	3
Constant beautification of streets	4	3
Reduced corruption	2	2
Reduced bureaucracy	2	2
Efficient and quick responses to customers complaints	2	2
Shortened procedure in issuing licenses, inspections and business permits	2	2
Regular replacement of street bulbs and traffic lights	2	2
Pace of garbage collection	2	2

Source: Research data

These attributes or determinants of customer satisfaction were ranked as from 1-5. rank 5 depicting very satisfied, rank 4 satisfied, rank 3 somewhat satisfied, rank 2, dissatisfied. and rank1, very dissatisfied. The table shows that customer (hotels and restaurants) were satisfied with the pricing of council services, they were also satisfied with the convenience and availability of services, regular repairs and maintenance of roads, drainages and cleaning of streets but dissatisfied with paces of reduction of corruption, bureaucracy, time in issuing licenses and business inspections, responses to customer complaints and pace of garbage collection.

4.2.2 Customer perception of council employees in service delivery

There was need to establish how customers (hotels and restaurants) perceive council employees services delivery. This part of the study aimed at establishing employee skills, competence, attitudes and skills that customers regard as important and crucial pertaining to services provision. Likewise, mean score percentage rankings were taken to facilitate the analysis as presented in table 4 below

Table 4: council employees competences percentage mean score rankings

Employee skills competences and attitudes	Customers hotels rankings	Customers restaurants ranking
Knowledge of work	60%	55%
Responsiveness to customer complaints	40%	45%
Readiness to provide services	30%	35%
Willingness to help customers	40%	50%
Decorum in handling customers	40%	30%
Agility and determination to work	40%	30%

Source: Research data

These determinants of customer's perception of employee's service delivery were ranked in percentages, where hundred percent depicts very satisfied, eighty percent ranks satisfied, sixty percent ranks somewhat satisfied, forty percent ranks dissatisfied and twenty percent ranks very dissatisfied. The table shows that on average both hotels and restaurants within the central business district were some what satisfied that city council workers are knowledgeable of their work but on overall were dissatisfied with their readiness to provide services, willingness to serve customers, decorum in handling customers, their responsiveness to customer complaints and their agility and determination to work.

4.2.3 Customer perception of the council institution and its image value

There was need to establish what customers (hotels and restaurants) perceive of the council as a provider of social and infrastructural goods and services to its customers and of its management, customer focus, resource base and leadership. This part of study aimed at establishing customer (hotels and restaurants) perception of the council pertaining to its image in service delivery. Likewise mean score rankings were taken to facilitate the analysis as presented in table 5 below.

Table 5: council institutional image mean scores ranking

City council as a public organization	Hotels mean score ranking	Restaurants means score rankings
Social returns (value for money)	2	2
Management of the city affairs	3	3
Customer focus	2	2
Efficiency and effectiveness in service delivery	2	2
Leadership styles and city development	4	3
Resource base	3	4

Source: research data

Customers (hotels and restaurants) within the central business district perception of the city council as an institution were ranked from 1 to 5. 5 depicted very satisfied, 4 ranked satisfied, 3 ranked somewhat satisfied, 2 ranked dissatisfied and 1 ranked very dissatisfied. The table shows that on average both hotels and restaurants were somewhat or satisfied with the way the city council management was running the city, besides its leadership and development work which was satisfactory. However on overall average both hotels and restaurants were dissatisfied with the social returns (value for money), pace of service delivery and customer focus on the part of the council.

4.3 Correlation analysis

There was need to establish whether there was correlation between hotels and restaurants in terms of the extent of customer satisfaction. This part of study aimed at establishing whether there is significant difference between the mean score from hotels and restaurants.

4.3.1 Spearman's rank-order correlation (rho)

Since the data is based on ordinal scale of measurement spearman's rank co-relation coefficient (rho) was used, as presented in table 6 below.

Table 6: Spearman's rank order for council services customers satisfaction

Service from city council of Nairobi	Hotels means score ranking	Restaurant mean score ranking	D difference	D ²
Water	4	4	0	0
Drainage and sewerage	4	3	1	1
Cleaning of pavements and streets	3	3	0	0
Garbage collection	2	2	0	0
Street lighting	3	3	0	0
Car park spaces	2	2	0	0
Licensing and issuing of business permits	2	2	0	0
Roads maintenance	3	2	1	1
Removal of hawkers and other nuisances	2	2	0	0
Town planning	3	2	1	1
Fire brigade and ambulance	2	2	0	0

Source: research data

using rho formula

$$r_{h,s} (\text{rho}) = 1 - \frac{6\sum D^2}{N(N^2 - 1)} \quad N = 11, \text{ number of services}$$

$$r_{h,s} = 1 - \frac{6 \times 3}{11(121-1)} = \frac{1-18}{11(120)} = \frac{1-18}{1320}$$

$$= 1 - 0.0146 = 0.986$$

$$r_{h,s} = 0.986$$

The spearman rank order correlation for hotels and restaurants = 0.986

The result indicates that hotels and restaurants are positively and closely correlated and therefore no significant difference between the mean scores.

4.3.2 χ^2 (chi-square test for mean score of frequencies

Again there was need to retest statistically further to check whether there could be any significant difference between means of hotels and restaurants with regard to the extent of customer satisfaction on goods and services from the city council. The chi-square test for frequencies as presented in table 7 below was used.

Services	Hotels	Restaurants
Water	4	4
Drainage and sewerage	4	3
Cleaning of pavements	3	3
Garbage collection	2	2
Street lighting	3	3
Car park spaces	2	2
Licensing / permits	2	2
Roads maintenance	3	2
Removal of nuisances	2	2
Town planning	3	2
Fire brigade	2	2

Source: research data

Customers ranked as satisfied 3, 4, and 5 mean scores

Customers ranked as not satisfied 1 and 2 mean scores

$$\text{Formula for chi-square, } \chi^2 = \sum \frac{(O - E)^2}{E}$$

Where,

O is the observed frequency

E is the expected frequency

Table 7: chi-square test of frequencies

Observed frequency

customers	Satisfied	Not satisfied	Total
Hotels	ci 11	cii 9	20
Restaurants	cm 11	civ 19	30
total	22	28	50

Source: research data

Expected frequency

$$c_i \text{ (cell one)} = \frac{22 \times 20}{50} = 9$$

$$c_{ii} \text{ (cell two)} = \frac{28 \times 20}{50} = 11$$

$$c_{iii} \text{ (cell three)} = \frac{22 \times 30}{50} = 13$$

$$c_{iv} \text{ (cell four)} = \frac{28 \times 30}{50} = 17$$

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

$$\chi^2 = \frac{(11-9)^2}{9} + \frac{(9-11)^2}{11} + \frac{(11-13)^2}{13} + \frac{(19-17)^2}{17}$$

$$\chi^2 = 0.44 + 0.36 + 0.31 + 0.24$$

$$\chi^2 = 1.35, \text{ degree of freedom} = 1.00$$

Significance level of 95 % was taken

At 0.05, (from χ^2 tables, appendix 5) the critical value is 3.841. since the computed $\chi^2 = 1.35$ is less than critical value of 3.841, there is no significant difference between the extent of the level of customer satisfaction for hotels and restaurants with regard to services from the city council.

4.3.3 Correlation of attributes of customer satisfaction

There was need to test the correlation of value attributes that contribute to customer satisfaction both to hotels and restaurants. The study aimed at establishing whether there were any significant differences between the mean scores of hotels and the restaurants, as presented below, using spearman's rank order correlation.

Table 8: Spearman's rank order correlation for customers' satisfaction attributes.

Attributes	customers mean score ranking			
	Hotels	Restaurants	Difference D	D ²
Fair prices	4	4	0	0
Convenience and availability of products	3	3	0	0
Regular repairs of drainage bursts	4	3	1	1
Regular roads maintenance	4	3	1	1
Regular cleaning of pavements	3	3	0	0
Constant beautification of streets	4	3	1	0
Reduction in corruption	2	2	0	0
Reduction in bureaucracy	2	2	0	0
Quick responses to complaints	2	2	0	0
Quick issue of licenses/permits	2	2	0	0
Regular replacement of bulbs	2	2	0	0
Pace of garbage collections	2	2	0	0
$\rho = 1 - \frac{6\sum D^2}{N(N^2-1)}$			$\sum D = 3$	$\sum D^2 = 3$
(h,r)	$N(N^2-1)$			

$$r_{s_{12}} = 1 - \frac{6 \times 3}{12(144-1)} = 1 - \frac{18}{12(143)} = 1 - \frac{18}{1716} = 1 - 0.0105 = 0.9895 \approx 0.99$$

The spearman rank correlation for attributes to the extent of the level of customer satisfaction for hotels and restaurants = 0.99.

The result indicates that there is close and positive correlation between the mean scores and there is no significant difference of the mean scores of the attributes or determinants of customer's satisfaction between the hotels and restaurants

4.3.4 Correlation of the customer image perception of the council

There was too the need to establish whether there is any significant difference in mean score of the hotels and restaurants perception of the council as an institution, as presented below, using spearman's rank order correlation.

Table 9: Spearman's rank order correlation of the customers' perception of the council as a public institution

Customer perception of council of Nairobi as a public institution	Hotels mean scores rankings	Restaurants mean scores rankings	D difference	D ²
Social returns	2	2	0	0
Management of city affairs	3	3	0	0
Customer focus	2	2	0	0
Efficiency and effectiveness in service delivery	2	2	0	0
Leadership styles and city developments	4	3	1	1
Resource base	3	4	-1	1

$$\sum D = 0, \quad \sum D^2 = 2$$

Source: research data

$$\rho = 1 - \frac{6 \sum D^2}{N(N^2-1)}$$

$$h.r \quad N(N^2-1) \quad N=6$$

$$r_s = 1 - \frac{6 \times 2}{6(36-1)} = 1 - \frac{12}{6 \times 35} = 1 - \frac{12}{210} \quad r_s = 1 - 0.06, \quad r_s = 0.94.$$

Spearman's rank order correlation for hotels and restaurants image perception = 0.94. The result indicate that there is positive correlation between the mean scores and there is no significant difference in terms of hotels and restaurants perception of the city council as an institution as to services delivery and councils performance of its mandate to the city residents.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION.

The objective of the study were to determine the extent of the level of customer satisfaction among hotels and restaurants operators within the central business district with services offered to them from the city council of Nairobi, and to identify the services from the city council which hotels and restaurants are satisfied with and those that they are dissatisfied with.

To answer the study objectives, this chapter now summaries the findings based on the analysis of data in chapter 4, makes conclusions about the study and possible recommendations.

5.1. SUMMARY

Since customer satisfaction is a wide concept comprising of several aspects, the researcher took the approach of coming up with factors that enhance each of the constituent of the broader concept. Critical analysis of chapter 4, shows that on overall, water services and improvements in water delivery was found to have the highest mean score in terms of customer satisfaction. This could be attributed to city council decentralization of water services through the formation of Nairobi Water Company. The delinking of water services from the main council system, and mandating Nairobi water company to specifically deal and handle water transactions on behalf of the council and make a return to the council was a strategic move that saw improvements in water billings, customer service, customer responsiveness, regularities and availability of water to the central business district. The company has taken water to customers other than customers coming for water from the council as it used to be. Integration of commercial management styles, attitudes, cultures, business acumenship and productivity through the formation of Water Company has led to enhanced customer satisfaction with council water services, even at the same fair prices as charged by the council.

The study found out that both hotels and restaurants were somewhat satisfied with drainage and sewerage services, streets beautification, cleaning of streets and pavements and street lighting. This could be attributed to the change of management at the council, which has been perceived to be more pragmatic and environmentally responsive by forming strategic alliances with key stakeholders and involvement of the wider Nairobi society in participating in the affairs of the city by way of social responsibility and joint ventures.

The study found out that hotels and restaurants operators were dissatisfied with a number of services from the council. Such dissatisfaction was in garbage collection, removal of nuisances and hawkers, car park spaces, licensing and medical inspections, fire brigades and ambulance services. For garbage collection services, dissatisfaction could be attributed to council tendering and procurement problems which were coupled with laxity, bureaucracy, corruption, nepotism and political arm-twisting. As a result, and failure by the council to involve true market competition and participation in collection and garbage management attributes highly to this dissatisfaction.

Dissatisfaction with slow pace of removal of hawkers and other nuisances from the central business district could be attributed to political activities of the season and council's lack of clear policy on small and petty traders. Dissatisfaction with car parks spaces, fire brigade and ambulances services could be attributed to council's poor planning of Nairobi city and past corruption. Rwiria (2003) agrees that in 1992 the then city commission corruptly sold and disposed off every other assets and spaces meant for car parks, schools, dispensaries, fire brigade, sports grounds etc. Politics of corruption and patronage fashioned Nairobi against the forces of the market and morality (Rwiria, 2003). Dissatisfaction with licensing and issuance of business permits could be attributed to slow pace of corruption and bureaucracy reductions, lack of customer focus on the part of council employees, poor responsiveness to customer complaints, unwillingness to help customers, poor attitudes towards work and the council's failure to computerize most of its operations.

To build customer satisfaction level upwards the study found that it requires improving service quality, firms value proposition, response to complaint, and total quality

management of operations and distribution. The study also found out that there are several factors which determine the extent of customer satisfaction but at varying levels, with regard to public services and goods. Such factors includes price, where public services are fairly priced to the affordability of consumers, excellent customer service determined by employee knowledge of product and work, responsiveness to customer's complaints, promptness of service, readiness to provide services and competence and skillfulness in serving customers.

The study found that regularity in roads maintenance, constant beautification of streets and street lighting, regular repairs of drainage bursts and leakages, constant cleaning of pavements to have endeared to city residents to the extent of enhancing upwards their satisfaction with these council services. The study also found that staff factor is key to enhancing public service satisfaction. Customer accessibility to staff, their politeness, their approachability, ease of contact, respect, friendliness, appearance in public all determine and enhance customer satisfaction and the vice-versa. Study found out that products and services reliability in terms of availability, convenience, location, performance, accuracy and exactness contributed to enhancing customer satisfaction.

The study found out that good customer relations, communications and staff credibility to be key in enhancing the extent of customer satisfaction. The way enterprises information is perceived to be true, timely, exact, precise, honest, believable, trustworthy and clear in language, straight records and statements enhances the extent of the level of satisfaction. Study also found out that security from harmful effects of products, general perception and appearance or the image of the organization in terms of buildings, tools, personnel's understanding of customer needs contributes in determining the extent of customer satisfaction. Public perception of fairness and equity on the general treatment of all customers, fair pricing to all, better quality products, equity in network distribution, and availability of products to all were factors that enhanced upwards the extent of the level of customer satisfaction with regard to public services.

5.2 CONCLUSIONS

As indicated in chapters one and two due to dynamism in the business and today's public service environment in Kenya, characterized by stiff competition, deregulation, globalization, changing customer loyalty, increased knowledge in all spheres, increased stakeholders demand for participation in governance and commerce, there is need for service providers to cultivate a competitive edge for their customer loyalty by embracing the concept of customer satisfaction for their goods and services. For how can the city council determine the extent of the level of customer satisfaction for its goods and services? How can the council know which services the hotels and restaurants operators within the central business district are satisfied with or dissatisfied with. Conclusion drawn from this study may help to answer these questions.

The study has revealed the extent of the level of customer satisfaction with city council services for hotels and restaurants within the Nairobi central business district. None was very satisfied and none was very dissatisfied. Also noted was that no attribute was very satisfying neither very dissatisfying. The following were found out as major attributes to the extent of the customer satisfaction, customer service in form of employee's willingness to help customers and their knowledge of work and services, their regularity in making roads pavements, drainages, traffic lights repairs and maintenance, product and services like water and lights availability, convenience, reliable and timely, regular cleaning of streets and beautifications.

However the following too were found out to be major attributes to the extent of the level of customer dissatisfaction with the city council services, bureaucracy and corruption in issuing licenses and business permits, lack of staff responsiveness to customer complaints and poor garbage collection, slow pace of removal of hawkers and other nuisances in the central business district, inefficiency and ineffectiveness in service delivery and staff lack of decorum when handling customers. These factors are important to players in the public service as they help them in developing service delivery strategies and resource allocation if they are ever to maintain an overall positive customer satisfaction in aggregate.

5.3 RECOMMENDATIONS

The study has revealed several factors that determine the extent of the level of customer satisfaction as discussed earlier. These factors do matter and have to be considered while drawing up business strategies, services delivery action plans and allocation of resources to realign with the processes of the organization. Understanding attributes of customer satisfaction helps to identify customer expectations and perceived value that creates pathways for successful improvements both in operations, delivery and investments, based on customer definition of value and not the organization expectations.

Study recommends among others that

- During public service staff recruitments the city council need to emphasize on the need to select staff that are knowledgeable in customer service and have proven **customer focus** and sensitivity to the plight of customers.
- Staff training and development in **customer service**, operations, professional, technical areas and leadership should take a priority in the city council.
- Council leadership to be bold and effect a **strategic change** in the organization, embrace a customer focus culture, performance contracts, high staff remuneration, restructure its organization layers so as to "see" and "think" market. Radical legal and institutional changes are necessary if customer satisfaction and relevance of the city council to the market is to be enhanced and improved
- The council should **computerize** its operations, embrace technological advancements so as to improve its services, reduce its bureaucracy, costs, corruption and improve customer care and its decentralization programme.
- Respondents both hotels and restaurants recommends that the council acquire **modern** fire brigade equipments, **retrain** city council askaris on customer decorum, expand toilet facilities and open revenue collection offices along streets, estates that are computer networked for ease of increased operations and enhance its field supervisory levels and distribution.
- To enhance council relevance to the residents, many respondents recommends that the council to hold **annual budget days** and at least **two forums** in a year

with the residents, show that customers can exchange views, ideas and interactions with the mayor, councilors and top officers of the council. The respondents recommended direct adult suffrage in the election of the mayor by **all city residents** for a five year term and a five year job contract for the town clerk subject to one extra and final term renewal on satisfactory **performance** on service delivery for both of them.

- The study recommends private sector partnerships, collaborations and ventures in areas of garbage collection, waste management, council computerization, car park spaces provision and management, and a private sector annual audit of the successes and failures of the city council annually, besides civil societies and parliamentary audits.

LIMITATIONS OF THE STUDY

Like many other studies the study was faced by a number of limitations. Some respondents gave very few answers making it difficult for the researcher to know their true satisfaction or dissatisfaction position. The study was also limited as it geographically covered the central business district of Nairobi city and therefore may be authoritatively limited to represent hotels and restaurants in the Nairobi city jurisdiction. The study is also sectorally limited as it only covered the hotels and restaurants industry, yet the council provides same services to shops, banks, churches, state and government offices, non-governmental organizations, individual city residents, schools, hospitals and other business enterprises. Therefore the study may not authoritatively represent the whole customer element of the city council goods and services.

SUGGESTIONS FOR FURTHER STUDY

This study focused on a rather wide concept of customer satisfaction and too wide for the time that was available. This may have had the effect of making the study too wide. Further study could be more focused on geographical coverage and deepened in details on the extent of the level of customer satisfaction for hotels and restaurants as pertains to entire range of goods and services provided from the city council of Nairobi. Further study is needed with regard to the entire Nairobi city jurisdiction and also to be multi-sectoral or multi-consumer so as to take into account all the consumers of public services provided to them from the city council in aggregate.

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LIST OF HOTELS WITHIN AND AROUND CBD

	No of Beds	Star ranking
1. Hotel intercontinental	770	5 star
2. Grand regency hotel	388	5 star
3. Hilton hotel	353	5 star
4. Norfolk hotel	334	5 star
5. The Stanley hotel	434	5 star
6. Serena hotel	283	5 star
7. Marble arch hotel	77	5 star
8. Nairobi safari club	105	5 star
9. Ambassadeur hotel	190	5 star
10. Hotel boulevard	140	5 star
11. Six eighty hotel	544	5 star
12. Fig tree hotel	60	5 star
13. Milimani hotel	90	5 star
14. Hotel southern blue	112	5 star
15. Blue hut hotel	100	5 star
16. Karibu hotel	72	5 star
17. Silver springs hotel	184	5 star
18. Bounty hotel	100	5 star
19. Fair view hotel	163	5 star
20. Panafric hotel	46	5 star
21. Windsor golf club	72	5 star
22. Hotel sirikwa	210	3 star
23. Kwaliti Hotel	210	2 star

LIST OF RESTAURANTS WITHIN AND AROUND CBD

1. Tamarind Nairobi	5 star
2. Tretoria	5 star
3. Pavements	5 star
4. Kengeles. koinange street	4 star
5. Rangers	4 star

6. Tin tin	4 star
7. Kowloon	4 star
8. Green comer	3 star
9. The porter house	3 star
10. The mara restaurant	3 star
11. Hong kong restaurant	3 star
12. Red bull	3 star
13. Garden square	3 star
14. Conference caterers	3 star
15. China place restaurants	3 star
16. Home park caterers	3 star
17. Teenager restaurant	3 star
18. Starrose restaurant	3 star
19. Minar restaurant (loita street)	3 star
20. Berbers oasis restaurant	3 star
21. Carnivore restaurant	5 star
22. Pudy's restaurant	4star
23. Nairobi Mamba village	4 star
24. Alan Bobus Bistro	4 star
25. Haandi restaurant	4 star
26. Chome zone restaurant	4 star
27. Erusah restaurant	2 star
28. Monsoon ventures	3 star
29. Singh restaurant	3 star
30. The horseman restaurant	3 star
31. Race course restaurant	3 star
32. Theos restaurant	3 star
33. Hooters bar and restaurant	3 star
34. Roro Chinese restaurant	3 star
35. Furusaro Japanese restaurant	3 star

Letter of introduction to the respondents

Jackson Ileri Getah
P.o. Box 29107 Nairobi 00625

Dear respondents,

Re: Request for Research Data

I am a Masters of Business Administration student at the University of Nairobi carrying out a research project as part of the MBA degree award requirement. The research topic is the extent to which restaurants and hotels operating within Nairobi city central business district are satisfied with services from the city council of Nairobi.

I humbly request you to fill the attached questionnaire and answer all the questions.

The information obtained is purely for academic purposes and will be held in strict confidence.

Thank you.

Yours faithfully

Jackson Ileri Getah

HOTEL RESTAURANT MANAGER/SUPERVISOR QUESTIONNAIRE

SECTION A

Answer the questions on the space provided

1. Name of hotel/restaurant _____
2. Location/street. _____
3. Date the hotel/restaurant commenced operations in Nairobi _____

4. To what extent are you satisfied with the services named below offered to hotels and restaurants by the city council of Nairobi? (Please Tick the appropriate box)

		5	4	3	2	1
	Services offered by city council to Hotels and restaurants	Very satisfied	satisfied	Moderately orsomewhat satisfied	dissatisfied	Very dissatisfied
1	Water					
2	Drainage					
3	Cleaning of Streets					
4	Garbage and refuse collection					
5	Street lighting and beautification					
6	Cars parking spaces					
7	Food handling medical fitness Certification					
8	Business permits and licenses					
9	Fire brigade and ambulance services					
10	Roads repairs and maintenance					

1	Town planning, policing, painting of buildings					
2	Removal of nuisances, hawkers, and beggars From streets and pavements					

5. (a) from 4 above, if you are not satisfied with any of the above services from the council, please give reasons why you are not satisfied;

b) Give reasons as to why you are satisfied in 4 above

(c) **In** relation to your response in 5(a) and 5(b) above what advise/recommendations can you give to the council in order to increase customer satisfaction?

SECTION B.

6. In the past one year how many complaints have you made to the city council.

i. What was your complaints

iii. Were your complaints responded to and attended

iv. In (iii) above were you satisfied with the response and services rendered

v. If in (iv) above no response has been made, have you complained again?

7. (a)

In 6(iii) above, how did you find the personnel from the council in responding and attending to your complaints? _____

b) In general how do you find the personnel from the council in providing services? If you were to give marks out of 100%, what marks would you give with regards to

Knowledge of work _____

Responsiveness to customer complaints Willingness to help customer _____

Readiness to provide services _____

Ethics or decorum in handling customers _____

Agility and determination to work _____

SECTION C

8. To what extent do you agree or disagree with the following

	5	4	3	2	1
City council of Nairobi	strongly agree	agree	somewhat agree	disagree	strongly disagree
a) I get value for the money I pay to the council for rates, Licensees and fees	()	()	()	()	()
b) The current council management is doing a good job.	()	()	()	()	()
c) the council has my interest as a customer at heart	()	()	()	()	()

- d) The council provides Services at the right time () () () () ()
- e) the costs of the council services are fair and affordable . () () () () ()
- f) I believe the council is on the right direction on services delivery to customers () () () () ()
- g) I believe the council has adequate resources and staff to make Nairobi () () () () ()

9. Finally what recommendations would you give to the city council towards enhanced services delivery and increased customer satisfaction to its clients and customers?

- i). _____
- ii). _____
- iii). _____
- iv). _____
- v). _____
- vi). _____
- vii). _____



THE KENYA GAZETTE

Published by Authority of the Republic of Kenya

(Registered as a Newspaper at the G.P.O.)

Vol. CV—No. 62

NAIROBI, 13th June, 2003

Price Sh. 40

GAZETTE NOTICE NO. 3975

THE HOTELS AND RESTAURANTS CLASSIFICATION OF HOTELS AND RESTAURANTS REGULATIONS, 1988

CLASSIFICATIONS

IN EXERCISE of the powers conferred by regulations 2 and 7 of the Hotels and Restaurants (Classification of Hotels and Restaurants) Regulations, 1988, the Hotels and Restaurants Authority classifies the hotels and restaurants listed in the schedule in the manner specified.

SCHEDULE

Name of hotel	Address	No. of beds	Location
TOWN HOTELS			
<i>Five Stars:</i>			
Hotel Intercontinental	P.O. Box 30553-00200, Nairobi	770	Nairobi
Grand Regency Hotel	P.O. Box 57549, Nairobi	388	Nairobi
Hilton Hotel	P.O. Box 30624-00100, Nairobi	353	Nairobi
The Norfolk Hotel	P.O. Box 40064	334	Nairobi
Nairobi Serena	P.O. Box 46302, Nairobi	283	Nairobi
The Stanley	P.O. Box 30630, Nairobi	434	Nairobi
Safari Park Hotel	P.O. Box 45038, Nairobi	285	Nairobi
<i>Three Stars:</i>			
The Bouncy Hotel	P.O. Box 75200, Nairobi	100	Nairobi
Fair View Hotel	P.O. Box 40842, Nairobi	163	Nairobi
Marble Arch Hotel	P.O. Box 12224, Nairobi	77	Nairobi
Landmark Hotel	P.O. Box 14237, Nairobi	242	Nairobi
Holiday Inn	P.O. Box 66307, Nairobi	342	Nairobi
Windsor Golf Country Club	P.O. Box 45537, Nairobi	260	Nairobi
Nairobi Safari Club	P.O. Box 43564, Nairobi	380	Nairobi
Utari Hotel	P.O. Box 31032, Nairobi	105	Nairobi
Outspan Hotel	P.O. Box 24, Nyeri	90	Nyeri
Ambassadeur Hotel	P.O. Box 30399, Nairobi	190	Nairobi
Sportsman Arms Hotel	P.O. Box 3, Nanyuki	125	Nanyuki
<i>Two Stars:</i>			
Panafine Hotel	P.O. Box 30436, Nairobi	45	Nairobi
Silver Springs Hotel	P.O. Box 61367, Nairobi	138	Nairobi
Midland Hotel	P.O. Box 908, Nakuru	55	Nakuru
Tea Hotel	P.O. Box 75, Kericho	77	Kericho
Hotel Simba	P.O. Box 3361, Eldoret	219	Eldoret
Hotel Kunst	P.O. Box 1369, Nakuru	146	Nakuru
Hotel Boulevard	P.O. Box 42331, Nairobi	140	Nairobi
Eel Hotel	P.O. Box 36, Elburgon	73	Elburgon
Six Eighty	P.O. Box 43436, Nairobi	630	Nairobi
Sports View Hotel	P.O. Box 74194, Nairobi	104	Nairobi
Kakamega Golf Hotel	P.O. Box 113, Kakamega	124	Kakamega
Lotus Hotel	P.O. Box 90193, Mombasa	64	Mombasa
Hotel Genevieve	P.O. Box 127, Nakuru	46	Nakuru
Lakeside Tourist Lodge	P.O. Box 394, Naivasha	65	Naivasha

Paradise Hotel and Beach Club	P.O. Box 20, Malindi	300	Malindi
Mombasa Beach Hotel	P.O. Box 90-14, Mombasa	302	Kilifi
Sea Resort	P.O. Box 37, Ukunda	340	Kwale
Kisumu Beach	P.O. Box 135, Ukunda	382	Kwale
Reef Grand Hotel	P.O. Box 35, Ukunda	600	Kwale
Beach Resort	P.O. Box 99-57, Mombasa	230	Kwale
Beach Apartments Hotel	P.O. Box 5-562, Mombasa	31	Mombasa
Palms Beach Resort	P.O. Box 101, Ukunda	398	Kwale
Marina Resort	P.O. Box 93, Malindi	54	Malindi
Residence Club	P.O. Box 33, Malindi	28	Malindi
Beach Hotel	P.O. Box 9754, Mombasa	252	Mombasa
Beach Hotel	P.O. Box 45662, Mombasa	200	Mombasa
Lodge Beach and Golf Resort	P.O. Box 8-383, Mombasa	506	Kwale
Paradise Hotel	P.O. Box 596, Ukunda	516	Kwale
Samir Hotel	P.O. Box 31-41, Mombasa	80	Mombasa
Village Club	P.O. Box 5765, Daru	138	Kwale
Island Paradise	P.O. Box 4, Ukunda	55	Kwale
Holiday Resort	P.O. Box 99-577, Mombasa	100	Kilifi
Legion Reef Hotel	P.O. Box 5247, Ukunda	238	Kwale
Beach	P.O. Box 55, Malindi	73	Malindi
Beach Hotel	P.O. Box 51-17, Mombasa	400	Mombasa
Palace Hotel	P.O. Box 121, Daru	44	Lamu
Beach Hotel	P.O. Box 370, Malindi	356	Malindi
Lodge	P.O. Box 371, Ukunda	290	Kwale
Beach Hotel	P.O. Box 31-43, Mombasa	275	Mombasa
Beach Hotel	P.O. Box 31-47, Mombasa	308	Mombasa
Beach Hotel	P.O. Box 37-966, Malindi	300	Kilifi
African Dream Village	P.O. Box 63, Malindi	250	Malindi
Villas	P.O. Box 563, Mombasa	94	Malindi
Beach Hotel	P.O. Box 377, Kilifi	110	Kilifi
Beach Hotel	P.O. Box 31047, Mombasa	380	Mombasa
Beach Hotel	P.O. Box 31-41, Mombasa	134	Mombasa
Beach Hotel	P.O. Box 33125, Mombasa	156	Kilifi
Beach Club	P.O. Box 42777, Mombasa	222	Kilifi
Club	P.O. Box 1003, Kilifi	168	Kilifi

SCHEDULE—(Contd.)

Name of hotel	Address	No. of beds	Location
Hotel Baracuda	P.O. Box 59, Watamu	99	Malindi
Malindi Beach Club	P.O. Box 58, Malindi	52	Malindi
Blue Bay Village	P.O. Box 162, Watamu	213	Malindi
Karibuni Villas	P.O. Box 340, Malindi	300	Malindi
Coconut Village	P.O. Box 68, Malindi	90	Malindi
Stephanie Sea House	P.O. Box 593, Malindi	100	Malindi
Mwembe Resort	P.O. Box 426, Malindi	60	Malindi
Seahorse M. Club	P.O. Box 81443, Mombasa	80	Kilifi
Domina Palm Tree Club	P.O. Box 1463, Malindi	90	Malindi
Papyrus	P.O. Box 74, Lamu	10	Malindi
Bush Buby Resort	P.O. Box 3760, Malindi	87	Malindi
Giaina Beach Hotels	P.O. Box 86693, Mombasa	184	Mombasa
Acquinas Beach Resort	P.O. Box 96, Watamu	120	Malindi
<i>One Star:</i>			
Royal Reserve Safari Club	P.O. Box 34190, Nyeri	168	Kilifi
Watamu Beach Hotel	P.O. Box 1, Watamu	280	Malindi
LODGES			
<i>Five Star:</i>			
Mara Simba Lodge	P.O. Box 84734, Mombasa	168	Narok
Mpala Safari Club	P.O. Box 58402, Nairobi	48	Narok
Mt. Kenya Safari Club	P.O. Box 35, Nanyuki	230	Nanyuki
Mara Serena Lodge	P.O. Box 48690, Nairobi	1-8	Narok
Amboseli Serena Safari Lodge	P.O. Box 48690, Nairobi	182	Kajiado
<i>Four Star:</i>			
Ci Tukai Lodge	P.O. Box 27557, Nairobi	160	Kajiado
Finch Hattons Tented Lodge	P.O. Box 24423, Nairobi	70	Taita/Taveta
Shaba Sarova Lodge	P.O. Box 72493, Nairobi	170	Isiolo
Kichwa Tembo Camp	P.O. Box 74957, Nairobi	80	Narok
Olonana Camp	P.O. Box 59749, Nairobi	32	Narok
Mountain Lodge	P.O. Box 48690, Nairobi	81	Nyeri
The Ark	P.O. Box 449, Nyeri	122	Nyeri
<i>Three Star:</i>			
Sevenin Safaris Camp	P.O. Box 82169, Mombasa	50	Taita/Taveta
Mara Sopa Lodge	P.O. Box 72630, Nairobi	200	Narok
Voi Safari Lodge	P.O. Box 363, Voi	104	Voi
Greater Rift Valley Lodges Golf Resort	P.O. Box 227, Narvasia	62	Narvasia
Sweetwaters Tented Camp	P.O. Box 763, Nanyuki	60	Lakipia
Siana Springs Camp	P.O. Box 74888, Nairobi	80	Narok
Samburu Lodge	P.O. Box 47557, Nairobi	120	Samburu
Baringo Island Camp	P.O. Box 1141, Nakuru	51	Baringo
Tree Tops Lodge	P.O. Box 24, Nyeri	100	Nyeri
Samburu Serena Safari Lodge	P.O. Box 48690, Nairobi	124	Samburu
Voyageur Safari Lodge	P.O. Box 74888, Nairobi	165	Narok
Samburu Intrepid	P.O. Box 74888, Nairobi	54	Samburu
Mara Safari Club	P.O. Box 58881, Nairobi	100	Narok
Lake Baringo Country Club	P.O. Box 33, Kampi ya Samaki	96	Baringo
Sarawa Lion Hill Lodge	P.O. Box 7094, Nakuru	134	Nakuru
Salthick Safari Lodge	P.O. Box 30624, Nairobi	192	Taita/Taveta
Taita Hills Safari Lodge	P.O. Box 30624, Nairobi	120	Taita/Taveta
Lake Narvasia Country Club	P.O. Box 15, Narvasia	102	Narvasia
Kilgumi Serena Lodge	P.O. Box 48690, Nairobi	112	Taita/Taveta
Sarawa Mara Camp	P.O. Box 855, Narok	153	Narok
Keekorok Lodge	P.O. Box 40075, Nairobi	168	Narok
Lake Nakuru Lodge	P.O. Box 361, Nairobi	140	Nakuru
<i>Two Star:</i>			
Little Governors Camp	P.O. Box 48217, Nairobi	24	Narok
Voyage Safari Camp Zivani	P.O. Box 74888, Nairobi	30	Narok
Rondo Retreat Centre	P.O. Box 2133, Kakamega	35	Kakamega
Lake Elementaita Lodge	P.O. Box 66, Gilgil	70	Gilgil
Amboseli Lodge	P.O. Box 30130, Nairobi	224	Kajiado
Turtles Camp	P.O. Box 39806, Nairobi	34	Kajiado
Tavellers Mwatitaniye El. Camp	P.O. Box 87649, Mombasa	40	Kwale
Aberdare Country Club	P.O. Box 449, Nyeri	82	Nyandarua
Safari Gordon Blue	P.O. Box 312, Narvasia	16	Narvasia
Voi Wildlife Lodge	P.O. Box 603, Voi	48	Voi
Mara Moru River Lodge	P.O. Box 18, Naru Moru	133	Lakipia
Bimba Rain Forest	P.O. Box 83, Kwale	62	Kwale
Westmans Safari Camp	P.O. Box 5, Voi	40	Voi
Kenia Safari Lodge	P.O. Box 22, Mito Andei	104	Taita/Taveta

SCHEDULE (Contd.)

Name of hotel	Address	No. of beds	Location
Mara Hico Tented Camp	P.O. Box 69513, Nairobi	64	Nairobi
Mara Intrepid's Club	P.O. Box 74888, Nairobi	60	Nairobi
Governors Camp	P.O. Box 48217, Nairobi	66	Nairobi
Fly Tree Camp	P.O. Box 40663, Nairobi	130	Nairobi
RESTAURANTS			
<i>Five Star:</i>			
Tamarin Restaurant	P.O. Box 38735, Mombasa		Mombasa
Nairobi Tamarin Restaurant	P.O. Box 74493, Nairobi		Nairobi
The Curmudge Restaurant	P.O. Box 36685, Nairobi		Nairobi
T. Africa Restaurant	P.O. Box 4059, Nairobi		Nairobi
Pavement Restaurant	P.O. Box 72228, Nairobi		Nairobi
The Lord Errol Restaurant	P.O. Box 999, Village Market		Nairobi
Shennal Restaurant	P.O. Box 81676, Mombasa		Mombasa
<i>Four Star:</i>			
Rudy's Restaurant	P.O. Box 26023, Nairobi		Nairobi
Tamambo Restaurant	P.O. Box 1131, Surt Centre, Nairobi		Nairobi
Minar Restaurant (Argwings Kothek Road)	P.O. Box 41869, Nairobi		Nairobi
Simon Restaurant (NAS)	P.O. Box 19098, Nairobi		Nairobi
China Jiangsu Restaurant	P.O. Box 66912, Nairobi		Nairobi
China Place Restaurant	P.O. Box 10371, Nairobi		Nairobi
Kengies-Koinange Street	P.O. Box 25289, Nairobi		Nairobi
Nairobi Maasai Village	P.O. Box 74760, Nairobi		Nairobi
Burners Oasis Restaurant (Jamhuri Showground)	P.O. Box 57144, Nairobi		Nairobi
Nairobi Nihonjin Club	P.O. Box 47718, Nairobi		Nairobi
Swiream Restaurant	P.O. Box 63339, Nairobi		Nairobi
Tin Tin Restaurant	P.O. Box 38077, Nairobi		Nairobi
New Moon Restaurant	P.O. Box 22633, Nairobi		Nairobi
Alan Bobbie's Bistro	P.O. Box 44991, Nairobi		Nairobi
Heandi Restaurant	P.O. Box 13353, Nairobi		Nairobi
<i>Three Star:</i>			
Green Corner Restaurant	P.O. Box 61479, Nairobi		Nairobi
The Pioneer House	P.O. Box 42023, Nairobi		Nairobi
The Mara Restaurant	P.O. Box 48608, Nairobi		Nairobi
Hongkong Restaurant	P.O. Box 48255, Nairobi		Nairobi
Chama Zone	P.O. Box 49842, Nairobi		Nairobi
Brusha Restaurant	P.O. Box 38965, Nairobi		Nairobi
Moonsoon Ventures	P.O. Box 1108, Surt Centre		Nairobi
Singh Restaurant	P.O. Box 33860, Nairobi		Mombasa
The Home Man	P.O. Box 24360, Nairobi		Nairobi
Racecourse Restaurant	P.O. Box 40373-00100, Nairobi		Nairobi
Langies Restaurant (Nairobi West)	P.O. Box 25282, Nairobi		Nairobi
Churascos	P.O. Box 54474, Nairobi		Nairobi
Boko Boko Restaurant	P.O. Box 3144, Djani		Kwale
Meos Restaurant	P.O. Box 14427, Westlands		Nairobi
Target Bar & Restaurant	P.O. Box 58836, Nairobi		Nairobi
Langies (Lavington)	P.O. Box 25289, Nairobi		Nairobi
Boyers Bar & Restaurant	P.O. Box 21915, Nairobi		Nairobi
de Bull Restaurant	P.O. Box 21915, Nairobi		Nairobi
Avrose Restaurant	P.O. Box 30449, Nairobi		Nairobi
Golden Square Restaurant	P.O. Box 73489, Nairobi		Nairobi
Interment Cafetera	P.O. Box 73487, Nairobi		Nairobi
Barbours C. Restaurant	P.O. Box 53, Ukunda		Kwale
Hongkong Chinese-Bambou	P.O. Box 42381, Mombasa		Mombasa
Ma Plate Restaurant	P.O. Box 10271, Nairobi		Nairobi
Ma Chinese Restaurant	P.O. Box 689, Village Market		Nairobi
Asato Japanese Restaurant	P.O. Box 38965, Nairobi		Nairobi
The Park Cafetera	P.O. Box 26035, Nairobi		Nairobi
Ma Restaurant-Aquarium	P.O. Box 10296, Bambou		Mombasa
Ma Restaurant (Nyalji)	P.O. Box 33167, Mombasa		Mombasa
Ma Restaurant	P.O. Box 96, Wajirau		Mombasa
Ma Steak House	P.O. Box 90574, Mombasa		Mombasa
Ma Restaurant (Latta Street)	P.O. Box 41869, Nairobi		Nairobi
Ma Oasis Restaurant (Harambee Avenue)	P.O. Box 57144, Nairobi		Nairobi

Printed on 5th May, 2003.

N. G. MAKORI,
Secretary,
Hotels and Restaurant Authority.

GAZETTE NOTICE NO. 5693

THE HOTELS AND RESTAURANTS (CLASSIFICATION OF HOTELS AND RESTAURANTS) REGULATIONS, 1988

CLASSIFICATIONS

IN EXERCISE of the powers conferred by regulations 2 and 7 of the Hotels and Restaurants (Classification of Hotels and Restaurants) Regulations, 1988, the Hotels and Restaurants Authority classifies the hotels and restaurants listed in the schedule in the manner specified in the schedule:

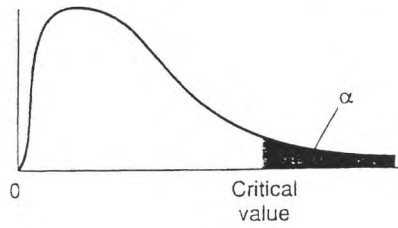
SCHEDULE

Name of hotel	Address	No. of beds	Location
TOWN HOTELS			
<i>Five Star:</i>			
Windsor Golf and Country Club	P.O. Box 45389-00100, Nairobi	11	
<i>Four Star:</i>			
...	P.O. Box 40842-00100, Nairobi	167	Nairobi
<i>Three Star:</i>			
Six Eighty Hotel	P.O. Box 43436-00100, Nairobi	544	Nairobi
Silver Springs Hotel	P.O. Box 61162, Nairobi	184	Nairobi
Hotel Sirkwa	P.O. Box 1361, Eldoret	210	Eldoret
Mencia Hotel	P.O. Box 560, Nakuru	144	Nakuru
<i>Two Star:</i>			
Kwality Hotel	P.O. Box 44275-00100, Nairobi	31	Nairobi
Greenhills Hotel	P.O. Box 313, Nyeri	210	Nyeri
<i>One Star</i>			
Wagon Hotel	P.O. Box 2402, Eldoret	72	Eldoret
VACATIONAL HOTELS			
<i>Five Star:</i>			
Sun "N" Sand Beach Resort	P.O. Box 1, Ukambaia	500	Siaya
<i>Four Star:</i>			
Travelers Beach Hotel	P.O. Box 17649, Mombasa	575	Mombasa
Leisure Lodge Limited	P.O. Box 64333, Mombasa	306	Kwale
Lionsard Beach Hotel	P.O. Box 34, Ukunda	318	Kwale
T.L. Kasanga Beach	P.O. Box 138, Ukunda	382	Kwale
<i>Three Star:</i>			
Jarai Beach Hotel	P.O. Box 90690, Mombasa	440	Kwale
Alliance Jidini Beach Hotel	P.O. Box 34516-3460, Mombasa	320	Kwale
Alliance Amiana Sea Lounge	P.O. Box 34516, Mombasa	322	Kwale
Moyasar Beach Resort	P.O. Box 34117, Mombasa	462	Mombasa
Pauline Lagoon Reef Limited	P.O. Box 5292, Diani	254	Kwale
Tonic Bay Beach Club	P.O. Box 457, Malindi	350	Malindi
<i>Two Star:</i>			
Le Soleil Beach Club	P.O. Box 3473, Mombasa	222	Kilifi
Neriva Bay Beach Hotel	P.O. Box 767, Mombasa	250	Mombasa
Chale Paradise Island	P.O. Box 4, Ukunda	110	Kwale
LODGES			
<i>Five Star:</i>			
Samburu Serena Safari Lodge	P.O. Box 48690, Nairobi	124	Samburu
<i>Four Star:</i>			
Lake Naivasha Simba Lodge	P.O. Box 66601, Nairobi	140	Nakuru
<i>Three Star:</i>			
Mara Safari Club	P.O. Box 58531, Nairobi	90	Narok
Aberdare Country Club	P.O. Box 449, Nyeri	92	Nyeri
Lake Naivasha Sopa Resort	P.O. Box 72630, Nairobi	150	Nakuru
<i>Two Star:</i>			
Lake Elementaita Lodge	P.O. Box 66, Gilgil	70	Nakuru
RESTAURANTS			
<i>Four Star:</i>			
The Horseman Restaurant	P.O. Box 24760-00500, Nairobi		Nairobi

Dated the 30th June, 2004

I. S. KIRINYA,
Secretary,
Hotels and Restaurants Authority.

TABLE F-3 Critical Values of the Chi-Square Distribution



df	Probability under H_0 that $\chi^2 \geq$ Chi Square				
	.10	.05	.02	.01	.001
1	2.71	3.84	5.41	6.64	10.83
2	4.60	5.99	7.82	9.21	13.82
3	6.25	7.82	9.84	11.34	16.27
4	7.78	9.49	11.67	13.28	18.46
5	9.24	11.07	13.39	15.09	20.52
6	10.64	12.59	15.03	16.81	22.46
7	12.02	14.07	16.62	18.48	24.32
8	13.36	15.51	18.17	20.09	26.12
9	14.68	16.92	19.68	21.67	27.88
10	15.99	18.31	21.16	23.21	29.59
11	17.28	19.68	22.62	24.72	31.26
12	18.55	21.03	24.05	26.22	32.91
13	19.81	22.36	25.47	27.69	34.53
14	21.06	23.68	26.87	29.14	36.12
15	22.31	25.00	28.26	30.58	37.70
16	23.54	26.30	29.63	32.00	39.29
17	24.77	27.59	31.00	33.41	40.75
18	25.99	28.87	32.35	34.80	42.31
19	27.20	30.14	33.69	36.19	43.82
20	28.41	31.41	35.02	37.57	45.32
21	29.62	32.67	36.34	38.93	46.80
22	30.81	33.92	37.66	40.29	48.27
23	32.01	35.17	38.97	41.64	49.73
24	33.20	36.42	40.27	42.98	51.18
25	34.38	37.65	41.57	44.31	52.62
26	35.56	38.88	42.86	45.64	54.05
27	36.74	40.11	44.14	46.96	55.48
28	37.92	41.34	45.42	48.28	56.89
29	39.09	42.56	46.69	49.59	58.30
30	40.26	43.77	47.96	50.89	59.70

Source: Abridged from Table IV of Fisher and Yates, *Statistics for Biological, Agricultural, and Medical Research*, published by Oliver and Boyd Ltd., Edinburgh, 1963. By permission of the publishers.