

**QUALITY STANDARDS AND COMPETITIVENESS OF STAR RATED HOTELS IN
NAIROBI CITY COUNTY, KENYA**

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DECLARATION

This research project is my unique effort and has never been submitted for a degree or other award in any other institution. No portion of this research may be replicated without authority of the author and/or Kenyatta University

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DEDICATION

This research project is a dedication to my Parents, Mr. Patrick Wambua and Mrs. Veronica Musembi. My siblings Eunice, Lucas, Joseph, Naomi and my cherished son Kyle Musembi for their continued support and love to make the research project successful.

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ABBREVIATIONS AND ACRONYMS

BKB	-	Brand Kenya Board
CBBE	-	Consumer Based Brand Equity
EAC	-	East African Community
FEE	-	Foundation for Environmental Education
GDP	-	Gross Domestic Product
HACCP	-	Hazard Analysis Critical Control Points
ISO	-	International Standards Organization
KTB	-	Kenya Tourism Board
MoTW	-	Ministry of Tourism and Wildlife
NTB	-	National Tourism Blueprint
QMP	-	Quality Management Practices
RBV	-	Research Based View
SPSS	-	Statistical Package for Social Science
TQM	-	Total Quality Management
TRA	-	Tourism Regulatory Authority
TRI	-	Tourism Research Institute
TTCI	-	Travel and Tourism Competitive Index
UK	-	United Kingdom
UN	-	United Nations
UNWTO	-	United Nation World Tourism Organization
WTO	-	World Tourism Organization
WTTC	-	World Travel and Tourism Council

OPERATIONAL DEFINITION OF TERMS

- Branding:** Marketing practice whereby companies create a design, symbol or name that is easily recognizable as being part of the company. This aids to create awareness, visibility and product differentiation.
- Classification:** A system offering a valuation of quality standards and delivery of services and products of tourist accommodation for marketing purposes based on set criteria, usually in five sets, often designated by one to five signs.
- Competitiveness:** Demonstrated ability to design, produce and commercialize an offer that fully, uniquely and continuously fulfils the needs of targeted market segments, while connecting with and drawing resources from the business environment, and achieving a sustainable return on the resources employed.
- Eco-labels:** A seal or label awarded to a facility to help the market to recognize services or products as less damaging to the environment than same services or products with similar function.
- Quality Management:** This can be defined as all set of actions of the general management function which formulate the quality policy, its responsibilities and objectives and actualize them within the quality system through processes including planning, controlling, assuring and quality improvement.
- Quality Standards:** These are details of various guidelines, specifications, characteristics and requirements which need to be met so as to achieve the goal of the service, product or process.
- Standard:** Implies legalized custom, rule, norm, certain quality, shape, size, weight, measure, etc., which are used in determining the basic features of a certain service or product.
- Franchise:** A license type which gives a franchisee access to a franchisor's proprietary business knowledge processes and trademark, thus authorizing the franchisee to trade the franchisor's business name.

ABSTRACT

Globally, the concept of competitiveness in business is very rife. In the hospitality sector, the concept of competitiveness has been applied differently in the varied operational segments and types and in most cases expanded to include the sustainability discourse. Certain business strategies for instance pricing, brand image, quality and sustainable tourism are at the core of day to day operations. Although, there has been a plethora of published research, related to quality in the last decade worldwide, very few studies have been conducted on the area of quality as an element of competitiveness in Kenya and especially in the hospitality industry. This study zeroed in on one key segment of tourism's hospitality sector; the hotel or tourist accommodation segment, to discuss further the aspect of competitiveness vis-a-vis the quality standards that are applied. The study therefore sought to determine the effect of quality standards and competitiveness of hospitality establishments in Nairobi City County, Kenya by specifically assessing the effect of independent variables; classification system, branding and ecolabels on the dependent variable; competitiveness. These study objectives were anchored on three theories; the Resource Based Theory, the brand equity theory and the dynamic capabilities theory respectively. The study used descriptive research design that included a cross-sectional survey with the study population being the star rated hotels currently operating in Nairobi City County, Kenya. The study focused on 54 hotels as per the data from Tourism Regulatory Authority (TRA). Out of these, 2 Hotels were used for pilot testing and the remaining 52 Hotels were examined. A pre-test was performed to establish the instrument's validity and reliability. Data was gathered using self-administered questionnaires. Reliability was checked using Cronbach's alpha coefficient and outcomes were; classification 0.937, branding 0.933 and eco labels 0.855. Analysis of data was by quantitative approach using SPSS version 25. Descriptive statistics (by use of measures of dispersion, means and percentages) and inferential analysis were utilized in the data analysis. Analysis with the aid of multiple regression displayed the Variables' relationship strength. Frequency tables displayed the findings which were explained thereafter. One-way ANOVA analysis demonstrated independent variables statistically significantly predicted the dependent variable. Classification and branding were statistically significant in hotel competitiveness from the multiple regression analysis compared with eco labels. Eco labels lower influence could be attributed to lack of eco labels by most the hotels in the survey. The study revealed that classification provide avenue for benchmarking with competitors, help in marketing hotel locally and abroad and improve the quality of service delivery. Also it was revealed that branding influence hotel image, hotel recognition and also customer loyalty in terms of increased attachment. It was established eco labels improve hotel image, attract customers, improve market share and operational fitness. The study recommended for suppliers in the tourism and hospitality sector to familiarize and implement existing quality standards in a bid to become more competitive.

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Global economic crisis, global pandemics and global terrorism remain the key threats to tourism the world over. However, despite these shocks, the industry continues to show resilience and still represents one of the most rapidly expanding and leading segments of the economy. Evidently, the significance of tourism for most countries cannot be overstated. Its contribution to the economy is clearly evidenced in terms of job creation, increase in foreign exchange earnings as well as a country's GDP as a whole and its positive trickle-down effect.

In fact, according to the UNWTO, a UN agency in charge of the advancement of sustainable and generally accessible tourism; the global tourist arrivals grew to 1.4 billion in 2018, which was a 6% growth from the previous year with a recorded 7% increase in Africa. This growth confirms that tourism is now among the most important economic growth and development drivers. Furthermore, according to the UNWTO 2017 report, tourism has been positioned as a key factor in both national and international policies and emphasis laid on the necessity for holistic and crosscutting tourism policies to support the sector, one of which is the issue of quality standards.

Indeed, one of the thematic areas that were proposed in the 2017 international year for sustainable development is sustainable economic growth. This meant that the right environment for economic growth should be supported by investment in quality infrastructure and facilities in line with market trends hence contributing to the general attractiveness of a destination and gaining a competitive advantage. Without a doubt, in a service industry like hospitality, customer expectation for quality is constantly changing as they seek value for money. The hospitality facilities use this opportunity to charge premium prices hence increasing revenue. Hospitality industry players especially in hotels constantly pursue quality standard measures as a way to differentiate themselves from their competitors for the purpose of staying competitive in this very dynamic market space. Craig *et al.*, (2007) further explain that quality service delivery is pivotal to drive guest satisfaction in the hospitality industry. This is mainly because production and consumption of the service in the hospitality sector occur simultaneously hence it is imperative that strategies that acknowledge the significance of the consumer are integrated into the business processes in order to stay competitive.

Regionally where Kenya as a country competes with similar developing countries, there is a common understanding that tourism remains one of the strategic industries that can lead to both national and regional economic development because of its ability to successfully create jobs and income. On the other hand, with tourism becoming increasingly a globalised segment in which competition amongst the different destinations is building at a high rate and where visitors have a wider choice and can obtain greater value for money; tourism enterprises the major one being hotels, have to contend with this difficult market condition. Fortunately, even with this reality, Kenya's tourism industry remains resilient in the midst of previous challenges. This could be attributed to the recent implementation of the tourism recovery strategy as well as other initiatives geared towards improving the general perception about the country and overall security. This however, only offers a short-term relief. There is need for a long-term relief, which this study seeks to address.

Indeed, according to the National Tourism Blueprint (2017), two of the weaknesses identified for the Kenyan Tourism brand are a limited number of good quality hotel establishments for the middle and budget travellers around the country and that most of the beach and lodge accommodation facilities are poorly maintained and need better maintenance and upgrading. This speaks to the urgent need for a quality standards discourse. Moreover, the increased focus by hospitality facilities to meet and exceed customer needs has accorded quality a new role and perspective (Hill & Jones, 2008). Undoubtedly, quality has become a competitive and strategic tool that can be leveraged by an organization to withstand competitive pressure, attract new customers and enhance its market position (Al-Hakim & Chen, 2014).

1.1.1. The Concept of Competitiveness

Mohammadi *et al.*, (2010) define competitiveness as the capacity of an organization to retain a competitive edge by meeting the customers' expectations as well as the expectations of their shareholders while continuously reducing threats and maximizing on the opportunities that present themselves in a competitive environment. Hence, continuous improvement of a business entity is the only sure way of remaining competitive. That coupled with other factors that are tourism specific and/or have an impact on the tourism service providers (Enright & Newton, 2004).

Several researchers have studied the different approaches to competitiveness and found that there is no one generally accepted affirmation about its content. Some scholars look at competitiveness in light of quality of resources used in putting together a product/service, others look at efficiency and sustainability as key in staying competitive as others consider performance in relation to the competitors (Buckley, 1990; Kovacic, 2004). Evidently, competitiveness signifies the outcome of a continuous practice of a business entity in line with its customers' needs and expectations, in order to achieve profitability and uphold a crucial position in the market ultimately.

Some of these tourism specific factors that impact on the concept of competitiveness are clearly outlined in the TTCI Report of 2019. The report lists four key pillars of measuring competitiveness; an enabling business environment, proper infrastructure, policy in tourism and travel, and natural and cultural resources. Other factors that are considered when measuring competitiveness are seen to have an impact on tourism service providers. Indeed, in tourism studies, the notion of competitiveness has been used in diverse settings by the diverse tourism service providers such as restaurants, tour operators, tour guides, tourist accommodation providers, air operators, recreational spots and other related services. These factors include quality, pricing, image and sustainability and are shared across the board by these multi-faceted components of the tourism sector (Mohammadi *et al.*,2010).

Different scholars have presented different sets of pillars to consider when measuring competitiveness. For instance, a 2009 study by Bălan *et al.*, assessed the competitiveness of the top 25 tourist destinations globally in the tourism and travel industry based on the approach and the detailed results as provided in the TTC Report. The researchers looked at parameters such as tourists' arrival statistics as provided by the World Tourism Organization (WTO) in coming up with indicators for competitiveness. The study concluded that there are very strong associations between a business competitiveness and the environment in which it operates specifically on issues touching on the health, safety and security, general infrastructure and the policy framework of the country.

Another study carried out in the Southern Italian regions by Cracolici *et al.*, (2008), looked at a set of six features in ascertaining the competitiveness of these regions as a preferred destination. The six features included; number and quality of accommodation facilities and

restaurants, natural as well as cultural resources, all tourism activities in the destination, safety and security concerns of the tourist, behaviour and hospitality of the locals in the region and transport network systems. This study concluded that efficiency in the use of resources, both human and material was a key determinant in competitiveness. Some competitive variables according to Olmos (2012) indicated that hotel variables which matter to the hotels so as to design a measurement system for competitiveness are: information systems, management practices, training, sales strategies, marketing and infrastructure.

From the aforementioned, it is evident that several studies have been carried out on competitiveness and linking the same to other parameters such as quality of accommodation, transportation system, safety and security as well as environmental sustainability. However, most of the studies tend to look at the destination as a whole and not a specific sub sector of the destination. Indeed, according to Xia *et al.*, (2019), previous studies concentrated mainly on aspects that impact hotel competitiveness, but only few studies have clearly evaluated and compared the competitiveness of specific hotels in a destination. This study thus sought to focus on the element of quality standards and how it affects the competitiveness of classified Hotels in Nairobi County. Competitiveness for this study was measured by market share, profitability, innovation and hotel occupancy.

1.1.2. Quality Standards in Hotels

Quality Management as defined by the ISO refers to all management roles that define the responsibilities, quality policies and objectives which are executed by insurance, quality improvement, control and planning in the quality system'' (ISO, 2015). Indeed, quality has become a major factor in the success and survival of any tourism enterprise as it determines how competitive a destination is going to be (Manhas *et al.*, 2013). According to Evans and Lindsay (2010), quality denotes the capability of a product to fulfil or surpass a client's expectations. For that reason, tourism enterprises and activities must clearly comprehend all the aspects of services that are considered valuable by the travelling public and that will lead to their contentment and loyalty. This study sought to address quality standards as an antidote for competitiveness by looking at three very important variables namely; classification, branding and eco labels. This is because these are common parameters used by accommodation facilities in competing for clients.

Branding as a quality mark for competitiveness, has developed into a vital component of hotel marketing strategies (O'Neill and Mattila, 2010) due to the mutual belief that brand offers additional value to hotels and guests and encourages brand loyalty. It is argued that brand-named hotel establishments normally outclass non-branded ones perhaps because of clients' preference to patronize the brand names they are accustomed to (Vu *et al.*, 2018).

Ecolabelling as a mark of quality is mainly sought after by most accommodation facilities because of their sustainability aspect. Some may argue that they are not only quality marks for sustainable tourism but are also used as a marketing tool to increase competitiveness (Buckley, 2001; Font, 2002). Ecolabels were started around the 1990s and the growing diversity and numbers of these ecolabels creates difficulty in developing a sole definition encompassing them all. However, the United Nations Environmental Program (UNEP) defines an ecolabel as a label or seal that helps the market to recognize services or products as less damaging to the environment than related services or products with similar function. (UNEP, 1998:47). In the broad sense of the term, an ecolabel is basically that which refers primarily to the environment. Rodríguez *et al.*, (2017) in their study on the implementation of ecolabels in hospitality facilities in Barcelona, assert that environmental issues have become a key concern in today's business environment making it a main aspect in competitiveness.

Hotel Classification on the other hand assists in improving and continuously maintaining the service quality of a hospitality facility thereby enabling it to remain competitive (Müller *et al.*, 2012). Moreover, the hotel classification system is a useful instrument for the organisation and growth of hotel standards, and also contributes to the general outlook of a destination and its marketing. UNWTO (2015) report on Hotel Classification Systems emphasizes that these tools are mainly used in the hotel industry as a way of gauging quality standards in the individual facilities. Furthermore, countries can utilize this tool as a means of marketing the quality facilities available in the destinations to attract more tourists.

Closer home, the East African Community (EAC) Hotel Classification system is done in fulfilment of the EAC's aspiration to harmonize the standards of hotels, restaurants and other tourist accommodation facilities in East Africa to enhance competitiveness and market the region as a single destination. The exercise entails a critical assessment of the operation processes for quality service delivery and accords the management with insights to institute

new measures to develop and implement Quality Management Systems (QMS) aimed at ensuring consistency in quality product and service offered to guests (EAC, 2010).

In trying to achieve quality as a practice therefore, most destinations strive to develop their own quality assurance models that can compete in the regional or international stage. A study carried out by Liao & Hsieh (2011) for instance sought to investigate how a destination's image, client satisfaction and perceived service quality determine loyalty. They concluded that brand image, service quality and customer satisfaction with leisure activities are all interrelated. Kumar *et al.*, (2009) also carried out a study on quality and found that quality management is a determining factor of minimal work defects. Hence, with minimal defects tourism related enterprises end up using less resources, shorter work process time which in turn saves on the overall operational costs.

According to a study carried out by the tourism department, Lolian University, Greece (2019), the need for quality standards in the hospitality industry appears to be vital for prospective profitability. The study categorized hospitality standards which can be applied in the hotels as; environmental standards which allow hotels minimize potential risks to the environment such as pollution, to constantly regulate their substantial impacts on the environment and more importantly advocate for adherence to legislation that touches on the environment. Others include Healthy and Safety Quality Standards which include HACCP, ISO 1900:2000 among others. Hotels standards for star rating usually recognizes and rewards hotel accommodation facilities for the quality and variety of their services and facilities. (AA, 2018)

At present, the tourism sector is depicted by continuing specialization to address the increasingly refined demands of the different market segments. Quality classification certifications and schemes have at present become an essential part of the hotel operations. This means that the consumer and the industry players are confronted with growing numbers of quality tools such as branding, ecolabels and hotel classification systems. Besides strategy and the marketing traits, these tools are commonly used to increase sustainability. These initiatives are commonly implemented at the international, regional and national levels and are usually run by both private sector and government bodies (Müller *et al.*, 2012).

The tourism industry at large is guided by the standards set by UNWTO and in the Kenyan context tourism industry quality standards have been developed by Tourism Regulatory Authority (TRA) in collaboration with other stakeholders to ensure improved quality of service offering in all sectors. The Authority is charged with quality assurance for all tourism segments aimed at ensuring consistent delivery of services and products that are consistent with the set standards. Furthermore, TRA also trains quality assurance champions for the service providers in order to ensure that all their various activities are directed towards continuous improvement in line with the acceptable regional and global standards. With regards to Hospitality establishments, the Authority developed two sets of standards. The first set of standards addresses the guest needs and expectations and the second set is on grading or star rating standards that are graduated from one to five star.

Tourism in a destination like Kenya is integrated as a system in itself. It involves varied attraction features each of which provide a different experience and have varying degrees of sensitivity to tourists use. There are also varied needs for services to tourists in different parts of the destination. This therefore calls for the development of quality standards that serve as basic guidelines that can furnish the travelling public with relevant information on the attractiveness and sustainability of destinations. Furthermore, the developed standards would offer both public and private sectors a reference point in ensuring that quality service delivery is adhered to.

1.1.3. Star Rated Hotels in Nairobi City County

The Kenyan hospitality industry progressed rapidly at the Kenyan Coastal region due to the presence of railway line construction workers and the Arab traders. According to Kamau & Waudu (2012), their being there prompted the establishment of the first catering facility in Mombasa by the name Grand Hotel set at current Manor Hotel spot. As a result of British colonization, access to Uganda was crucial and thus a railway was constructed prompting the establishment of more catering units along the railway line. This saw some hotels for instance the Norfolk grow to international five star ratings as by 1960. The need to expand the sector further saw the establishment of Kenya Utalli College at 1975 to offer training services although the facility had an inadequate capability to supply the increasing demand (Mayaka

2005) and there was explosion of public and private colleges and universities that offered varied curriculum (Waudu, 2012).

The hospitality sector is a service giving sector, which grew upon the expansion of the transportation sector that prompted the establishment of the first catering facility and others thereof (Kamau & Waudu, 2012). This include; Foodservice (Restaurants, Caterings), Lodging (Motels, Hotels) Conventions (Trade Shows, Meetings), Leisure (Vacations, Parks, Sightseeing, and Hiking), attractions (fairs, shows and gatherings) and Travel (pleasure, business) (Ottenbacher, Parsa & Harrington, 2009).

Currently, there are 485 Tourism Regulatory Authority (TRA) licensed hotels that meet international standards in Kenya. Kenyan hotels present a wide variety of accommodation packages to meet every preference. Ambiance, class, quality service and style are the key distinguishing features of hotels and game lodges in Kenya according to Kenya Space (2008). The rating of hotels in Kenya is usually as per the system of star classifications. It varies from five-star town to small town hotels or beach hotels. The classification criteria are compound and entail the bedroom fittings, sizes, the quality of food, the extent of services, the hotel's location and available recreational facilities. Initially, the mandate of classification was charged with the Hotels & Restaurants Authority (HRA) under the Ministry of Tourism which was later transferred to the Tourism Regulatory Authority (TRA). These ratings bring about classifications from 1-star rating to 5-star rating accepted with constant control of the service quality provided. Hotels can be rated as per the type of operations and their location such as vacation hotels, motels, town hotels, lodges, cottages, villas and serviced apartments and tented camps. (Ng'ang'a, 2013).

According KNBS Economic Survey Report of 2019, the tourism and hospitality industry recorded an impressive performance in the year 2018 compared to the previous year 2017. There was an increase in the total of international tourist influxes by 14.0 per cent to 2,027.7 in 2018 from 1,778.4 thousand in 2017. This was accredited to enhanced security measures, limited travel advisories, a cool political climate, that led to investor assurance in the country. Hotel bed-nights went up by 20.1 per cent to 8,617.9 thousand in 2018 from 7,174.2 thousand in 2017. The total of international conferences that were hosted in the country went up by 6.8 percent to 204 in 2018 compared to 191 in 2017. This could be attributed to the visits by

high-profile foreign dignitaries as well as high profile conferences which were international in nature held in the country. Likewise, there was a recorded an upsurge in the quantity of tourists to game reserves and national parks which rose to 2,868.9 thousand in 2018 by 20.3 per cent. Generally, the tourism sector logged a growth in tourism incomes to KSh 157.4 billion in 2018 from KSh 119.9 billion in 2017. The growth in numbers can also be credited to charter flight incentives, reduced park fees and enhanced visa facilitation (KNBS, 2019).

The growth in tourism numbers is also attributed to the availability of accommodation facilities with an influx of worldwide hotel brands like Lonrho Hotels, Radisson Blu, Park Inn by Radisson, Moven Pick, and Best Western that have established their set-ups within the country precisely in Nairobi City County. The upsurge in these worldwide hotel types is positioning the country to be a hub for MICE tourism and business (Mwaura, 2019). The current international and local players like Hilton and Laico Regency are also finding ways of safeguarding their market share in view of the intensifying competition.

This study focused on star rated facilities from two (2) to five (5) star facilities as per the EAC classification criteria located in the Nairobi City County, Kenya. The facilities included town hotels.

1.2. Statement of the problem

Over the last decade, tourism studies have observed many initiatives discussing the necessity to monitor competitiveness of destinations and different suggestions for describing and ascertaining the competitiveness of the tourism destination. Several interpretations have been presented in past research work on competitiveness such as quality of services. The Tourism Research Institute (TRI) confirms this in the tourism sector performance report for 2018; where an influx of international hotel brands has been evidenced with 68 global hotel brands setting up shop in Kenya. This speaks to improved quality offering and gives Kenya a competitive advantage in the region. Maintaining this position however, is a challenge every time quality is compromised. Hence, the country strives to periodically assess the quality standards of the tourism accommodation through the Tourism Regulatory Authority's Hotel Star rating criteria.

A more recent study published in the Travel and Tourism Competitive Report of 2019 lists some general conditions that makes a destination offer an enabling environment for tourism to thrive. Tourism service infrastructure is listed as a key indicators and this is measured through the number of hotel rooms, their accessibility and overall cost of accommodation Vis-a- Vis their quality.

The environment portrayed above, brings to the fore the significance of quality in the hotel industry management. On the basis of this scenario, the competitiveness of the hotel business must focus on enhancing service quality and the search for differentiation (Claver & Pereira 2006). Although, there has been a plethora of published research, related to quality in the last decade worldwide, very few studies have been conducted on the area of quality as an element of competitiveness in Kenya and especially in the hospitality industry.

The most notable studies in Kenya on are the ones undertaken by, Mitra (2001), Mugambi (2003), Mukewa (2005), Kariuki (2006), Thiong'o (2007), Inyo (2011), Angir (2012), Yator (2012), Kiveu (2013) and Watiki (2014). Mitra's study investigated strategic planning practice in Kenya's hotel and restaurant industry while Mugambi tried to establish the strategic responses of tourist hotels to environmental changes. Mukewa sought to determine the extent to which hotels use differentiation strategies; Kariuki determined the competitive strategies used by five star hotels and Thiong'o highlighted the practices of TQM within the Hotel Industry in Kenya- A 3-5 Star rated facilities case within Nairobi.

Inyo carried out a study tour operator's service quality and operational effectiveness in Kenya. Angir looked at the response strategies by the heritage hotels to increase competition in Kenya's tourism industry. Yator explored the customer satisfaction and the impact of service quality in hospitality sector. The outcome revealed that whereas SME's are run independently, they largely place a comparable level to service quality in order to remain competitive. Kiveu researched on determinants of Kenyan tourism industry performance - an account of Kakamega County. He found out that the determinants of the tourism industry's performance, include the state of roads, condition of the airport, lack of entrepreneurial skills and standard rating of hotels in the Kakamega County were impeding components to the performance of the tourism industry. Watiki studied on customer satisfaction with service

quality amid hotels in Nairobi. It was established that quality of service had a noteworthy influence on client satisfaction.

Internationally, studies have been undertaken on TQM implementation in the hotel industry, and some examples of those undertaken are; a case study of processes at Sheraton Brisbane Hotel and Towers undertaken by Saunders and Mary Anne in 1992, An empirical evaluation of quality practices and the perceptions of Valencian hospitality entities undertaken by Camison *et al.*, in 1996, a research study on quality issues in New Zealand hotels undertaken by Thomson & Thomson in 1995, and finally, The challenges facing quality execution in the Hotel Industry in Irish undertaken by Keating & Harrington in 2003. In the hospitality industry, Ladhari (2009) evaluated the associations' conceptual model among the components of "behavioural intention, emotional satisfaction and service quality" a case of travellers from Canada. Studies by Briggs *et al.*, (2007) examined whether hospitals in Scotland practiced service quality.

It is from this backdrop that this study wished to examine quality standards' importance as an element of competitiveness. We undoubtedly deduced that there was a clear research gap between effect of quality standards and the product offering in order to enhance competitiveness in hotels using a long-term relief formula. Little is known on the causal effect of quality standards on Star rated hotel competitiveness in Nairobi. Consequently, the impetus of this survey was therefore to fill this research gap by exploring the element of quality standards and its effect on competitiveness of Star rated hotels in Nairobi that would keep the travelling public attracted thereby increasing the economic benefits and overall sustainable development of the country.

1.3. Research Objectives

1.3.1. General objective

To determine the effects of quality standards and competitiveness of star rated hotels in Nairobi City County, Kenya.

1.3.2. Specific objectives

- i. To assess the effect of classification on competitiveness of star rated hotels in Nairobi City County, Kenya.
- ii. To evaluate the effect of branding on competitiveness of star rated hotels in Nairobi City County, Kenya.
- iii. To gauge the effect of eco-labels on competitiveness of star rated hotels in Nairobi City County, Kenya.

1.4. Research Questions

- i. What is the effect of classification on competitiveness star rated hotels in Nairobi City County, Kenya?
- ii. What is the effect of branding on competitiveness of star rated hotels in Nairobi City County, Kenya?
- iii. What is the effect of eco-labels on competitiveness of star rated hotels in Nairobi City County, Kenya?

1.5. Significance of the study

The study findings aim to possibly be used by the quality standards setters to improve on the current quality standards to reflect the current and emerging needs of tourists. The study also acts as an eye opener to the suppliers in the hospitality and tourism sector on the existing quality standards and provide them with a basis for improving their existing quality of products. Academicians and scholars would use the study in undertaking further researches in the tourism and hospitality industry. The government and other policy makers may find this study of key importance as they formulate the relevant policies in enhancing the hospitality industry competitiveness and quality standards development. It also aims to be a reference tool in prospective undertakings in the tourism and hospitality sector.

1.6. Scope of the study

This study only put emphasis on hotels on the basis of their size, proportion among the other facilities and their potential to attract almost all types of tourists. In terms of the content scope, the study broadly explored the quality standards and competitiveness of Nairobi City County's star-rated hotels by specifically assessing the effect of independent variables; classification system, branding and ecolabels on the dependent variable; competitiveness. The study's target population was the star rated hotels in Nairobi City County, Kenya which are

54 in total (TRA, 2020) and the study's research design was descriptive survey research design. The geographical scope however was targeting the greater Nairobi given that Nairobi has the majority of hotels in the country. Under time scope, the study considered facilities classified between the year 2015 and 2020 cycle. This is because the national classification calendar is usually based on a five-year period, the last exercise having been done in 2015.

1.7. Limitations of the study

Limitations of a study are anticipated challenges that may influence the scope of the study or study results interpretation. These constraints may affect the value of findings and validity of the study. The study faced Covid 19 related challenges. This was due to minimal operations in the hospitality industry and reduced workforce which researcher overcame by giving hoteliers enough time to respond. This study was restricted to the hotel segment of the entire hospitality industry. Therefore, the study findings may not be applicable to other sectors such as tour operations. Furthermore, the star rated hotels were only those based in Nairobi, the Capital city, since it has a high population of hotels. This was because a good number of star rated hotels including the international hotel brands were located within the City. Research design was qualitative therefore there was a limitation because collected information was from a predetermined population, tourist accommodation facilities that have been star rated by the Tourism Regulatory Authority (TRA).

The findings of the study were narrowed down to give answers to the questions: what is the effect of Classification on competitiveness of star-rated hotels in Nairobi; What is the effect of branding on competitiveness of star rated hotels in Nairobi and what is the effect of eco-labels on competitiveness of star rated hotels in Nairobi City County.

1.8. Organization of the Study Sections

The study gave some background information in chapter one as well as statement of the problem and the objectives as well as a brief explanation of relevant concepts such as competitiveness and quality standards in hotels. The study carried out a literature review in Chapter Two. This entailed a detailed analysis of the empirical and theoretical foundations of the study including the conceptual framework. Chapter three catered for the research

methodology of the study by pointing out the proposed methods of data collection and analysis. Chapter Four entailed data analysis and presentation of information as well as interpretation of research findings obtained from the research. Chapter Five comprised of the summary, conclusions, recommendations and further study areas.

CHAPTER TWO: LITERATURE REVIEW

Introduction

The section reviews the literature on competitiveness and quality standards in hotels as well as spell out the empirical and theoretical foundations of the study by comparing and evaluating the relationship between the two as outlined in the general and specific objectives. The conceptual framework is also outlined.

2.1. Theoretical Review

A theoretical framework is a well-constructed description of actions that aid the researcher to position their study and to point out the foundation of their proposed research (Vithal & Jansen 2010). The following theories were used to discuss the purpose of this research namely the Resource Based View (RBV) Theory, The Dynamic Capability Theory and The Brand Equity Theory.

2.1.1. The Resource-Based View (RBV) Theory

Penrose (1959) work has been broadly recognized as having been instrumental in setting the scholarly foundations of the Resource-Based View (RBV). Penrose (1959) indeed agrees with the modern RBV assumption that businesses are fundamentally profit-driven and thus managerial experience that is the agency problem, is lowered to the status of a special case. More generally, she made an assumption that businesses grew to benefit from the use of slack funds, hence producing some competitiveness over their competitors who did not have such slack. She further explains that the ‘many competitive advantages’ that older and larger businesses may have over smaller and newer firms are not ‘monopolistic’ advantages in a limiting sense but are the ‘outcomes of experience, size, and a successful past’ (p. 218).

The RBV theory as explained by Wernerfelt (1984), proposes that in order to achieve competitiveness, one has to innovatively offer higher value to clients in a way that they deem appropriate. The key assumption of this theory is that the anticipated outcome of a firm’s effort is a sustainable competitive advantage. The theory thus defines an organization as a distinctive collection of resources, but stresses that not all these resources can provide it with sustained competitiveness (Barney, 1991). The core of the RBV model is that when internal resources that are exclusively owned by an organization are used to develop matchless

capabilities, then competitive advantage is said to exist. He further describes these key resources as all business processes, attributes, capabilities, resources, knowledge and information etc. organized through an organization and that helps it to consider and execute strategies that are efficient and effective.

In explaining competitiveness, Porter (2011), opines that it is generated and sustained through highly domesticated processes where differences in the national cultural values, institutional set-up, economic structures, and heritage contribute to a country's competitiveness. He further states that there is a striking difference between countries and no country can be competitive in every sector. Thus, every country stands a chance of competitive advantage through the uniqueness it possesses against its competitors. In this study, this competitiveness will be looked at by comparing different competing accommodation facilities.

Anholt (2007) applies the RBV theory of competitive identity as a way for improved local competitiveness in the global arena. He portrays the universe as a very competitive market due to globalization. He also views the world today where every business seeks attention. He further opines that a market player that has a credible, strong and positive knowledge of what their product or service stands for, is better placed in the creation of a global competitive brand. This in essence, ends up benefitting the investors, exporters and their overall international relations. Indeed, from a strategic management perspective, to achieve competitiveness, establishments must not only possess great resources, but they must also utilize the uniqueness of these resources.

When applied to this study therefore, this theory would be premised on the notion that strategic management and exploitation of a hotel's unique resources and capabilities which are made up of physical infrastructure, financial capability, human capital as well as intangible assets; would be advantageous to the establishment's tourism product offering by giving it a competitive edge over other competing tourism establishments. The theory is anchored to the study objective that seeks to assess the effect of classification on competitiveness of tourist accommodation facilities in Kenya. This is because the classification exercise entails a closer look at all these unique attributes of a particular establishment compared to others.

2.1.2. The Dynamic Capability Theory

According to Teece *et al.*, (1997), the connotation dynamic capabilities denotes the capability to incorporate, shape and reorganize external and internal competencies to address the ever-changing situations. The notion of dynamic capabilities arises from the shortcomings of the RBV Model. The RBV Model is critiqued for not paying proper attention to dynamics surrounding resources instead assume that they merely exist. The dynamic capability theory tries to bridge the gaps through adoption of the process approach, by acting as a cushion between an organization's resources and the dynamic business environment. These dynamic resources sometimes referred to as 'best practices' are significant commonalities that enable the establishment to change to its resource mix thus upholding sustainability for it to remain competitive (Eisenhardt *et al.*, 2000). RBV emphasizes on resource allocation, availability and appropriateness. The dynamic capability theory emphasises resource development and regeneration. In essence, resources may combine various attributes to firms operating in a delicate and dynamic environment such as the hotel industry.

The dynamics capabilities approach advances the strategic management discourse by looking at competitiveness in its dynamism. It is often viewed as the updated version of the RBV Theory but taking into consideration external factors such as market positioning and institutional factors. In essence, dynamic capabilities involve adaptation and revolution as it shapes, integrates or reconfigures other capabilities and resources. The theory's proponents refer to an obvious role for leadership and management that consents complete change to begin from within that is the foundation of heterogeneity from firm to firm (Teece, 2018). They explain that these dynamic capabilities are a portion of a structure that comprises strategy and resources. Collectively, they define the degree of competitiveness an individual establishment can gain over its rivals.

When applied to this study, this theory would be premised on the notion that emphasis should be accorded to new strategic considerations in order to ensure that opportunities, once sensed, can be seized and how the tourism business can be restructured when the market and/or technology inevitably changes such as the ever emerging trends in niche product and service offering as well as the conscious traveller's choices. For instance, a hotelier needs to systematically reinvent his/her product and service offering in terms of accommodation,

cuisine and activities within the facility in pursuit of improved effectiveness to match and even create the market changes.

Moreover, Dynamic Capability Theory advances the notion that the ability of a business to adapt to changes through innovation prepares it for a changing business environment. (Teece, 2014). A good example is to do with sustainability measures for hotel under the ecolabels as a quality mark. The ability permits hotels to recognize threats and opportunities, discover skills and knowledge, and to effectively identify new market opportunities. In addition to increasing the ability to recognize potential socio-economic and technological changes, it also increases the capability to adjust to changes by coming up with innovative measures in the key areas of operation around the hotel. This theory is best anchored on the study's objective that seeks to gauge the effect of eco-labels on competitiveness of tourist accommodation facilities in Kenya. Ecolabels accord a hospitality establishment a new strategic consideration with the ever increasing conscious traveller on matters pertaining to the environment.

2.1.3. Brand Equity Theory

According to Aaker (2009), brand equity refers to a set of resources such as perceived quality, awareness, customer loyalty and brand associations which enhances the product/service value being presented by the firm to its customers. Aaker & Joachimsthaler's (2000) brand equity presents clearly the four scopes of brand awareness, loyalty, association, and perceived quality. Managing a country's brand equity can be of benefit and value adding to the national brand. The dimensions related to brand equity can also be used in national branding because they centre on the key strategic issues in marketing planning (Moilanen & Rainisto, 2008). Making use of them, the dimensions can help a country gain a competitive edge.

Keller (2001) posits that building a strong brand, can be done through a series of steps called Customer Based Brand Equity (CBBE). Every new step commences upon successful completion of the previous step. The steps entail building a brand identity, communicating brand meaning, factoring in consumer judgments and feelings towards the brand and building lasting relationships with the customers.

The most practical example of brand equity theory as applied to this study would be the hotel chain concept in particular the various internationally renowned brands such as the Hilton, Best Western, Radisson, Intercontinental, the Marriott among others. Most travellers who are accustomed to a particular brand acquire a brand identity thereby attaching particular feelings towards the brand and patronize the same hotels across the different destinations in which they are located. The brand loyalty enables the customers to be willing to pay top dollar for the services rendered in these facilities mainly because of the brand name. Kenya as a country has in the recent past attracted most of these international hotel brands and this has made the tourism accommodation segment remain competitive with several world renowned brands setting up shop locally and competing from within. This theory is therefore best anchored on the study's objective that seeks to evaluate the effect of branding on competitiveness of tourist accommodation facilities in Kenya.

2.2. Empirical Review

This section will discuss research work that has been done both locally and internationally on competitiveness of hotels and in particular touching on the areas of hotel classification, branding and ecolabels to signal quality.

2.2.1. Classification and Competitiveness

The significance of quality in the Hospitality and Tourism sector cannot be overstated. The classification system of hotels commonly referred to as the star rating system implies quality. In today's global trade and especially in the hotel industry, quality is an important aspect from which hotel facilities stem competitiveness. Attaining quality is essential to competition in business in driving business ventures to new frontiers. Good quality services and/or products allow businesses to appeal to and keep clientele (Kim - Soon, 2012) Indeed, according to Vilimova (2014), so as to effectively ensure quality standards, the distinction of two vital areas in business must be stressed; the strategy of products and/or services and quality control.

Whereas the classification of hotel establishments (commonly referred to as star-rating) is a universal concept, there is no single hotel rating system acceptable universally. This has stimulated countries to come up with their own rating systems (Tefera & Govender, 2015). Each scheme outlines its own concepts, such as government participation, country of origin,

grading levels, participation (mandatory or voluntary) and grading unit (letters, crowns, stars or diamonds) (Tefera and Govender, 2015). Some of the more universally acknowledged schemes include the UK rating scheme, Forbes Travel Guide, American Automobile Association system, and Mobile Travel Guide (Wu, 2010).

Just like any tourist destination, Kenya prioritizes her efforts to advance the quality standards of the services and products offered by the hospitality establishments' in a bid to secure a competitive edge in the regional as well as the global market. At present, most of the schemes that are in use in the country are guided by three key principles; quality in both product and services, environmental considerations and the impact on the community around which the facility is located.

Being a forerunner in the East African region, Kenya incorporated the classification system since 1972 (GoK, 2003). Hotel star rating has been applied in the country as a way of grouping service types and quality ranking scale of 1 to 5 star levels. Nevertheless, previous star-rating exercises faced a series of bottlenecks and arguments by hoteliers (Kivuva & Ondigi, 2016). Fortunately, as a key participant of East African Community Partner States, Kenya consented and signed up the Treaty establishing East African Community (EAC) as an economic block in 1999. The country has since incorporated the harmonized Regional Classification System and institutionalized it in the national laws as their official classification system. At present, 211 tourism catering and accommodation facilities in Kenya have been star rated under the EAC classification criteria. WTO (2014), the national exercise is carried out every five (5) years. Presently, competitive marketing drives international and local hotels to pursue tools and standardization to warrant service quality, and one of among the hotels' requirements is a dependable rating system certifying and grading the quality of the hotel, which includes its services and facilities as achieving specific international level.

Assessing the quality of services in the hotel industry using classification system also considers factors like the quality of the physical infrastructure, the human capital as well as advancements made in terms of environmental considerations. These are vital tool as they offer important instruments that help hoteliers identify and solve problems in a bid to maintain competitiveness. Krishnamoorthy & Dlima, (2014) opine that gauging the suitable

levels of consumer needs and expectations and paralleling the achieved outcomes with quality perceived is a good way of quality assessment in the global market. Other ways of measuring quality include competitive quality control mechanisms with the support of benchmarking mechanisms as well as the identification of quality improvement activities.

A study by Foris (2015), explained that the quality tag is a model of good actions for application and hotel services quality certification whereas hotel classification is a coded form of a blend of the range of services and the comfort level. Classification scheme may vary from country to country or region to region and may also be voluntary or compulsory whereas the quality mark in many instances is voluntary. Hotels quality brand is founded on awarding a quality mark symbol and classification is commonly founded on the star system (one to five stars).

Assaf & Josiassen's (2011) research revealed that the greatest competitive factors that affect a star-rated hospitality establishment in a destination included tourism price competitiveness, security, economic conditions, safety and health, related infrastructure, environmental sustainability, government policies, training and labour skills. Another study by Croes & Kubickova (2013) on analysing the practical relation between tourism and destination competitiveness listed tourist arrivals, national income, tourism receipts and population as performance indicators of a destination using causal relationships.

Another study by Hensens (2015) sought to offer an understanding of the future of hotel rating. It pointed out factors like the influence of social media platforms, data integration technologies for guest and the hotels, and how rating bodies can react to the varying environment on the selection and review of hotels. It concluded that a complete integration of online guest reviews from the diverse guest review platforms with conventional rating systems with would lead to enhanced positioning chances for hotels which are innovative and greater transparency for the consumer.

Dalibor R. (2018) undertook a study on the importance of quality in the tourism sector that can be associated with the star-rating of hotels that primarily showcases quality establishments. The study cited the identification of international goal markets as the main challenge faced by present day managers of the hospitality industry. The findings show that service experience that substantiates value for their money, communicative and friendly staff,

comfortable accommodation with beautiful views, as well as delicious and varied foods was highly valued by customers. Other results from the research indicated that the major features for effective performance of hotel firms in the future are word of mouth of advertising, guest satisfaction and their loyalty.

A 2011 study by Muchenge titled revealed that hotel grading on its own has less effect on service delivery but it seeks to enhance service standards. The presumption was that enhancement of service delivery begins with hotel assessment and grading in order to note the areas of improvement in a hotel establishment. The study further concludes that there is need to further improve the current grading criteria to meet the regional and international standards since some of the graded hotels were underperforming and not meeting the expectations of the international guests who can objectively compare the country hotels' offerings with those of other countries.

Narangajavana & Hu (2008) carried out a study on how hotel performance changes, Service quality improvement and Hotel rating system related. An exploration of the underlying constructs of the hotel service improvement concluded that some hotel activities which improve on classification included; prestige, surroundings and facilities, hotel employees and service delivery.

In Kenya, Omondi (2019) carried out a study on Hotel classification and standardization system: A quality assurance approach. The study sought to evaluate the hospitality service quality classification and standardization system' integral benefits as well as assess the challenges facing implementation of classification system. The findings revealed that whereas attempts to standardize service quality and harmonize classification systems have been fruitless; for competitiveness and sustainability in quality management, measurement and improvement classification and standardization systems were critical. An integrated, all-encompassing regional classification system incorporating the corporation of both the private and public sector could offer short-term solution as evidenced in EAC scheme and the European Union scheme.

2.2.2. Branding and Competitiveness

As globalization in the world continues, as well as growth in international travel, global hotel brands are becoming more predominant internationally (Cai *et.al.*, 2004). Almost every hotel or hotel chain is identified with a logo or a name, or a combination of the two plus a slogan. The achievement of branding is essentially assessed by level of equity which has been built into the name of the brand. Whereas there isn't a common understanding as to how to determine brand equity, scholars and business owners concur that brand equity emanates from two sources: brand image and brand awareness.

Aaker (2009), explains that the worth of a brand primarily exists in the clients' mind and is grounded mostly on their brand awareness, brand loyalty and quality perceptions. The brand-value creation model suggested by Keller and Lehmann shows that first brands create value for clients by assisting in assuring them of an even quality level. Brand owner may capitalize on the value of the brand through more rapid brand expansion, increased market share, decreased price elasticity and price premiums once customers are loyal to the brand.

A 2015 study by Putu C. *et.al.*, on brand name uniqueness of Star Hotels in Bali concluded that a brand name is recognized as a key feature of a brand, which characterises a product and strives to influence clients into accepting certain positive opinions about both the product and the brand. A similar study carried out for Spanish hotels sought to analyse the relation between hotel performance and corporate brand using the resource-based theory. The study empirically showed that, corporate brand in the hotel industry is an integral resource linked with higher organizational performance (Balmer & Gray, 2003). The study's findings confirmed using the corporate brand had an advanced effect when the corporate brand is more valuable for customers on hotel profits per room (for example for lower quality segment), when it is harder to imitate (for example older corporate brands) and, finally, when it is exploited via proper organizational governance instruments (for example hotels are vertically integrated). Moreover, as more hotels develop their brand as a strategic intangible asset, they can jointly contribute to increase the desirability of the area for clients.

A study on Quality Management Practices and Tourism Destination Branding was carried out by Dogra & Manhas, (2013). It was outlined due to the ever-growing competition among the

various tourism destinations especially those that offer similar products as well as the degree of tourists' expectations with regard to their familiarity with the service quality discourse. It concluded that Quality Management Practices (QMP) should be aggressively practiced. It also concluded that the constant approach to undertake QMP lead to contented guests, which as a result could be applied by the service providers in tourism to enhance the tourism destination's branding strategically.

Al-Rousan *et al.*, (2010) did a research on the Marriott Hotel chain in Jordan, using 322 surveys from three hotels under the chain. The results of the study confirmed that service quality is a key competitive policy to build a sustainable guest base and retain customer support with hotels trying to sway customer loyalty by offering superior quality services. Furthermore, the results showed that service quality elements such as reliability, responsiveness, empathy, assurance and tangibility greatly affect customer loyalty.

A study done by Chabari, (2013), on the Determinants of inbound tourism in Kenya, specifically it investigated elements that impact on the international tourist numbers into Kenya from the major source markets. One of the outstanding factors from the study findings was that the tourism numbers were greatly attributed to varying efforts from Kenya in terms of marketing the country and the existence of other competing destinations with similar product offering. Proper branding and marketing are pointed out as main solutions for the country to remain competitive.

A study by Dube & Renaghan, (2000), on visible customer value creation: How best practice champions are viewed by customers. The study looked at some attributes that influences customer hotel purchase decision: brand name and reputation, guest room design, value for money, location, physical property (public, exterior space), and concluded that the top scoring attribute was location then brand name and reputation.

2.2.3. Ecolabels and Competitiveness

In a business sector such as tourism, where the sense of balance between environmental and economic objectives is still a challenge, it is hard for persons to establish the environmentally friendliness of tourism destinations, though it's what local organisations proclaim. According to Graci & Dodds, (2015), Eco-labels as a mark of quality and competitiveness is seen to

authenticate these claims from an impartial view point and may therefore influence guests to holiday in awarded establishments.

Eco-labelling system as a mark of quality for tourism establishments has been greatly embraced by hoteliers in the country, the region and across the globe. Increasingly eco-labels have been established with the first such labels to be advanced originally being “green labels”, seek to improve the hospitality establishments’ environmental management. It entails a procedure of giving documented pledge that a service, product or organization conforms to a given standard (Font *et al.*, 2003). However, ecolabels may still vary in terms of scope, quality, credibility and popularity. Nonetheless, the overriding objective of all these schemes is to improve the establishment’s image hence attract more potential tourists and thereby help them maintain a competitive edge through improved environmental performance.

Vertindky & Zhou (2000) argue that these ecolabels provide prospects for businesses to remain competitive, minimize government interference with private businesses as it helps the businesses self-regulate and also gives a positive country image. According to Lazić *et al.*, (2013), the issue of quality becomes more and more significant with the ever growing competition in the tourism and hospitality sector. This is significantly influenced by emerging issues such as a conscious traveler who understands his/her consumer rights and the available regulatory framework supporting this as well as the coming up of a new breed of tourists who are willing to only pay for quality service however much it costs. With this in mind and the growing competition for tourism numbers, hoteliers have become aware of the vital need for quality which is a major aspect for growing their competitiveness.

On the global front, there are numerous tourism ecolabel certification schemes most of which are voluntary in nature with some of the bigger ones including Green Key, which is an international eco-label aimed at leisure that operates in several countries, Green Globe 21, which is a global certification and benchmarking program for tourism and travel, and the BlueFlag Scheme for seaside destinations. There are four (3) ecolabel models in Kenya for hotels and accommodation establishments namely; Green Key, Travelife for hotels and accommodation, and Ecorating by Ecotourism Kenya. The first two awards are international awards whereas the ecotourism eco-rating certification is run and managed by a private sector tourism body- Ecotourism Kenya.

The Green Key award symbolises a vow by tourism businesses to adhere to the strict regulations put in place by the FEE. Green Key represents the commitment of an establishment to ensure that its guests perceive it from an environmental and sustainability perspective. The Travelife ecolabel is an international sustainability certification programme for hotels and accommodation whose main aim is to help businesses improve their sustainability ventures while protecting the planet as well as supporting the local community around the facilities.

Ecotourism Kenya, a private organization has embraced a goal in enhancing industry standards and best practices through their eco-labelling programme (www.ecotourismkenya.org). Through this programme they not only award quality excellence but also draw attention to and share information on quality tourism sites, products and services. The evaluation seeks to identify best practices in conservation, business, community and cultural performance among accommodation facilities and award qualifying candidates with a Bronze, Gold and Silver Eco-Rating Certification. The organization has certified over one hundred tourism accommodation facilities across the country. Other significant marks of quality in use in the Hotel industry in Kenya include The International Standards Organization (ISO) with a number of standards applicable to the hospitality and hotel sector as well as food safety standards (HACCP).

A study was done by Jarvis *et al.*, (2010) on the challenges and benefits of sustainable tourism certification: Green tourism business scheme in the West of England. It revealed that sustainable business remains the centre of significant academic interest and practical importance. The related benefits of the ecolabel schemes included positive impacts on the environment, marketing opportunities for the eco-rated establishments, brand recognition and company image among others. Challenges included lack of proper knowledge by the hoteliers on the sustainable tourism concept, lack of work involved in compliance as well as perceived expense in applying for membership to such organizations that administer the ecolabel scheme. Mensah (2004) also asserted that environmental responsibility not only safeguards the hotel's environment but as well encourages customer loyalty and improves the hotel's reputation.

In spite of years of study, there remains limited unanimity amongst researchers on the success of ecolabels in improving the environmental conditions as they are primarily meant to do. For

instance, a study by Pencarelli *et al.*, in 2016 sought to analyse the conduct of Italian local authorities in being part of the ecolabel programme. The study established that the programme leaned more on issues of destination image rather than issues of environmental concern. Also, as debated by Cagilaba & Rennie (2005), the eco-label programme is mostly seen as a tool for promotion in the positive growth of tourism in a certain area by making it competitive enough to remain profitable.

2.3 Quality Standards and Hotel Competitiveness

Owing to its continued growth and economic importance in many nations, the tourism industry has attracted a lot of research work especially in examining competitiveness based on service quality. For instance, in a 2007 study by Reynolds and Thompson, quality service was pointed out like a key issue in improving perceived value and in influencing competition in hotel businesses. This is attributed to the fact that tourists often show loyalty to hotel facilities that satisfy their needs. Xia *et al.*, (2019) further argue that limited studies openly assessed competition elements in selected hotels but have instead concentrated primarily on issues that impact on a particular hotel's competitiveness.

From an empirical review, a research by Ragui *et al.*, (2013) titled 'Service Quality – Hindrance to Success of Tourism Business' showed that application of the foreign direct investment policy in Kenya can attract numerous investors, in particular, in tour operations business. In doing so, serious competition is evidenced in the industry since the investors draw international tourists from their parent countries thus ruling the market. The study further revealed that in terms of profit margins, the foreign tour operators made higher margins compared to their local counterparts. The year 2007 taken as an example showed a whopping 78% profit for foreign operators compared to a meagre 22% earned by their local counterparts. Using the SERVQUAL model, the study drew recommendations that enhancement of service quality brings about success in a competitive business environment.

A 2013 study by Inyo on operational performance and Service Quality of Kenyan tour operators deduced that one key way of remaining competitive, the tourism industry ought to accord keen emphasis on service quality by improving the various quality aspects so as to realize high operating outcomes. This entails improvement in both technical and mainly the

functional qualities such as reliability and professionalism which will improve the corporate image.

Wadawi, *et.al.*, (2011) study titled ‘Normative Verses Perceptual Gap Analysis of Hotel Product Quality as a Service to Kenyan Tourism’, found that tourists are motivated in choosing Kenya as the tourist destination of their preference mainly because of key factors that include the quality of service and product offering plus the destination’s hospitality. With a list of star-rated facilities in place, the traveling public will be motivated to choose the destination. Another study on competitiveness and specifically of hotel facilities by Kobyak & Lvovna, (2015), revealed that when evaluating the efficiency of hotel facilities in order for it to remain competitive and maintain service quality on the market the hotel management should maintain competitiveness, a good reputation for hotel services through personal contact with clients and high efficiency.

2.4. Summary of Research Gaps

This literature review analysed the theoretical foundations of the study by looking at the various applicable theories in this area of study. The chapter also looks at related studies both locally and internationally and concludes by giving a conceptual framework hypothesizing on what the independent and the dependent variables of the study are.

Table 2. 1 Summary of Literature Review

Author and Year	Title of the study	Findings	Gaps identified	Gaps to be filled in this study
Al-Rousan <i>et al</i> (2010)	The study sought to study the service quality of the Marriott Hotel chain in Jordan's 3 hotels	The study concluded that service quality is a crucial element to sustain a guest in a competitive environment.	Study was done for only one hotel chain –Marriot in Jordan and might not be a true picture for all hotel chains in Nairobi.	This study sought to apply the quality service aspect in different hotels in Nairobi and not just one hotel chain.
Haghkhah (2011)	The study sought to investigate the influence of Service Quality in the Malaysian Tourism Industry.	The study identified measurements of quality such as location, accessibility, type of facility and the attributes therein directly impact on the guest satisfaction and their willingness to become repeat clients.	Study did not indicate other variables for competitiveness other than the service quality as pertains to the facility itself.	This study looked at other measurements in service quality such as eco-labels and branding.
Muchenje Blessing (2011)	The significance of hotel grading in service delivery	The study's findings show that there is need to	The grading system used in the study was a national	This study looked at the significance of a regional grading

	in Zimbabwe	improve the current national grading criteria to meet the regional and international standards.	system as opposed to the regional grading system in use in Kenya.	system as opposed to a national one.
Wadawi <i>et al</i> (2011)	Normative vs. Perceptual Gap analysis of hotel product quality as a service to tourism in Kenya	The study found that one of the key factors in appealing to tourists to pick Kenya as a preferred destination is the issue of hospitality and service/product quality.	The study didn't seek other factors that influence quality such as environmental and brand associations.	This addressed environmental and branding factors as they relate to hotel product quality.
Assaf & Josiassen (2011)	Identifying and ranking the determinants of tourism performance: a global investigation.	The researchers point out the determinants of tourism destination competitiveness include broader destination issues such as health, safety and security, infrastructure for tourism circuits, overall economic situations, product pricing and	The variables are not well tackled in the study	This study looked into details on the determinants of competitiveness especially as relates to quality issues and not on the destination level but on the hotel business level of operations.

		policies formulated by the government for the industry among others.		
Dogra & Mahras (2013)	Quality Management Practices and Tourism Destination Branding	There is ever growing competition among various tourism destinations especially those with similar products.	The gap identified was that there was necessity in practicing Quality Management Practices (QMP) to enhance strategic branding of tourism destinations.	This study tackled the issue of branding as a research objective.
Inyo (2013)	A study on service quality and operational performance of tour operators in Kenya	The study deduced that in order to remain competitive the tourism industry needs to lay more emphasis on the improvement of service quality mechanisms that will realise effective operating performance.	The research focused on tour operators' segment of the tourism industry.	This research focussed on the hotel segment of tourism and therefore filled the gap in explaining the concept of service quality from a hotel perspective.
Chabari (2013)	Determinants of inbound tourism in Kenya	Tourism numbers were greatly attributed to	The research data was limited and not up to date	This study used more up to date data on quality measures and the

		varying efforts from Kenya in terms of marketing and branding the country as well as the existence of other competing destinations with similar product offering.	data as most information was based on approximations. The effect of regional organizations in determining tourism demand in Kenya was also not factored in.	effects of regional organizations in achieving this.
Ragui <i>et al</i> (2013)	Service quality - Hindrance to success of tourism businesses owned by indigenous Kenyans	The research found that quality in service was a key factor in the success of indigenously owned tourism businesses in Kenya by up to 83.2% with the main success factors being reliability and tangibility using the SERVQUAL model.	The research had more leaning towards tour operators segment of business as opposed to tourism accommodation which is the focus of this study.	This research tried to fill the gap on service quality that is in line with the accommodation segment of the tourism business.
Dalibor R. (2018)	Significance of quality in the tourism industry: Research study on the	The outcome of the study suggested that hotels should particularly focus	Several methodological gaps were obtained especially in data	In establishing the significance of quality in the industry, this study reached as many respondents as

	stakeholders' perception in tourism	on among others; retaining the prevailing guests as well as enticing new ones through the service quality and benchmarking for best practice, as well as continuous quality control and endorsement of schemes such as ISO.	collection. The questionnaires in the study were not answered conclusively	possible for the questionnaires so that the results reflected the true picture on stakeholders' perception.
Omondi J.F (2019)	Hotel standardization and classification system in Kenya: A quality assurance approach.	The study sought to evaluate the integral advantages of quality standardization and classification system in hospitality as well as assess the challenges faced when implementing the same in the Kenyan context.	The findings of this study showed that classification and standardization systems were essential in quality management, measurement and improvement for competitiveness and sustainability.	This study hoped to come up with the critical hotel activities influenced by classification to gain competitiveness from responses on collected data.

Source (Researcher, 2020)

This study focused on quality standards and competitiveness of Star rated Hotels in Nairobi.

2.5 Conceptual Framework

The overall objective of the study was to explore the quality standards and competitiveness of classified hotel establishments in Nairobi. The figure represents the conceptual framework used to determine and analyse the variables and the relationship that exists between them. Classification, branding and eco labels are the independent variables while competitiveness is the dependant variable. This was derived from the theories and models described above. The conceptual framework was illustrated diagrammatically in figure 2.1 below.

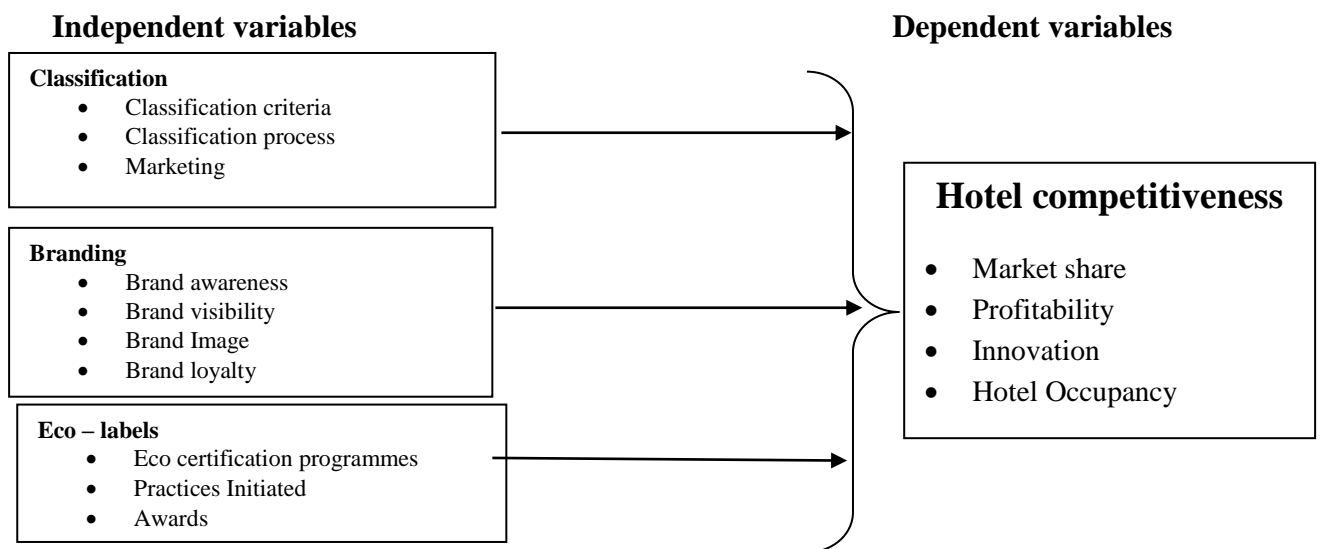


Figure 2. 1 Conceptual Framework

Source (Researcher, 2020)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This section presents the procedures that will be utilized to carry out the survey. It examines the research approach/research design, research method, sampling procedures, research instruments, data analysis, data presentation, trustworthiness and ethical considerations.

3.2. Research Design

The study's research design was descriptive survey research design. It was suitable since it entailed collecting data so as to answer questions on current state of subject of the study. It allowed the investigator to describe, record, analyze and report facts as they are at that given time. The survey used the qualitative paradigm.

Jwan & Ong'ondo (2011) assert qualitative research focuses on naturalistic search in meaning, in-depth and flexible study. Creswell (2010) argues that it is the use of text and image data. The qualitative research takes place in real world, context focused, interactive, emergent, humanistic and mostly interpretative (Marshall & Rossman, 2011). It is applied where the investigator purposes to describe and analyze specific and collective social beliefs, activities perceptions and thoughts and interpret them with respect to the phenomenon being tested (McMillan & Schumacher, 2006). Since the study strives to establish the effect of quality in the competitiveness of tourist facilities, the qualitative design is seen as appropriate.

3.3. Target Population

Orodho (2009) defines population as any set of individuals who exhibit one or more shared attributes that are of keen to the researcher and the sample population as the small percentage of the population selected for observation and analysis. The study's target population was the star rated hotels in Nairobi City County, Kenya which are 54 in total (TRA, 2020).

Table 3. 1 Study population

Star Rating	Frequency	Percentage %
Two-Star	9	17%
Three Star	15	28%

Four Star	19	35%
Five Star	11	20%
Total	54	100%

Source: TRA (2020)

3.4. Sampling Design and Technique

A census is an attempt to gather information about every individual in a population. This technique was suitable to this study as the population was small. The respondents selected from each hotel were people in management with experience and had participated in the classification exercise. Census provided an opportunity to carry out an intensive study of the hotels and reliability was high since data was collected from all the individual star rated hotels which are not homogeneous.

3.5. Data Collection Instruments

The study adopted structured questionnaires and document analysis. The structured questionnaires were used to generate primary data from the sample population. The language used was simple and precise to avoid ambiguity. The questionnaire was measured using the Likert scale of one to five: Where rates were given as 1=very low, 2=low, 3=normal, 4=high, 5=very high. Document analysis provided secondary source of data. Other information was obtained in the research site that was crucial for this study and served as a raw data which was used for this study.

3.6. Pilot Study

According to Dikko (2016), a pilot study is an experiment run ahead of the main study with the view to pre-test a study instrument. The pilot study of this research encompassed a pre-test involving a limited scale of two participants/employees in 2 hotels in Nairobi filling out self-administered questionnaires. The result from this pilot study assisted in the development of an overall sense of respondents and it also assisted in ascertaining the reliability as well as validity of the research instrument, in this case the questionnaire. Proposals from this pilot study was incorporated in the main questionnaire that was administered to the respondents. The hotels that took part in the pilot study were not considered in the actual sample of the study.

3.6.1. Reliability of the Research Instrument

Reliability denotes the extent to which a tool for assessment produces stable and consistent results. The instrument was pilot tested at a hotel in Nairobi for reliability. In doing so, it assisted in checking on possible weaknesses, ambiguities and inadequacies in the questionnaire as proposed by Clarke & Braun (2013). The hotels that took part in the pilot study were not considered in the actual study.

The Cronbach's coefficient of alpha was utilized in measuring the internal consistency of the research instruments and provides a result of a digit between 1 and 0. The acceptable alpha values ought to be > 0.70 (Tavakol & Dennick, 2011). The constructs' reliability is shown in table 3.2

Table 3. 2 Reliability Analysis

Scale	Cronbach's Alpha	Number of Items
Classification	0.937	12
Branding	0.933	12
Eco-labels	0.855	12
Average	0.908	

Source: Research Data (2021)

For each objective which made a scale, Cronbach Alpha was instituted. The table demonstrates that Classification had the utmost reliability ($\alpha= 0.937$), Branding ($\alpha= 0.933$) was next. Ecolabels was the lowest at ($\alpha= 0.855$). An illustration of reliability of all the three variables with values which averaged at 0.908 surpassed the perfect 0.7aim, hence making it reliable.

3.6.2. Validity of the Research Instrument

According to Creswell (2004) internal validity denotes the extent to which a research study can assert at the end of a research that the independent variable influenced the dependent variable. External validity on the other hand is used to mean the point at which the findings of the research can be generalized using the sample study to a given population or to other situations. Having a representative sample has proven a high extent of validity as opposed to

not having one and in essence it provides an opportunity to make solid assertions to the fact that the larger population is generalized by the said results. Validity in general tested if one can extract significant conclusions from the scores attained on the questionnaire used. External validity was tested by checking whether the study took into consideration factors such as unique characteristics of the individual hotels selected, other factors such as past or future situations as well as the timing of the study. Internal validity on the other hand was tested to check if the fundamental conclusions arising from the research were reasonably explicit. A study that is internally valid is one that offers well-founded proof of cause and effect (Bryman & Cramer, 2005).

3.7. Data Collection Procedure

Once consent was granted by Kenyatta University and the National Council of Science and Technology to conduct the survey, permission was sought from facility owners/ management to collect data from their facilities. The primary data collection technique was questionnaires. The researcher administered the questionnaire personally to the respondent. In this study, the respondents selected from each hotel were people in management with experience and had participated in the classification exercise. The respondents were accorded enough time to read and understand the questionnaire before issuing responses without ultimatums. The questionnaires were then collected on an agreed date with the participants to facilitate data analysis. For confidentiality purposes, the respondents were not needed to write their hotels' names or their own names on the questionnaires.

3.8. Data Analysis and Presentation

Analysis of data involves the compilation of the collected data, organizing it and arranging its key features for effective and easy interpretation of the outcomes (Yin, 2008). The main aim being to address the research questions. The collected data from the administered research instruments were checked to certify that they were appropriately and absolutely filled. The data was amassed, categorized and tabulated in readiness for analysis. The data collected was analysed by means of SPSS software version 25. The analysis of data used quantitative approaches and for open ended questions, thematic summary analysis, prose and quotations were used.

The statistics were generated through the use of frequencies, inferential statistics and descriptive statistics. The primary data was analysed by use of descriptive statistics, by the use of mean as the measure of central tendency. The research data was then tabularised to the most accurate charts, graphs and tables to represent the findings. The tables enabled reading of specific values and also in facilitating data presentation.

The regression model was developed in order to show the relationships between various Variables. The regression model is as below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Y= Establishment's Competitiveness

α =Constant

$\beta_1, \beta_2, \beta_3$ are coefficients.

X_1 is the Classification system

X_2 is the branding system

X_3 is the Ecolabelling system

E is error term - this will be pegged 0.05 to cater for any standard of error.

3.9. Ethical Considerations

For the sole purposes of this study, a permit letter from Kenyatta University's Graduate School and a licence from the National Council for Science and Technology (NACOSTI) were obtained. Permission was sought from the hotel owners and or management before proceeding to collect data. The respondents were thoroughly briefed on the objective of the study, and informed that the information given was solely used for academic purposes and that their personal information was accorded full confidentiality and would not be shared to third parties. The content of the research project was tested for similarity and plagiarism to ensure it maintained below the university minimum threshold. All the works attributable to various researchers had been clearly cited.

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The section examines, deduces and puts forward research results founded on the motive of the research of establishing effects of quality standards and competitiveness of star rated hotels in Nairobi City County, Kenya.

4.2 Response Rate

52 questionnaires were issues to all the star rated hotels with Nairobi City County ranging from two star to five star except the 2 facilities which were used for pilot study. 50% response rate is standard, 60% is above standard and above 70% is very good as expressed by Mugenda (2012). This study attained 100% response on the census carried out.

4.3 General information of the Hotels

This segment contains respondents' general information. As shown in each segment, the results are deliberated.

4.3.1 Respondent's star rating

The respondents were requested to specify their current star rating. The research results were as presented in figure 4.1



Figure 4. 1 Respondents star rating

Source: Research data (2021)

As presented in the figure 4.1, 34.30% specified they were 4 star, 28.60% of the respondents specified that they were 3 star, 20% of the respondents specified that they were 5 star while 17.10% of the respondents specified that they were 2 star. This shows that the study involved respondents from all targeted star rated hotels with the majority of the respondents being 4 star rated hotels.

4.3.2 Years in Operation

Respondents were requested to indicate the length of time the hotel had been in operation.

The study outcomes were presented in the figure 4.2

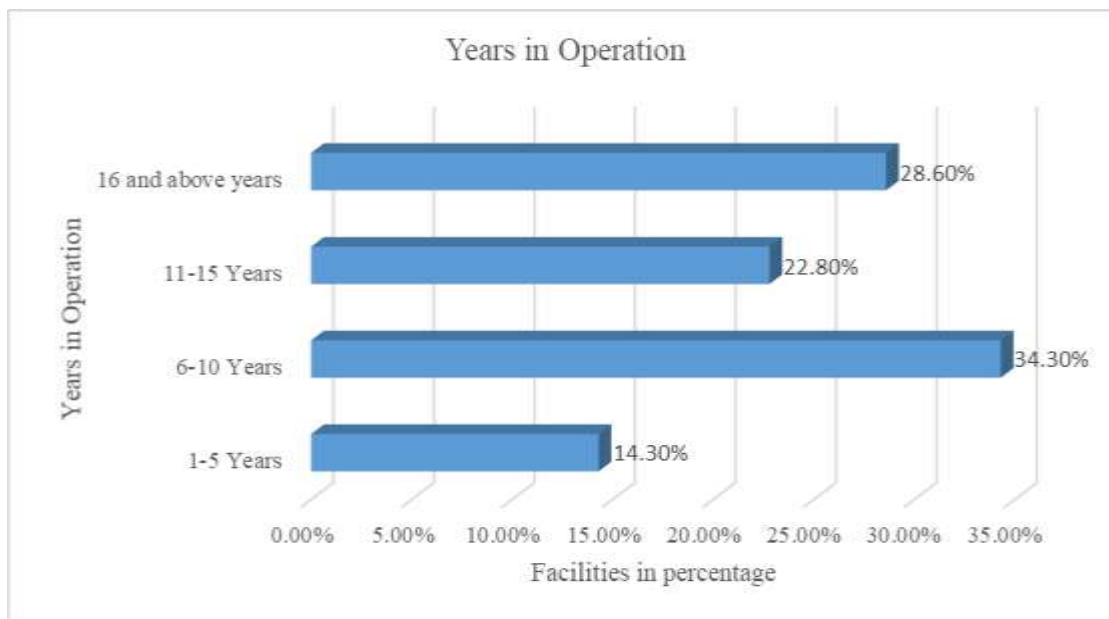


Figure 4. 2 Years in Operation

Source: Research data (2021)

As was shown in the figure 4.2, 34.30% indicated they were in operation for 6-10 years, 28.60% of the respondents indicated that they were in operation for 16 and above years, 22.80% of the respondents indicated that they were in operation for 11-15 years while 14.30% of the respondents indicated that they were in operation for 1-5 years. This demonstrates that the study entailed respondents who included all ranges in years in operation, majority of the respondents being 6-10years in operation.

4.3.3 Hotel Room Capacity

Respondents were probed to specify their hotels' room capacity. The outcomes were presented in table 4.1

Table 4. 1 Hotel Room Capacity

Hotel Room Capacity	Frequency	Percentage
20-50	10	19.23
51-100	12	23.08
101-150	13	25.0
150 and above	17	32.69
Total	52	100

Source: Research data (2021)

As presented in table 4.1, 32.69% indicated that their hotels had 150 and above rooms, 25% indicated that their hotel had 101-150 rooms, 23.08% of the respondents indicated that hotel had 50-100 rooms while 19.23% of the respondents indicated that their hotel had 20-50 rooms. Thus the study focused on all hotel room capacity categories the majority being hotels with over 150 rooms.

4.4 Influence of Classification on Hotel Competitiveness

This study objective sought to assess the effect of classification on competitiveness of star rated hotels. The results were presented individually for all segments.

4.4.1 Classification and its influences on hotel competitiveness

A requested was made for respondents to specify their extent of concurrence on the written down statements on Classification and its influences on Hotel Competitiveness. The scale used was interpreted as; 1= Very Low, 2= Low, 3= Normal, 4= High and 5= Very High. Results were presented in the table 4.2

Table 4. 2 Classification and Influence on Hotel Competitiveness

Statements	1	2	3	4	5	Mean	Standard Deviation
Classification foster competitiveness in the region	0	2	3	19	11	4.11	0.796
Classification improve the quality of service delivery	0	1	5	15	14	4.2	0.797
Classification improve visitor numbers to the facility resulting into high occupancy	1	2	8	18	6	3.74	0.919
Classification assist in managing clients' expectations	1	1	5	13	15	4.14	0.974

Classification help in marketing hotel locally and abroad	1	0	3	18	13	4.2	0.833
Classification help streamline the price offering	1	2	9	19	4	3.66	0.873
Classification improve employee welfare - remuneration and training	3	3	15	10	4	3.26	1.067
Classification assist in improving hotel's Safety and Security structure	0	1	7	19	8	3.97	0.747
Classification provide insight in improving infrastructure for guest satisfaction	0	2	4	18	11	4.09	0.818
Classification contribute to your hotel online rating	0	2	7	18	8	3.91	0.818
Classification provide insight into sustainability practices	2	1	13	15	4	3.51	0.951
Classification provide avenue for benchmarking	1	0	3	14	17	4.31	0.867
Classification increase sales and revenue hence profitability	1	4	10	17	3	3.49	0.919
Classification increase market share	1	1	18	13	2	3.4	0.775
Classification enhance continuous improvement	1	0	5	18	11	4.09	0.853
Classification encourage social responsibility	2	0	19	13	1	3.31	0.796
OVERALL						3.84	0.862

Source: Research data (2021)

As presented in table 4.2, most respondents concurred that; classification provides avenue for benchmarking with competitors revealed by a 0.867 SD and 4.31 mean, classification helps in marketing hotel locally and abroad revealed by (SD=0.833, M= 4.2) and classification improves the quality-of-service delivery revealed by (SD=0.797, M= 4.2). Additionally, respondents agreed that classification assists in managing client's expectations (SD=0.974, M= 4.14), classification fosters competitiveness in the region (SD=0.796, M= 4.11) and classification enhances continuous improvement of the hotel (SD=0.853, M= 4.09). Participants agreed that classification provides insights in improving the infrastructure to enhance guest satisfaction (SD=0.818, M= 4.09), classification assists in improving safety and security structure of the hotel (SD=0.747, M= 3.97) and classification contributes to the hotel online rating (SD=0.818, M= 3.91). Additionally, participants were in agreement that classification improves visitor numbers to the facility resulting into high occupancy revealed by 0.919 standard deviation and 3.74 mean, classification helps streamline the price offering (SD=0.873, M= 3.66) and that classification provides insights into sustainability practices to ensure future profitability (SD= 0.951, M= 3.51). Moreover, a revelation was made on respondents being neutral on; classification increases sales and revenue hence profitability (SD=0.919, M= 3.49), also respondents expressed being neutral that classification increase market share (SD=0.775, M= 3.4). Additionally, neutral responses were that classification

encourages social responsibility (SD=0.796, M= 3.31), also respondents were neutral that classification improves employee welfare in terms of remuneration and training as revealed by a 1.067 standard deviation and 3.26 mean.

This study finding are in agreement with Narangajavana & Hu (2008) on a study carried out on the association between Service quality improvement, hotel performance changes and Hotel rating system. A study on the fundamental concepts of the hotel service improvement concluded that some hotel activities which improve on classification included; facilities and surroundings, service delivery, prestige and hotel employees.

4.4.2 Activities and facility which affected hotels classification by TRA

Respondents were requested to specify their extent of concurrence on the listed activities and facilities which affected their classification by TRA. The scale used was interpreted as; 1= Very Low, 2= Low, 3= Normal, 4= High and 5= Very High. Results were displayed in the table 4.3

Table 4. 3 Activity and facilities which affected hotels classification by TRA

Activity/ Facility	1	2	3	4	5	Mean	Standard Deviation
Clean and comfortable rooms of varied categories	2	1	5	15	12	3.97	1.071
Friendly and well trained staff	1	1	8	14	10	3.83	1.071
Value for money: Quality service commensurate to price	1	1	6	19	8	3.91	0.887
Healthy and delicious food	2	2	11	10	10	3.69	1.132
Other auxiliary facilities; swimming pool, health club	0	1	13	9	12	3.91	0.919
Availability and size of public areas; lobby, bar, reception	0	1	13	8	13	3.94	0.938
Hotel building and infrastructure	1	1	6	7	20	4.26	1.039
OVERALL						3.93	1.008

Source: Research data (2021)

As was revealed in the table 4.3, majority of the respondents agreed that; hotel building and infrastructure contributed to rating by TRA revealed by a mean of 4.26 and a standard deviation of 1.008, clean and comfortable rooms of varied categories contributed to rating by TRA (SD= 1.071, M= 3.97) and availability and also the size of public areas; lobby, bar, reception revealed by a mean of 3.94 and a standard deviation of 0.938. In addition, they were in agreement that other auxiliary facilities; swimming pool, health club contributed to

TRA rating as revealed by a mean of 3.91 and a standard deviation of 0.919, value for money, that is quality service commensurate to prices contributed to rating (M= 3.91, SD= 0.887), and also friendly and well-trained staff as revealed by a mean of 3.89 and a standard deviation of 1.071. They agreed too that healthy and delicious food contributed to TRA rating revealed by a 1.132 SD and 3.69 mean.

This study affirms those of Dolnicar & Otter (2003) on hotel attributes that matter which included friendliness of staff, then price. Majority of them additionally included service quality, the location convenience and the cleanliness of the room as key areas. These findings affirm the RBV theory which defines an organization as a distinctive collection of resources, but stresses that not all these resources can provide it with sustained competitiveness (Barney, 1991). Most hotels scored highly on their building and infrastructure, clean and comfortable rooms and availability and size of public areas as resources which helped them develop matchless capabilities and competitive advantage and helps them consider and execute strategies that are efficient and effective.

4.5 Influence of Branding on Hotel Competitiveness

This study objective sought to evaluate the effect of branding on competitiveness of star rated hotels. The study findings were as shown in each of the section.

4.5.1 Hotel brand

The respondents were asked to indicate their hotel brand. The study findings were as shown in the table 4.4

Table 4. 4 Hotel Brand

Hotel Brand	Frequency	Percentage
Chain Hotel	18	34.62
Franchise	10	19.23
Own	24	46.15
Total	52	100

Source: Research data (2021)

From table 4.4, 46.15% of the participants stated that their hotels were their own brand, 34.62% indicated that their hotels were chain hotels while 19.23% indicated their hotels were franchise. This shows that majority of Nairobi Hotel brands are created and owned by proprietors while franchising is the least brand model used. This finding concur with those of

Pine *et al.*, (2000) who asserted that key multinational hotel corporations came into China, but franchising was rarely used as a tool of expansion there.

4.5.2 Hotel activities influenced by Hotel brand

Respondents were requested to rate how much they agreed with how the hotel brand has impacted on the listed activities. The scale used was interpreted as; 1= Very Low, 2= Low, 3= Normal, 4= High and 5= Very High. The results were presented in table 4.5

Table 4. 5 Activities influenced by Hotel Brand

Activity	1	2	3	4	5	Mean	Standard Deviation
Hotel recognition	1	0	4	10	20	4.37	0.91
Increase in business value	2	1	7	12	13	3.94	1.11
Generating new customers	2	1	7	14	11	3.94	1.043
Improves price and satisfaction	1	0	13	14	7	3.74	0.886
Creates trust within the market place	1	1	5	8	20	4.35	0.95
Supports advertising	1	0	10	11	13	4	0.97
Hotel awareness in terms of recognizability	1	0	3	13	18	4.34	0.873
Hotel image	1	0	2	13	19	4.4	0.847
Customer loyalty in terms of increased attachment	0	0	3	16	16	4.37	0.646
Perceived quality	1	1	2	15	16	4.32	0.843
Hotel visibility	0	0	5	13	17	4.34	0.725
OVERALL						4.19	0.891

Source: Research data (2021)

As was shown in the table 4.5, most respondents were in agreement that; hotel brand influences hotel image (M= 4.4, SD= 0.847), hotel brand influences recognition (M= 4.37, SD= 0.91) and also customer loyalty in terms of increased attachment (M= 4.37, SD= 0.646). In addition, respondents were in agreement that hotel brand creates trust within the market place (M= 4.35, SD= 0.95), hotel brand creates hotel awareness in terms of recognisability (M= 4.34, SD= 0.873), likewise hotel brand influence hotel visibility (M= 4.34, SD= 0.725). Hotel brand influences perceived quality (M= 4.32 SD= 0.843), also hotel brand supports advertising (M= 4, M= 0.97) and hotel brand influences increase in business value (M= 3.94, SD= 1.11). Furthermore, hotel brand influences generation of new customers (M= 3.94, SD= 1.043) while other respondents agreed that hotel brand influences prices and satisfaction (M= 3.74, SD= 0.886).

The above results are in agreement with Aaker (2009), who listed a set of resources including perceived quality, awareness, customer loyalty and brand associations which enhances the value of the product or service being presented by the firm to its customers as brand equity. On customer loyalty, this study affirms the study by Dube & Renaghan (2000) who researched on attributes that influences customer hotel purchase decision and the highest scoring attribute was location then brand name and reputation.

4.5.3 Institutions and their effectiveness in creating awareness of Hotels in a bid to increase competitiveness

Respondents were requested to specify their level of concurrence on the effectiveness of the listed institutions in creating awareness in a bid to raise competitiveness. The scale used was interpreted as; 1= Very Low, 2= Low, 3= Normal, 4= High and 5= Very High. The study results were as presented in the table 4.6

Table 4. 6 Institutions and their effectiveness in creating awareness of Hotels in a bid to increase competitiveness

Institution	1	2	3	4	5	Mean	Standard Deviation
Ministry of Tourism and Wildlife	3	6	9	14	3	3.23	1.114
Kenya Tourism Board	3	3	9	17	3	3.41	1.076
Brand Kenya Board	3	4	12	10	6	3.34	1.162
Kenya Association of Hotel Keepers and Caterers	5	3	11	12	4	3.2	1.208
Tourism Regulatory Authority	4	2	8	13	8	3.56	1.26
OVERALL						3.348	1.164

Source: Research data (2021)

As displayed table 4.6, respondents were in agreement that Tourism Regulatory Authority is effective with creating awareness (M= 3.56, SD= 1.26). Most respondents were neutral that Kenya Tourism Board is effective (M= 3.41 and SD= 1.076) while they too were neutral on Brand Kenya Board's effectiveness (M 3.34, SD= 1.162). Furthermore, they were neutral on Ministry of Tourism and Wildlife (M= 3.23, SD= 1.114) and respondents were neutral too on effectiveness of Kenya Association of Hotel Keepers and Caterers (M= 3.2, SD= 1.208). Besides, other than the listed institutions, respondents had an opportunity to mention any other institution which they felt was effective in creating awareness on Hotels in a bid to increase competitiveness and no response was received.

4.6 Influence of Ecolabelling on Hotel Competitiveness

This study objective sought to gauge the effect of ecolabels on competitiveness of star rated hotels. The study findings were as shown in each of the section.

4.6.1 Eco-label possessed

The respondents were asked to indicate the eco-label which their hotel possessed. The results were presented table 4.7

Table 4. 7 Eco label possessed

Eco-label	Frequency	Percentage
Eco-Tourism	13	25.0
Green Key	7	13.46
Travel life for Hotels and Accommodation facilities	7	13.46
None	25	48.08
Total	52	100

Source: Research data (2021)

As displayed in table 4.7, 48.08% of the respondents indicated that their hotels did not have any eco-label, 25.0% indicated that their hotels have Eco Tourism label, 13.46% indicated their hotels have Green Key label while 13.46% indicated that their hotels have Travel life for hotels and accommodation facilities label. The low uptake of ecolabels is in agreement with Graci & Dodds (2015) who concluded that tourism is a mobile and socially inclusive industry so the impacts at each hotel level are not on the fast radar of environmental workers and investigators, hence the flexibility of environmental commitment in many cases.

4.6.2 Reasons for not having an eco-label.

Respondents who did not have an eco-label were requested to specify to what extent they concurred with the statements on reasons for not having one. The scale used was interpreted as; 1= Very Low, 2= Low, 3= Normal, 4= High and 5= Very High. Results were displayed in table 4.8

Table 4. 8 Reasons for not having an eco-label

Reasons for not having ecolabels	1	2	3	4	5	Mean	Standard Deviation
Lack of awareness of hotel eco-label programs	2	4	8	5	1	3	1.131

Cost implication in terms of application and renewal fees	2	1	6	4	7	3.48	1.312
Limited economic benefits of eco-label for hotels	2	2	9	1	6	3.27	1.313
Complexity of technical measures and procedures required	3	1	8	5	3	3.25	1.206
OVERALL						3.25	1.24

Source: Research data (2021)

As was shown in the table 4.8, majority of the respondents were neutral on cost implication in terms of application and renewal fees is the reason for not having an eco-label (M= 3.48, SD=1.312), other respondents too were neutral that limited economic benefits of eco-labels for hotels is the reason for not having eco-labels (M= 3.27, SD= 1.313). Furthermore, respondents expressed being neutral that complexity of technical measures and procedures required is the reason for not having an eco-label (M= 3.25, SD= 1.206) while others neutral that lack of awareness of hotel eco-label programs is the reason for not having an eco-label (M= 3, SD= 1.131).

These findings concur with Jarvis *et al.*, (2010) who highlighted eco labels challenges including lack of proper knowledge by the hoteliers on the sustainable tourism concept, lack of work involved in compliance as well as perceived expense in applying for membership to such organizations that administer the ecolabel scheme.

4.6.3 Benefits of having an eco-label

Respondents who had eco-labels were requested to show their extent of concurrence with the statements on benefits accrued by having one. The scale used was interpreted as; 1= Very Low, 2= Low, 3= Normal, 4= High and 5= Very High. Results were presented in table 4.9

Table 4. 9 Benefits of having an eco-label

Benefits of having an eco-label	1	2	3	4	5	Mean	Standard Deviation
Increase price premiums	3	1	6	5	0	2.95	1.174
Attractiveness to customers	2	1	4	6	2	3.41	1.26
Improve market share	1	1	9	2	2	3.1	1.179
Access or creation of new markets	6	0	5	2	2	2.71	1.454
Improve hotel image	1	0	3	7	4	3.67	1.197
Improve productivity of employees	3	1	9	2	0	2.82	1.097
Operational fitness	3	0	6	6	0	3.05	1.174
OVERALL						3.1	1.219

Source: Research data (2021)

As displayed in table 4.9, most of the respondents were neutral that eco-label improves hotel image (M= 3.67, SD= 1.197), likewise participants were neutral that ecolabels attract customers (M= 3.41, SD= 1.26). Further, they were neutral that eco-labels improve market share (M= 3.1, SD= 1.179) and similarly participants expressed being neutral that eco-labels affect operational fitness (M 3.05, SD= 1.174). Respondents did not agree that eco-labels increase price premiums (M= 2.95, SD= 1.174), also they did not agree that eco-labels improve productivity of employee (M= 2.82, SD=1.097). In addition, participants did not agree that eco-labels create new markets (M= 2.71, SD= 1.454).

This study finding concur with Jarvis *et al.*, (2010) whose findings of benefits of the ecolabel schemes included positive impacts on the environment, marketing opportunities for the eco-rated establishments, brand recognition and company image among others. On the benefits of eco-labels, this study finding also agree with those of Mensah (2004) as he asserted that the environmental obligation not only protects the environment in which hotels are based but also enhances customer loyalty and enhances the reputation of hotels.

4.6.4 Initiatives adopted by Hotel in an effort to become environmental friendly

4.6.4.1 Reduced energy consumption by use of energy efficient appliances

Respondents were asked to indicate measures adopted in order to reduce energy consumption. They were asked to pick one of the listed items. The study results were as presented in table 4.10

Table 4. 0 Efficient appliances used to reduce energy consumption

Efficient appliances used	Frequency	Percentage
Use of solar panels	17	31.40
Power monitoring systems	10	20.00
Energy saving bulbs	25	48.60
Total	52	100

Source: Research data (2021)

As displayed in table 4.10, 48.60% indicated they were using energy saving bulbs, 31.40% of the respondents indicated that they were using solar panels and 20% of the respondents indicated that they were using power monitoring systems. This shows that the use of energy saving bulbs is the most adopted initiative in an effort to become environmental friendly.

4.6.4.2 Implementation of water conservation programs

Respondents were asked to indicate measures implemented for water conservation. They were asked to pick one of the listed items. Results were presented in table 4.11

Table 4. 11 Implemented water conservation programs

Water conservation programs	Frequency	Percentage
Low flow sink	3	5.70
Shower aerators	5	8.60
Water saving toilets	10	20.00
Water saving sprinklers	6	11.40
Encourage re-use of linen	28	54.30
Total	52	100

Source: Research data (2021)

As displayed in table 4.11, 54.30% respondents specified that they encourage re-use of linen through towel talk, 20 % of the respondents indicated that they were using water saving toilets, 11.40% of the respondents indicated that they were using water saving sprinklers, 8.60 respondents they were using shower aerators 5.70% of the respondent indicated they were using low flow sinks. This shows that most hotels encourage re-use of linen through towel talk as a means of water conservation.

4.6.4.3 Comprehensive 3R's Recycle, Reuse and Reduce programs

Respondents were asked whether they had comprehensive 3R's Recycle, Reuse and Reduce programs. They were asked to answer with yes or no. Results were presented in table 4.12

Table 4. 12 Comprehensive 3R's Recycle, Reuse and Reduce

Comprehensive 3R's program	Frequency	Percentage
Yes	33	62.90
No	19	37.10
Total	52	100

Source: Research data (2021)

As displayed in table 4.12, 62.90% respondents specified that they had 3R's Recycle, Reuse and Reduce programs in place while 37.10% indicated that they did not have 3R's Recycle, Reuse and Reduce programs in place. The study findings agree with those of Spitanuk (1996), where he asserted that hotels have responded aggressively to various types of environmental issues as far back as 1920.

4.6.5 Awards received due to excelling in environmental responsible behaviour in the hotel.

Respondents were asked whether they had received any award in the recent past by the trade associations, tourism and hospitality industry, government and NGO's due to excelling in environmental responsible behaviour in the hotel. They were asked to answer with yes or no. Results were presented in table 4.13

Table 4. 13 Received awards due to exceling in environmental responsible behaviour

Awards received	Frequency	Percentage
Yes	16	31.40
No	36	68.60
Total	52	100

Source: Research data (2021)

As displayed in table 4.13, 68.60% respondents specified that they had not received any award while 31.40% indicated that they had received awards in the recent past due to excelling in environmental responsible behaviour in the hotel.

4.7 Competitiveness in Hotels

This study section sought to understand hoteliers' perspective on variables of competitiveness influenced by quality standards in their hotels. Respondents were requested to specify their level of concurrence on the listed variables of competitiveness described. The scale used was interpreted as; 1= Very Low, 2= Low, 3= Normal, 4= High and 5= Very High. Results were presented in table 4.14.

Table 4. 14 Competitiveness variables

Competitiveness variables	1	2	3	4	5	Mean	Standard Deviation
Corporate image	1	0	6	16	12	4.09	0.887
Increase market share	2	0	12	10	11	3.8	1.079
Increase hotel occupancy	5	0	5	15	10	3.71	1.296
Increase sales and revenue	3	1	12	10	9	3.6	1.168
Increase profitability	3	1	11	12	8	3.6	1.143
Increase innovations; new technology, products	4	0	8	18	5	3.57	1.119
Improve service quality	0	1	6	14	14	4.17	0.822
Employee satisfaction; the job, morale, remuneration	5	2	10	16	2	3.23	1.14

Customer satisfaction; Trust, Loyalty, Reduced complains	0	0	6	17	12	4.17	0.707
Pricing	3	1	13	17	1	3.38	0.922
Process management	3	0	7	21	4	3.66	0.998
Repeat purchase	4	1	6	11	13	3.85	1.282
OVERALL						3.735	1.046

Source: Research data (2021)

As displayed in table 4.14, most respondents were in agreement that; quality standards improve service quality as revealed by a mean of 4.17 and a standard deviation of 0.822, standard quality affects customer satisfaction in terms of trust, loyalty and reduced complaints as revealed by a mean of 4.17 and a standard variation of 0.707 and similarly quality standards affect corporate image as revealed by a mean of 4.09 and a standard deviation 0.887. Additionally, they agreed quality standards affect repeat purchase as revealed by a mean of 3.85 and a standard deviation of 1.282, quality standards increases market share as revealed by a mean of 3.8 and a standard deviation of 1.079 as well as quality standards increases hotel occupancy as revealed by a mean of 3.71 and a standard deviation of 1.296. Respondents were in agreement that quality standards affect process management as revealed by a mean of 3.66 and a standard deviation of 0.998 and they were in agreement that quality standards increase sales and revenue (M= 3.6, SD= 1.168). Moreover, participants agreed too that quality standards increase profitability (M= 3.6, SD= 1.143) and they also agreed that quality standards increase innovations; new technology, products (M= 3.57, SD= 1.119). Participants expressed being neutral on effect of quality standard on pricing as revealed by a mean of 3.38 and a standard variation of 0.922 and they too were neutral on effect of quality standards on employee satisfaction with regards to the job, morale, remuneration as revealed by a mean of 3.23 and a standard deviation of 1.14.

Some competitive variables of the study findings agree with those of Olmos (2012) who indicated that hotel variables which matter to the hotels for the development of a competitive rating system are: infrastructure, marketing and sales strategies, management strategies, training, and information systems. Additionally, the study findings correspond to those of Angir (2012) who concluded some strategies in improving competitiveness of hotel were pricing, aggressive marketing in trade shows, online media and printing; new product and service and differentiation; promotions on offer and discount on repeat clients.

4.8 Practices to enhance competitiveness of the hotel

This study section sought to evaluate some practices in which hotels engage in to enhance their competitiveness. Respondents were requested to express the extent of their concurrence with statements on the practices described. The scale used was interpreted as; 1= Very Low, 2= Low, 3= Normal, 4= High and 5= Very High. The study findings were as shown in the table 4.15.

Table 4. 15 Practices to enhance competitiveness of the hotel

Practices	1	2	3	4	5	Mean	Standard Deviation
Conducting customer feedback surveys	0	1	3	6	25	4.62	0.739
Environment management initiatives	1	1	14	10	9	3.76	1.001
Carrying out regular audits for continuous improvement	1	0	5	11	18	4.32	0.912
Training employees to enhance service delivery	2	1	1	12	19	4.32	1.065
OVERALL						4.25	0.929

Source: Research data (2021)

As displayed in table 4.15, most respondents agreed that; they conduct customer feedback survey to enhance competitiveness (M= 4.62, SD= 0.739) and also they were in agreement that they train employees to enhance service delivery (M= 4.32, SD= 1.065). Moreover, participants agreed that they carry out regular audits for continuous improvement to enhance competitiveness (M= 4.32, SD= 0.912) and they too agreed that they carry out environment management initiatives to enhance competitiveness (M= 3.76, SD=1.001).

4.9 Models of ensuring hotels remain competitive

This study section sought to evaluate some models that maybe used in ensuring hotels remain competitive. Respondents were requested to express their extent of concurrence with listed models. The scale used was interpreted as; 1= Very Low, 2= Low, 3= Normal, 4= High and 5= Very High. Results were presented in table 4.16.

Table 4. 16 Models of ensuring hotels remain competitive

System	1	2	3	4	5	Mean	Standard Deviation
Government led system	4	2	14	12	3	3.23	1.087
Joint Public Private Partnership System	3	2	19	8	3	3.17	0.985

Independent bodies led systems	3	1	5	19	7	3.76	1.103
Online guest review systems	1	0	2	9	23	4.51	0.853
OVERALL						3.66	1.007

Source: Research data (2021)

As displayed in table 4.16, most respondents were in agreement that online guest review systems were effective in ensuring that hotel remains competitive (M= 4.51, SD= 0.853) and participants were in agreement too that independent bodies led systems were effective in ensuring hotel remains competitive (M= 3.76, SD= 1.103). They seemed neutral on effectiveness of Government led systems (M= 3.23, SD= 1.087) and participants too expressed being neutral on the effectiveness of joint public private partnerships system (M= 3.17, SD= 0.985).

4.10 Qualitative data analysis

Respondents were asked to give additional comments which could add value to the study. Majority of the respondents indicated that Covid 19 had had a serious blow to their operations while others indicated that government support was lacking. One respondent recommend that the study should be widened to encompass certifications like health and safety for example safe hotels which affects quality and marketability of hotels.

4.11 Inferential Statistics

4.11.1 Correlation Analysis

To establish a two-way linear relationship amid dependent and independent variables in the study, correlation analysis was applied. Results were presented in table 4.17.

Table 4. 17 Correlation Coefficient Table

		Competitiveness	Classification	Branding	Eco labels
Competitiveness	Correlation coefficient	1	.561	.686	0.243
	Sig. (1-tailed)	.	0.000	0.000	0.080

Classification	Correlation coefficient	.561	1	.474	0.220
	Sig. (1-tailed)	0.000	.	0.002	0.102
Branding	Correlation coefficient	.686	.474	1	0.193
	Sig. (1-tailed)	0.000	0.002	.	0.133
Eco labels	Correlation coefficient	0.243	0.220	0.193	1
	Sig. (1-tailed)	0.080	0.102	0.133	.

Source: Research data (2021)

As displayed in table 4.17 the correlation summary portrays at the 95% confidence level, the relationship between the dependent and the independent variables was significant with a positive correlation. This translates to an increment in the dependent variable anytime the independent variables are increased.

The Pearson's correlation coefficient result demonstrated a significant positive association between hotel competitiveness and classification ($\rho = 0.561$, $p\text{-value} = 0.00$). This suggests that if classification of facilities is enhanced, competitiveness will increase. This finding concurs with WTO, 2014 that competitive marketing drives local and international hotels to seek out equity and quality assurance tools, and one of the hotel's needs is a reliable rating system that measures and guarantees a hotel's quality, including its facilities and services such as meeting certain international standards.

A significant positive association exists between hotel competitiveness and branding ($\rho = 0.686$, $p\text{-value} = 0.00$) hence if branding is enhanced, hotel competitiveness will rise. This is in agreement with a study by Putu Chris *et.al.*, (2015) on brand name uniqueness of Star Hotels in Bali which concluded that a brand name is recognized as a key feature of a brand, which characterises a product and strives to influence clients into accepting certain positive opinions about both the product and the brand which in turn increases competitiveness.

A weak significant positive association exists between competitiveness and ecolabels ($\rho = 0.243$, $p\text{-value} < 0.080$). This weak relationship is concurrence with Kang *et. al.*, (2012) who asserted that investors need a good return on the significant amount of initial investment

required for green programs but to measure profits is often difficult especially for investments which are producing less tangible results such as improvements in the company's reputation for conservation.

4.11.2 Regression Analysis

The research established the fit of the regression equation by means of the coefficient of determination to develop the strength of the effect amid the dependent and independent variables. Regression analysis was reliable in identifying the variables which had an impact on the study topic. It revealed that branding and classification mattered most on competitiveness while the impact of the eco labels could be ignored.

4.11.2.1 Model Summary

The model summary shows the R, R^2 , adjusted R^2 , and standard measurement error, which can be useful in determination of how the model corresponds to the data. R is the multi-coefficient coefficient that measures the quality of the dependent variance's forecast. R^2 is a statistical measure of closeness of the information to the inserted rescue line equally called the equilibrium equation or the multiplicity equation for the multi-regression. The converted R^2 is the determination value which communicates the variability of the dependent variable as a result of changes in the independent variable.

Table 4. 18 Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.74	0.548	0.505	0.672

a Predictors:(Constant), Eco labels, Branding, Classification
Source: Research data (2021)

As displayed in the above results, adjusted R^2 was 0.505, suggesting a variation of 50.5% on hotel competitiveness due to classification, branding and ecolabels at a confidence level of 95%. R is the correlation coefficient which illustrates the association between the study variables, and from the results presented in the above table there was a positive association between the study variables as shown by 0.74.

4.11.2.2 ANOVA Results

ANOVA is used to determine the degree of difference or similarity in data groups. This helps to assess whether the regression model is well suited to the data. As per the ANOVA analysis, the dependant variable is hotel competitiveness. There is an important relationship between dependent and independent variables; classification, branding and eco labels.

Table 4. 19 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	16.982	3	5.661	12.545	.000b
Residual	13.989	31	0.451		
Total	30.971	34			

a Dependent Variable: Competitiveness

b Predictors: (Constant), Eco labels, Branding, Classification

Source: Research data (2021)

Table 4.19 summarizes the observed means for each dependent variable across experimental state and the related F ratios and p values attained from the one-way ANOVAs done for the primary analyses. From the results, the p-value was 0.00 which is less than 0.05 and therefore the model is good at predicting how the three independent variables (Classification, Branding and eco labels) influence hotel competitiveness. Additionally, the F-calculated (12.545) was more than the F-critical (2.53). This demonstrates that the model was effective at predicting the influence of the independent variables on the dependent variable. If t calculated is larger than t critical, the null hypothesis is rejected.

4.11.2.3 Regression Coefficient

Multiple regression analysis was carried out to establish the association between hotel competitiveness and the independent variables; classification, branding and Eco labels.

Table 4. 20 Coefficient of Correlation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.751	0.778		0.965	0.342
Classification	0.412	0.196	0.292	2.105	0.043
Branding	0.672	0.173	0.533	3.871	0.001
Eco labels	0.042	0.069	0.076	0.608	0.048

Source: Research data (2021)

Table 4.20 provides the coefficients which give guidance in forming the regression line. The above table provides the coefficients of individual variables vis-à-vis the degree with which it impacts the dependent variable, hotel competitiveness in this case. Additionally, it contains the level of significance of individual variables of the study.

The regression equation established was; $Y = 0.751 + 0.412X_1 + 0.672X_2 + 0.042X_3$

Y is the dependent variable (hotel competitiveness),

β_1 , β_2 , and β_3 are the regression equation slopes

β_0 is the regression coefficient,

X_1 is Classification, X_2 is Branding, X_3 is Eco labels

ε is an error term, assumed to be 0.

Hotel competitiveness = $0.751 + 0.412$ Classification (X_1) + 0.672 Branding (X_2) + 0.042 Eco labels (X_3). The beta indicates the strength or the magnitude individual dependent variable. It illustrates the degree to which a unit increment in the independent variables will change the dependent variable.

From the above regression model, holding classification, branding and eco labels, hotel competitiveness would be 0.751. It's established that a unit increment in classification, would result in an increment in hotel competitiveness by 0.412. This is in concurrence with the RBV Theory as explained by Wernerfelt (1984) who proposed that in order to achieve competitiveness, one has to innovatively offer higher value to clients in a way that they deem appropriate, and in this case classification offers additional value.

A unit increment in branding would result in an increment in hotel competitiveness by 0.672. This result concurs with Putu Chris *et al.*, (2015) on brand name uniqueness of Star Hotels in Bali who concluded that a brand name characterises a product and strives to influence clients into accepting certain positive opinions about both the product and the brand.

A unit increment in eco labels would result in an increment in hotel competitiveness by 0.042. The weak relationship is concurred by Graci & Dodds (2015) who concluded that as the hotel industry has diverse sizes and is comprised of small and medium sized facilities of different star ratings, the business case for going green is not readily shared or evident among the industry.

This evidently displays that there is a positive association between classification, branding, eco labels and hotel competitiveness. The study additionally exposed that in all the variables, the P-values were <5%, implying statistical significance of all the independent variables hence in a point of making a conclusion for the research.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

Summary of the findings, conclusion and recommendation for practice, are presented based on the study topic on Quality Standards and Competitiveness of star rated hotels in Nairobi City County, Kenya. The study objectives were; to assess the effect of classification on competitiveness of star rated hotels in Nairobi City County, Kenya, to evaluate the effect of branding on competitiveness of star rated hotels in Nairobi City County, Kenya and to gauge the effect of eco-labels on competitiveness of star rated hotels in Nairobi City County, Kenya. At the end of this chapter, more researches on the problem are recommended.

5.2 Summary

The study sought to establish whether quality standard like classification, branding and ecolabels contribute to hotels' competitiveness by increasing market share, profitability, innovation and hotel occupancy. The study embraced descriptive research design whereby respondents recounted their experiences with the quality standards to improve competitiveness of star rated hotels in Nairobi City County, Kenya.

The target population was 54 Star rated hotels in Nairobi, City County and a census was done. The study opted for self-administered questionnaires as the key data collection instrument. A pilot study on 2 star rated hotels was done to pre-test the questionnaire's reliability and validity.

Data conclusions were founded on the variables and motives for carrying out the research. Data analysis was carried out after quantitative approach via Statistical Package for Social Science (SPSS) version 25. Descriptive statistics (by use of measures of dispersion, means and percentages) and inferential analysis were utilized in the data analysis. Analysis by use of multiple regression was applied to demonstrate the strength of the association between the dependent and independent variables.

The study revealed that classification; provides avenue for benchmarking with competitors, helps in marketing hotel locally and abroad, improves the quality of service delivery, and assists in managing client's expectations. The study further revealed that classification; fosters competitiveness in the region, enhances continuous improvement of the hotel,

provides insights in improving the infrastructure to enhance guest satisfaction, assists in improving safety and security structure of the hotel and contributes to the hotel online rating.

Additionally, the study revealed that classification; improves visitor numbers to the facility resulting into high occupancy, helps streamline the price offering and provides insights into sustainability practices to ensure future profitability. Further, the study revealed that classification increases sales and revenue hence profitability, increase market share, encourages social responsibility and improves employee welfare in terms of remuneration and training. The study concluded there was a significant positive relationship between hotel competitiveness and classification in Nairobi City County.

The study revealed that branding; influences hotel image, hotel recognition, and also customer loyalty in terms of increased attachment. Additionally, the study revealed that branding; creates trust within the market place, creates hotel awareness in terms of recognisability and influences hotel visibility. Further the study revealed that branding; influences perceived quality, supports advertising and influences increase in business value as shown.

Additionally, the study revealed that branding; influences generation of new customers and also influences prices and satisfaction. The study also found out that branding influence hotel competitiveness in Nairobi to a great extent. The study concluded that there was a significant positive relationship between hotel competitiveness and branding in Nairobi City County.

The study revealed that majority hotels did not have eco-labels. The study further revealed that eco labels; improves hotel image, attracts customers, improves market share and affects operational fitness. Additionally, the study revealed that eco-labelling leads to minimal influence on price premiums, productivity of employee and creation of new markets. The study also found out that eco labels influence hotel competitiveness in Nairobi to a moderate extent. The study concluded there was a weak relationship between classification and ecolabels.

5.3 Conclusion

On the effect of classification on competitiveness of star rated hotels in Nairobi, the study concludes that classification; provide avenue for benchmarking with competitors, help in marketing hotel locally and abroad, improve the quality of service delivery, and assist in managing client's expectations.

The second objective of the study was to evaluate the effect of branding on competitiveness of Star rated hotels in Nairobi. The study concludes that branding; influence hotel image, hotel recognition, and customer loyalty in terms of increased attachment and create trust within the market place.

The third objective of the study was to gauge the effect of eco-labels on competitiveness of star rated hotels in Nairobi City County, Kenya. The study concludes that eco labels; improves hotel image, attracts customers, improves market share and affects operational fitness.

5.4 Recommendations

Concerning objective one of the research which was to assess classification's effect on competitiveness of star rated hotels in Nairobi, the study revealed that classification provides avenue for benchmarking with competitors, helps in marketing the hotel both locally and abroad and improves the quality of service delivery. Thus, study acts as an eye opener to the suppliers in the tourism and hospitality sector on the existing quality standards and provide them with a basis for improving their existing quality of products The study recommends for adoption of classification by players in the hospitality industry in a bid to increase their competitiveness.

On the second objective, the study revealed that branding influences hotel image, hotel recognition and increases customer loyalty in terms of increased attachment and creating trust within the market place. The study recommends for hotel branding in a bid to increase their competitiveness in the market. Academicians and scholars would use this research to carry out further studies in hotel branding in the tourism and hospitality industry.

Regarding the effects eco labels on competitiveness of star rated hotels, the study revealed that eco labels; improves hotel image, attracts customers and improves market share. The

study recommends for adoption of eco labels by hotels which don't have labels and the government and other policy makers may find this study of key importance as they formulate the relevant environmental policies and standards in enhancing the hospitality industry competitiveness.

From the study findings on Government and Non-Governmental Organizations involvement in creating awareness, the study recommend that such entities should do more in creating awareness in a bid to increase competitiveness. The findings of this study shall be used by the quality standards setters to improve on the current quality standards to reflect the current and emerging needs of tourists.

5.5 Suggested Areas for Further Studies

This study mainly focused on quality standards and competitiveness of star rated hotels in Nairobi City County, Kenya. The study recommends a replication of the same study in Mombasa and Nakuru Regions. This is because the two regions have a high number of Star rated hotels as per the TRA register of classified establishments and are also rich in tourism.

The study concentrated on three quality standards namely classification, branding and eco labels. The study also recommends an expansion of the quality standards to include Healthy and Safety Quality Standards which include HACCP, ISO 1900:2000, Safe Hotels.

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APPENDICES

Appendix I: Introductory Letter

**Janiffer Mutio Musembi,
Kenyatta University,
Department of Business Administration,
P.O Box 43844
Nairobi**

Dear Sir/Madam,

REF: POSTGRADUATE STUDY

Many thanks for being part of the study. I am a student pursuing a Masters' degree of Business Administration at Kenyatta University. I am carrying out a research on Quality Standards and Competitiveness of Star Rated Hotels in Nairobi.

I request your cooperation to fill in this questionnaire as honestly and accurately as possible. The breakthrough of the research is basically hinged on your collaboration. The questionnaire is planned for the use of this study only and consequently the responses shall absolutely be confidential and it takes a form of survey. You are not required to give your name. Please complete all sections as part of your input and support.

Thank you in advance.

Yours faithfully,

Janiffer Mutio Musembi
Tel: 0721739208 Email.
musembijeniffer@gmail.com

Appendix II: Questionnaire for Star Rated Hotels in Nairobi City County, Kenya
QUALITY STANDARDS AND COMPETITIVENESS OF STAR RATED HOTELS IN
NAIROBI CITY COUNTY, KENYA

SECTION A : GENERAL INFORMATION

1. Please indicate your hotel's star-rating? (Please tick (√) as appropriate)

5-Star []

4- Star []

3- Star []

2-Star []

2. Using the categories below please indicate how long your hotel has been in operation.
(Please tick (√) appropriately).

1-5 Years []

6-10 Years []

11-15 Years []

16 and above years []

3. What is your hotel's room capacity?

A) 20-50 []

B) 51-100 []

C) 101-150 []

D) 150 and Above []

SECTION B: INFLUENCE OF CLASSIFICATION ON HOTEL
COMPETITIVENESS

This section covers the classification as a mark of quality for competitiveness.

4. According to you, to what degree has the classification exercise helped your facility?

Where rates are given as 1=very low, 2=low, 3=normal, 4=high, 5=very high

Description of Activity	Very Low	Low	Normal	High	Very High
Has enabled your facility to stay competitive in the region					
Has improved the quality of service delivery					
Has improved the visitor numbers into your facility resulting into high occupancy					
Assisted in managing client's expectations					
Has helped in marketing your hotel both locally and abroad					
Has helped streamline the price offering					
Has improved employee welfare in terms of remuneration and training					
Has assisted in improving Safety and Security structure of your hotel					
Provided insights in improving the infrastructure to enhance guest satisfaction					
Has contributed to your hotel's online ratings					
Provided insights into sustainability practices to ensure future profitability					
Provided an avenue for benchmarking with your competitors					
Increased sales and revenue hence increased profitability					
Increased market share					
Enhanced continuous improvement of the hotel					
Encouraged Social responsibility					

5. To what degree do you think the following activities affected your classification by TRA?

Description of Activity/Facility	Very Low	Low	Normal	High	Very High
Clean and comfortable room of varied categories					
Friendly and well trained staff					
Value for money : Quality service commensurate to					

price					
Healthy and delicious food					
Other auxiliary facilities; swimming pool, health club					
Availability and size of public areas; lobby, bar, reception					
Hotel building and Infrastructure					

SECTION C: INFLUENCE OF BRANDING ON HOTEL COMPETITIVENESS

This section covers branding as a mark of quality for competitiveness

(Please tick (√) appropriately)

6. Which of the following best describes your Hotel brand;

Chain Hotel () Franchise () Own ()

7. To what extent has your hotel Brand impacted on the following;

Description of Activity/Facility	Very Low	Low	Normal	High	Very High
Hotel recognition					
Increase in business value					
Generating new customers					
Improved price and satisfaction					
Created trust within the market place					
Supported advertising					
Hotel awareness in terms of recognizability					
Hotel image					
Customer loyalty in terms of increased attachment					
Perceived quality					
Hotel visibility					

8. How would you rate the effectiveness of the following entities in creating awareness about hotels in a bid to increase competitiveness?

Institution	Very Low	Low	Normal	High	Very High
Ministry of Tourism and Wildlife					
Kenya Tourism Board					
Brand Kenya Board					
Kenya Association of Hotel Keepers and Caterers					
Tourism Regulatory Authority					

Any other: Kindly mention _____

SECTION D: INFLUENCE OF ECOLABELLING ON HOTEL COMPETITIVENESS

This section covers the eco-labelling system as a mark of quality for competitiveness.

9. Which eco-label does your facility possess?

Eco-tourism () Greenkey () Travel Life for Hotels and Accommodation facilities () None ()

10. If none of the above, to what extent have the following impacted your decision for not having one;

Description	Very Low	Low	Normal	High	Very High
Lack of awareness of hotel eco-label programs					
Cost implication in terms of application and renewal fees					
Limited economic benefit of eco label for hotels					
Complexity of technical measures and					

procedures required					
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11. If Yes, to what extent has your Hotel benefited from the following benefits of Eco – label?

Description	Very Low	Low	Normal	High	Very High
Increased price premiums					
Attractiveness to customers					
Improved market share					
Access or creation of new markets					
Improved Hotel image					
Improved productivity of employees					
Operational fitness					

12. Which among the below initiatives has your Hotel adopted in an effort to become environmental friendly?

a) Reduced energy consumption by using energy efficient appliances; (Please tick one)

Energy saving bulbs () Use of solar panels () Power monitoring systems ()

b) Implementation of water conservation programs; (Please tick one)

Low flow sink () Shower aerators () Water saving toilets () Water saving sprinklers () Encourage re-use of linen – Towel talk ()

c) Have comprehensive 3R's Recycle, Reuse and Reduce programs (Yes) (No)

13. Has your Hotel received any award in the recent past by the trade associations, tourism and hospitality industry, governments and NGOs, due to excelling in environmental responsible behavior in hotel? (Yes) (No)

SECTION E: COMPETITIVENESS IN HOTELS

(Please tick (√) appropriately)

14. From your perspective, to what extent have the following variables of competitiveness been influenced by quality standards in your Hotel?

Description	Very Low	Low	Normal	High	Very High
Corporate image					
Increased market share					
Increased hotel occupancy					
Increased sales and revenue					
Increased profitability					
Increased innovations; new technology, products					
Improved service quality					
Employee satisfaction with regards to the job, morale, remuneration					
Customer satisfaction in terms of , trust, loyalty, reduced complains					
Pricing					
Process management					
Repeat purchase					

15. To what degree does your hotel, engage in the following practices to enhance the competitiveness of the hotel?

Description	Very	Low	Normal	High	Very
-------------	------	-----	--------	------	------

	Low				High
Conducting customer feedback survey					
Environment Management Initiatives					
Carrying out regular audits for continuous improvement					
Training employees to enhance service delivery					

16. In your overall judgment, rate the effectiveness of the following models in ensuring that the hotels remain competitive?

Where rates are given as 1=very low, 2=low, 3=normal, 4=high, 5=very high

SYSTEM	Very Low	Low	Normal	High	Very High
Government-led system					
Joint-Pubic-Private Partnership system					
Independent Bodies led systems					
On-line guest review systems					

Kindly give any additional comments (if any):

Thank you for your time and cooperation

Appendix III: List of star rated hotels in Nairobi Region.

NAIROBI REGION - CLASSIFIED ESTABLISHMENTS			
NO	COUNTY	ESTABLISHMENT	RATING
1	Nairobi	After 40 Hotel	**
2	Nairobi	Azure Hotel	***
3	Nairobi	Best Western Plus Meridian Hotel	***
4	Nairobi	Boma Inn Nairobi	***
5	Nairobi	Carnivore Restaurant	****
6	Nairobi	Central Park Hotel	**
7	Nairobi	City Lodge Hotel At Two Rivers	****
8	Nairobi	Crowne Plaza	****
9	Nairobi	Crowne Plaza Nairobi Airport	*****
10	Nairobi	Dusit D2	*****
11	Nairobi	Eka Hotel	****
12	Nairobi	Eton Hotel	**
13	Nairobi	Executive Residency by Best Western.	****
14	Nairobi	Fahari Gardens Hotel	***
15	Nairobi	Fairmont The Norfolk	*****
16	Nairobi	Fairview Hotel	****
17	Nairobi	Golden Tulip Westlands	****
18	Nairobi	Hemingway's Nairobi	*****
19	Nairobi	Hilton Garden Inn Nairobi Airport	****
20	Nairobi	Hilton Nairobi Limited	****
21	Nairobi	House of Waine	****
22	Nairobi	Ibis Styles Nairobi Westlands	***
23	Nairobi	Intercontinental Nairobi	*****
24	Nairobi	Jacaranda Hotel Nairobi	**
25	Nairobi	Kahama Hotel	**
26	Nairobi	Kenya Comfort Suits	***
27	Nairobi	La Masion Royale	***
28	Nairobi	Marble Arch Hotel	***
29	Nairobi	Nairobi Safari Club	****
30	Nairobi	Ngong Hills Hotel	***
31	Nairobi	Ole Sereni Hotel	****
32	Nairobi	Pride Inn Lantana Apartments and Suites	****
33	Nairobi	Pride Inn Raptha Nairobi,	***
34	Nairobi	Radisson Blu Hotel Nairobi	*****
35	Nairobi	Sankara Nairobi	*****
36	Nairobi	Sarova Panafric Hotel	****
37	Nairobi	Silver Springs Hotel	****
38	Nairobi	Southern Sun Mayfair Nairobi	****
39	Nairobi	Sportsview Hotel Kasarani	***
40	Nairobi	Summerdale Inn	**
41	Nairobi	The Boma Nairobi	*****
42	Nairobi	The Clarion Hotel	***
43	Nairobi	The Heron Portico	***
44	Nairobi	The Panari Hotel, Nairobi	****
45	Nairobi	The Sarova Stanley	*****
46	Nairobi	Town Lodge	**
47	Nairobi	Tribe Hotel	*****
48	Nairobi	Utalii Hotel	***
49	Nairobi	Villa Leone Guest House	***
50	Nairobi	Villa Rosa Kempinski	*****
51	Nairobi	West Breeze Hotel	**
52	Nairobi	Weston Hotel	****
53	Nairobi	Windsor Golf Hotel and Country Club	****
54	Nairobi	Zehneria Portico	**