

**INFLUENCE OF PEER TO PEER AND BUDGET HOTEL DEMAND ON
CHOICE OF ACCOMMODATION IN NAIROBI CITY COUNTY, KENYA**

ABBYCHRISTINE NJERI MURAGE (BSc. HTM Hons)

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UNIVERSITY**

NOVEMBER, 2021

DECLARATION

This thesis is my original work and to the best of my knowledge has not been presented before for a degree or other award in any other university.

Signature Date:

ABBYCHRISTINE NJERI MURAGE (BSc. HTM Honors)

T129/37562/2016

This research Thesis has been submitted to the university with my approval as the University Supervisor.

Signature Date:

Dr. Mary M. Mutisya

Department of Hospitality and Tourism Management

Chandaria School of Business Studies

United States International University-Africa

Signature Date:

Dr. Sisinio Muthengi

Department of Hospitality and Tourism Management

School of Hospitality, Tourism and Leisure Studies

Kenyatta University

DEDICATION

This thesis is dedicated to my late husband Peter Muange Kivati (Bsc.HTM honors), a true peer and scholar. Till glory meet.

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OPERATIONAL DEFINITION OF TERMS

Airbnb: Airbnb is an online platform that connects people who want to rent out their homes with people who looking for accommodations (Kandampully, 2016).

Budget Hotels: A branded and chained town, city or motorway hotel, classified as one, two or three stars with limited (no frills) but highly standardized services.

Customer choice: Customer choice refers to the decisions that consumers make with regard to products and services (Shirandula & Mwawaza, 2017). The customer choice determines the behaviors of the customers.

Customer motivations: Customer motivations are the salient drives toward a particular purchasing behavior and choice of accommodation products (Dairas, Caber & Crawford, 2019). It is an internal state that drives people to identify and buy products or services that fulfill conscious and unconscious needs or desires.

Customer needs: Customer needs are the things that customers require when purchasing a product or service (Chand, 2018). The needs can be classified under comfort, security, privacy, convenience, cleanliness, among others

Customer profile: A customer profile is a detailed description of the customers in terms of gender, marital status, occupation among others (Hua, Chan & Mao, 2018).

Customer segmentation: Customer segmentation is the practice of dividing a company's customers into groups that reflect similarities among customers in each group (Khan, Hakeem & Naumov, 2018). The goal of segmenting customers is to decide how to relate to customers in each segment to maximize the value of each customer to the business.

LIST OF ABBREVIATION AND ACRONYMS

ADR:	Average Daily Rate
AirBnB:	Air Bed and Breakfast
B&B:	Bed and Breakfast
CRS:	Central Reservations System
GDP:	Gross Domestic Product
IT:	Information Technology
KNBS:	Kenya National Bureau of Statistics
OMS:	Operational Management System
P2P:	Peer to Peer
TRA:	Tourism Regulatory Authority

ABSTRACT

There has been a rivalry between Airbnb and the hotel industry across the world, which has mostly been on media fronts. The battle between Airbnb and budget hotels has been reported in many countries. Airbnb has been criticized for conferring unfair competition to established hotels, reducing job security, avoiding tax and posing a threat to safety, health and disability compliance standards. The study examined the relationship between customer focus and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The specific objectives of the study were to examine the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The study was underpinned by Porter's Five Forces Model. The study adopted the cross-sectional survey design. The use of the design enabled the researcher to collect data from various respondents simultaneously without manipulation. The target population in budget hotels was 814 customers and 88 employees from the management level and 1500 from homes listed as Airbnb accommodation listings. The unit of observation were customers and employees from the management level. In Airbnb, owners of the homes (accommodation) were considered to be part of the employees at the management level. The sample size was 277 for the budget hotels and 316 for the Airbnb accommodation. The study used a stratified random technique to select the respondents. Questionnaires and interview guides were used to collect the data. Questionnaires were administered to the customers and interview guides to the managers (employees at the management level). The analysis of the data was done using descriptive and inferential statistics. The descriptive statistics included the percentage, mean and standard deviation, while inferential statistics included the correlation analysis and regression analysis. The correlation results established that a positive and significant association exists between a customer profile, customer needs, customer motivation, customer segmentation and choice of accommodation. The regression results revealed that customer profile is positively and significantly related to the choice of accommodation hotels ($\beta=.382$, $p=0.000$). Further, it was found that customer needs and choice of accommodation is positively and significantly related ($\beta=.478$, $p=0.000$). Moreover, the results indicated that customer motivations and choice of accommodation is positively and significantly related ($\beta =.534$ $p=0.000$). It was found there is a positive and significant relationship between customer segmentation and the choice of accommodation ($\beta =.550$, $p=0.000$). The study recommended that Regulators of Hospitality and Tourism in Kenya ought to develop a mechanism that will monitor the activities of Airbnb to ensure there is fair competition. The study also recommended that both the budget hotels and Airbnb accommodation platforms need to be keen on customer focus to increase the performance. The hotels can focus on comfort, security, privacy, convenience, cost, guest amenities and reputation and this can ensure the hotels remain preferred by the customers. Moreover, another study is suggested to be conducted in other hotels other than budget hotels. Conducting the studies in diverse hotels category intensify comparison for effective decision-making.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The tourism industry is one of the most significant sectors in developing and developed economies (Bocker & Meelen, 2017). The hotel industry provides the necessary substructures for tourism; therefore, the growth in the tourism industry depends on growth in the Hotel industry (Victorino, Verma & Plaschka, 2015). The travel and tourism industry is one of the largest industries in the world, contributing \$7.2 trillion to the world GDP in 2015, representing 9.8% of global GDP (World Travel & Tourism Council, 2016). However, the hotel industry operates in a competitive environment (Tussyadiah & Zach, 2015; Pesonen & Tussyadiah, 2017; Gunter, 2018). Effective strategies need to be developed by the hotels to ensure they remain competitive. The choice of accommodation of the customers is considered to be vital in determining the sustainability of any business unit (Odawa, 2017; Kinyingi, 2018; Ryu, Choi & Cho, 2021; Debnath, Datta & Mukhopadhyay, 2016).

Customer choice refers to consumers' decisions concerning products and services (Shirandula & Mwawaza, 2017). The customer choice determines the behaviors of the customers. Customer choice is one of the critical factors that influence the choice of accommodation and competitiveness of the preferred accommodation (Pezenka, Weismayer & Lalicic, 2017). The price, location and quality remain top considerations for all customer segments in the repeat booking of hotels (Liu & Zhang, 2014). A study conducted by Tussyadiah (2016) established that tourists are primarily motivated to book any accommodations because of its low cost, convenient location and household amenities. Etinger and Cingula (2015) illustrated that the

choice of accommodation in hotels gives a competitive advantage. It was reported by Kim (2015), Gunter and Oder (2018), Dairas, Caber and Crawford, 2019 and Maria, Madalina, Catalina and Diana (2018) that customer profile, customer needs, customer motivations and customer segmentation as key components of customer choice.

The customer profile is a detailed description of the customers in terms of gender, marital status, occupation, among others (Hua, Chan & Mao, 2018). In a customer profile, purchasing behaviors, psychographic data and demographic data can be identified (Edelman et al., 2017).

It was reported by Cox, 2017; Khan et al., 2019 and Dairas et al., 2019 that customer profile determines the choice of accommodation. A customer profile informs more about the people on the customer list. Frequencies and cross-tabulations of customer profiles can give insights into the kind of customers in a business (Victorino, Verma & Plaschka, 2015). The customer profiles are considered key for the travelers in choosing the accommodation in Budget hotels and Airbnb (Pezenka, Weismayer & Lalicic, 2017).

Customer needs are critical when it comes to the booking of accommodations in hotels. According to Chand (2018), customers seek accommodation to fulfill other obligations besides the essential requirement for shelter. The needs can be classified under comfort, security, privacy, convenience, cleanliness and a home away from home. Tussyadiah and Zach (2015) compared the needs of P2P rentals and hotels in Portland and found that besides the basic needs (room and bed), needs related to homes and hosts are central in P2P accommodation reviews as comfort and convenience in hotels. It was indicated by Maiga and Nilsson (2015) that participants unwilling to use Airbnb had hygiene, safety and privacy concerns, while those willing to use Airbnb did not have specific needs apart from language barrier concerns. Thus,

the needs of the customers are considered to be fundamentally influencing the choice of accommodation of the customers.

Customer motivations are the salient drives toward a particular purchasing behavior and choice of the products. Consumer motivation is an internal state that drives people to identify and buy products or services that fulfill conscious and unconscious needs or desires (Dairas, Caber & Crawford, 2019). Accomplishing the customers' needs can motivate them to make a repeat purchase or find different goods and services better to fulfill those needs (Chand, 2018). Buyer motivation is the set of psychological factors behind a consumer's decision to make a particular purchase (Victorino, Verma & Plaschka, 2015). As the world economy moves towards greater integration, opportunities for tourism and hospitality industry actors lie in their ability to participate in the global marketplace while sustainably increasing their competitiveness (Yego, 2015).

Customer segmentation is the practice of dividing a company's customers into groups that reflect similarity among customers in each group (Khan, Hakeem & Naumov, 2018). The goal of segmenting customers is to decide how to relate to customers in each segment to maximize the value of each customer to the business (Ryu, Choi & Cho, 2017). Gutentag (2016) reported that categorizing customers in the hospitality industry informs how marketing efforts and resources are controlled to gain maximum revenue. Most of the peer-to-peer users are Leisure oriented; however, Airbnb shows that by 2016, more than 50,000 companies had booked accommodation for their employees and clients through the platform (Airbnb, 2016). Customer segmentation can enable the business to develop the most effective strategy.

Airbnb accommodations connect with the user through an application (Airbnb.com) on a smart device. Both the provider's and the user's profiles are available online in a

bid to create trust. After an experience, they use the application (Airbnb.com) on their devices to ‘review’ and encourage future business to their peers where the payment is applicable through transaction software. However, in cities like Nairobi, providers of Airbnb services have had to change to cash based payment and mobile cash transfer (M-pesa), which is the preferred mode in the city (Kumar, 2016). The online platforms of profiling and transactions have enabled the concept to thrive and revolutionize conventional business concepts (Roblek, 2016). According to Kandampully (2016), the following model describes how Airbnb works. It fits the P2P model of Gansky (2014), which allows a third-party platform to redistribute services among individuals otherwise unknown to each other.

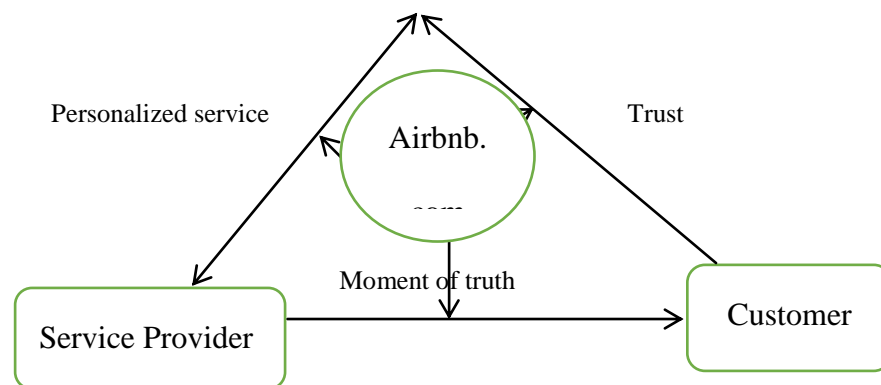


Figure 1.1: How Airbnb works

Source: (Kandampully C. L., 2016)

The spaces rented out on Airbnb are diverse, from a room to an entire island estate (Wortham, 2011). However, booking involves a private room or an entire apartment or house (Airbnb, 2012). According to Airbnb.com (2017), 57% of its listed spaces are entire apartments and homes, 41% are private rooms, and 2% are shared rooms. Payments are made through the Airbnb website, and the company charges guests a 6 to 12% fee and hosts a 3% fee (Airbnb, 2016). Airbnb has been named the most prominent accommodation company that has disrupted the hospitality sector (Airbnb,

2017). Airbnb was started in 2008 as a collaborative consumption company when two designers, who were struggling to pay rent for their apartment, put up an air mattress in their living room and rented it out for \$80, giving their guests a promise of a home-cooked breakfast and started with three guests who were coincidentally looking for a place to stay (Kandampuly, 2017).

The growth of Airbnb in Africa has been due to a favorable macroeconomic climate, a vibrant tourism industry and infrastructure gaps that provide a good opportunity for users (D'elia, 2017). According to Luedi (2017), there are already 60 million people who travel to Africa every year, and these numbers are expected to grow both in terms of people who travel into Africa and people who travel within Africa. The continent has a total of 27,000 listings. In Nairobi, guests can choose rooms ranging in cost from Sh1, 500 per night to Sh10, 000, with listings spread across estates in Nairobi City County.

Budget hotels provide minimum amenities and services for a lower price than a regular hotel in the area. Brotherton (2017) established that budget hotels are built out of the necessity to segment the hotel product based on price without compromising quality. The concept has been adopted by major hotel chains that own a line of budget hotels to take care of the customer segment. A hotel organizational structure is a comprehensive plan by a hotel owner to define departmental activities and responsibilities (Kumar, 2016). This structure brings order to every aspect of hotel operation, from the front desk and room service to the human resources department. According to Maria, Madalina, Catalina and Diana (2018) hotel can run efficiently if it creates an organizational structure that is easy to understand.

The United States Bureau of Statistics (2012) indicates that Budget hotels do not have an expansive hotel organizational structure compared to full-service segments and

operate with fewer but diversified staff. Consumers mostly prefer chain-affiliated budget hotels because they offer customers high-quality service, distinctive decor and food selections due to the strong team and quality control measures (Perrucci, 2018). Mndzebele (2016) noted that hotels in South Africa were adopting electronic commerce (EC) due to the pressures of globalization and the need to implement innovative technologies to beat the competition while creating new opportunities for hotels. The study showed a correlation between 14 competition and e-commerce adoption in the 332 hotels drawn over seven provinces in South Africa (Mndzebele, 2016). Cytonn Real Estate Report noted that the high-end hotel market in Nairobi is dominated by international brands, including Carlson Rezidor, which operates Radisson Blue and Heron Portico, and Kempinski, which operates Villa Rosa Kempinski (Cytonn Real Estate, 2017). Further, in 2017, four-star hotels were the best performing with an average occupancy of 56.6% compared to five-star hotels with 46%- and three-star hotels with a 49.4% occupancy rate (Cytonn Real Estate, 2017).

The rivalry between Airbnb and budget hotels has been reported in many countries (Nguyen, 2014). Airbnb has been criticized for providing unfair competition to conventional businesses, reducing job security, avoiding tax and posing a threat to safety, health and disability compliance standards (Juul, 2015). Various industry publications have argued on the extent of the competitive threat posed by Airbnb and the need to include it in their strategy process (Swig et al., 2017).

The unfair competition of Airbnb platforms puts the sustainability of budget hotels at risk. Airbnb does not have to comply with the same legislation as hotels and the company can offer accommodation at a significantly smaller cost (Gunter, 2018; Bocker & Meelen, 2017; Khan, Hakeem & Naumov, 2018). Some of the budget hotels feel that Airbnb is replacing the traditional hotel industry. This formed the

motive of the study to examine the relationship between customer focus and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya.

1.2 Statement of the Problem

The battle between Airbnb and budget hotels has been reported in many countries (Nguyen, 2014). Airbnb has been criticized for conferring unfair competition to established hotels, reducing job security, avoiding tax and posing a threat to safety, health and disability compliance standards (Juul, 2015). Various industry publications have argued on the extent of the competitive threat posed by Airbnb and the need to include it in their strategy process (Swig et al., 2017). The unfair competition of Airbnb puts the sustainability of budget hotels at risk. Airbnb does not have to comply with the same legislation as hotels and the company can offer accommodation at a significantly smaller cost (Gunter, 2018; Bocker & Meelen, 2017; Khan, Hakeem & Naumov, 2018). Some of the budget hotels feel that Airbnb is replacing the traditional hotel industry. This formed the basis of the study to examine the relationship between customer focus and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya.

The basis of the study was due to inadequate information from the preceding studies to make inferences.

Based on the literature reviewed, there is a knowledge gap in scope (context), methodology and theory. The scope (contextual) gap emerges from the fact that some studies were conducted outside Kenya. Further, none of those studies conducted in Kenya focused on the relationship between customer focus (customer profile, customer needs, customer motivations and customer segmentation) and choice of

accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The methodological gap exists in the research design, population, sample size, sampling procedures, time scope, among others. The research methodology is critical in determining the inferences of the study. Moreover, the knowledge gap from the theoretical review was that the theory was basing the arguments on developed nations' perspectives rather than a developing country such as Kenya. The proponents of the ideas from the theory were not from a developing country such as Kenya. Therefore, the knowledge gap was addressed by conducting the current study.

1.3 Purpose of the Study

The purpose of the study was to examine the influence of Airbnb and budget hotel demand on choice of accommodation in Nairobi City County, Kenya.

1.4 Objectives of the Study

1.4.1 General objective

The general objective of the study was to examine the influence of Airbnb and budget hotel demand on choice of accommodation in Nairobi City County, Kenya.

1.4.2 Specific Objectives

The following specific objectives guided the study;

- i. To examine the influence of customer profiles on choice of accommodation in budget hotels and Airbnb in Nairobi City County, Kenya
- ii. To examine the influence of customer needs on choice of accommodation in budget hotels and Airbnb in Nairobi City County, Kenya
- iii. To examine the influence of customer motivation on choice of accommodation in budget hotels and Airbnb in Nairobi City County, Kenya

- iv. To examine the influence of customer segmentation on choice of accommodation in budget hotels and Airbnb in Nairobi City County, Kenya

1.5 Research Questions

The research questions that guided the study were;

- i. How do customer profiles influence the choice of accommodation in budget hotels and Airbnb platform in Nairobi City County, Kenya
- ii. Does customer needs influence the choice of accommodation in budget hotels and Airbnb platform in Nairobi City County, Kenya
- iii. How does customer motivation influence the choice of accommodation in budget hotels and Airbnb platform in Nairobi City County, Kenya
- iv. How does customer segmentation influence the choice of accommodation in budget hotels and Airbnb platform in Nairobi City County, Kenya

1.6 Research Hypotheses

1.6 Research Hypotheses

The following null hypotheses guided the study;

- i. **H₀₁**: Customer profiles do not influence the choice of accommodation in budget hotels and Airbnb platform in Nairobi City County, Kenya
- ii. **H₀₂**: Customer needs do not influence the choice of accommodation in budget hotels and Airbnb platform in Nairobi City County, Kenya
- iii. **H₀₃**: Customer motivation do not influence the choice of accommodation in budget hotels and Airbnb platform in Nairobi City County, Kenya
- iv. **H₀₄**: Customer segmentation do not influence the choice of accommodation in budget hotels and Airbnb platform in Nairobi City County, Kenya

1.7 Significance of the Study

The study is expected to develop an understanding of the importance of developing the most effective strategy to attract customers in the wake of peer to peer accommodation. The study's findings will provide managers, especially those for budget hotels, with essential information pertinent to strategic planning and marketing. The most effective strategy to increase the customer retention of the hotels can be derived based on the study findings.

Similarly, the government and policymakers may also be notable beneficiaries of the results from this research. It will help them develop policies and guidelines that will improve the performance of the budget hotels in Kenya, thus gaining a competitive advantage. Some of the budget hotels feel that Airbnb is replacing the traditional hotel industry through unfair competition. The government is expected to formulate policies to protect the budget hotels in Kenya based on the study's recommendations.

Lastly, the study findings are expected to be significant to academicians and scholars. Other researchers may benefit from the study finding through citations as it will give recommendations for further similar studies. Future researchers will understand the influence of customer focus on the choice of accommodation in budget hotels and Airbnb platforms. The study will also be of significance to the literature as it will add to the available knowledge on the influence of demand factors on the choice of accommodation.

1.8 Scope of the Study

The objective scope of the study was to examine the influence of Airbnb and Budget hotels demand on choice of accommodation in Nairobi City County, Kenya. Notably, the study sought to examine the influence of customer profiles, customer needs,

customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The geographical scope was Nairobi City County. The time scope was between June 2020 and September 2021.

1.9 Limitations of the Study.

Some of the respondents decided not to share essential information about the management of the firms due to the fear of victimization. The conservative nature of some of the hotels and oaths of secrecy administered on their employees regarding information disclosure rendered the data collection difficult. Moreover, some of the managers were unwilling to reveal crucial information to the researcher. However, the researcher presented an authority letter from NACOSTI and the university that outlined the permission to conduct the study. Also, a letter seeking the consent of the respondents was administered to each respondent to assure them of their anonymity.

Furthermore, some of the respondents (managers) had very busy schedules within the day. This was corrected by ensuring the research assistant administered the questionnaires to the respondents when they were free upon inquiry from them. Also, the questionnaire was made available to them in one week. The researcher also encountered the challenge of returning the questionnaires. To overcome this limitation, the researcher administered the questionnaires to the respondents with the help of a research assistant. The researcher and research assistant dropped those questionnaires to the respondents and picked them later. Moreover, the research used closely related literature to overcome some limitations of low returning of the questionnaires.

1.10 Conceptual Framework

A conceptual framework is a diagrammatical representation that shows the relationship between dependent and independent variables (Evans, Pearce, Vitak & Treem, (2016). Figure 1.2 depicts the relationship between demand factors in Airbnb and Budget Hotels and customer choice of accommodation

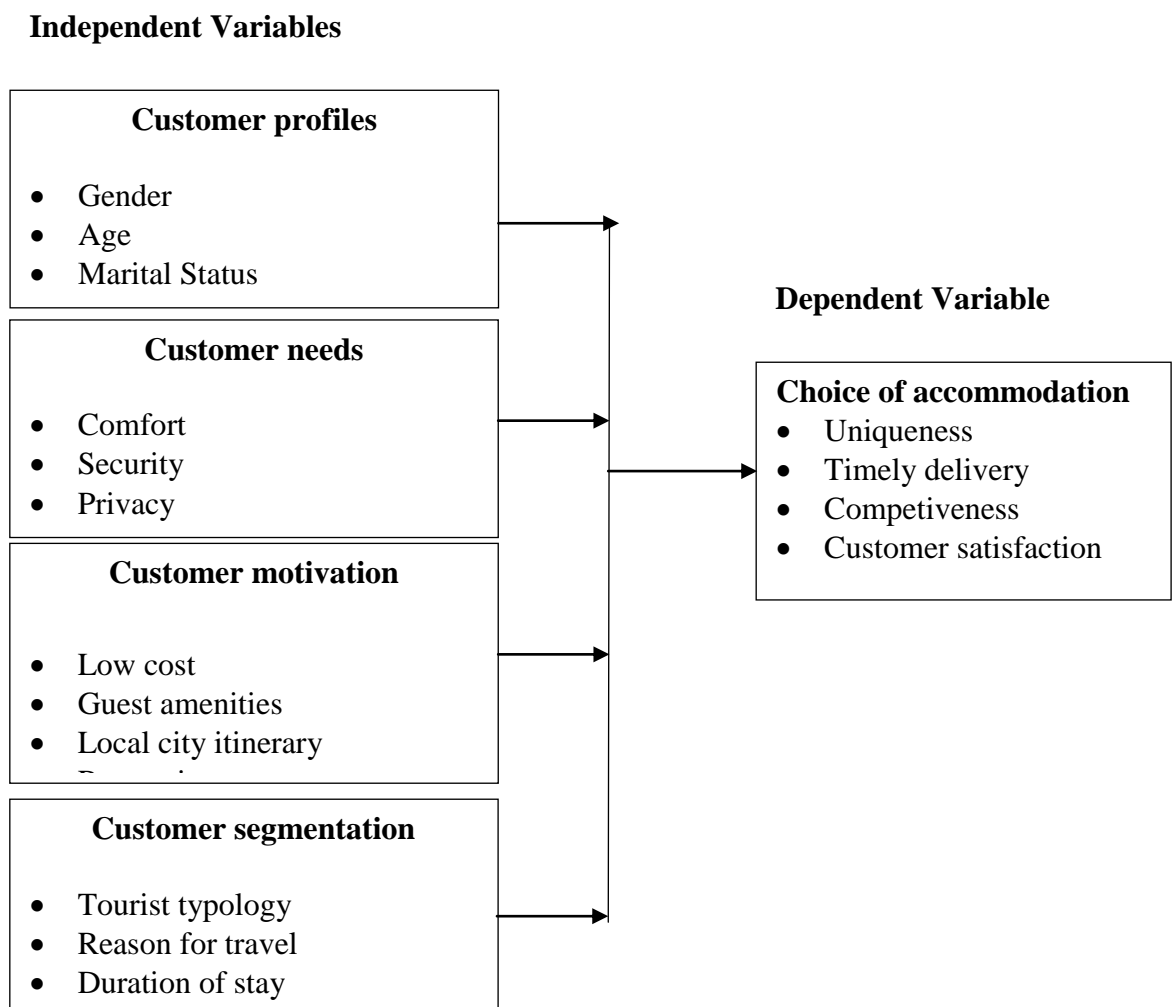


Figure 1.2: Conceptual framework
(Adapted from Gutentag, 2015)

The conceptual model showed the relationship between demand factors and customer Choice of accommodation. The constructs of the independent variable, demand factors, were customer profile, customer needs, customer motivations and customer segmentation and the construct. Some of the measures of the customer needs used in the study included gender, age, marital status and country of origin. The constructs of customer need incorporated comfort, security, privacy and convenience. Further, the constructs used for customer motivation included low cost, guest amenities, local city itinerary and reputation. Moreover, the indicators of customer segmentation included tourist typology, the reason for travel, duration of stay and amount willing to spend. The customer focus was measured on uniqueness, timely delivery, competitiveness and customer satisfaction.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The section presented the review of the literature based on the research objectives. The study started by demonstrating a brief discussion on customer choice. Afterward, a review was presented based on the objectives of the study. Notably, the study presented the literature review based on customer profile and choice of accommodation, customer needs and choice of accommodation, customer motivations and choice of accommodation and customer segmentation and choice of accommodation. Moreover, the chapter presented a theoretical framework and summary of literature and gaps.

2.1 Customer choice

Customer choice refers to consumers' decisions concerning products and services (Pezenka et al., 2017). Tussyadiah and Zach (2015) indicated that tourists are mostly motivated to book Airbnb accommodation because of its low cost, convenient location, and household amenities. The customer choice determines the behaviors of the customers toward particular products and services. It was reported by Kinyingi (2018) that the choice of accommodation of the customers is one of the fundamental factors that influence the customer demand for particular products and services.

Customer choice is one of the critical factors that influence the accommodation in a given hotel (Shocker et al., 2014; Tussyadiah, 2016). The price, location and quality remain top considerations for all customer segments in the repeat booking of hotels (Kotler, 2017). A study conducted by Alhassa and Sakara (2019) established that tourists are mostly motivated to book any accommodations because of its low cost,

convenient location and household amenities. It was noted by Odawa (2017) that the choice of accommodation gives a competitive advantage to the businesses.

Individuals have the freedom to choose between different bundles of goods and services. A study conducted by Pesonen and Tussyadiah (2017) indicated that consumer choice entails mainly the decisions consumers make regarding products and services. The studying of consumer choice behavior examines how consumers decide which products to purchase or consume over time. The variety of the accommodation facilities enable the customers to choose the most critical good or service that will maximize the utility (Ahn, 2020; Victorino et al., 2015; Oktadiana & Kurnia, 2017).

2.2 Customer Profiles and Choice of Accommodation

The customer profile is a comprehensive description of the customers regarding gender, marital status, occupation, and others (Hua et al., 2018). In a customer profile, purchasing behaviors, psychographic data and demographic data can be identified (Pezenka, Weismayer & Lalicic, 2017). A customer profile informs more about the people on the customer list. Frequencies and cross-tabulations of customer profiles can give insights into the kind of customers a business is having. The customer profiles are considered core for the travelers in choosing the accommodation in budget and Airbnb platforms (Liu & Zhang, 2014; Odawa, 2017; Victorino, Verma & Plaschka, 2015).

A study was conducted by Ahn (2020) to examine the effectiveness of demographic characteristics in understanding Malaysian customers' perceived value of the integrated resort sector. The study mainly examined the influence of customer profile on customer Choice of accommodation of hotels in Kuala Lumpur, Malaysia. The study adopted the descriptive research design. The target population included five-star hotels in Kuala Lumpur. The study results indicated that socio-demographic

characteristics such as age, earnings, marital status and country of origin have a high differential and interactive effect on how individuals and groups travel. The study concluded that age, earnings, marital status and country of origin have a positive and significant influence on the Choice of accommodation. However, the study was conducted in a developed nation, Malaysia and thus depicted a contextual gap since the current study was conducted in Nairobi City County to examine the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb.

Victorino, Verma and Plaschka (2015) conducted a study to examine the impact of customer profile on customers' choices within the hotel and leisure industry in the USA. The analysis was based on a national survey of approximately 1,000 travelers in the United States, using a web-based data acquisition approach. The travelers were segmented because of travel (business or leisure), and discrete choice analysis was applied to model customer preferences for various hotel service innovations. The findings of the study showed the customer profile matters when guests are selecting a hotel, with the type of lodging having the most substantial impact on a customer's hotel choice. Moreover, leisure travelers were found to be more influenced by innovative amenities that catered for their profiles, such as childcare programs and in-room kitchenettes, than business travelers. Nonetheless, the study was conducted in the USA and thus presented a contextual gap because the current study was conducted in Nairobi City County to examine the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb.

Moreover, another study was conducted by Pezenka, Weismayer and Lalicic (2017) to examine the personal impacts on the participation in peer-to-peer travel

accommodation services. The study adopted the explanatory research design. The research instruments used included questionnaires and interview guides. The results of the study showed that customer profile is a key determinant that influences participation in peer-to-peer travel accommodation services. The customer profile includes gender, marital status and income. The study concluded that the profiles of the customers influence participation in peer-to-peer travel accommodation services. The study adopted the explanatory research design while the current adopted the cross-sectional research design and thus, a methodological gap was ascertained.

A study was conducted by Liu and Zhang (2014) to examine factors affecting customer selection of online hotel booking. The study was conducted in China. Unit of analysis included hotels in Shanghai. The research instruments used included questionnaires and interview guides. The study results indicated that factors affecting customer selection of online hotel booking channels include the purpose of visit, age, marital status and income. The study concluded that customer profiles that include the purpose of visit, age, marital status and income is a key factor that determines the selection of online hotel booking. However, the study was conducted in a developed country; China and thus, the results cannot be contextualized in Kenya.

Furthermore, a study was conducted in Kenya by Odawa (2017) to examine the efficacy of information and communication technology in promoting the competitive advantage and customer choice in 3-5 star-rated hotels in Nairobi. The study used a total sample size of twenty-four (24), 3 to 5 star-rated hotels in the country and was designed to include the cross-sectional descriptive survey research design. A sample size of two hundred and seventy-four respondents were targeted from the 24 hotels. The study found that the efficacy of information and communication technology is positively and significantly related to competitive advantage and customer choice in

3-5 star-rated hotels in Nairobi. However, the study was focused on the efficacy of information and communication technology and thus depicts a conceptual gap since the current examined the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb in Nairobi City County.

2.3 Customer Needs and Choice of Accommodation

Customer needs are critical when it comes to the booking of accommodations in hotels. According to Chand (2018), customers seek accommodation to fulfill other obligations besides the essential requirement for shelter. The needs can be classified under comfort, security, privacy, convenience, cleanliness and a home away from home. A study was conducted by Tussyadiah and Zach (2015) to examine whether the customer needs to influence the Choice of accommodation rentals in P2P rentals and hotels in Portland. The study adopted the descriptive research design. The respondents included employees from the management level. The results of the study indicated that basic needs (room and bed), needs related to homes and hosts are central in P2P accommodation reviews as comfort and convenience in hotels. Additionally, in terms of adjectives, hotel reviews presented more descriptive need evaluation terms, for example, small, big, hot, old, free while P2P accommodation reviews include more emotional need evaluation terms such as cozy, warm, cute, lovely, sweet. The study concluded that customer needs are key factors that determine the Choice of accommodation the customers. However, the study was conducted in Poland and thus cannot be contextualized in the case of Kenya due to differences in culture and preferences of the customers in Poland and Kenya.

Moreover, another study was conducted by Pesonen and Tussyadiah (2017) to examine the drivers of choice of accommodation within the hotels. The study was

conducted in Finland. Questionnaires and interview guides were used to collect the data. The results of the study indicated that comfort, security and convenience influence the choice of accommodation within the hotels. The study concluded that comfort, security and convenience are significant factors that influence the Choice of accommodation. Nevertheless, the study was conducted in Finland and thus depicted a contextual gap because the current study was conducted in Nairobi City County to examine the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb.

Furthermore, Bocker and Meelen (2017) conducted a study to examine the influence of customer needs and motivations choice for a specific hotel. The study adopted the descriptive research design. The results of the study showed that customer needs to influence the motivations choice for a specific hotel. The customer needs can include security, convenience, comfort, privacy and cleanliness. Based on the study results, it was also established that motivations that lead a customer to choose a particular accommodation service comprise price, home benefits, local authenticity, novelty, sharing economy ethos, and interactions. The study concluded that customer needs are significant factors that influence the choice of accommodation. Nonetheless, the study depicted a conceptual gap because it focused on the influence of customer needs and motivations choice while the current study was centered on examining the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb and notably within Nairobi City County.

In addition, Oktadiana and Kurnia (2017) examined how customers' needs influence the choice of accommodation of hotels. The study results revealed that customers' needs that influence the Choice of accommodation hotels include convenience,

privacy and comfort. Moreover, the study revealed that awareness about the needs enables the customers to find information about the product or service that could be used to solve their problems. The study established that after knowing the needs, customers select the best product and service before deciding to purchase and after purchasing, the last stage is an evaluation of product and service, whether it is satisfying or not. Nonetheless, the study only examined how customers' needs influence the choice of accommodation and thus depicted a conceptual gap because the current study looked at the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb.

Tussyadiah (2016) conducted a study to examine the factors of satisfaction and intention to use peer-to-peer accommodation. Specifically, the study seeks to establish factors that influence guests' satisfaction with a peer-to-peer (P2P) accommodation and their plan to use it again for future trips. Based on an online survey of 644 travelers living in the United States, guest satisfaction was identified as being influenced by factors of enjoyment, monetary benefits (value), and accommodation amenities. Furthermore, the study found that customer needs influence the intention to use peer-to-peer accommodation. However, the study presented a contextual gap because it focused on travelers living in the United States and particularly on peer-to-peer (P2P) accommodation, while the current study included customers of both budget hotels and Airbnb platforms.

Richard and Masud (2016) seek to examine the factors influencing consumer choice in hotel selection in Ghana. The study employed the descriptive survey design, which made use of questionnaires to collect data from One Hundred and Fifty (150) hotel customers, as well as an elite interview with key respondents working in the hotel

industry. The data was analyzed using descriptive statistics based on frequencies and percentages. The findings of the examination showed that consumers' patronage of hotel services is primarily influenced by religion and to some extent, the traditional beliefs of consumers in Ghana. Nonetheless, the study depicts a conceptual gap because it was focused on the influence of religion and traditional beliefs on consumer's choices, while the current study was focused on the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb in Nairobi City County.

2.4 Customer Motivation and Choice of Accommodation

Customer motivations are the striking drives toward a particular purchasing behavior and Choice of products. Consumer motivation is an internal state that drives people to identify and buy products or services that fulfill conscious and unconscious needs or desires (Dairas et al., 2019). The fulfillment of the customers' needs can motivate them to make a repeat purchase or find different goods and services better to fulfill those needs (Chand, 2018). A study was conducted by Hua, Chan and Mao (2018) to examine factors that influence accommodations in various hotels in China. The study adopted descriptive statistics. The results of the study indicated that physical product, service quality, price, promotion and location influence the choice of accommodation. Besides, the study revealed that customers are primarily concerned with service quality issues, indicating service quality is still the core customer expectation in China's budget hotel market. However, the study was conducted in China and mainly studied the influence of physical product, service quality, price, promotion on the choice of accommodation and thus depicted a contextual gap because the current study was conducted in Nairobi City County to examine the influence of customer

profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb.

Moreover, Kinyingi (2018) conducted a study to examine factors influencing customer satisfaction in the hotel industry in Kenya. The researcher employed a descriptive research design and convenient sampling techniques were used to obtain the respondents. The population was USIU-Africa students who had visited 4 to the 5-star hotel between November 2017 and April 2018. The questionnaire was used to collect data. Descriptive and inferential statistics was used in analyzing data. The results of the study indicated that factors influencing customer satisfaction include the customer motivations such as low cost, guest amenities and reputation. The study concluded that customer motivations are key factors that influence customer satisfaction in the hotel industry in Kenya. However, the study was only focused on 4 to 5-star hotels and thus, the results cannot be satisfactory to contextualize for other hotels; therefore, a contextual gap was drawn as the current study was focused on budget hotels and Airbnb platforms.

Moreover, Maiga and Nilsson (2015) conducted a study to establish the relationships between cost and quality on performance. The study used structural equation modeling to investigate the associations between cost and quality on performance. The findings of the study showed that there is a positive and significant association between cost and quality on performance. The study indicated that cost and quality influence the motivation of the customers to have repeat purchases and this increases the performance of the organization significantly. However, the study was focused on cost and quality as the study variables and thus depicted a conceptual gap because the current study examined the influence of customer profiles, customer needs, customer

motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb in Nairobi City County.

Furthermore, another study was conducted by Platania, Morando and Magnano (2019) to examine factors that influence the choice of accommodation in hotels. The research instruments in the study included questionnaires and interview guides. The results of the study revealed that motivation factors and customer profiles influence the choice of accommodation in hotels. It was found that motivation factors that influence the choice of accommodation the customers include security and reputation of hotels, while the customer profiles include gender, marital status and income willing to spend. The study concluded that motivation factors and customer profiles are significant factors that influence the Choice of accommodation in hotels. However, the study was conducted in Italy, a developed country and thus, the results cannot be contextualized in the case of Kenya. Thus, a contextual gap was ascertained from the study as the current study was conducted in Kenya and particularly in Nairobi City County to examine the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb platforms.

2.5 Customer Segmentation and Choice of Accommodation

Customer segmentation is the practice of dividing a company's customers into groups that reflect similarities among customers in each group. The goal of segmenting customers is to decide how to relate to customers in each segment in order to maximize the value of each customer to the business (Ryu, Choi & Cho, 2017). Gutentag (2016) reported that categorizing customers in the hospitality industry inform how marketing efforts and resources are controlled to gain maximum revenue over the competitors.

A study was conducted by Khan, Hakeem and Naumov (2018) to examine the use of branding and market segmentation in hotel marketing. The study adopted the descriptive research design. The research instruments utilized included questionnaires and interview guides. The results of the study indicated that branding has enabled market segmentation and delivered financial and organizational growth for hotel operators. The study further indicated that customer segmentation which include reason for travel, duration of stay and amount willing to spend is a key factor that influence the choice of accommodation the customers. However, the study depicted a conceptual gap because it focused on examining how hotel marketing can be influenced by branding and market segmentation, while the current study was centered on how customer profiles, customer needs, customer motivation and customer segmentation can influence the choice of accommodation in budget hotels and Airbnb in Nairobi City County.

Furthermore, Alhassa and Sakara (2019) conducted a study to examine factors influencing customer segmentation in the hotel industry in the Tamale Metropolis in Ghana. The study used a descriptive survey as a research design with purposive and accidental sampling techniques used to select the respondents for the study. The questionnaire was used as a research instrument and the data analyzed using quantitative and qualitative data analytical methods. The study reported that customers' segmentation had been widely employed to give hoteliers understanding to identify attractive target segments and develop a marketing offer customized to the needs of clients. The study concluded that customer segmentation includes tourist typology and amount willing to spend. The study also concluded that segmentation promotes competition and enhances the performance of hotels in the Tamale Metropolis. The study recommended that segmentation as a marketing strategy is

taken seriously by hotels since it supports quality service delivery and can serve as a competitive edge among hotels. Nonetheless, the study utilized purposive and accidental sampling techniques while the current study used stratified and thus depicted a methodological gap.

Moreover, a study was conducted by Murimi and Wadongo (2021) to examine how customer segmentation influences the performance of star-rated hotels in Kenya. The study adopted the descriptive system. The research instruments used included questionnaires and interview guides. The results of the study indicated that customer segmentation insignificantly determines performance. The study noted that customer segmentation can be based on the reason for travel and amount willing to spend. Nevertheless, the study was focused to the performance of the hotels rather than customer choice and thus a conceptual gap is ascertained.

Further, Kamau et al., (2015) conducted a study to examine the effect of the marketing mix on the choice of accommodation by domestic tourists in Kenya. The study was conducted in selected tourist destinations within Nairobi city and Nakuru town with a sample size of 254 respondents from Nairobi city and 130 respondents from Nakuru town surveyed using a multistage sampling procedure. Primary data was collected through questionnaires and analyzed using SPSS. The study revealed that the price, products/service, location, people, processes, physical evidence and promotions were all important attributes in determining the Choice of accommodation by local tourists in Kenya. However, a conceptual gap exists in the study since it was focused on examining the effect of marketing mix on the choice of accommodation by domestic tourists, while the current study examined the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb.

In addition, a study was conducted by Malel (2021) to examine the effect of social media components on customer Choice of accommodation selected hotels in Nakuru Town, Kenya. The study utilized the explanatory research design. The target population included employees and managers working in the selected hotels in Nakuru County. Questionnaires and interview guides were used to collect the data. The results of the study showed that social media components have a positive and significant effect on customer Choice of accommodation selected hotels in Nakuru Town. Nonetheless, the study was focused on social media components and thus depicted a conceptual gap since the current study examined the influence of customer profile, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb in Nairobi City County.

2.6 Theoretical Framework

The study was underpinned by Porter's Five Forces Model. Porter's five forces of competitive position analysis were developed in 1979 by Michael Porter. Porter (1979) identifies five forces of competition as fierce rivalry, the threat to entry, threat to substitutes, power of suppliers and buyers. The model indicates that understanding the forces that shape a sector's competition is the basis for developing a strategy. A useful strategy can be effectively correlated to the organizational performance by using key strategic practices (Grundy, 2006). Porter posits that if the forces are extreme, no organization earns striking returns on investment and if the forces are benign, most of the companies are profitable (Miller & Dess, 2010). The composition of the five forces varies by industry and that an organization needs a separate strategy for every distinct industry, such as the hotels.

Porter's model is an influential tool for examining the main competitive pressures in a market and assessing each one (Dobbs, 2014). Sumpio (2013) observed that a correct

analysis of the five forces would assist a firm in choosing one of the strategies that will successfully enable the organization to compete profitably in an industry. A firm can concentrate on particular strategies that differentiate it from other competitors (Bruijl, 2018). This way, a firm can introduce certain practices that allow them to outperform its rivals in the market. The most effective strategy to outsmart the competitors is by ensuring the most efficient and sound approach is adopted after a comprehensive analysis of fierce rivalry, the threat to entry, threat to substitutes, power of suppliers and buyers (Yunna, & Yisheng, 2014; Miller & Dess, 2010; Bruijl, 2018).

Thus, the model was relevant to the study. Managers of the hotels and especially the budget hotels can develop and choose winning strategies by first identifying the competitive pressures that exist and particularly from Airbnb platforms. With the knowledge about the intensity and power of competitive forces, hotels can then develop options to influence them in a way that improves their own competitive position. The individual units within the hotels should do their forces analysis, rather than the chain or group of hotels carrying out an umbrella analysis.

The substitute products facet of the model is critical for this study since it proposes a review based on defining the substitute product, analyzing the relative price performance of the substitute, the switching costs that buyers incur on substituting and their propensity to substitute. The competitive threat of an alternative is, therefore, inclined towards studying the behaviour of customers to determine the relative ease and perceived benefits from using a substitute to the expense of the original product. To survive, the hotels and notably the budget hotels must adapt their strategies to suit the dynamic marketplace. The winning strategy selected can change the impact of competitive forces on the firm. The aim is to decrease the power of

competitive forces. Hence, the model was factored to be relevant in determining the influence of peer to peer and budget hotel demand on the Choice of accommodation in Nairobi city County, Kenya.

2.7 Summary of Research gaps

Ahn (2020) depicted a contextual gap because it examined the influence of customer profile on customer choice of accommodation of hotels in Kuala Lumpur, Malaysia while the current study was conducted in Nairobi City County to explore the effect of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb. Moreover, Victorino, Verma and Plaschka (2015) presented a contextual gap because the study was conducted in the USA while the current was conducted in Nairobi City County to examine the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb. Further, another study conducted by Pezenka, Weismayer and Lalicic (2017) adopted the explanatory research design while the current adopted the cross-sectional research design and thus, a methodological gap was ascertained. Furthermore, a study by Odawa (2017) focused on the efficacy of information and communication technology and thus depicted a conceptual gap since the current examined the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb in Nairobi City County.

In addition, Bocker and Meelen (2017) depicted a conceptual gap because it focused on the influence of customer needs and motivations choice while the current study was centered on examining the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation. Further, Tussyadiah (2016) presented a contextual gap because it focused on travelers

living in the United States and particularly on peer-to-peer (P2P) accommodation, while the current study included customers of both budget hotels and Airbnb platforms.

Moreover, Kinyingi (2018) focused on 4 to 5-star hotels and thus, the results cannot be satisfactory to contextualize for other hotels; therefore, a contextual gap was drawn as the current study was focused on budget hotels and Airbnb platforms. Likewise, Maiga and Nilsson (2015) focused on cost and quality as the study variables and thus depicted a conceptual gap because the current study examined the influence of customer profiles, customer needs, customer motivation and customer segmentation on the choice of accommodation. In addition, Khan, Hakeem and Naumov (2018) depicted a conceptual gap because it focused on examining how hotel marketing can be influenced by branding and market segmentation, while the current study was centered on how customer profiles, customer needs, customer motivation and customer segmentation can influence the choice of accommodation in budget hotels and Airbnb in Nairobi City County.

Furthermore, Alhassa and Sakara (2019) utilized purposive and accidental sampling techniques while the current study used stratified and thus depicted a methodological gap. Moreover, Murimi and Wadongo (2021) focused to the performance of the hotels rather than customer choice, and thus a conceptual gap was ascertained. In addition, Malel (2021) focused on social media components and thus depicted a conceptual gap since the current study examined the influence of customer profile, customer needs, customer motivation and customer segmentation on the choice of accommodation in budget hotels and Airbnb in Nairobi City County. Thus, based on the literature reviewed, there was a knowledge gap in contextual, conceptual and methodological.

2.8 Summary of Literature

The study reviewed literature based on customer profile and Choice of accommodation in hotels, customer needs and Choice of accommodation hotels, customer motivations and Choice of accommodation hotels and customer segmentation and Choice of accommodation hotels. Moreover, the chapter presented a theoretical framework. The study reviewed literature based on a global perspective, regional perspective and local (Kenyan) perspectives. Reviewing studies from various perspectives enabled the researcher to compare the current research findings and the conclusions from the preceding studies. Moreover, the reviewing from different perspectives helped the researcher to draw research gaps that needed to be addressed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The section included the discussion of the study area, research design, target population, sampling techniques, research instruments, pilot study, data collection procedure, data analysis, diagnostics tests, operationalization and measurements of variables and logistical and ethical considerations. Each of the sections was comprehensively reviewed.

3.1 Study Area

The study was conducted in Nairobi City County as it is the largest and capital city of Kenya, with over one million people living, visiting and working in the city (KNBS, 2019). It is the hub of local and international corporations due to its well-established infrastructure (Ogutu, 2012). The justification for conducting the study in Nairobi City County was because most listings in Kenya on the Airbnb website are in Nairobi. The sampling frame for the budget hotels was from the Tourism Regulatory Authority, which has a criterion and a list of town hotels from which one to three-star hotels was sampled.

3.2 Research Design

Research design is a framework that is employed to create answers to examiners' concerns. This study adopted the cross-sectional survey design. A cross-sectional study is a type of research design in which data is collected from many different individuals at a single point in time. The research design was deemed relevant since it uses samples from specific times and populations to try and establish the general outlook. The use of the design enabled the researcher to collect data from various

respondents simultaneously without manipulation. According to Patten and Newhart (2017), the cross-sectional survey design is utilized to gather data about individuals' attitudes, opinions, and habits.

Moreover, the design enables the researcher to observe variables without influencing them. Thus, the design was considered appropriate to examine the relationship between customer focus and Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. The use of the design enabled the researcher to collect data from different respondents at a single point in time.

3.3 Target Population

Population refers to an entire group of objects having common observable characteristics (Copper & Schindler, 2014). The population often tends to have a wide geographical spread, and in most cases, the researcher is not necessarily interested in the total or universal population (Kothari, 2004). The target population included 61 customers and 8 employees from the management level from Clarion hotel, 207 customers and 13 employees from management level from Heron Portico, 52 customers and 6 employees from management level from Marble Arch Hotel, 73 customers and 9 managers from Central Park Hotel, 39 customers and 7 employees from management level from Fahari Gardens Hotel, 67 customers and 9 employees from management level from Boma Inn Nairobi, 213 customers and 21 employees from management level from Jacaranda Hotel Nairobi, 24 customers and 6 employees from management level from West Breeze Hotel and 78 customers and 9 employees from management level from After 40 Hotel. Moreover, the target population of homes listed as Airbnb accommodation listings in Nairobi City County was 1500. The managers/owners of the homes listed as Airbnb accommodation listings in Nairobi City County were 69 and the customers were 1431. Thus, the target population in

budget hotels was 814 customers and 88 employees from the management level and 1500 from homes listed as Airbnb accommodation listings. The unit of observation was customers and employees from the management level. In Airbnb, owners of the homes (hotels) were also part of the employees at the management level. The customers and employees from the management level were factored to be well informed about the hotel's functioning and thus key in responding to the developed survey questions. The summary of the target population was depicted in Table 3.1

Table 3.1: Target population

Establishment	Budget Hotels		Airbnb platforms (homes)	
	Customers	Employee from management level	Customers	Managers (Owners)
The Clarion Hotel	61	8		
The Heron Portico	207	13		
Marble Arch Hotel	52	6		
Central Park Hotel	73	9		
Fahari Gardens Hotel	39	7		
Boma Inn Nairobi	67	9		
Jacaranda Hotel Nairobi	213	21		
West Breeze Hotel	24	6		
After 40 Hotel	78	9		
Total	814	88	1431	69

Source: Hotels websites (2020)

3.4 Sampling Techniques

Sampling is the process by which a relatively small number of individuals, object or event is selected and analyzed in order to find out something about the entire population from which it will be selected (Cooper & Schindler, 2011). A sample is a selection of individuals within the subset of the population whose results can be generalized to the entire population (Malterud, Siersma & Guassora, 2016). Further, a sample frame is a list of all objects in the sample. According to Rahi (2017), sampling

techniques available in research are simple random sampling, stratified sampling, systematic sampling, multi-stage sampling, cluster sampling, and quota sampling. The study used a stratified random technique to select the respondents. This technique ensured that each category and the possible respondent was given an equal chance of being chosen and included in the study. The technique enabled the research to select customers and employees randomly from the hotels.

A sample is a subset of a population. It is a true representative of the entire population to be studied (Skarbek, 2020). A good sample should be truly representative of the population, result in a small sampling error, viable, economical, and systematic, whose results can be applied to a universe with a reasonable level of confidence. The study adopted Yamane (1967) simplified formula to calculate the sample size of customers and managers using the equation;

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = sample size; N = population size; e = the level of precision (0.05); 1 = Constant

This formula assumed a degree of variability (i.e. proportion) of 0.5, the level of precision of 5% and a confidence level of 95%.

The sample size, n for budget hotels was= $902 / (1+902(0.05^2))$

$$=277.12 \approx 277$$

Moreover, the sample size for Airbnb platforms (platforms) was= $1500 / (1+1500(0.05^2))$

$$=315.79 \approx 316$$

The 277 respondents and 316 were apportioned as per their total population for each category. Table 3.2 presents the sample size of the respondents.

Table 3.2: Sample size

Establishment	Budget Hotels		Airbnb platforms (Platforms)	
	Customers	Employee from management level	Customers	Managers (Owners)
The Clarion Hotel	19	2		
The Heron Portico	64	4		
Marble Arch Hotel	16	2		
Central Park Hotel	22	3		
Fahari Gardens Hotel	12	2		
Boma Inn Nairobi	21	3		
Jacaranda Hotel Nairobi	65	6		
West Breeze Hotel	7	2		
After 40 Hotel	24	3		
Total	250	27	301	15

3.5 Research Instruments

The study used questionnaires and structured interviews as the research instruments.

3.5.1 Questionnaires

Questionnaires were used to collect the data from the customers. Questionnaires were administered directly to the customers of the hotels. Questionnaires were preferred because it had a high response rate and were only required to be distributed to respondents to complete and thus required less time to be administered, offers the possibility of anonymity and data collected was first hand. The survey questions were structured.

3.5.2 Interviews

The study conducted interviewed to the employees from the management level of the hotels. The interview guide was chosen because the sample size of the employees from the management level was few and manageable. The use of the interview helped get an in-depth understanding of the relationship between customer focus and Choice of accommodation budget and Airbnb platforms in Nairobi City County from the employees at the management level.

3.6 Pre testing

The reason for pre-testing was to build up the precision and suitability of the examination outline and instrumentation (Saunders, Lewis & Thornhill, 2012). A pretest study was carried out to check the validity and reliability of the research instruments using 10% of the sample size.

3.6.1 Validity of the Research Instrument

Mugenda and Mugenda (2008) define validity as the accuracy and meaningfulness of inferences, which are founded on the research results. The results can be interpreted accurately and used to infer to other populations. To achieve this, the research instruments must measure what they are intended to measure. An instrument is said to be valid on the off chance that it quantifies what it supposed to quantify. Content and construct validity was obtained by the help of the supervisor who counterchecked the research instruments to ensure that the content inside is sufficient and justifiable for the study. To ensure content validity, the questionnaire and interview guides were subjected to thorough examination by supervisors in charge of the project development. The supervisors were asked to evaluate the statements in the questionnaire and interview guide for relevance. The instruments were adjusted

appropriately based on the evaluation before subjecting them to the final data collection exercise. The errors and incomplete questions were modified from the research instruments after the review from the supervisors.

3.6.2 Reliability of the Instrument

Reliability is the degree to which a repeated measurement remains the same. A reliable instrument should be consistent over time and its results should be reproducible under a similar methodology (Winter, 2000). Mugenda et al., (2008) notes the reliability is the consistency of estimation, or how much an instrument measures a similar way each time it is utilized under the same condition with related subjects. The study used 10% of the sample size and thus 21 respondents from budget hotels and 32 from Airbnb were used to test the reliability of the research instruments. However, the respondents who were used in piloting were excluded when collecting the final data. To test the reliability of the instrument test-retest technique was used. Taber (2018) suggests that Cronbach's alpha values of items included in the study should not be lower than 0.7. Cronbach alpha should not be lower than 0.7, while Gliem and Gliem (2003) recommend a Cronbach alpha should exceed 0.7. The reliability of the questionnaire in the study was tested using Cronbach's alpha correlation coefficient. The closer Cronbach's alpha coefficient is to 1, the higher the internal consistency and reliability. Therefore, in this study, a Cronbach alpha of 0.7 and above was considered acceptable. The reliability test results are presented in Table 3.3

Table 3.3 Reliability Results

Variable	Cronbach's Alpha
Customer profile	0.81
Customer needs	0.70
Customer Motivations	0.75
Customer Segmentation	0.85
Choice of Accommodation	0.72

The results from Table 3.3 show the reliability and internal consistency of the items involving customer profile, customer needs, customer motivations, customer segmentation and Choice of accommodation. The results reveal that the overall Cronbach's Alphas for these variables was 0.81 for customer profile, 0.70 for the customer needs, 0.75 for the customer motivations, 0.85 for the customer segmentation and 0.72 for choice, which was above the required cut off value of 0.7, making all the questionnaire items reliable. Golafshani (2003) suggests that Cronbach's alpha values of items included in the study should not be lower than 0.7. Moreover, Gliem and Gliem (2003) recommend a Cronbach alpha should exceed 0.7. The closer Cronbach's alpha coefficient is to 1, the higher the internal consistency and reliability. Therefore, all the items in the questionnaire and interview schedule were eligible for inclusion in further analysis.

3.7 Data collection procedure

Questionnaires were circulated directly to the customers of the hotels after permission from the hotels' management. The questions were semi-structured. Moreover, the structured interviews were administered to the employees from the management levels directly by the research with the help of two research assistants. The questionnaires were divided into sections in which Section A included Customer Profile, Section B Customer Segmentation, Section C Customer Needs, Section D Customer Motivation and section E customer choice.

3.8 Data Analysis

Data analysis is the process of converting raw data into a readable format that can be interpreted, analyzed and used (Chakravarthy & Jiang, 2009). The qualitative data was analyzed using content analysis. Moreover, Statistical Package for the Social Sciences (SPSS) Version 25 was used to organize code and analyze information and

generate the quantitative report. The quantitative data were analyzed using descriptive and inferential statistics. Descriptive statistics enabled research to describe and compare variables numerically. Descriptive statistics were used in the study to determine the extent to which the respondents agreed with the statements provided in the questionnaire. The inferential analysis included various tests of significance for testing hypotheses to determine the validity of data in making conclusions. The correlations, analysis of variance (ANOVA), multiple linear regression model formed the set of inferential statistics. The hypotheses was tested by using multiple regression results and determined using the p-value. The acceptance/rejection criterion was that if the p-value is less than 0.05, the null hypothesis (H_0) is rejected but if it is more than 0.05, the H_0 is not rejected.

3.9 Diagnostic tests

Normality, multicollinearity and heteroscedasticity tests were conducted to ensure proper specification of the model.

Normality Test

Researcher assessed normality to determine if the data are well modelled and normally distributed (linear). The researcher used Kolmogorov-Smirnov test for normality was used since the sample is greater than 50. If the p-value is less than 0.05, then the null hypothesis was rejected and thus conclude that the data is normal. If the data is not normally distributed, a transformation solved the weakness.

Multicollinearity

Multicollinearity enlarge the standard errors and confidence intervals, leading to unsteady estimates of the coefficients for individual predictor. Multicollinearity was assessed in this study using the variance inflation factors (VIF). The VIF value above 10 is an indication of the presence of Multicollinearity.

Heteroscedasticity

In this case, the Breusch-Pagan/Godfrey test was applied. The null hypothesis of this study is that the error variance is homoscedastic. The problem of heteroskedasticity is that OLS assumes that error is gotten from the population that has continuous variance. Thus, the importance of the test is to make sure the regression assumption is met and the results obtained can be relied upon in the making of the inferences.

3.10 Operationalization and measurement of variables

Table 3.4 presented the operationalization and measurement of the study variables

Table 3.4: Operationalization and Measurement of the Study Variables

Variable	Type of Variable	Indicators
Customer profile	Independent variable	<ul style="list-style-type: none">• Gender• Age• Marital Status• Country of Origin
Customer needs	Independent variable	<ul style="list-style-type: none">• Comfort• Security• Privacy• Convenience
Customer motivations	Independent variable	<ul style="list-style-type: none">• Low cost• Guest amenities• Local city itinerary• Reputation
Customer segmentation	Independent variable	<ul style="list-style-type: none">• Tourist typology• Reason for travel• Duration of stay• Amount willing to spend
Choice of accommodation	Dependent variable	<ul style="list-style-type: none">• Uniqueness• Timely delivery• Competiveness• Customer satisfaction

3.11 Logistical and Ethical Consideration

Ethical considerations are the principles and guidelines that should be upheld while conducting research (Schelbe, Chanmugam, Moses, Saltzburg, Williams & Letendre, 2015). The researchers abided by the ethics provided for research in Kenya. The researcher applied for a research permit and followed all the confidentiality/anonymity requirements about the disclosure of the source of information. Moreover, the researcher obtained respondents' informed consent whereby the subjects were made aware of the type of information needed from them and for what purpose. The participants were given all the facts and the truth lied out about the research for them to decide whether to participate or not.

The consent was voluntary without any pressure. The respondents likewise were protected by keeping the information given secret. The researcher guaranteed no psychological harm to the members by not posing humiliating questions, expressing shock and disgust while gathering information, utilizing undermining proclamations or convincing individuals to state something they do not have confidence in, or causing nervousness. Moreover, the researcher avoided actions/statements.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.0 Introduction

The chapter presented the research findings and discussions. Notably, it included response rate, descriptive statistics, correlation analysis, diagnostics tests, regression analysis, hypotheses testing and discussion of the findings. Further, the coding of the managers from the budget hotels was MC for the managers in Clarion Hotel, MH for Heron Portico, MM for Marble Arch Hotel, MP for Central Park Hotel, MF for Fahari Gardens Hotel, MB for Boma Inn Nairobi, MJ for Jacaranda Hotel Nairobi, MW for West Breeze Hotel and MA for After 40 Hotel. On the other side, managers/owners of the Airbnb platforms (platforms) were coded as MAH1- MAH14.

4.1 Response Rate

A total of 250 questionnaires were distributed to the customers of budget hotels and 301 to the Airbnb platforms (platforms) based on the sample size presented in Table 3.2. The questionnaires adequately filled were 183 for the budget hotels and 181 for the Airbnb platforms (platforms). Moreover, 21 employees from the management level were interviewed from the budget hotels and 14 from the Airbnb platforms (platforms). Thus, it was found that the response rate from budget hotels was 73.65% ($(183+21/277*100)$) and Airbnb platforms (platforms) was 61.71% ($(181+14/316*100)$). According to Mugenda and Mugenda (2017), a response rate above 50% is adequate for further analysis. Moreover, Kothari (2004) reported that a response rate above 60% is reliable for making inferences. Thus, the response rate from both the budget hotels and Airbnb platforms (platforms) was above 60% and, therefore, satisfactory for making the inferences.

4.2 Diagnostics Tests

The section entailed normality test, multicollinearity test and heteroscedasticity test

4.2.1 Normality Test

The normality of the variables was tested using the Kolmogorov–Smirnov test. The Kolmogorov–Smirnov test is used when the sample size is greater than 50 while Shapiro–Wilk test is used when the sample size is less than 50 or equal to 50. If the p-value is less than 0.05, the null of normality at the 5% level is rejected. The normality test is presented in Table 4.1

Table 4.1: Normality Test

	Kolmogorov–Smirnov test.	
Variables	Statistic	Sig.
Customer Profile	.162	0.081
Customer Needs	.134	0.110
Customer Motivations	.135	0.252
customer Segmentation	.152	0.272
Choice of Accommodation	.156	0.370

The results presented in Table 4.1 indicate that all the p values were greater than 0.05 and thus, the data was normal and considered satisfactory for further analysis.

4.2.2 Multicollinearity Test

Multicollinearity was assessed in this study using the variance inflation factors (VIF).

Table 4.2 presents the multicollinearity results.

Table 4.2: Multicollinearity Results

Variable	VIF
Customer Profile	1.151
Customer Needs	1.368
Customer Motivations	1.755
customer Segmentation	1.927

The results in Table 4.2 indicated the absence of multicollinearity since the VIF of all the variables were less than 10. According to Katrutsa and Strijov (2017), VIF values above 10 indicate the presence of multicollinearity. Multicollinearity inflates the standard errors and confidence intervals, leading to unstable estimates of the coefficients for individual predictors.

4.2.3 Heteroscedasticity Test

A heteroscedasticity test was run using Breusch-Pagan / Cook-Weisberg test to test whether the error terms are correlated across observations in the cross-sectional of the data. If the p-value is less than 0.05, the null hypothesis is rejected. Results are presented in Table 4.3

Table 4.3: Heteroscedasticity Results

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity		
Ho: Constant variance		
Variable: fitted values of Choice of accommodation Hotels		
chi2(1)	=	4.59
Prob > chi2	=	0.322

Results in Table 4.3 show that the p-value is greater than 0.05. Then the null hypothesis was not rejected at a critical p value of 0.05 since the reported value was $0.322 > 0.05$ and thus, the data did not suffer from heteroscedasticity.

4.3 Customer Profiles

The first objective of the study was to examine the influence of on choice of accommodation in budget hotels and Airbnb in Nairobi City County, Kenya. The section will include the discussion of descriptive statistics, correlation analysis and regression analysis.

4.3.1 Descriptive Statistics of Customer Profile

The section presents the descriptive statistics of customer profiles from both budget hotels and Airbnb platforms (platforms). The descriptive statistics of customer profiles from customers of the budget hotel is presented in Table 4.4

Table 4.4: Descriptive Statistics of Customer Profile from Budget hotel

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Gender influences the Choice of accommodation	7.70%	9.30%	7.00 %	50.30%	25.70%	3.77	1.16
Age influences the choice of accommodation	4.90%	5.50%	1.60%	53.60%	34.40%	4.07	1.01
Marital status influences the choice of accommodation	3.30%	4.90%	1.10%	48.10%	42.60%	4.22	0.94
Occupation influences the choice of accommodation	1.60%	3.80%	9.80%	62.80%	21.90%	3.99	0.79
Country of origin influences the choice of accommodation	4.90%	9.80%	12.60 %	56.80%	15.80%	3.69	1.01

Based on the results presented in Table 4.4, it was found that 76% (50.30%+25.70%) of the customers from budget hotels indicated that gender influences the Choice of accommodation budget hotels and Airbnb platforms in Nairobi City County, while 17% (7.70% +9.30%) disagreed and 7% were neutral. The mean score of the survey question was 3.77, with a standard deviation of 1.16. This implied that the majority of the customers from the budget hotels agreed that gender influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. Further, 88% of the budget hotel customers agreed that age influences the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 10.40% disagreed with the statement and 1.60% remained neutral. The mean score of the survey question was 4.07, with a standard deviation of 1.01. It was found that 90.70 % of the budget hotel customers agreed that marital status influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City, while 8.20% disagreed with the survey question and 1.10% were neutral. The mean score of the

survey question was 4.22, with a standard deviation of 0.94. This implied that the majority of the customers agreed that marital status influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City.

Furthermore, the study found that 84.70% of the customers agreed that occupation influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 5.40% disagreed with the statement and 9.80% remained neutral. The mean score of the survey question was 3.99, with a standard deviation of 0.79. This signified that the majority of the customers agreed that occupation influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. Finally, it was found that 72.60% of the customer's agreed that country of origin influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 14.70% disagreed with the statement and 12.60% remained neutral. The mean score of the survey question was 3.69, with a standard deviation of 1.01. This implied that the majority of the budget hotel customers agreed that country of origin influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi

Moreover, from the interview session with managers from the budget hotels, MB said, "*customer profile influences the customer Choice of accommodation hotels*". Further, MC stated, "*Majority of the customers in budget hotels are married*" Moreover, MJ reported, "*majority of customers in budget hotels are from Kenya.*" It was stated by MP that, "*majority of the customers of budget hotels had an income of between \$201 and \$400*". It was noted by MW that "*most of the budget hotel customers are willing to spend less than \$50 for accommodation*". Further, MC stated, "*Customer profile can be defined using geographic variables such as regions, population size and climate, demographic variables like age, gender and occupation, psychographic and behavioral characteristics*". In addition, MF said, "*Occupation influences the Choice of accommodation budget Hotels in the country.*" Further, MW said, "*Age category*

influence the Choice of accommodation hotels and majority of the customers in the budget hotels are below 30 years." In addition, MF stated, "the purpose of travel influence the Choice of accommodation hotels and the majority of the budget hotel customers travel for leisure and businesses."

The descriptive statistics of customer profiles from customers of the Airbnb hotel (platforms) is depicted in Table 4.5

Table 4.5: Descriptive Statistics of Customer Profiles from Airbnb Platforms

Statements	Strongly Disagree	Disagree	Neutra 1	Agree	Strongly Agree	Mean	SD
Gender influences the Choice of accommodation	6.10%	12.70%	8.80%	39.80%	32.60%	3.80	1.20
Age influences the Choice of accommodation	11.60%	8.30%	5.50%	44.80%	29.80%	3.73	1.29
Marital Status influences the Choice of accommodation	5.50%	9.40%	12.20%	45.30%	27.60%	3.86	1.11
Occupation influences the Choice of accommodation	6.10%	7.20%	6.60%	48.60%	31.50%	3.92	1.08
Country of Origin influences the choice of accommodation	9.90%	12.20%	10.50%	50.30%	17.10%	3.52	1.20

The results presented in Table 4.5 indicate that 72.40% (39.80%+32.60%) of the customers from Airbnb platforms (platforms) indicated that gender influences the choice of accommodation in budget and Airbnb platforms in Nairobi City County while 18.80% (6.10%+12.70%) disagreed and 8.80% were neutral. The mean score of the survey question was 3.80 with a standard deviation of 1.20. This implied that the majority of the customers agreed that gender influences the Choice of in budget hotels and Airbnb platforms in Nairobi City County. Moreover, it was found that 74.60% of the customers agreed that age influences the Choice of accommodation in budget and Airbnb platforms in Nairobi City County, while 19.90% disagreed with the statement

and 5.50% remained neutral. The mean score of the survey question was 3.73 with a standard deviation of 1.29.

It was found that 72.90% of the customers from Airbnb platforms (platforms) agreed that marital status influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City, while 14.90% disagreed with the survey question and 12.20% were neutral. The mean score of the survey question was 3.86, with a standard deviation of 1.11. This implied that the majority of the customers agreed that marital status influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City. Moreover, the study found that the majority (80.10%) of the customers agreed that occupation influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 13.30% disagreed with the statement and 6.60% remained neutral. The mean score of the survey question was 3.92, with a standard deviation of 1.08. This implied that the majority of the customers agreed that occupation influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. Lastly, it was found that 67.40% of the customer's agreed that country of origin influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 22.10% disagreed with the statement and 10.50% remained neutral. The mean score of the survey question was 3.52, with a standard deviation of 1.20. This signified that the majority of the customers from Airbnb platforms (platforms) agreed that country of origin influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County.

Moreover, from the interview session with the managers/owners of the Airbnb platforms, it was noted by MAH12 that "*Marital Status and gender influences the Choice of accommodation Airbnb platforms.*" Moreover, MAH6 reported, "*Majority*

of Airbnb customers are not married." Further, MAH 2 reported, *"the majority of the customers in the Airbnb platforms are males."* In addition, MAH8 said, *"Age of the customers influence the Choice of accommodation hotels and majority of the customers in Airbnb are below 35 years"*. Further, MAH 1 indicated, *"Marital status is an important social demographic that has influenced customer choice."* Moreover, MAH13 stated, *"occupation is key in influencing the Choice of accommodation hotels and majority of the Airbnb customers are business people."* The researcher found that MAH9 noted, *"Purpose of travel influences the Choice of accommodation hotels and the majority of the Airbnb customers travel for leisure."*

4.3.2 Correlation Analysis

The study conducted the correlation analysis to examine the association between customer profiles and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results are presented in Table 4.6

Table 4.6: Correlation Analysis

		Choice of accommodation	Customer Profile
Choice of accommodation	Pearson Correlation Sig. (2-tailed)	1.000	
Customer Profile	Pearson Correlation Sig. (2-tailed)	.498** 0.000	1.000

The correlation results presented in Table 4.6 established that a positive and significant association exists between a customer profile and the choice of accommodation ($r=.498$, $p=.000$). The results concur with the findings of Ahn (2020), who indicated that age, earnings, marital status and country of origin have a positive

and significant influence on the choice of accommodation. Moreover, Liu and Zhang (2014) established that customer profiles that include the purpose of visit, age, marital status and income is a key factor that determines the selection of online hotel booking.

4.3.3 Regression Analysis

The section comprised of model fitness, analysis of variance and regression of coefficient. The results presented in Table 4.7 indicate the model fitness

Table 4.7: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.498a	0.248	0.243	0.352618

a. Predictor: Customer profile

The results presented in Table 4.7 establish that customer profile was found to be satisfactory in explaining the choice of accommodation in Nairobi City County, Kenya. The coefficient of determination, also known as the R square, was found to be 24.8%. This implied that customer profile explains 24.8% of the variations in the dependent variable, which is choice of accommodation in Nairobi City County, Kenya.

Table 4.8 provided the results on the analysis of variance (ANOVA). The analysis of variance (ANOVA) showed whether the independent variable (customer profile) is significant in explaining the dependent variable.

Table 4.8 Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.404	1	7.404	59.547	.000b
	Residual	22.505	181	0.124		
	Total	29.91	182			

Dependent Variable: Choice of Accommodation
 Predictor: Customer profile

The results in Table 4.8 indicate that the overall model was statistically significant. The results imply that customer profile is good predictor in explaining choice of accommodation in Nairobi City County, Kenya. This was supported by an F statistic of 59.547 and the reported p-value of 0.000, which was less than the conventional probability significance level of 0.05. The regressions of coefficient results is presented in Table 4.9

Table 4.9: Regressions of Coefficient Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.564	0.2		12.792	0.000
	Customer Profile	0.382	0.05	0.498	7.717	0.000

a. Dependent Variable: Choice of Accommodation

The results from Table 4.9 shows that customer profile is positively and significantly related to the choice of accommodation ($\beta=0.382$ $p=0.000$). This was supported by a calculated t-statistic of 7.717 that is larger than the critical t-statistic of 1.96. This implied a unitary change in customer profile would influence the change in choice of accommodation in Nairobi City County by 0.382 units holding other factors constant. The results agree with the findings of Victorino, Verma and Plaschka (2015) who established that customer profile matters when guests are selecting a hotel for accommodation. Moreover, Liu and Zhang (2014) established that customer profiles that include the purpose of visit, age, marital status and income is a key factor that determines the selection of online hotel booking.

4.3.4 Hypothesis Testing

The first hypothesis to be tested was;

H₀₁: Customer profiles do not influence the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya.

The hypothesis was tested by using linear regression and determined using p-value. The acceptance/rejection criterion was that, if the p value is less than 0.05, we reject the null hypothesis (H₀) but if it is more than 0.05, the H₀ is not rejected. The null hypothesis indicated that customer profiles do not influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. Based on the results presented in Table 4.9 the p-value was 0.000. The null hypothesis was thus rejected. Therefore, customer profiles influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya.

4.4 Customer Needs

The second objective of the study is to examine the influence of customer needs on the choice of accommodation in budget hotels and Airbnb in Nairobi City County, Kenya. The discussion of descriptive statistics, correlation analysis and regression analysis are presented in the subsections below

4.4.1 Descriptive Statistics of Customer Needs

The section presents the descriptive statistics of customer needs from both budget hotels and Airbnb platforms (platforms). The descriptive statistics of customer needs from customers of the budget hotel is presented in Table 4.10

Table 4.10: Descriptive Statistics of Customer Needs from Budget hotel

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Comfort influences the Choice of accommodation	1.10%	8.20%	9.30%	51.40%	30.10%	4.01	0.91
Security influences the Choice of accommodation	7.10%	10.40%	7.10%	50.30%	25.10%	3.76	1.15
Privacy influences the Choice of accommodation	4.90%	4.90%	1.10%	54.10%	35.00%	4.09	1.00
Convenience influences the Choice of accommodation	3.30%	5.50%	1.10%	48.10%	42.10%	4.20	0.95
Cleanliness and hygiene influence the Choice of accommodation	1.60%	3.80%	9.30%	63.40%	21.90%	4.00	0.78

It was found that 81.50% (51.40%+30.10%) of the customers from budget hotels agreed that comfort (quality of bed, air conditioning, hot and cold water etc.) influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County while 9.30% (1.10%+8.20%) disagreed and 9.30% remained neutral with the statement. The mean score was 4.01, with a standard deviation of 0.91. This implied that the majority of the budget hotel customers agreed that comfort (quality of bed, air conditioning, hot and cold water etc.) influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. In addition, the study found that 75.40% of the customers agreed that security influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 17.50% disagreed and 7.10% remained neutral. The mean score was 3.76, with a standard deviation of 1.15. It was found that 89.10% of the customers agreed that privacy influences the Choice of accommodation in budget hotels and

Airbnb platforms in Nairobi City County and 9.80% disagreed with the statement. The mean score was 4.09, with a standard deviation of 1.00.

Moreover, the study found that 90.20% of the customers agreed that convenience (entertainment, wi-fi, shopping center etc.) influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 8.80% disagreed with the statement and 1.10% remained neutral. The mean score of the survey question was 4.20, with a standard deviation of 0.95. This implied that the majority of the customers agreed that convenience (entertainment, wi-fi, shopping center, etc.) influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. Lastly, it was found that 85.30% of the customers agreed that cleanliness and hygiene influence the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 5.40% disagreed with the statement and 9.30% remained neutral. The mean score of the survey question was 4.00, with a standard deviation of 0.74. This signified that the majority of the customers agreed that cleanliness and hygiene influence the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County.

Moreover, from the interview session with the budget hotel managers, MB said, *“Comfort which include the quality of bed and nature of the water influence the Choice of accommodation hotels to a large extent.”* Further, MM stated, *“Cleanliness and hygiene influence the Choice of accommodation hotels to a moderate extent.”* MA revealed, *“Security matters influence the Choice of accommodation hotels in Kenya”* Further, MH reported, *“Privacy of the customers influences their Choice of accommodation. In addition, MJ revealed, “customer needs is one of the key factors that influence their choices of the hotels”.* Further, MW stated, *“Comfort influence the Choice of accommodation for the customers in the budget hotels.”*

The descriptive statistics of customer needs from customers of the Airbnb hotel (platforms) is depicted in Table 4.11

Table 4.11: Descriptive Statistics of Customer Needs from Airbnb Platforms

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Comfort influences the choice of accommodation	7.20%	15.50%	11.60%	39.20%	26.50%	3.62	1.23
Security influences the Choice of accommodation	3.90%	9.90%	9.90%	48.60%	27.60%	3.86	1.05
Privacy influences the Choice of accommodation	1.70%	10.50%	6.10%	58.60%	23.20%	3.91	0.93
Convenience influences the Choice of accommodation	3.30%	11.00%	10.50%	35.90%	39.20%	3.97	1.12
Cleanliness and hygiene influence the Choice of accommodation	1.70%	5.00%	6.60%	41.40%	45.30%	4.24	0.90

The results presented in Table 4.11 indicate that 65.70% (39.20%+26.50%) of the customers from Airbnb platforms (platforms) agreed that comfort (quality of bed, air conditioning, hot and cold water etc) influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County while 22.70% (7.20%+15.50%) disagreed and 11.60% remained neutral with the statement. The mean score was 3.62 with a standard deviation of 1.23. This implied that the majority of the customers agreed that comfort (quality of bed, air conditioning, hot and cold water etc) influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. It was found that 76.20% of the customers agreed that security influences the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 13.80% disagreed and 9.90% remained neutral. The mean score was 3.86 with a standard deviation of 1.05. The study found that 81.60% of the customers agreed that privacy influences the Choice of accommodation in budget

hotels and Airbnb platforms in Nairobi City County and 12.20% disagreed with the statement. The mean score was 3.91 with a standard deviation of 0.93.

The study found that 75.10% of the customers agreed that convenience (entertainment, wi-fi, shopping center etc) influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 14.30% disagreed with the statement and 10.50% remained neutral. The mean score of the survey question was 3.97 with a standard deviation of 1.12. This implied that the majority of the customers agreed that convenience (entertainment, wi-fi, shopping center etc) influences the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. It was found that 86.70% of the customers agreed that cleanliness and hygiene influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 6.70% disagreed with the statement and 6.60% remained neutral. The mean score of the survey question was 4.24 with a standard deviation of 0.90. This implied that the majority of the customers agreed that cleanliness and hygiene influence the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County.

Further, from the interview session, it was stated by MAH 12 that "*Privacy influences the Choice of accommodation Airbnb platforms in Kenya.*" Further, MAH 5 said, "*Comfort is one of the key factors that influence the Choice of accommodation in Airbnb platforms.*" In addition, MAH1 stated, "*conveniences influence the Choice of accommodation hotels to a large extent.*" Further, MAH14 indicated, "*cleanliness and hygiene influence the choice for accommodation in the hotels in the country.*" In addition, MAH 11 claimed, "*customers' needs include working on ensuring the comfort, security and privacy of the customers and this positively influence the Choice of accommodation hotels.*"

4.4.2 Correlation Analysis

A correlation analysis was conducted to examine the association between customer needs and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results are presented in Table 4.12

Table 4.12: Correlation Analysis

		Choice of accommodation	Customer Needs
Choice of accommodation	Pearson Correlation	1.000	
	Sig. (2-tailed)		
	Sig. (2-tailed)	0.000	
Customer Needs	Pearson Correlation	.561**	1.000
	Sig. (2-tailed)	0.000	

The study found that a positive and significant association exists between customer needs and the choice of accommodation ($r=.561$, $p=.000$). The study findings concur with the findings of Tussyadiah and Zach (2015) who established that customer needs are key factors that determine the choice of accommodation the customers. Moreover, Pesonen and Tussyadiah (2017) indicated that comfort, security and convenience influence the choice of accommodation within the hotels.

4.4.3 Regression Analysis

The section of regression analysis included model fitness, analysis of variance and regression of coefficient. The results presented in Table 4.13 indicate the model fitness

Table 4.13: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.561a	0.315	0.311	0.336421

a. Predictor: Customer needs

The results presented in Table 4.13 establish that customer needs was found to be satisfactory in explaining the choice of accommodation in Nairobi City County,

Kenya. The coefficient of determination, also known as the R square, was found to be 31.5%. This implied that customer needs explain 31.5% of the variations in the choice of accommodation in Nairobi City County, Kenya.

Table 4.14 provided the results on the analysis of variance (ANOVA). The analysis of variance (ANOVA) showed whether the customer needs is significant in explaining the choice of accommodation.

Table 4.14 Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.424	1	9.424	83.266	.000b
	Residual	20.485	181	0.113		
	Total	29.91	182			

Dependent Variable: Choice of Accommodation

Predictor: Customer needs

It was found that customer needs is a good predictor in explaining choice of accommodation in Nairobi City County, Kenya as shown in Table 4.14. This was supported by an F statistic of 83.266 and the reported p-value of 0.000, which was less than the conventional probability significance level of 0.05. The regressions of coefficient results is presented in Table 4.15

Table 4.15: Regressions of Coefficient Results

Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
1	(Constant)	2.178	0.212	Beta	10.277	0.000
	Customer Profile	0.478	0.052	0.561	9.125	0.00

a. Dependent Variable: Choice of Accommodation

The study found that customer needs and choice of accommodation in hotels is positively and significantly related ($\beta=0.478$ $p=0.000$). This was supported by a

calculated t-statistic of 9.125 that is larger than the critical t-statistic of 1.96. This signified a unitary change in customer needs would influence the change in choice of accommodation in budget and Airbnb platforms in Nairobi City County by 0.478 units holding other factors constant. The results agree with the findings of Bocker and Meelen (2017) who established that motivations that lead a customer to choose a particular accommodation service comprise price, home benefits, local authenticity, novelty, sharing economy ethos, and interactions. In addition, Oktadiana and Kurnia (2017) revealed that customers' needs that influence the choice of accommodation in hotels include convenience, privacy and comfort. Tussyadiah (2016) found that customer needs influence the intention to use peer-to-peer accommodation.

4.4.4 Hypothesis Testing

The second hypothesis to be tested was:

H₀₂: Customer needs do not influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya.

The hypothesis was tested by using linear regression and determined using p-value. The acceptance/rejection criterion was that, if the p value is less than 0.05, the null hypothesis is rejected but if it is more than 0.05, the null (H₀) hypothesis is not rejected. The null hypothesis stated that customer needs do not influence the Choice of accommodation in budget and Airbnb platforms in Nairobi City County, Kenya. Based on the results presented in Table 4.15 the p-value was 0.000. The null hypothesis was thus rejected. Therefore, customer needs influence the choice of accommodation in budget and Airbnb platforms in Nairobi City County, Kenya.

4.5 Customer Motivation

The third objective of the study was to examine the influence of customer motivation on the choice of accommodation in budget hotels and Airbnb in Nairobi City County,

Kenya. The discussion of the descriptive statistics, correlation analysis and regression analysis, is presented below in subsections

4.5.1 Descriptive statistics of Customer Motivations

The section presents the descriptive statistics of customer motivations from both budget hotels and Airbnb platforms (platforms). The descriptive statistics of customer motivations from customers of the budget hotel is presented in Table 4.16

Table 4.16: Descriptive Statistics of Customer Motivations from Budget hotel

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Low cost influences the Choice of accommodation	1.10%	6.00%	8.20%	56.80%	27.90%	4.04	0.84
Guest amenities influences the Choice of accommodation	8.70%	9.80%	6.60%	49.70%	25.10%	3.89	1.20
Environmental sustainability influences the Choice of accommodation	4.40%	7.10%	1.60%	52.50%	34.40%	4.05	1.02
Host knowledge of travel tips influences the Choice of accommodation	3.30%	9.30%	4.60%	60.40%	22.40%	3.92	0.95
Reputation of the hotel brand influences the Choice of accommodation	1.60%	4.90%	9.80%	58.50%	25.10%	4.01	0.84

The descriptive statistics presented in Table 4.16 show that 84.70% of the budget hotel customers agreed that low cost influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County while 7.10 % disagreed with the statement and 8.20% remained neutral. The mean score of the survey question was 4.04 with a standard deviation of 10.84. This implied that the majority of the customers agreed that low cost influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. Further, it was found that 74.80% of the customers agreed that guest amenities (fridge, washing machine, stove,

hair drier etc.) influence the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 18.50% disagreed with the statement and 6.60% were neutral. The mean score of the survey question was 3.89 with a standard deviation of 1.20. It was found that 86.90% of the customers agreed that environmental sustainability influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County while 11.50% disagreed with the statement and 1.60% remained neutral. The mean score of the survey question was 4.05 with a standard deviation of 1.02.

Moreover, the study found that 82.80% of the customers agreed that host knowledge of travel tips influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County while 12.60% disagreed with the statement and 4.60% remained neutral. The mean score of the survey question was 3.92 with a standard deviation of 0.95. This implied that the majority of the customers agreed that host knowledge of travel tips influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. Lastly, it was found that 83.60% of the customers agreed that the reputation of the hotel brand influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County while 6.50% disagreed with the statement and 9.80% remained neutral. The mean score of the survey question was 4.01, with a standard deviation of 0.84. This signified that the majority of the budget hotel customers agreed that the reputation of the hotel brand influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County.

In addition, from the interview session, it was reported by MW that “*cost of accommodation influences the Choice of accommodation hotels*” Further, MA indicated, “guest amenities such as washing machine and hair drier influences the

Choice of accommodation budget hotels in Kenya.” Moreover, MP noted, “*Local city itinerary is a vital factor that influences the Choice of accommodation the budget hotels in Kenya.*” MJ said, “*Reputation of the hotel brand influences the Choice of accommodation the hotels to a large extent.*” In addition, MF argued, “*The purpose of travel influences the Choice of accommodation hotels in Kenya to a moderate extent.*”

The descriptive statistics of customer motivations from customers of the Airbnb hotel (platforms) is depicted in Table 4.17

Table 4.17: Descriptive Statistics of Customer Motivations from Airbnb Platforms

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Low cost influences the Choice of accommodation	2.20%	13.80%	7.70%	43.10%	33.10%	3.91	1.08
Guest amenities influences the Choice of accommodation	6.60%	12.70%	6.10%	49.20%	25.40%	3.74	1.17
Environmental sustainability influences the Choice of accommodation	1.70%	9.90%	4.40%	64.10%	19.90%	3.91	0.89
Host knowledge of travel tips influences the Choice of accommodation	3.90%	13.30%	8.80%	48.60%	25.40%	3.78	1.04
Reputation of the hotel brand influences the Choice of accommodation	2.20%	11.00%	5.50%	50.90%	30.40%	3.86	1.09

The results presented in Table 4.17 indicate that 76.20% of the customers from Airbnb platforms (platforms) agreed that low cost influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 16% disagreed with the statement and 7.70% remained neutral. The mean score of the survey question was 3.91, with a standard deviation of 1.08. This implied that the

majority of the customers agreed that low cost influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. It was found that 74.60% of the customers agreed that guest amenities (fridge, washing machine, stove, hair drier etc) influence the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 19.30% disagreed with the statement and 6.10% were neutral. The mean score of the survey question was 3.74, with a standard deviation of 1.17. It was found that 84% of the customers agreed that environmental sustainability influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 11.60% disagreed with the statement and 4.40% remained neutral. The mean score of the survey question was 3.78, with a standard deviation of 1.04.

Further, the study found that 74% of the customers agreed that host knowledge of travel tips influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 17.20% disagreed with the statement and 8.80% remained neutral. The mean score of the survey question was 3.78 with a standard deviation of 1.04. This signified that the majority of the customers agreed that host knowledge of travel tips influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County. Finally, it was found that 81.30% of the customers agreed that the reputation of the hotel brand influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 13.20% disagreed with the statement and 5.50% remained neutral. The mean score of the survey question was 3.86, with a standard deviation of 1.09. This meant that majority of the customers from Airbnb platforms (platforms) agreed that the reputation of the hotel brand influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County.

Further, from the interview session, it was noted by MAH8 that “*the purpose of travel influences the Choice of accommodation hotels to a large extent.*” Moreover, MAH2 stated that “*Low cost influences the Choice of accommodation Airbnb platforms in Nairobi City County.*” In addition, MAH13 noted, “*Reputation influences the Choice of accommodation the hotels to a large extent*” Further, MAH11 said, “*host knowledge of travel tips influences the Choice of accommodation Airbnb platforms in Kenya.*” It further reported by MAH3 that “*Guest amenities and low cost is one of the fundamental factors that influence the Choice of accommodation Airbnb platforms in Nairobi City County.*”

4.5.2 Correlation Analysis

A correlation analysis was conducted to examine the association between customer motivation and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results are presented in Table 4.18

Table 4.18: Correlation Analysis

		Choice of accommodation	Customer Motivation
Choice of accommodation	Pearson Correlation	1.000	
	Sig. (2-tailed)	0.000	
Customer Motivation	Pearson Correlation	.573**	1.000
	Sig. (2-tailed)	0.000	

It was found that a positive and significant association exists between customer motivation and the choice of accommodation ($r=.573$, $p=.000$). The results concur with the findings of Kinyingi (2018), who indicated that factors influencing customer satisfaction include the customer motivations such as low cost, guest amenities and reputation. Moreover, Maiga and Nilsson (2015) showed that there is a positive and significant association between cost and quality on performance.

4.5.3 Regression Analysis

The section of regression analysis included model fitness, analysis of variance and regression of coefficient. The results presented in Table 4.19 indicate the model fitness

Table 4.19: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
<u>1</u>	<u>.573a</u>	<u>0.328</u>	<u>0.325</u>	<u>0.333143</u>

a. Predictor: Customer motivations

The study findings presented in Table 4.19 establish that customer motivation was found to be satisfactory in explaining the choice of accommodation in Nairobi City County, Kenya. The coefficient of determination, also known as the R square, was found to be 32.8%. This implied that customer motivation explain 32.8% of the variations in the choice of accommodation in Nairobi City County, Kenya.

Table 4.20 provided the results on the analysis of variance (ANOVA).

Table 4.20 Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.821	1	9.821	88.494	.000b
	Residual	20.088	181	0.111		
	Total	29.91	182			

Dependent Variable: Choice of Accommodation

Predictor: Customer motivation

It was found that customer motivation is a good predictor in explaining choice of accommodation in Nairobi City County, Kenya as shown in Table 4.20. This was supported by an F statistic of 88.494 and the reported p-value of 0.000, which was less than the conventional probability significance level of 0.05. The regressions of coefficient results are presented in Table 4.21

Table 4.21: Regressions of Coefficient Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.926	0.232		8.289	0.000
	Customer Profile	0.534	0.057	0.573	9.407	0.000

a. Dependent Variable: Choice of Accommodation

The study found that customer motivations and choice of accommodation in hotels is positively and significantly related ($\beta = .534$ $p=0.000$). This was supported by a calculated t-statistic of 9.407 that is larger than the critical t-statistic of 1.96. The results implied that a unitary change in customer motivations would lead to the change in Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County by 0.534 units holding other factors constant.

4.5.4 Hypothesis Testing

The third hypothesis to be tested was

H₀₃: Customer motivation do not influence the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya

The hypothesis was tested by using linear regression and determined using p-value. The acceptance/rejection criterion was that, if the p value is less than 0.05, the null hypothesis is rejected but if it is more than 0.05, the null (H₀) hypothesis is not rejected. The null hypothesis stated that customer motivation do not influence the Choice of accommodation in budget and Airbnb platforms in Nairobi City County, Kenya. Based on the results presented in Table 4.21 the p-value was 0.000. The null hypothesis was therefore rejected. Hence, customer motivation influences the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya.

4.6 Customer Segmentation

The fourth objective of the study was to examine the influence of customer segmentation on the choice of accommodation in budget hotels and Airbnb in Nairobi City County, Kenya. The study results of the descriptive statistics, correlation analysis and regression analysis, are presented below in subsections.

4.6.1 Descriptive statistics of Customer Segmentation

The section presents the descriptive statistics of customer segmentation from both budget hotels and Airbnb platforms (platforms). The descriptive statistics of customer segmentation from customers of the budget hotel is presented in Table 4.22

Table 4.22: Descriptive Statistics of Customer Segmentation from Budget hotel

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Tourist typology influences the Choice of accommodation	4.90%	5.50%	1.60%	54.60%	33.30%	4.01	1.01
The time of stay influences the Choice of accommodation	4.40%	4.90%	1.10%	45.90%	43.70%	4.20	1.00
The amount to spent in accommodation influences the Choice of accommodation	1.60%	3.80%	8.70%	62.80%	23.00%	4.02	0.79
Annual Income influences the Choice of accommodation	6.00%	10.40%	13.10%	53.60%	16.90%	3.65	1.07
The reason for travel influences the Choice of accommodation	3.30%	7.70%	9.30%	65.60%	14.20%	3.80	0.89

Based on the descriptive statistics presented in Table 4.22, it was found that 87.90% of the customers from budget hotels agreed that tourist typology influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County while 10.40% disagreed with the survey question and 1.60% remained neutral. The mean score of the survey question was 4.02, with a standard deviation of 1.01. This meant that the majority of the customers agreed that tourist typology influences the Choice of

accommodation in budget hotels and Airbnb platforms in Nairobi City County. It was found that 89.60% of the customers agreed that the time of stay influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 9.30% disagreed with the statement 1.10% remained neutral. The mean score of the survey question was 4.20, with a standard deviation of 1.00. The study found that 85.80% of the customers agreed that amount to spend on accommodation influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 5.40% disagreed and 8.70% remained neutral. The mean score of the survey question was 4.02 with a standard deviation of 0.79

Moreover, it was found that 70.50% of the customers agreed that annual income influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 16.40% disagreed with the survey question and 13.10% remained neutral. The mean score of the survey question was 3.65, with a standard deviation of 1.07. This implied that the majority of the customers agreed that annual income influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. Finally, it was found that 79.80% of the customers agreed that the reason for travel influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 11.00% disagreed with the survey question and 9.30% remained neutral. The mean score of the survey question was 3.80 with a standard deviation of 0.89. This signified that the majority of the customers agreed that the reason for travel influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County.

In addition, from the interview session, MP said, “*customer segmentation that can include the time of stay and amount to spent influence the Choice of accommodation hotels in Kenya.*” In addition, MC stated, “*the amount of money one is willing to*

spend on accommodation influences the Choice of accommodation hotels in Kenya. Further, MJ stated, “tourist typology influences the Choice of accommodation in a hotel.” Moreover, MB indicated, “the reason for travel and the country of origin influences the Choice of accommodation budget hotels in Kenya.”

The descriptive statistics of customer segmentation from customers of the Airbnb hotel (platforms) is depicted in Table 4.23

Table 4.23: Descriptive Statistics of Customer Segmentation from Airbnb Platforms

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Tourist typology influences the Choice of accommodation	3.90%	10.50%	2.80%	58.40%	24.40%	4.06	1.10
The time of stay influences the Choice of accommodation	4.40%	8.80%	5.00%	49.20%	32.60%	3.97	1.06
The amount to spent in accommodation influences the Choice of accommodation	6.10%	15.50%	8.80%	43.10%	26.50%	3.69	1.20
Annual Income influences the Choice of accommodation	7.70%	12.70%	8.30%	48.60%	22.70%	3.86	1.19
The reason for travel influences the Choice of accommodation	5.00%	9.50%	8.80%	58.50%	18.20%	3.64	1.10

The descriptive results presented in Table 4.23 show that the majority (82.20%) of the customers from Airbnb platforms (platforms) agreed that tourist typology influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 14.40% disagreed with the survey question and 2.80% remained neutral. The mean score of the survey question was 4.06 with a standard deviation of 1.10. This meant that the majority of the customers agreed that tourist typology influences the Choice of accommodation in budget hotels and Airbnb platforms in

Nairobi City County. It was found that 81.80% of the respondents agreed that the time of stay influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 13.20% disagreed with the statement 5% remained neutral. The mean score of the survey question was 3.97, with a standard deviation of 1.06. The study found that 69.60% of the customers agreed that amount to spend on accommodation influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 21.60% disagreed and 8.80% remained neutral. The mean score of the survey question was 3.69, with a standard deviation of 1.20.

The study found that 71.30% of the customers agreed that annual income influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 20.40% disagreed with the survey question and 8.30% remained neutral. The mean score of the survey question was 3.86, with a standard deviation of 1.19. This signified that the majority of the customers agreed that annual income influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County. Lastly, it was found that 76.70% of the customers agreed that the reason for travel influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, while 14.50% disagreed with the survey question and 8.80% remained neutral. The mean score of the survey question was 3.64, with a standard deviation of 1.10. This implied that the majority of the customers agreed that the reason for travel influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County.

Further, from the interview session, MAH3 said, “*the low cost influences the Choice of accommodation in Airbnb platforms.*” Further, MAH9 stated, “*the amount set aside by an individual to be spent in accommodation influences the Choice of*

accommodation hotels in Kenya.” Furthermore, it was stated by MAH7 that “*the time an individual expects to takes influences the Choice of accommodation the hotels for accommodation.*” Likewise, MAH5 noted, “*the income of an individual influences the Choice of accommodation in a hotel.*”

4.6.2 Correlation Analysis

A correlation analysis was conducted to examine the association between customer segmentation and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results are presented in Table 4.24

Table 4.24: Correlation Analysis

		Choice of accommodation	Customer Motivation
Choice of accommodation	Pearson Correlation	1.000	
	Sig. (2-tailed)		
	Sig. (2-tailed)	0.000	
Customer Motivation	Pearson Correlation	.646**	1.000
	Sig. (2-tailed)	0.000	

The study found that a positive and significant association exists between customer segmentation and the choice of accommodation ($r=.646$, $p=.000$). The results concur with the findings of Khan, Hakeem and Naumov (2018), who indicated that customer segmentation which includes the reason for travel, duration of stay and amount willing to spend, is a critical factor that influences the choice of accommodation customers. Furthermore, Alhassa and Sakara (2019) indicated that segmentation promotes competition and enhances the performance of hotels in the Tamale Metropolis. Moreover, Murimi and Wadongo (2021) noted that customer segmentation could be based on the reason for travel and the amount willing to spend and it influences the choice of accommodation.

4.6.3 Regression Analysis

The section of regression analysis included model fitness, analysis of variance and regression of coefficient. The results presented in Table 4.25 indicate the model fitness

Table 4.25: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
<u>1</u>	.646a	0.418	0.415	0.310178

a. Predictor: Customer segmentation

The study findings presented in Table 4.25 establish that customer segmentation was found to be satisfactory in explaining the choice of accommodation in Nairobi City County, Kenya. The coefficient of determination was found to be 0.418. This implied that customer segmentation explains 41.8% of the variations in the choice of accommodation in Nairobi City County, Kenya. Table 4.26 provided the results on the analysis of variance (ANOVA).

Table 4.26: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.495	1	12.495	129.876	.000b
	Residual	17.414	181	0.096		
	Total	29.91	182			

Dependent Variable: Choice of Accommodation

Predictor: Customer segmentation

The study found that customer segmentation is a good predictor in explaining choice of accommodation in Nairobi City County, Kenya as shown in Table 4.26. This was supported by an F statistic of 129.876 and the reported p-value of 0.000, which was less than the conventional probability significance level of 0.05. The regressions of coefficient results are presented in Table 4.27

Table 4.27: Regressions of Coefficient Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.855	0.198		9.357	0.000
	Customer segmentation	0.550	0.048	0.646	11.396	0.000

a. Dependent Variable: Choice of Accommodation

The study found that customer segmentation and choice of accommodation in hotels is positively and significantly related ($\beta = .550$ $p=0.000$). This was supported by a calculated t-statistic of 11.396 that is larger than the critical t-statistic of 1.96. The results implied that a unitary change in customer segmentations would lead to the change in Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County by 0.550 units holding other factors constant.

4.6.4 Hypothesis Testing

The fourth hypothesis to be tested was:

H₀₄: Customer segmentation do not influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya

The hypothesis was tested by using linear regression and determined using p-value. The acceptance/rejection criterion was that, if the p value is less than 0.05, the null hypothesis is rejected but if it is more than 0.05, the null (H₀) hypothesis is not rejected. The null hypothesis stated that customer segmentation do not influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. Based on the results presented in Table 4.27 the p-value was 0.000. The null hypothesis was thus rejected. Therefore, customer segmentation influences

the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya.

4.7 Choice of Accommodation

The dependent variable was the choice of accommodation. The section presents the descriptive statistics of the choice of accommodation from both budget hotels and Airbnb platforms. The descriptive statistics of choice of accommodation hotels from customers of the budget hotel is presented in Table 4.28.

Table 4.28: Descriptive Statistics of Choice of Accommodation from Budget Hotels

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
The choice of accommodation is very competitive	5.90%	10.60%	1.60%	51.70%	30.10%	4.02	1.02
The Choice of accommodation promotes unique experience	2.20%	5.50%	3.30%	51.90%	37.20%	4.16	0.89
The Choice varies from one person to another	4.40%	7.10%	10.90%	55.70%	21.90%	3.84	0.99
The Choice of accommodation depends highly on household amenities	3.80%	18.30%	4.70%	44.50%	28.70%	4.05	1.08
The Choice of accommodation determines satisfaction	1.30%	6.00%	7.10%	67.80%	17.80%	3.87	0.87

It was found that 81.80% of the customers of budget hotels agreed that the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County is very competitive, while 16.50% disagreed with the survey question and 1.60% remained neutral. The mean score of the survey question was 4.02, with a standard deviation of 1.02. This signified that the majority of the customers agreed that the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County is very

competitive. Further, it was found that 89.10% of the customers agreed that the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County promotes unique experience while 7.70% disagreed with the survey question and 3.20% remained neutral. The mean score of the survey question was 4.16 with a standard deviation of 0.89.

Moreover, the study found that 77.60% of the customers agreed that the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County varies from one person to another while 11.50% disagreed with the survey question and 104.90% remained neutral. The mean score of the survey question was 3.84 with a standard deviation of 0.99. Further, it was found that 73.20% of the customers agreed that Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County depends highly on household amenities while 22.10% disagreed with the survey question and 4.70% remained neutral. The mean score of the survey question was 4.05, with a standard deviation of 1.08. Lastly, the study found that 85.60% of the customers agreed that the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County determines satisfaction, while 7.30% disagreed with the statement and 7.10% remained neutral. The mean score of the survey question was 3.87, with a standard deviation of 0.87. This implied that the majority of the customers of budget hotels agreed that Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County determines satisfaction.

The descriptive statistics of Choice of accommodation in budget hotels from customers of the Airbnb hotel (platforms) is depicted in Table 4.29.

Table 4.29: Descriptive Statistics of Choice of Accommodation from Airbnb Platforms

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
The choice of accommodation is very competitive	2.80%	12.90%	2.60%	60.80%	21.00%	3.82	1.02
The Choice of accommodation promotes unique experience	2.80%	22.10%	5.00%	49.70%	20.40%	3.63	1.12
The Choice varies from one person to another	3.30%	18.20%	4.40%	45.90%	28.20%	3.97	1.14
The Choice of accommodation depends highly on household amenities	3.90%	16.00%	3.30%	54.10%	22.70%	3.76	1.09
The Choice of accommodation determines satisfaction	4.40%	24.90%	2.80%	50.80%	17.10%	3.81	1.17

The results presented in Table 4.29 indicate that majority (81.80%) of the customers of Airbnb platforms (platforms) agreed that Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County is very competitive while 15.70% disagreed with the survey question and 2.60% remained neutral. The mean score of the survey question was 3.82 with a standard deviation of 1.02. This implied that the majority of the customers agreed that the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County is very competitive. Moreover, it was found that 70.10% of the customers agreed that the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County promotes unique experience while 24.90% disagreed with the survey question and 5% remained neutral. The mean score of the survey question was 3.63 with a standard deviation of 1.12.

The study found that 74.10% of the customers agreed that the Choice of accommodation in budget hotels t and Airbnb platforms in Nairobi City County varies from one person to another, while 21.50% disagreed with the survey question and 4.40% remained neutral. The mean score of the survey question was 3.97 with a

standard deviation of 1.14. Further, the study found that 76.80% of the customers agreed that the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County depends highly on household amenities while 19.90% disagreed with the survey question and 3.30% remained neutral. The mean score of the survey question was 3.76 with a standard deviation of 1.09. Finally, the study found that 67.90% of the customers agreed that the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County determines satisfaction, while 29.30% disagreed with the statement and 2.80% remained neutral. The mean score of the survey question was 3.81 with a standard deviation of 1.17. This implied that the majority of the customers of Airbnb platforms agreed that Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County determines satisfaction.

4.8 Discussion of Key Findings

Based on the descriptive statistics, it was found of the respondents (customers) agreed that customer profiles influence the Choice of accommodation in budget and Airbnb platforms in Nairobi City County, Kenya. The results were also supported by the findings from the interview that found managers also agreed that customer profiles influence the Choice of accommodation hotels in Kenya.

The correlation results presented established that a positive and significant association exists between a customer profile and the Choice of accommodation in hotels. Further, the regression results revealed that customer profile is positively and significantly reacted to the Choice of accommodation in hotels.

The results concur with the findings of Richard et al. (2016), who revealed customers could be defined using geographic variables such as their regions, population size and climate, demographic variables like age, gender and occupation, psychographic and

behavioral characteristics. Further, Ahn (2020) indicated that age, earnings, marital status and country of origin have a positive and significant influence on the Choice of accommodation. In addition, Victorino et al. (2015) showed the customer profile matters when guests are selecting a hotel, with the type of lodging having the most substantial impact on a customer's hotel choice. Moreover, Pezenka et al., (2017) showed that customer profile is a key determinant that influences participation in peer-to-peer travel accommodation services. The customer profile includes gender, marital status and income.

It was found that customers and managers that customer needs determine the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results showed that a positive and significant association exists between customer needs and the Choice of accommodation in hotels. Further, it was found that customer needs and Choice of accommodation in hotels is positively and significantly related.

The results concur with the findings of Chand (2018), who reported that customer needs are critical when it comes to the booking of accommodations in hotels. The needs can be classified under comfort, security, privacy, convenience, cleanliness and a home away from home. Moreover, Pesonen et al. (2017) indicated that comfort, security and convenience influence the Choice of accommodation within the hotels. Furthermore, Bocker et al. (2017) established that motivations that lead a customer to choose a particular accommodation service comprise price, home benefits, local authenticity, novelty, sharing economy ethos, and interactions.

The descriptive results showed that the majority of the respondents agreed that customer motivation influences the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results indicated

that customer motivations and Choice of accommodation in hotels is positively and significantly associated. Moreover, the regression results indicated that customer motivations and Choice of accommodation hotels is positively and significantly related. The results concur with the findings of Hua et al. (2018), who indicated that physical product, service quality, price, promotion and location influence the choice of accommodation.

Moreover, Kinyingi (2018) noted that customer motivations are key factors that influence customer satisfaction in the hotel industry in Kenya. Furthermore, another study was conducted by Platania et al. (2019) revealed that motivation factors and customer profiles influence the Choice of accommodation hotels.

The study found that the majority of the respondents agreed that customer segmentation influences the choice of accommodation budget and Airbnb platforms in Nairobi City County, Kenya. The correlation results showed that customer segmentation and hotel choice are positively and significantly associated.

Further, the regression results indicated there is a positive and significant relationship between customer segmentation and the choice of accommodation hotels. Customer segmentation is the practice of dividing a company's customers into groups that reflect similarities among customers in each group. The goal of segmenting customers is to decide how to relate to customers in each segment in order to maximize the value of each customer to the business (Ryu, Choi & Cho, 2017).

Gutentag (2016) reported that categorizing customers in the hospitality industry inform how marketing efforts and resources are controlled to gain maximum revenue over the competitors.

A study was Khan et al. (2018) revealed that customer segmentation which includes the reason for travel, duration of stay and amount willing to spend, is a key factor that influences the Choice of accommodation the customers. Furthermore, Alhassa et al. (2019) reported that customer segmentation promotes competition and enhances the performance of hotels. Further, Kamau et al. (2015) revealed that the price, products/service, location, people, processes, physical evidence and promotions are important attributes in determining the choice of accommodation.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The chapter presents the summary, conclusion and recommendations of the study based on the study findings

5.1 Summary

The first objective of the study was to examine the influence of customer profiles on the choice of accommodation budget hotels and Airbnb platforms in Nairobi City County, Kenya. Based on the descriptive statistics, it was found of the respondents (customers) agreed that customer profiles influence the Choice of accommodation budgets and Airbnb platforms in Nairobi City County, Kenya. The results were also supported by the findings from the interview that found managers also agreed that customer profiles influence the choice of accommodation hotels in Kenya. The correlation results presented established that a positive and significant association exists between a customer profile and the choice of accommodation hotels.

Further, the regression results revealed that customer profile is positively and significantly reacted to the choice of accommodation hotels. The results concur with the findings of Ahn (2020) who indicated that age, earnings, marital status and country of origin have a positive and significant influence on the choice of accommodation. Moreover, Liu and Zhang, 2014 and Odawa (2017) indicated that customer profiles are considered core for the travelers in choosing the accommodation in budget hotels and Airbnb platforms. In addition, Liu and Zhang (2014) indicated that factors affecting customer selection of hotel booking include the purpose of visit, age, marital status and income.

The second objective of the study was to examine the influence of customer needs on the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. It was found from the descriptive statistics that customers and managers agreed that customer needs determine the choice of accommodation budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results showed that a positive and significant association exists between customer needs and the choice of accommodation hotel. Further, it was found that customer needs and the choice of accommodation hotels is positively and significantly related. The results are in agreement with the findings of concur with the findings of Pesonen et al. (2017) who indicated that comfort, security and convenience influence the Choice of accommodation within the hotels. Further, Bocker et al. (2017) established that motivations that lead a customer to choose a particular accommodation service comprise price, home benefits, local authenticity, novelty, sharing economy ethos, and interactions.

The third objective of the study was to examine the influence of customer motivation on choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The descriptive results showed that majority of the respondents agreed that customer motivation influences the choice budget and Airbnb platforms in Nairobi City County, Kenya. The correlation results showed that a positive and significant association exists between customer motivation and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. Moreover, regression results revealed that customer motivations and choice of accommodation in hotels is positively and significantly related. The results concur with the findings of Kinyingi (2018) who noted that customer motivations are key factors that influence customer satisfaction in the hotel industry in Kenya.

Furthermore, Platania et al. (2019) revealed that motivation factors and customer profiles influence the choice of accommodation hotels.

The last objective of the study was to examine the influence of customer segmentation on choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The study found that the majority of the respondents agreed that customer segmentation influences the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results showed that customer segmentation and hotel choice are positively and significantly associated. Further, the regression results indicated there is a positive and significant relationship between customer segmentation and the choice of accommodation in hotels. The results agree with the findings of Khan et al. (2018) who revealed that customer segmentation which includes the reason for travel, duration of stay and amount willing to spend, is a key factor that influences the Choice of accommodation the customers. Furthermore, Alhassa et al. (2019) reported that customer segmentation promotes competition and enhances the performance of hotels.

5.2 Conclusion

The first hypothesis to be tested was customer profiles do not influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The null hypothesis was rejected. Therefore, customer profiles was found to influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results established that a positive and significant association exists between a customer profile and the choice of accommodation in hotels. Further, the regression results revealed that customer profile is positively and significantly reacted to the choice of accommodation in hotels.

The study concluded that customer profiles include gender of customers, age, marital status, country of origin, among others.

The second hypothesis to be tested was customer needs do not influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The null hypothesis was rejected. Therefore, customer needs was found to influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results showed that a positive and significant association exists between customer needs and choice of accommodation in hotels. Further, it was found that customer needs and the choice of accommodation in hotels is positively and significantly related. The study established the customer needs of the customers include comfort, security, privacy, convenience, among others.

The third hypothesis to be tested was customer motivation do not influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The null hypothesis was rejected. Hence, customer motivation was found to influence the Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results showed that a positive and significant association exists between customer motivation and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. Moreover, regression results revealed that customer motivations and choice of accommodation in hotels is positively and significantly related. The study found that customer motivation is determined by low cost, guest amenities, local city itinerary, and hotel reputation, among others.

The fourth hypothesis to be tested was customer segmentation do not influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The null hypothesis was rejected.

Therefore, customer segmentation was found to influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya. The correlation results showed that customer segmentation and hotel choice are positively and significantly associated. Further, the regression results indicated there is a positive and significant relationship between customer segmentation and the choice of accommodation in hotels. The study found the customer segmentation to include tourist typology, the reason for travel, duration of stay, amount willing to spend, among others.

5.3 Recommendations

Based on the study conclusions, the following recommendations were made.

5.3.1 Recommendations for Policy

1. Based on the findings of the study, it is recommended that Regulators of Hospitality and Tourism in Kenya ought to develop a mechanism that will monitor the activities of Airbnb to ensure there is fair competition. The unfair competition of Airbnb platforms puts the sustainability of budget hotels at risk. Airbnb does not have to comply with the same legislation as hotels and the company can offer accommodation at a significantly smaller cost.
2. Government should ensure there is fair competition in the hotel industry.

5.3.2 Recommendations for Practice

1. Based on findings, it was found that customer focus (customer profile, customer needs, customer motivations and customer segmentation influence the choice of accommodation in hotels positively) is positively and significantly related to the Choice of accommodation customers. Thus, it is

recommended that both the budget hotels and Airbnb platforms need to be keen on customer focus to increase the performance.

2. The hotels can focus on comfort, security, privacy, convenience, cost, guest amenities and reputation and this can ensure the hotels remain preferred by the customers.

5.3.3 Recommendations for further study

1. The study mainly looked at the relationship between customer focus and choice of accommodation in budget hotels and Airbnb platforms in Nairobi city county, Kenya. Thus, it is recommended that future studies can be conducted to examine other factors that influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi city county, Kenya, since customer focus only explained 59.5%.
2. The remaining 41.5% can be explained by other factors such as leadership, technology, capacity building and working environment.
3. Moreover, another study is suggested to be conducted in other hotels other than budget and Airbnb platforms. Conducting the studies in diverse hotels category will intensify comparison for effective decision-making.

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APPENDICES

Dear Sir/Madam,

I am conducting a study on the relationship between customer focus and choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya as part of the requirement to complete Masters of Science in Hospitality Management. The findings are for academic purposes only and will in no way infringe on your privacy. Your feedback was greatly appreciated.

Yours sincerely,

Abby Christine Njeri Murage

Appendix 1: Questionnaire for Customers

Section A: Customer Profile

Please rate the following statements on the influence of customer profile on choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya, where, 1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree

Gender influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County	1	2	3	4	5
Age influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Marital Status influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Occupation influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Country of Origin influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					

Section C: Customer Needs

Please rate the following statements on the influence of customer needs on choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya, where, 1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree

	1	2	3	4	5
Comfort (quality of bed, air conditioning, hot and cold water etc) influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Security influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Privacy influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Convenience (entertainment, wi-fi, shopping center etc) influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Cleanliness and hygiene influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					

Section D: Customer Motivation

Please rate the following statements on the influence of customer motivation on Choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya, where, 1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree

Low cost influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County	1	2	3	4	5
Guest amenities (Fridge, washing machine, stove, hair drier etc) influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Environmental sustainability influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Host knowledge of travel tips influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Reputation of the hotel brand influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					

Section B: Customer Segmentation

Please rate the following statements on the influence of customer segmentation on choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya, where, 1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree

	1	2	3	4	5
Tourist typology influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
The time of stay influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
The amount to spent in accommodation influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
Annual Income influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					
The reason for travel influences the Choice of accommodation budget and Airbnb platforms in Nairobi City County					

Section E: Choice of Accommodation in Hotels

Please rate the following statements on the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya, where, 1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree

The Choice of accommodation budget and Airbnb platforms in Nairobi City County is very competitive	1	2	3	4	5
The Choice of accommodation budget and Airbnb platforms in Nairobi City County promotes unique experience					
The Choice of accommodation budget and Airbnb platforms in Nairobi City County varies from one person to another					
The Choice of accommodation budget and Airbnb platforms in Nairobi City County depends highly on household amenities					
The Choice of accommodation budget and Airbnb platforms in Nairobi City County determines satisfaction					

Appendix 2: Manager's Interview Guide

- i. Does customer profiles influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya? Please explain
.....
.....
- ii. Does customer needs influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya? Kindly elaborate
.....
.....
- iii. Is there any influence of customer motivation on choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya? Please explain
.....
.....
- iv. Does customer segmentation influence the choice of accommodation in budget hotels and Airbnb platforms in Nairobi City County, Kenya? Kindly elaborate
.....
.....

Appendix 4: Research Authorization Letter



KENYATTA UNIVERSITY GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 020-8704150

Our Ref: T129/37562/2016

DATE: 30th January, 2019

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

**RE: RESEARCH AUTHORIZATION FOR MS. ABBYCHRISTINE NJERI MURAGE
– REG. NO. T129/37562/2016**

I write to introduce Ms. Abbychristine Njeri Murage who is a Postgraduate Student of this University. She is registered for M.Sc. degree programme in the Department of Hospitality & Tourism Management.

Ms. Murage intends to conduct research for a M.Sc. thesis Proposal entitled, "Influence of Peer to Peer Accommodation Demand on Hotel Competitiveness in Budget Hotels Nairobi City County, Kenya."

Any assistance given will be highly appreciated.

Yours faithfully,


/ PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL

EM/bmw

Appendix 5: Research Permit

**THIS IS TO CERTIFY THAT:
MS. ABBYCHRISTINE NJERI MURAGE
of KENYATTA UNIVERSITY, 0-200
NAIROBI, has been permitted to conduct
research in Nairobi County**

**on the topic: INFLUENCE OF PEER TO
PEER ACCOMMODATION DEMAND ON
HOTEL COMPETITIVENESS IN BUDGET
HOTELS- NAIROBI COUNTY, KENYA.**

**for the period ending:
25th February, 2020**


.....
**Applicant's
Signature**

Permit No : NACOSTI/P/19/53908/28170

Date Of Issue : 25th February, 2019

Fee Received :Ksh 1000




.....
**Director General
National Commission for Science,
Technology & Innovation**

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

The Grant of Research Licenses is guided by the Science,
Technology and Innovation (Research Licensing) Regulations, 2014.

CONDITIONS

1. The License is valid for the proposed research, location and specified period.
2. The License and any rights thereunder are non-transferable.
3. The Licensee shall inform the County Governor before commencement of the research.
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
5. The License does not give authority to transfer research materials.
6. NACOSTI may monitor and evaluate the licensed research project.
7. The Licensee shall submit one hard copy and upload a soft copy of their final report within one year of completion of the research.
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice.

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Email: dg@nacosti.go.ke, registry@nacosti.go.ke
Website: www.nacosti.go.ke



REPUBLIC OF KENYA



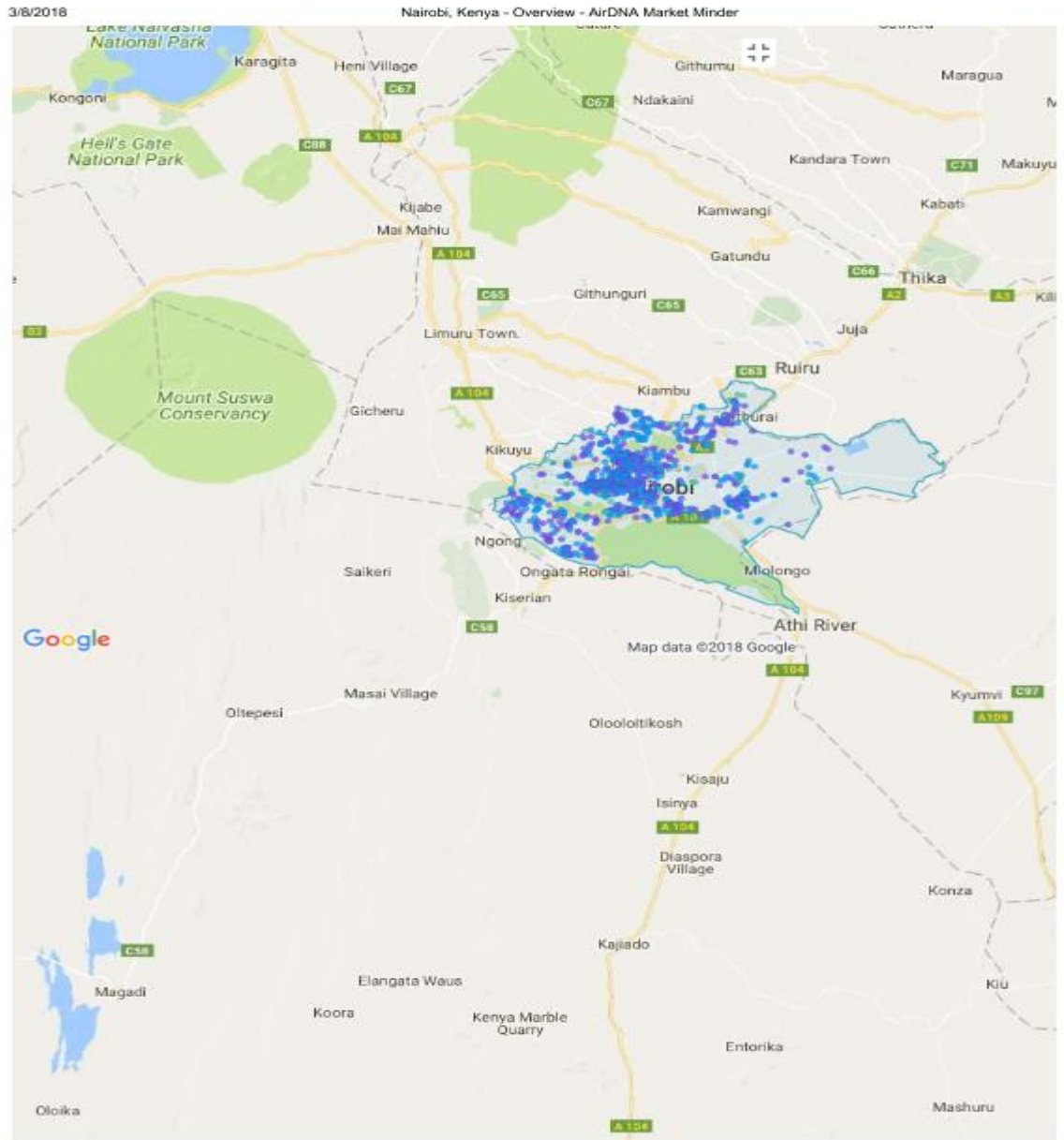
**National Commission for Science,
Technology and Innovation**

RESEARCH LICENSE

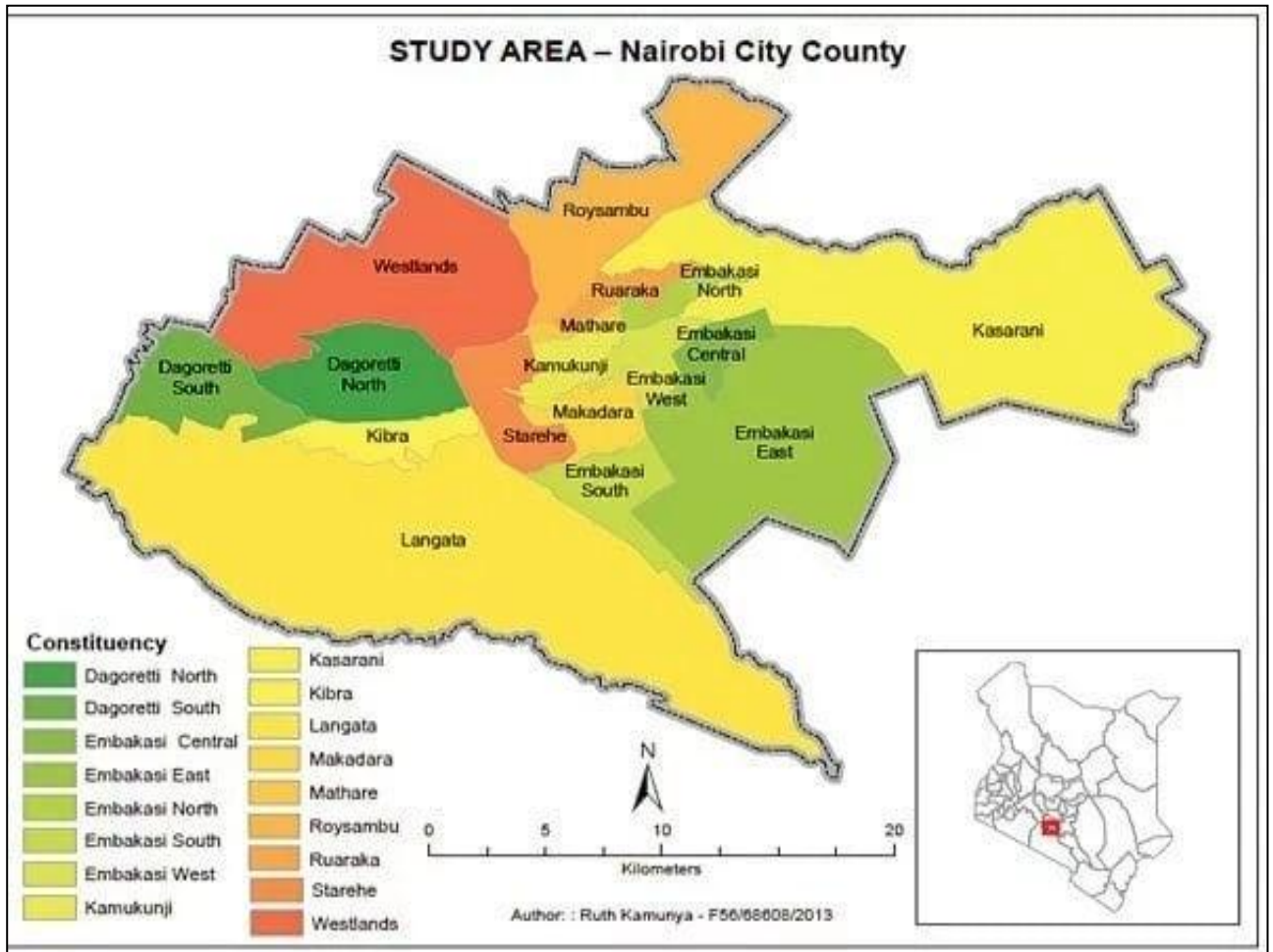
Serial No.A 23260

CONDITIONS: see back page

Appendix 6: Scatter Map of Airbnb Listings in Nairobi



Appendix 7: Map of the Study Area



Appendix 8: List of Budget Hotels in Nairobi City County

Establishment	Address	County	Location	Capacity		Star Rating
				Rooms	Beds	
The Clarion Hotel	P.O.Box5247-00506 Nairobi info@theclarion.co.ke	Nairobi	MoiAvenue/ MurangaRd Junction	62	6 7	***
The Heron Portico	P.O.Box41848-00200 Nairobi reservations@heronhotel.com	Nairobi	Jakaya KikweteRoad	109	218	***
Marble Arch Hotel	P.O.Box1224-00400 Nairobi info@marblearchhotel.com	Nairobi	LagosRoad	41	5 7	***
Central Park Hotel	P.O.Box26181-00100 Nairobi frontoffice@hotelcentralpark.net	Nairobi	Sheikh KarumeRoad	80	100	**
Fahari Gardens Hotel	P.O. Box 317-00202 Nairobi info@faharigardenshotel.co.ke	Nairobi	Utawala Estate	30	53	**
Boma Inn Nairobi	P.O. Box 26601-00100 Nairobi info@thebomahotels.co.ke	Nairobi	Red Cross Rd off Popo Rd- South C.	59	83	**
Jacaranda Hotel Nairobi	P.O.Box 14287-00600 Nairobi cro@jacarandahotels.com	Nairobi	Woodvale Close	12 8	256	**
West Breeze Hotel	P.O. Box 5218-00506 Nairobi info@westbreeze.com	Nairobi	Masaba Road, off Ngong Road	26	34	**
After 40 Hotel	P.O. Box 16982-00620 Nairobi manager@after40hotel.com	Nairobi	Biashara Street	63	101	**