

**CLUSTER-BASED CRITICAL SUCCESS FACTORS, GOVERNMENT
MODERATION AND DESTINATION COMPETITIVENESS OF
CONFERENCE FACILITIES IN NAIROBI
CITY COUNTY, KENYA**

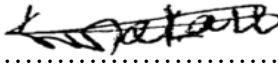
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DECLARATION

This thesis is my original work and has not been presented for a Degree in any other University.

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DEDICATION

I dedicate this thesis to my mother Florence Makau. To my wife Jacinta, my cheerful daughters Cynthia 'Point', Ivy and Mbethi.

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OPERATIONAL DEFINITION OF TERMS

Cluster-Based Critical Success Factors refers to the components or determinants necessary and crucial to the organization operations that lead to achievement of the organization objectives and its success which in turn contributes to competitive advantage (Gupta, Malhotra, Czinkota, and Foroudi, 2016).

Cluster-Based Financing refers to the process of providing funds for business purposes, investing and the ability of either buying or producing products and services at a lesser cost as compared to other competitors in the market (Hilman, 2009).

Cluster-Based Human Resource Management refers to a technical approach utilized in managing employment and attainment of competitiveness through continuous professional growth of skilled, able and committed labor force (Storey, 2001).

Cluster-Based Marketing are activities and strategies utilized in delivering and sharing information to various target markets so as to trigger the preference and choice of buying or using products (Hanninen and Karjaluoto, 2017).

Competitiveness refers to techniques that determine the long-term success of a destination which relies on the competitive and comparative advantages (Vengesayi, 2003)

| | |
|------------------------------------|---|
| Conference Facilities | refers to big rooms or venues that are well equipped with all facilities required for meetings, incentives travel, conferences and exhibitions (Bund, 2004). |
| Destination | refers to a place or geographical location which has features, attractions, attributes and services that are attractive to potential visitors for a temporary stay (Rogers, 2013). |
| Destination Competitiveness | refers to the capability of firms in a place to offer value added products that are better than what other places offer with regards to the aspects of tourism encounter that are essential to visitors and at the same time maintaining higher profits (Crouch, 2010). |
| Government Moderation | refers to socio-economic and political environment created by government ministries, departments and agencies (MDAs) for the conferences businesses strategies to thrive in terms of suitable policies and regulations, incentives in taxes, license fees, visa fees and financing or supporting strategic programs in areas like credit finance, marketing, safety and security, education/training, local and foreign direct investments, infrastructure development, research and technology transfer (Ritchie and Crouch, 2003) |

ABBREVIATIONS AND ACRONYMS

| | |
|---------------|--|
| BICEC | - Bomas International Convention and Exhibition Centre |
| BRICS | - Brazil, Russia, India, China and South Africa |
| CEOs | - Chief Executive Officers |
| CBD | - Central Business District |
| CBOs | - Community Based Organizations |
| COSMIC | - Competitors, Organization, Suppliers, Market, Intermediaries, and Customers |
| CSFs | - Critical Success Factors |
| CVB | - Visitor's Convention Bureau |
| DMO | - Destination Management Organizations |
| EK | - Eco Tourism Kenya |
| FDI | - Foreign Direct Investments |
| FKE | - Federation of Kenya Employers |
| GDP | - Gross Domestic Product |
| GIS | - Geographic Information System |
| GoK | - Government of Kenya |
| Gov | - Government |
| HR | - Human Resource |
| HRM | - Human Resource Management |
| IBM | - International Business Machines |
| ICCA | - International Congress and Convention Association |
| ICT | - Information Communication Technologies |
| IFMS | - Integrated Financial Management Systems |
| KAHC | - Kenya Association of Hotelkeepers and Caterers |

| | |
|-----------------|--|
| KER | - Kenya Economic Report |
| KICC | - Kenyatta International Convention Centre |
| KTB | - Kenya Tourism Board |
| KTF | - Kenya Tourism Federation |
| KUC | - Kenya Utalii College |
| KUDHEIHA | - Kenya Union of Domestic, Hotels, Educational Institutions, Hospitals and Allied Workers |
| MDAs | - Ministries, Departments and Agencies |
| MICE | - Meeting, Incentive travels, Conferences and Exhibition |
| MNCs | - Multinational Corporations |
| MPI | - Meeting Professionals, International |
| MSA | - Measure of Sampling Adequacy |
| NACOSTI | - National Commission of Science Technology and Innovation |
| NCC | - Nairobi City County |
| NCPC | - National Competitiveness and Productivity Council |
| NGOs | - Non-governmental Organizations |
| PPP | - Public Private Partnership |
| SACCO | - Savings and Credit Cooperative Organization |
| SMTEs | - Small and Medium Tourism Entrepreneurs |
| SPSS | - Statistical Packages for Social Sciences |
| TALC | - Tourism Area Life-Cycle |
| TDC | - Tourist Destination Competitiveness |
| TF | - Tourism Fund |
| TFC | - Tourism Finance Corporation |
| TRA | - Tourism Regulatory Authority |

- TRI** - Tourism Research Institute
- UAE** - United Arab Emirates
- VIA** - Virtual Incoming Agency

ABSTRACT

There has been progressive development of conference facilities that stimulate business to sectors such as transportation, entertainment, trade, accommodations, communications and also the Meeting, Incentives travels, Conferences and Exhibition (MICE) sector. The huge benefits reaped in the MICE facilities prompts the need for further research so as to comprehend, the effect of critical success factors of conference facilities and government interaction towards their destination success. Lack of innovative marketing, human resource management and lack of proper financing strategies for the conference facilities makes Kenya lose visitors to other destinations. This has made destinations encounter challenges in developing, strengthening and sustaining their competitive positions in a competitive global market. These problems were identified in Nairobi City County since it is a region that hosts the largest number of delegates and conference facilities. Therefore, the main aim of this study was to investigate the effect of critical success factors of conference facilities on destination competitiveness and government moderating role in the relationship in Nairobi City County, Kenya. The study was delimited to selected CSFs namely marketing, human resource management and financing on destination competitiveness of conference facilities in a cluster based approach. The study was underpinned by Resource Based View and Porter's Diamond theories. This study utilized the pragmatist research philosophy using mixed methods approach. Descriptive and correlational designs were employed and the target population comprised of 53 conference facilities based in Nairobi City County out of which 47 facilities were selected to participate in the study. The marketing, human resource, finance and events manager, and the chief executive officers from the sampled 47 facilities were considered as study participants contributing to a total of 212. The study further sampled five conference facilities owners for the interviews. Multi-stage sampling technique was employed in two stages that included cluster and purposive sampling. Self-administered questionnaires and interview guides were pre-tested and used in data collection where a response rate of 81.1-100% was obtained. Data was entered into statistical packages for social sciences version 22.0 and analysed using two stages. Descriptive statistics employed the use of frequencies, percentages, mean and standard deviation while inferential statistics comprised of Pearson product moment, correlation and regression analysis. Data was presented in tables, graphs, charts and textual format. Study findings revealed that cluster-based marketing ($\beta=0.722$, $p<.001$), cluster-based human resource management ($\beta=0.767$, $p<.001$) and cluster-based financing ($\beta=0.543$, $p<.001$) of conference facilities had a positive significant relationship with destination competitiveness in Nairobi City County, Kenya. The study further revealed that government ($\beta = 0.213$, $p = 0.129$) had no moderating effect on the relationship between critical success factors of conference facilities and destination competitiveness. The study concludes that cluster-based marketing, human resource management and financing had a statistically significant effect on destination competitiveness. The study also concluded that government had no statistically significant moderating effect between critical success factors and destination competitiveness of conference facilities. The study recommends that for government to attain a significant moderating effect towards conference facilities and destination competitiveness in Nairobi City County, it should direct adequate resources to support the sector. The study also recommends operationalization of a Visitors Convention Bureau to collaborate in management of conference facilities in the destination.

CHAPTER ONE

INTRODUCTION

This chapter presented background, purpose, statement of the problem, main objective with four specific objectives and hypotheses of the study. The chapter further explained the significance, scope, limitation and delimitation and conceptual framework.

1.0 Background to the Study

Competitiveness is a wide concept that is believed to be a national concern and the main objective for improving the income of the community people around. In order for destinations to be competitive, they ought to offer goods and services of high quality that fulfils the modern customer wants and preferences (Omerzel, 2006). According to Ritchie and Crouch (2003) study, it was revealed that destination competitiveness is the capability of a destination to enhance its expenditure, meet the visitors' prospects in a profitable way, attract more guests while maintaining the natural resources, boost the residents' welfare and accord visitors with memorable and fulfilling experiences. Popesku (2011) indicated that destination competitiveness of a destination is simply the understanding of determinants and situations of such competition. Dwyer and Kim (2003) described destination competitiveness as the destinations ability to offer the general desire and encounters that are of high quality as compared to other available destinations.

The phenomenon of destination competition is among the modern elements of economic competition in the current century with unique features. Destination competitiveness reveals the level of socio-economic development associated with quality of life in various destinations. Cerovic (2009) indicated that destinations must

develop activities in a consistent manner which is different from what other destinations offer. Destination competitiveness relies on the richness of determinants of production such as natural resources, finances, human resources, technology innovation, capital, marketing and physical facilities.

Globally, the hospitality and tourism sector is among the fastest growing sectors for several economies and the main source of income for a number of developing nations.

The sector serves as the stimulating determinant for economy which in turn enhances the national development. The meeting, incentive travels, conferences and exhibition (MICE) is the fastest growing and rewarding yet highly competitive sub-sector with input and output ratio of about one to ten translating to high linkages and positive spill overs estimated worth US billion dollars in a year (World Hospitality Group, 2017).

MICE destination competitiveness (DC) is basically linked to a number of factors including attractive facilities where the facilities form vital super structural elements.

Conference facilities or MICE business enterprises cannot wholly drive their own Critical Success Factors (CSFs) which are directly affected by Competitors,

Organization itself, Suppliers, Market, Intermediaries and Customers (COSMIC) and their business functions are moderated by government ministries, departments and

agencies (MDAs) that wield a socio-political and legal force in their economic environment. This means MICE managers must understand their business

environment and design organizational strategies and policies from a synergistic approach called MICE industry clusters, that effectively re-align to such forces

affecting business and achieve sustainable and super competitive advantage (Cornelissen, 2017). Cunha and Cunha (2005) indicated that the hospitality and

tourism industry has enhanced social interactions among people which in turn has led to heritage, experiences, nature, dreams and culture inspiration in terms of travelling.

Due to increasing prominence in hospitality and tourism sector, the ultimate challenge of each and every destination is to ensure they maintain, strengthen and guard their competitive positions in the global competitive market. There are various complexities in the hospitality and tourism industry since it involves other sectors such as the transport industry for instance the airlines and tour operators, entertainment industry which comprises of recreation facilities, sports, music, arts and shopping, destination management organizations for instance the destination in a private sector, public or private-public partnership and also the community which comprises of the local residents in that given destination. The involvement of various stakeholders in offering the destination experience to guest makes the whole sector complex in nature due to the fact that a number of visitors have their own level of expectations thus a major challenge to each destination in ensuring all visitors are fully satisfied (Benner, 2017). Thus, this makes the whole process of destination competitiveness challenging and congruent due to diverse expectations.

According to European Commission (2010) study on hospitality and tourism industry, it was clear that the sector was the main element in economic growth thus a new political framework for the sector was developed by the European government. The destination for visitations such as Paris, New York and London are successful due to the fact that their respective scholars and policy makers have dwelt extensively on destination competitiveness research which brought the areas of improvement and identified factors that contribute to making the destination more competitive and perform better amongst each other (Heath, 2003). Hospitality and tourism have become competitive sectors in various destinations worldwide and destination competitiveness has turned out to be more of man-made rather than natural due to advancement in technology, sharing of information, creativity and innovation

(Ritchie, 2006) and this has contributed to competitiveness being considered among the major influence of destination performance in the competitive global market. Dwyer, Forsyth and Rao (2006) revealed that it is necessary for the sector and government to fully comprehend the strong and weak areas of a country or its position in destination competitiveness.

Kenya is among the most popular destinations in Africa with its main income being hospitality and tourism industry. The sector contributes immensely to the economy with an approximate value of 12% of the overall GDP and 6% of the employed personnel in the country originates from the same sector (Kenya Tourism Board, 2011). In the year 2013, the sector was ranked at position 96 worldwide and position 8 in the African region despite the challenges that were noted on security. The overall performance of the sector in 2019 was 2.05 million visitors, KES.163.56 billion receipts and 4.95 million bed nights (Tourism Sector Performance Report, 2019). This was against the Tourism Medium Term Plan III (MTPIII, 2018-2022) target of 2.5 million visitors, KES. 175 billion receipts and 6.5 million bed nights (GoK, 2018). The underachieving trend of tourism development in Kenya is an indication that destination competitiveness strategies have not been well studied in terms of the how and what of their effects on destination competitiveness (DC) before being applied. Kenya has only attracted a total of 68 international hotel brands compared to those of competitors like South Africa and Egypt with 430 and 300 chain and branded hotels respectively accommodating up to 10 million visitors in those countries annually (Knight Frank Research, 2018). This Kenyan trend showed a low capacity in attracting FDIs in hospitality and tourism business. Kenya's MICE business relied on 70,000 hotel beds available against a global requirement of 100,000 and contributed up to 36.2% hospitality and tourism earnings with 42% employments (KER, 2017).

Kenya serves as a good example to other African states that have embraced hospitality and tourism which has a huge potential for spearheading the social and economic development not only in Africa but also the East African region. Kenya is the best destination of choice due to its attractiveness in diversity, culture, favourable weather and climate, wildlife accessibility, attractive sceneries and availability of infrastructure. Kareithi (2013) supported this further by indicating that accessibility access with ease on government restrictions, available infrastructure, attractive natural sceneries, marketing and friendly personnel are some of the crucial determinants that determine the number of visitors coming to specific destinations. This implies further that critical success factors are essential in ensuring excellent performance of business through achievement of the set goals and mission of the various destinations.

The available empirical literature findings on destination competitiveness deviate from authors and destinations which imply that, competitive determinants relative to destinations are not similar. Phakdisoth and Kim (2007) study in Hong Kong on destination competitiveness found out that accessibility, accommodation, infrastructure and affordability of conference facilities were essential in determining the visitor's destination preference. Kim and Kim (2003) study in Seoul which is an international conference destination found out that quality of service, scenery attractiveness, conference facilities and means of transportation were considered as the main characteristics for selecting a destination. Wang, Hsu and Swanson (2012) study in China indicated that destination competitiveness depends on five fundamental indicators that include; management of the destination, human capital, infrastructure, branding, government policy and destination-support attributes. Melville and Annari (2015) study in South Africa on destination competitiveness found out that government policy, finances, economic climate and marketing of

various destinations were among the most important components that contributed significantly to destination competitiveness. Blanke and Chiesa (2013) pointed out factors that assist in shaping destination competitiveness that include training of human resource and the right marketing strategy for instance branding, market share, quality of service and image. Navickas and Malakauskaite (2009) indicated that the high rate of competition between destinations in order to develop their market share is as a result of increased rate of competition in the global market. Henderson (2015) revealed that Asia has been increasing prominence recently with regards to the best destination choice posing a challenge to North America and Europe dominance. Ritchie and Crouch (2003) found out that Africa has had the smallest market share worldwide due to stiff competition between the global destinations.

The onset of trade internationalization and industrialization has affected the enhanced global competition among several countries and placed pressure on personal businesses thus the need for survival beyond their resources. The cluster approach has been recognized as an essential phenomenon for survival and successful competition in the global market. The cluster approach has attracted various policy makers, scholars and researchers from both the developed and developing nations. The clustering approach idea has developed in a progressive manner using several economic theories like the Michael Porter's Cluster Theory (Das and Das, 2011). The former US president Barack Obama utilized the cluster approach which he considered crucial for national economic competitiveness (Lenchuk and Vlaskin, 2010). According to Porter (1990), cluster is a geographic team that comprises of same industries, customers, suppliers, government or sponsoring institutions. Porter identified two essential features of cluster that include; taking several forms across countries and growing at regional level thus the aim of clusters is to unite all

companies together at regional level and promote development. Economists and policy makers believe that developing clusters is a way of ensuring competitiveness at both national and regional level.

Andersen, Bjerre and Hanson (2006) study indicated that clusters are fully supported by government institutions in various countries particularly in form of educational and informational support. Hence, an important advancement relative to this study has been made with various definitions and theoretical frameworks (Goffi, 2012; Wang, Hsu and Swanson, 2012) for instance; Resource Based View (RBV) and Porter's Diamond theories were applied to explore the effect of integrating cluster-based CSFs of conference facilities and government moderation on destination competitiveness. Bahar and Kozak (2007) revealed that despite the advancement made in comprehending and expounding the complex phenomenon, there exists a problem with its measurements due to inconsistency and it is also clear that few theoretical frameworks that have been designed would obstruct the theoretical advancement (Hudson, Ritchies and Timur, 2004). Yet it is important and a must to measure destination competitiveness so as to sustain the competitive position or even improve it. Hallmann, Muller and Feiler (2014) argued that the task of measuring destination competitiveness is complicated and consumes a lot of time. Gursoy, Baloglu and Chi (2009) debated over the perception of the destination product which has obstructed the measurement of destination competitiveness.

Therefore, it is clear that a number of destinations have realised the opportunity that business travel, hospitality and tourism has to offer relative to being competitive as a destination. Globally each and every destination is unique due to the fact that they offer their own various goods and services which has different characteristics and attributes to visitors. This implies that the critical success factors (CSFs) are also

different in all destinations and this may contribute to a complicated management process. It is clear from the reviewed studies that CSFs are crucial and important in the hospitality and tourism sector but only few, especially in Kenya have majored on the business aspect of it thus leaving a knowledge gap. Identifying and comprehending these factors particularly in Kenya and the government easing restrictions could enable the country develop the sector further and this would contribute immensely to increased destination competitiveness. This study identified marketing, human resources and finances as the main CSFs influencing the sustainable growth of business in the industry in Kenya, and also competitiveness of conference facilities in Nairobi City County as a destination for visitors both at international and local level. Hence the need for this study that focussed on establishing the effect of cluster-based CSFs, government moderating role and destination competitiveness of conference facilities in Nairobi City County, Kenya.

1.1 Purpose of the Study

This study was inspired by the increasing significance of destination competitiveness for destinations due to the dynamic nature of hospitality and tourism sector, most especially in Kenya and the acknowledgement of the current classification of literature on destination competitiveness measurement. In addition to the existing gaps, this study utilized a cluster-based approach in establishing the critical success factors and government moderation on destination competitiveness of conference facilities in Nairobi City County which is essential in establishing the rising competition between destinations and the need to fully understand the importance of evaluating and ensuring sustainable competitiveness.

1.2 Statement of the Problem

Destinations nowadays encounter some problems, especially in marketing strategies, limited resources for instance skilled human resources, limited finances, and generally a dynamic environment they operate in that is very competitive. Destinations are hard to market and manage due to its complex nature in terms of increased business competition, market place complexities, changing customer requirements and globalization. Furthermore the relationship between the industry stakeholders such as the competitors, employees, residents, government, management and media is diversified (Buhalis, 2000). In order for destination competitiveness to be enhanced then the industry managers in destinations should find a structured and innovative way of working in co-operation while also competing to develop and produce products that would take into consideration the wishes and desires of all the stakeholders involved to realize common benefits for them all (Foss and Saebi, 2017). Stakeholders in various destinations have different skills and perceptions relative to managing the critical success factors affecting the conference facilities industry such as marketing, resources for instance human resource and finances, and destination competitiveness. Yoon (2002) indicated that the worth of these factors on destination competitiveness have been given little academic attention thus the need for this study that sought to employ a cluster approach to determine the relationship between these constructs at firm level and their destination competitiveness. The study further sought to establish the government moderating role on the interrelationship between CSFs and destination competitiveness of conference facilities.

The hospitality and tourism industry in Kenya is diversified and the main income generator after financial services. The industry is the economic pillar of the Kenya Vision 2030 that is meant to transform the country into a modern state and a global

competitive economy. Kenya is among the top countries with the highest number of conference facilities and also Kenya has four convention venues out of 16 that are in Africa (ICCA, 2014). According to Kim and Boo (2010), they indicated that in 2012, 3% of the total visitor arrivals were those who participated in Meetings, Incentives, Convention and Exhibition (MICE) activities in Kenya. The study further proposed that the positive effects can be measured using the income generated from promotion and conference facilities. Mair (2013) revealed that each and every destination has their own different revenue distribution which makes it difficult to determine the destination competitiveness thus the need to have further research to establish the predictors on the same in Nairobi City County, Kenya. Hall, Gossling and Scott (2015) indicated that lack of adequate conference facilities, marketing, adequate and qualified personnel, finances and government restrictions are some of the factors that have contributed to Kenya losing potential visitors to other destinations such as South Africa, Dubai and China and this has made Kenya a less competitive destination for business conferencing and exhibitions. According to (KNBS, 2019) economic survey report, it is clear that the sector performance is declining as revealed by the findings whereby there was a decrease of international visitors by 12.6% and income generated reducing by 2.9%. The study further revealed that the hotel market decreased by 7.1% and the bed nights occupancy also decreased by 6.4%. This is a clear indication that there is need for more synergistic efforts in training personnel, proper marketing and capital funding to the industry and ensure that the number of visitors' increases and this would influence the destination competitiveness.

Despite the challenges encountered, the industry has been resilient as witnessed in Nairobi City County after hosting various international conferences such as 6th Tokyo Conference. These results led to an improved growth of international visitors by

13.5%. Nairobi doubles up as the capital city of Kenya and also one of the county governments with the largest airport in East Africa that has a capacity of serving more than 30 airlines which connects Africa to the rest of the world. Kenyatta International Conference Centre (KICC) is the only conference and meeting centre built in Kenya though with a small capacity. Simiyu, Lewa, Ouma and Ndwiga (2016) indicated that in other resort cities such as Kisumu, Mombasa and Eldoret, they have not built a convention centre and that the hotels in these cities have a small capacity where most meetings are conducted.

There is limited empirical literature on destination competitiveness particularly from the stakeholders' perspective such as the government (Pike, 2004; Dredge, 2006). There is also scanty literature on the cluster-based critical success factors of conference facilities constructs in relation with destination competitiveness and the government moderating effects (Sofield, 2003; Reid, 2004). Thus, this study sought to fill the gap through Resource-Based View (RBV) and Porter's Diamond models. RBV majored on the diversified internal factors of a destination, resources and competitiveness while Porter's Diamond Model focussed on clustering of destination with factor conditions such as human resource, infrastructure, finances, knowledge and physical resources. This study sought to add immensely to the developing literature on critical success factors, government moderation and destination competitiveness from a cluster approach. A number of the available studies on cluster-based CSFs of conference facilities and destination competitiveness were conducted in well developed countries but Sub-Saharan Africa especially Kenya has limited related theoretical and empirical literature in this relatively new concept (Nkawah, 2008). The study further established the hypothesized association that exist between CSFs and destination competitiveness and contributed to the understanding

of the moderating role of government on such an association in Kenya, particularly Nairobi City County. Hence, the need to put more efforts especially in capital funding, human resources management and marketing in clustered approach by key industry actors in the sector which would enhance the image of Nairobi City County as the most preferred destination globally.

1.3 Study Objectives

1.3.1 General Objectives

The main objective of this study was to investigate the relationship of cluster-based critical success factors of conference facilities with destination competitiveness and the government moderation in the relationship in Nairobi City County, Kenya.

1.3.2 Specific Objectives

The study was guided by the following objectives

- i. To establish the relationship of cluster-based marketing on destination competitiveness of conference facilities in Nairobi City County, Kenya.
- ii. To determine the relationship of cluster-based human resource management on destination competitiveness of conference facilities in Nairobi City County, Kenya.
- iii. To assess the relationship of cluster-based financing on destination competitiveness of conference facilities in Nairobi City County, Kenya.
- iv. To examine the moderating effect of government on the relationship between cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.

1.4 Research Hypotheses

H₀₁: There is no statistically significant relationship between cluster-based marketing and destination competitiveness of conference facilities in Nairobi City County, Kenya.

H₀₂: There is no statistically significant relationship between cluster-based human resource management and destination competitiveness of conference facilities in Nairobi City County, Kenya.

H₀₃: There is no statistically significant relationship between cluster-based financing and destination competitiveness of conference facilities in Nairobi City County, Kenya.

H₀₄: There is no statistically significant moderating effect of government on the relationship between cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.

1.5 Significance of the Study

Hospitality and tourism industry is vital for the country's economy and economic development. Currently, hotel owners have the mandate of utilizing the available destination attributes and resources in ensuring that they constantly develop new encounters that would attract more visitors into their facilities and enhance their competitive advantage. Nairobi City County ought to promote the sector due to the fact that it is largely driven by visitors from both international and local market and also due to the fact that MICE potential has not been fully exploited in the sector. There is need for marketers and travel organisers to ensure that they fully understand the all-inclusive packages and the unique features of each destination within the region so that they can plan well and deliver products and services that suit the

particular needs of the all-inclusive market. This would boost the positive image each destination in Nairobi City County and also increase their competitive advantage within the hospitality and tourism sector. The study findings will impact significantly on the government, specifically Ministry of Tourism, KICC and Kenya Tourism Board by providing more information on how government can align big events and tourism so as to enhance the development of the sector. The findings would enable the stakeholders to develop efficient strategies that would enhance attainment of business goals in the competitive market. The study findings shall inform the government to develop policies and projects that would enhance competitiveness of MICE industry clusters while delivering further recommendation for future studies. The study shall aid in guiding the conference facilities managers to deliberately implement the MICE industry clustering approach to plan and cope with stiff competition from other destinations and to remain relevant in the market. The findings will contribute to the limited empirical literature and add knowledge on how cluster-based critical success factors and government moderation affect destination competitiveness of conference facilities which will form basis for future research.

1.6 Delimitations / Scope of the Study

The study was carried out only in Nairobi City County covering a number of conference facilities located in Nairobi's Starehe, Ruaraka, Westlands, Embakasi, Dagoretti and Kibra Sub-Counties. The study targeted the owners of conference facilities or their management board members, Chief Executive Officers (CEO) and managers from specific departments such as marketing, human resource, finance and events/operations. The study focussed only on the relationship of three critical success factors that include marketing, human resource and finance with destination competitiveness of the selected conference facilities. The study further looked into the

government moderating role on the relationship between critical success factors and destination competitiveness of conference facilities. The study findings therefore may not reflect the background reality due to the fact that some destinations may be affected by other critical success factors. Finally, the study was conducted between September, 2019 and September, 2021.

1.7 Limitations of the Study

Since the study was limited to specific managers and top CEOs in the conference facilities, this led to obtaining inadequate sample from some facilities whose capacity in terms of personnel was minimal thus more questionnaires had to be re-distributed to other business hotels within the sample frame. Some respondents refused to provide information concerning the questions asked in the questionnaire due to fear of being intimidated and researcher had to assure them of concealment and uttermost privacy of their details. This study was conducted two months after the terror attacks on DusitD2 Hotel and this created fear in hotels which made it a bit difficult for some respondents to provide true and honest information regarding the questions asked both in the questionnaire and interview session. The problem was solved by convincing the participants that the exercise was an educational one where introduction letters and research licenses were also produced to confirm that. The researcher also engaged the study participants freely so as to ensure they gain confidence while giving responses.

1.8 Assumptions

The study respondents comprised of conference facilities owners or their management board members for interviews and then Chief Executive Officers (CEO) and managers from specific departments namely, marketing, human resource, finance and events/operations as respondents for questionnaires. The assumption that was made

on this study was that all the respondents were people of high calibre in terms of experience, professional qualifications and by virtue of the positions they held in their organisations and were therefore well accomplished to answer questions in all the four areas of general management practices namely Human resource management, marketing, finance and operations management that the researcher sought to gather information for analysis as per study objectives.

1.9 Conceptual Framework

This is a snap shot of the study variables in an illustrative representation. Oseno (2012) argued that conceptual framework results from the reviewed literature relative to the study area interest selected by the researcher. Sekaran and Bougie (2013) further explained that a conceptual framework enables the researcher to organize the literature discussions as presented in figure 1.1.

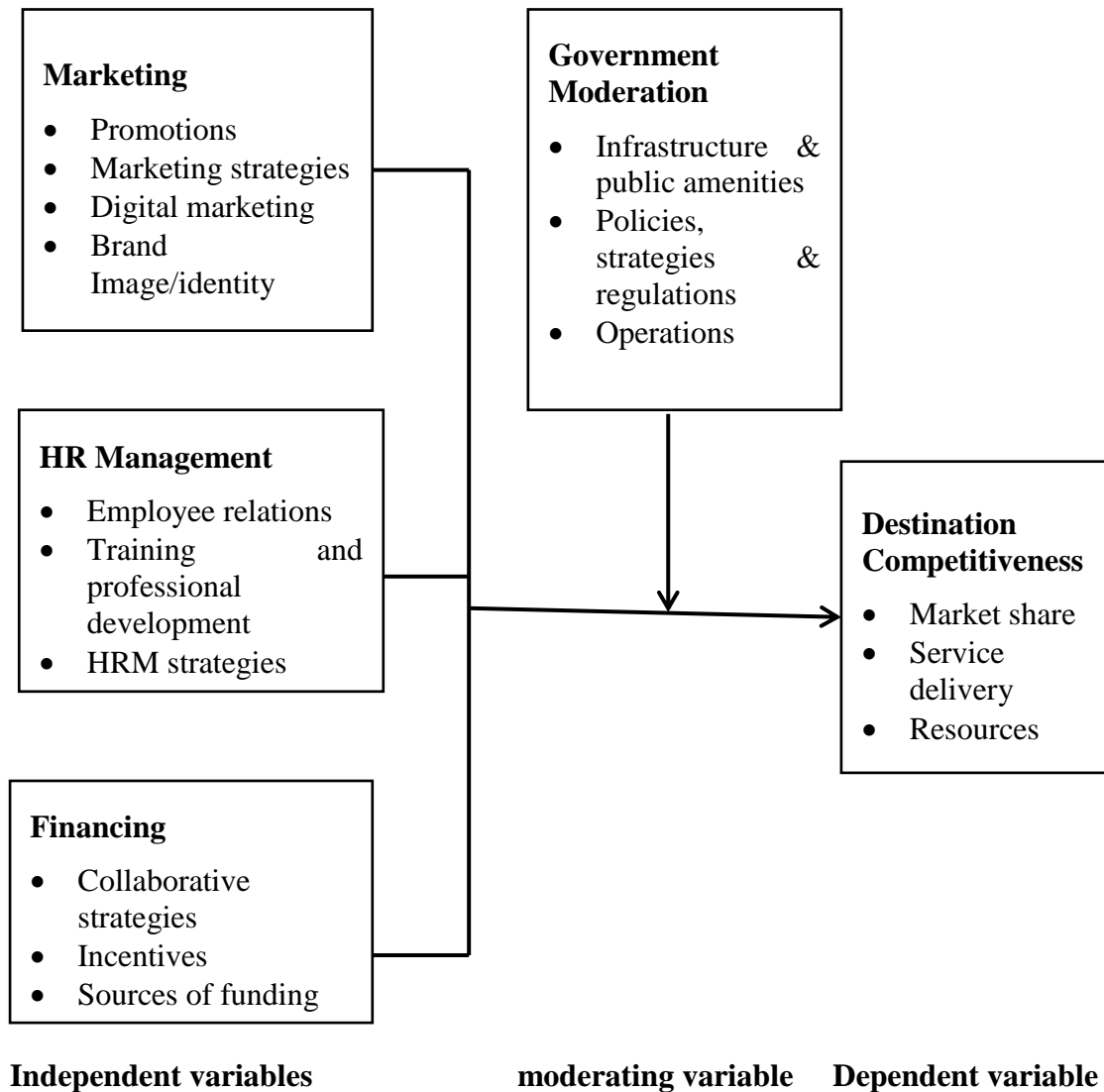


Figure 1.1: Conceptual Framework

Source: Researcher (2021)

The conceptual framework for this study entailed three main components that include: cluster-based critical success factors, government moderation and destination competitiveness of conference facilities in Nairobi City County, Kenya. Destination competitiveness was considered as the response or dependent variable for the study while the selected critical success factors that include marketing, human resource management and financing were considered as the explanatory or independent variables and government as the moderating variable. The conceptual model was

employed in establishing whether marketing, human resource management and financing had a statistically significant relationship with destination competitiveness or not.

The model further examined whether government had a moderating outcome on the association among cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County. This was necessary due to the fact that marketing, human resource management and financing are relevant factors that impact greatly on destination competitiveness and also government activities and policies can result to either boost or suppress the conference facility business strategies that influence the overall destination success in a thriving environment for hospitality and tourism sector. This was supported by (Kareithi, 2013) who indicated that accessibility, ease on government restrictions, available infrastructure, attractive natural sceneries, marketing and friendly personnel are some of the crucial determinants that determine the number of visitors coming to specific destinations. This was a clear indication that critical success factors are very important in ensuring excellent performance of business which in turn enhances competitiveness. Thus this revealed that the selected factors and government are among the major drivers of destination competitiveness as shown in Figure 1.1.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This study sought to establish relationship of cluster-based critical success factors of conference facilities and government moderation on destination competitiveness in Nairobi City County, Kenya. This chapter outlined the proposed main variables in this study where empirical studies in relation to this study are analysed. In addition theories and strategies related to MICE industry facilities and destination competitiveness are highlighted and discussed culminating with a critique to findings that introduced knowledge gaps.

2.2 Cluster-Based Marketing and Destination Competitiveness

Marketing innovation is among the core business functions that has received serious managerial consideration in organisations (Tanya, Shaoling, and Jianping, 2021). Regional destination marketing is handled by Destination Marketing Organizations (DMOs) whose role is to ensure product creation and development, creating a link between public sector and private sector convention businesses, and also provide services to visitors. On the other hand, National Competitiveness and Productivity Council affirms that community-based destination marketing is handled by Convention and Visitors Bureau (CVBs) who provide a link between managers and suppliers of MICE industry (NCPC, 2013). The role of CVBs was supported further by Hanly (2012); Marques and Santos (2017) who pointed out that CVBs are utilized in site selection, the best agency for creating a link between tourism and hospitality businesses, provides detailed information to meeting professionals which in turn it helps in those seeking the desired services due to the fact that it has all the

information for all the convention centres in a given locality with regard to MICE products.

Majority of destination resources and attraction sites cannot be replaced and in order to maintain a long-term viability then there is need to develop and implement constant innovation and progressive change strategy from a marketing perspective and this would in turn enhance destination competitiveness (Buhalis, 2000). The crucial technique in ensuring the flexibility of competitiveness among destinations largely depends on the marketing strategy employed. The role of marketing is development, safeguarding and maintenance of the destination image and long term interests are defined. Attaining the highest satisfaction levels is the main focus of marketing principle which should aim at providing the best and memorable experience to guests (Clarke, 2005). Marketers do not begin from scratch in developing the destination marketing due to the fact that customers may have created their own image for the experience they have encountered which can either be positive or negative (Hankinson, 2004). The study further pointed out the type of facilities offered were some of the key factors that are considered important for marketing a destination and the available attractive features. Marketing of destinations has been categorized into three that include visitors who are there purposely for business and frequent tourists. The second group are the residents in that given location and the final group are businesses that comprises of companies and organizations that carry out business within the same environment that the destination is in (Kashyap, 2000).

Marketing of a destination is recognized as the pillar for future development and sustainability of destinations in a highly competitive and globalised market for visitors (UNWTO, 2011). According to the available literature on marketing of destinations, they reveal an increasing growth rate in the field of hospitality and

tourism with a distinct paradigm. Fyall, Garrod and Wang (2012) indicated that destination marketing is the main element of hospitality, tourism and leisure studies that is relative with the operational tasks carried out in an increasingly competitive business of attracting visitors to the destinations. Thomas, Shaw and Page (2011) argued that a destination represented the diversity and wide range of businesses and people who have interest in their destination prosperity. Pike (2004) indicated that the success of the conference facilities relied on destination competitiveness. Kozak (2001) study indicated that competitiveness is an important goal of destination marketing. Mill and Morrison (2002) explained in detailed how destinations can increase their competitiveness through implementation of destination management programs and marketing. Hays, Page and Buhalis (2013) study on the review of rising destination marketing organizations indicated that understanding destination marketing is vital in identifying factors that hinder or enhances effective marketing of the destinations and how it is a difficult activity due to the rise in technological advancements such as social media.

Other studies Buhalis (2000); Flagestad and Hope (2001); Ritchie and Crouch (2003); Yoon (2002) showed a positive significant association among development strategies and policies such as marketing and destination competitiveness. The strategies were considered as a way of integrating both the destination demand and supply features so as to attain the expected level of competitiveness and optimize on the benefits of socio-economic impact to its nationals. Hassan (2000) established a positive association between competitiveness and destination marketing through emphasizing on the importance of ensuring sustainable longevity of a destination in the global market using careful analysis and responding to the main values and requirements of the niche section in the market. Morrison (2010) pointed out that traditionally,

marketing of destinations was structured on the concept of four P's (product, place, price and promotion) that were designed by Professor Neil Borden of Harvard University which was later adapted in the hospitality and tourism marketing to 8 P's (product, place, price, promotion, people, packaging, partnerships and programming). Marketers normally have an interest in each of the 8 P's despite the limited influence over the destination practices. This concurred with Schmallegger, Taylor and Carson (2011) who revealed that the decline in tourism in Australia was as a result of destinations failing to adapt the emerging trends in the market and diversifying into current products and services. The study further revealed that the main focus of marketing is to ensure destination competitiveness that is sustainable and anchored on two elements that include comparative advantage and destination management.

The need for destinations to remain competitive in the global market makes it necessary for the destinations to hold marketing leadership position which is an attribute in the growing importance and a challenge posed by destinations that incur lower production costs (OECD, 2008). In order to ensure marketing leadership position then there is need for brand identity and communications that would ensure high performance. Larsen and Haldrup (2009) study focussed on the economic impact generated through developing and carrying out operations in a number of conference facilities in North America. The study also pointed out that among the famous conference facilities in Asia, Thailand considered marketing resources with the aim of attracting more convention facilities and boost the growth of the hospitality and tourism sector. In the previous decade, Thailand MICE industry has developed immensely with high growth rate of participants and expansion of well-equipped conference facilities. Currently, there is sufficient supply of convention centres with more than 3 million square feet of MICE space and over 10,000 hotel rooms. Buhalis

(2000) concurred by arguing that marketing and promoting a destination can be boosted by MICE industry. Kotur (2014) revealed that use of internet most especially social media can act as advertising channels for marketing destinations with MICE facilities which would in turn enhance their marketing promotions hence increase destination competitiveness.

Due to increased competition in the global market, this has contributed to Kenya being more aggressive towards visitors' attraction in convention business using the digital marketing platforms (Egon, 2010). According to the previous theoretical studies, it is clear that there is missing literature on destination marketing in Africa yet this is an area that maximizes the economic impact. This was supported by Pike and Page (2014) who argued that convention visitors who spend on overnight business contributed immensely to increased economic impact more than class visitors who spend overnight. According to KNBS (2011), a number of factors such as marketing promotions, political stability, increased security and infrastructure and positioning the country with valuable destinations for instance Brand Kenya Initiative have contributed significantly to high number of conference facilities in the country. Williams (2007) argued that the developing demand for business, travel and leisure has contributed significantly to hospitality and tourism marketing hence the need for marketers to understand the homogeneity of several destinations and heterogeneity of customers.

Maingi, Nthinga, Belsoy, and Odunga (2009) indicated that in Kenya there are inadequate resources for destination marketing and supporting a CVB which renders them ineffective thus an existence of a crack concerning private and public sectors in MICE and events marketing. No matter the existence of destination marketing organizations for more than a century, there is still missing literature on how

marketing influences destination competitiveness and the available literature on destination marketing has dealt on the measurement of the image of convention facility. Hence, the need for this study that attempted to establish the influence of cluster-based marketing on destination competitiveness of conference facilities in NCC, Kenya.

2.3 Cluster-Based Human-Resource Management and Destination Competitiveness

Human resource is an essential element of a company that helps in attaining the company needs and creating an impact on economic development. Human resource is considered as the main source of competitiveness in the globalization era. Price (2007) indicated that people management values are in accordance with the organization beliefs that they can acquire competitive advantage only if they utilize the human capital efficiently and effectively. Bratton and Gold (2003) defined human resource management as the process of dealing with employment relations with regards to impacting on their abilities is providing the competitive advantage for the organization. Boella and Goss-Turner (2013) argued that the concept of competitive advantage arises from several definitions of Human Resource Management (HRM) which in turn has attracted the attention of scholars and human resource practitioners such as (Boxall and Purcell, 2000; Ericksen and Dyer, 2005) and Australian Human Resource Institute. They believe that HRM can help organizations remain in business by achieving high performance and competitive advantage which is highly important due to the fact of continuous intensive competition in the global market. Armstrong (2006) defined HRM as the management of the company's staff who enhances the attainment of the company objectives.

Sharma (2009) suggested that HRM referred to decisions and actions taken that concern employees management across all levels in the organization relative to strategies implementation that are meant for creation and sustainability of competitive advantage. Porter (1990) popularized the cluster concept that was meant for enhancing the organizations' competitiveness and explores available resources such as human resources. Chew and Horwitz (2004) argued that the current pressure on organization competitiveness has had an impact on the workforce thus the need for HRM strategies that would assist in identification of motivated, adaptable and well skilled labour force. The study also emphasized on the need to adopt human resource initiatives that would probably boost competitiveness. Jassim (2007) highlighted the roles that HRM play in the modern organization that include, fostering the organization performance and providing support for attaining competitiveness using human capital. According to the resource based view theory, an organization works hard in achieving high financial performance through enhancement of its resource to attain competitive position in the market. In order to ensure high company performance then there is need for a sustainable relationship between the organization and employees which would reduce turnover and also reduce training and recruitment cost. Thus, it is necessary for each destination in the hotel sector to focus on recruitment and staffing so as to maintain smooth functioning of various departments.

Scholars, industrialists and policy makers have made an attempt to assess the relationship of HRM and competitiveness of organizations in the hospitality and tourism industry. Despite these efforts, there is still limited theoretical and empirical literature. Enright and Newtown (2005) study in Cuba, a renowned world class destination reflected destination competitiveness but it did not assure of successful development in the hospitality and tourism sector due to underlying factors such as

human resources which is one of the major hindrances to destination progress. According to Miller and Gibson (2005) ; Wares and Hadley (2008), they emphasized on the need for research on hospitality and tourism clustering to be expounded so that it can involve the outside scenario on Porter's cluster framework. The study further revealed that there is no adequate research that has been carried concerning the hospitality and tourism sector in developing countries which makes it difficult to point out obstacles that hinder the firm's competitiveness in the sector. This concurred with Balan, Balaure and Veghes (2009) who revealed that in 1950, the first 15 destinations had attracted over 98% of all tourists but 60 years later, the rate declined to 57% which implied that competitiveness is an essential factor that destinations should pay attention to hence the focus on hospitality and tourism sector has changed from attracting more guests to simply enhancing destination competitiveness.

Several researchers have acknowledged the significance of training and professional development for its employees. It increases organisational performance and in turn it enhances competitiveness (Cho, Woods, Jang, and Erdem, 2006; Thang, Quang, and Buyens, 2010). The hospitality and tourism sector is known for intensive workforce that makes it necessary for training programmes to be offered to employees and in turn would enhance their skills and knowledge most especially in customer relations. Training programmes are categorized into two that include general and work-related. General training entails the use of the appropriate language with customers, telephone courtesy, visitors' service, health, grooming and safety (Lashley, Connolly, and McGing, 2007).

On the other hand, work-related training entails kitchen chores, cleaning, food preparation, preparing a room and reception services. Lewis and McCann (2004) indicated that the HR department are always in charge of the general training whereas

the other respective departments are in charge of work-related training. Karatepe (2013) revealed that once staff obtain the necessary skills and knowledge required for the job through training then they feel empowered and encouraged and these are the main keys required for achievement of organisational competitiveness. Conference facilities have made efforts in providing training opportunities for its employees and despite it, the organizations sometimes encounter the staff turnover. This was supported by Lee and Way (2012) study which highlighted that employee turnover in hospitality and tourism sector was between 60 to 300% on yearly basis which is a clear indication that the sector suffers extremely from increased turn over and this makes training process expensive and the company may not be able to recoup the costs on time. Singh, Garg and Deshmukh (2007) indicated that human resource management is an important source of competitiveness due to its positive association hence the need for more understanding on HRM for improved organisational performance which is a major concern for all establishments in the hospitality and tourism sector. Yesiltas, Ozturk and Hemmington (2010) study in Turkey found out the contributions of HRM in service quality and customer experience which the main element in service delivery and the study concluded that investment in HRM is vital for organisational competitiveness. Kusluvan, Kusluvan, Ilhan and Buyrul (2010) study confirmed that the role of HRM in ensuring employee performance and its significance in enhancing competitiveness of organizations in hospitality and tourism industry.

No matter the significance pointed out in HRM in the sector, the role of HRM has not been fully exploited in various countries. This was consistent with Lee-Ross (2000) study in small and medium-sized firms of hotels and catering facilities in UK that represented 97% of all the UK hospitality and tourism labour force. The study

recognized human resource management as having more potential in influencing the competitiveness of the selected hotels and catering facilities. Davies, Taylor and Savery (2001) study on 483 hospitality organizations in Australia found out that quality service and employees commitment were enhanced by human resource practices such as performance appraisal and better remuneration. Enz (2009) study on 243 guest house managers found out that innovation is an aspect in human resource management that is required in ensuring the attainment of sustainable destination competitiveness. This is the same phenomenon that is common in developing countries thus the need for more application of HRM. Hanqin, Tavitiyaman and Qu (2012) study in China found out the hospitality and tourism sector was under-developed hence the need for more training needs assessment for employees due to the fact that customer relation concept is not understood properly. This did not sit well with Cho, Woods, Jang and Erdem (2006) study in China which indicated that there was no significant relationship between human resource management and organizational competitiveness of all the firms in the hospitality sector.

Therefore from the reviewed literature, it is worth noting that human resource management and the related emerging trends are relevant in the hospitality and tourism industry. Employee relations forms the essential part of customer assessment in terms of service delivery due to the fact that customers judge them in accordance with their service experience which contributes to customer satisfaction and in turn contributes to the achievement of organisational performance (Chen and Chen, 2010). This concurred with Nickson (2013) who affirmed that high level of quality service delivery is a customer's right especially in the current global competitive market thus the need for qualified personnel. It is worth noting that staff in an organization are able to provide varied services due to their different potential in terms of knowledge,

ability and skills that may suit the business requirements or not. This contributes immensely to either under-utilization or overworking of some staff members hence the existence of a gap between the ideal wants and the real employee performances.

Thus the need for HRM that sought to fill this gap by attaining high organisational efficiency (Price, 2007) and competitive advantage using the strategic development of a potential labour force. Baum (2012) concurred with this by stating that the role of HRM in developing service quality is acknowledged as a means of enhancing competitiveness. Nickson (2013) further supported by revealing that the main aim of attracting more visitors is to optimize the firm profits. The various destinations compete against each other not only for low prices but also for service quality they provide to customers which are offered by employees which makes them the most significant elements in destination competitiveness. Carrying out research on human resource management would fill the gap of understanding well the significance of HRM for the emerging growth of MICE tourism industry facilities especially in developing countries such as Kenya. Hence, the attempt made to determine the outcome of cluster-based HRM on destination competitiveness of conference facilities in NCC, Kenya.

2.4 Cluster-Based Financing and Destination Competitiveness

Financing is described as the process of providing funds for business purposes, investing and the ability of either buying or producing products and services at a lesser cost as compared to other competitors in the market. Porter (1990) indicated that the strategy of cost leadership in financing is significant due to the reduced level of variation and the information acquired from the past experience and the addition of recent products is utilized when there is demand. Onaolapo and Odetayo (2012) expressed financing in terms of the low cost non-bank or financial institutions such as

the microfinance and that the aim of financing is to achieve better returns on investments as compared to competitors while maximizing the economies of scale which makes it necessary for destinations to pay attention on reducing costs by all means.

Hilman (2009) stated that financing is the proportion of various sources of funds utilized by an organization to finance its operation and development and it affects destination competitiveness due to the fact that financial planning could be employed in transforming the destination incentives so as to outperform competitors. Ngigi and Njeru (2014) affirmed that financing majored on planning and management of the destination activities, this implied that financing ensured the organization achieved a competitive position in the market by ensuring reduction of costs and effective scale amenities using cost control in various areas such as development, sales, marketing and research. Organizations can attain positive financing by adding particular incentives for consumers in the hospitality and tourism sector. Borza, Mitra and Nistor (2010) indicated that an organization financing their investments using the internal generated funds is one of the most important factors in attaining competitiveness as compared to indebted organization which will suffer immensely from a competitive disadvantage.

According to the existing limited literature on the relationship between financing and competitiveness, majority have majored on bringing out the importance of financing and the findings obtained are not disclosed as expected due to the sensitive topic and also for destinations to continue maintaining a positive relationship with the funding sources for instance the government. Nandakumar (2011) found out that there was a positive and significant relationship between financing and competitiveness. Merono, Acosta and Lopez (2008) study on Spanish firms focussed on the relationship of

financing on competitiveness and revealed that financing associated positively with firm competitiveness. The study utilized exploratory research design which considers the study findings preliminary thus not reliable. This prompted the need for this study to employ both the descriptive and correlational research design which was appropriate in determining the causal effect relationships. Evans, Stonehouse and Campbell (2006) argued that successful financing strategy is greatly affected by various business activities in the organization.

Priem and Butler (2001) study utilized resource-based view (RBV) theory in illustrating the sustained competitive advantage sources in financial stable destinations. Craigwell (2007) study on competitiveness of small Caribbean Island utilized the indicators of competitiveness which involved the use of financing as one of the factors considered in determining its influence on destination competitiveness. Whitefield, Dioko and Webber (2014) study on delegates who attended the business event pointed out five major features that were identified as significant. Three were related to MICE amenities and the rest were destination level such as security and financing majoring on services provided at a lesser cost than other destinations with the same quality. The study affirmed that in order for the destination to sustain competitiveness then they ought to address the MICE amenities and the destination level factors such as financing and security. Poon (2013) recognized the role of financing in providing the best product and service experience to customers by emphasizing on the fact that funds should be available and sufficient enough to ensure services such as technology, transportation, communication, power and water supply are provided to consumers which would boost the visitors experience and with customer satisfaction attained then this would result to increased competitiveness against other destinations.

This was supported by other researchers Buhalis (2000); Chow (2008) who noted that the impression visitors develop of the image of the destination after their stay is important thus they concluded that financing plays a significant role. World Tourism Organization (2017) acknowledged the important role played by financing particularly in ensuring development of successful hospitality and tourism development for instance in developing new sites. Laws (2015) study in Turkey established that financing is among the main factors influencing the tourist destination competitiveness. Mangion, Durberry and Sinclair (2005) study in Thailand concluded that financing is an essential element in ensuring development of destinations and its success. Martin and Witt (2007) elaborated the significance of government financed destinations in boosting their competitiveness.

Destinations should invest in collaborative strategies that are managed by public destination management organizations so as to ensure value added network and enhanced destination competitiveness (Krakover, 2007). Public-Private Partnership can be described as a way of local, regional or national public sector cooperating together with the private sector. Bund (2004) explained the significance of the involvement of public sector in hospitality and tourism development by insisting on the need for unifying factor which would be beneficial to the market structure and support from investors. Public and private partnerships has been acknowledged by large bodies such as United Nations World Tourism Organization as a crucial and important in social-economic development in several destinations worldwide (UNWTO, 2011).

The role of public involvement is critical in destination competitiveness as it ensures a positive relationship exists between the destination and all the stakeholders involved which would enhance development in the long run (Ritchie and Crouch, 2003).

Destinations should ensure delivery of quality service to customers, remain updated on the emerging trends in the market, adjust their provision of products and services, utilize the available resources and keep track of competitive activities in an effective manner in order for high performance and increased competitiveness. Kohli and Jaworski (2006) indicated that destinations can achieve this by embracing collaborations which in the long-run would ensure customer satisfaction while optimizing profits and in turn boosting their financial capacity. Kogut (2008) revealed that collaborations which is one of the financing indicators positively influenced firm competitiveness through strengthening its competitive position by increasing its market power. Lubatkin, Florin and Lane (2001) acknowledged that inter-organizational training through collaborations with other organizations is vital to competitiveness of a firm.

Cao and Zhang (2011) study on influence of collaborations and competitiveness of 59 US firms found out that collaborations related positively with competitiveness by increasing the competitive advantage. Therefore, financing is an important element in ensuring the attainment of competitive position in the market and it is also worth noting that financing has not been studied extensively by various scholars due the availability of limited empirical literature, most especially in Kenya hence the necessity to assess the result of cluster-based financing on destination competitiveness of conference facilities in Nairobi City County, Kenya.

2.5 Cluster-Based Success Factors, Government Moderation and Destination Competitiveness

The current social, economic and political environment has contributed to retarded growth and implementation of the right policies that govern the hospitality and tourism sector which in turn has led to reduced and poor performance of the firms in

the sector. Government role as an important stakeholder in the sector ensures development and implementation of appropriate policies, and also regulation that leads to creation of favourable conditions which in turn contributes to successful development of conference facilities. Ritchie (2003) indicated that the firms in hospitality and tourism sector feel motivated due to the government policies that boost their growth and also removes the unnecessary challenges and obstacles. This was further supported by Cope and Davidson (2003) who revealed that the hospitality and tourism sector would benefit more from successful government policies for instance the appealing outbound investments and the facilitation of visitors in and out of the country. This is the reason as to why several policy initiatives have been developed to ensure realization of the flagship project under Vision 2030.

The government has developed various policies for instance the Tourism Act 2011 which offers the hospitality and tourism sector with development, marketing, management and regulation of sustainable tourism along with the services offered in the sector and connection with other countries. The Act is also inclusive of national strategy, rules and regulations, criteria for classification, curriculum for training employees in the hospitality and tourism sector, guidelines, code of conduct, legislation, research, environmental restrictions and tax incentives. This showed that hospitality and tourism sector largely depends on a number of stakeholders such as the government for its growth and performance. Epstein and Buhovac (2014) indicated that involving the stakeholders such as the government in operation of the sector boosts the probability of sustainability and in turn ensures competitiveness of the destinations. This is because it is argued that government has the ability and the legality to expedite and coordinate multiple stakeholders to curtail negative effects on

destination competitiveness through competitive advantage (Zhao and Timothy, 2015; Todd, Leask and Ensor, 2017).

Various scholars Cook, Yale and Marqua (2010) ; Saayman (2009), described hospitality and tourism from the business perspective as the integration of businesses and firms and interconnection between stakeholders for instance the government in ensuring that the needs of business travellers are met. This includes all trips associated with either business interest or the employment of the travellers basically meant for attendance of events such as seminars, conferences, trade fairs, incentives, exhibitions and corporate hospitality (Mair, 2010). There are terms that are used for such business events that include meetings, incentives, conferences, exhibitions (MICE), meetings, convention and exhibitions (MCE), conference facilities and meeting segments (Locke, 2010). The business and work related tourism and hospitality has been acknowledged as a developing area in the industry thus the need to be studied further and most especially Kenya which has witnessed tremendous growth due to the fact that sector contributes to the economic growth rate at 10% of the Gross Domestic Product (GDP) and also created 9% of the total formal employment in the country as discussed in the main policies of GoK such as Vision 2030, National Development Plans, Tourism Master Plan, Millennium Development Goals, Economic Recovery Strategy and Poverty Reduction Strategy (KNBS, 2011). The policies insist on the need for effective and improved management of the sector to enable the government in attaining the strategic development goals and quality service to Kenyans.

A number of studies have made an attempt to explore the classification criteria utilized by visitors and event planners in selecting destinations which are the same factors influencing destination competitiveness. The identification of these factors is important to destination marketers and suppliers who require such information to

ensure they employ effective marketing strategies that satisfy the potential guests' needs (Govers, Go, and Kumar, 2007). Regardless of the sufficient literature on the factors that influence destination competitiveness, there is need for better understanding of the government moderating role on all the factors and its importance to the variables.

According to Lee and Back (2005) a list of various determinants that affected destination competitiveness included safety, quality service, employees, marketing, promotions, and image where government restrictions controlled these factors. According to some studies Buhalis (2000); Lee and King (2006); Pansiri and Courvisanos (2010), it revealed the themes that were captured in the destination strategies such as marketing, development, planning, human resource, collaborations, strategic plan, financial and organization assessment. These themes varied due to the spatial scale that includes the local, regional, central, national and international government. These strategies are meant to increase destination competitiveness which makes it mandatory for destination managers to formulate and implement them. Ritchie and Crouch (2003) indicated that the government can either inspire or obstruct sustainable development of destinations through its policies, the public amenities and infrastructure it provides to the business environments. This means that increasing the involvement of the relevant government agencies in the conference facilities business environments can either enhance or antagonise its effects on destination competitiveness. This justified the need to establish the level at which government moderation increases the enhancing relationships of CSFs on destination competitiveness of conference facilities. Chen, Chen and Tsai (2016) study that explored the concept of destination resources and competitiveness using comparative analysis in Kinmen Island found out that the island had not utilized its resources to

attain destination competitiveness thus the need for the local government to market the destination by utilizing effectively the unique resources and management practices so as to establish the awareness and the image of the island. This concurred with Barbosa, Oliveira and Rezende (2010) who indicated that measuring the destination competitiveness in terms of identifying competitors and marketing with regards to relative competitors is crucial.

Tozser (2010) revealed that the management activities and emerging trends of both hospitality and tourism sector are influenced by the government policies and decisions which go beyond the management systems. Cvelbar, Dwyer, Koman and Milhalic (2016) study pointed out the destination competitiveness drivers such as resources which include human, capital and management. On the other hand, the study revealed the destination competitiveness drivers in developing countries for instance Kenya as the general resources, and social, economic and political environment. Wang, Hsu and Swanson (2012) study on destination competitiveness in China revealed the five indicators that include: marketing, human resource, financial, information and crisis management greatly impacted on tourism destination competitiveness. The study acknowledged the importance of government policies in ensuring smooth flow of operations and the findings recommended that the Chinese tourism firms should ensure effective marketing campaigns, major on employee development and a crisis management plan should be put in place for the densely populated destinations. Armesiki, Gomezelj, Djurdjev, Deri and Aleksandra (2011) study on exploring and comparing destination competitiveness of hospitality and tourism industry in Slovenia and Serbia found out destinations are more competitive when they utilize their own natural and cultural resources and less competitive when government imposes restrictions in the management of the resources.

Lee and King (2006) revealed that destinations are moulded by the abilities, strategies, competitive market and government policies in place. Dwyer, Dragicevic, Armenski, Mihalic and Knezevic (2014) concurred with the fact that government helps and develops framework for hospitality and tourism development and also insisted on the significance of having public-private partnerships that would ensure sustainable development in the sector and attainment of competitiveness in the market. Pansiri (2014) study insisted on having destination managers taking into consideration the management and development of resources such as human resource, destination marketers and factors through implementation and assessment of the available strategies and following government policies that are utilized in the dynamic business environment since the strategies and policies are meant for increasing the destination competitiveness. Rogerson and Visser (2006) study in South Africa found that the previous literature had indicated government as one of the major limitations for destination competitiveness but after the new democracy then some changes were noted in the tourism sector such as increased tourist travel for business purposes. The study noted further that in the previous years, the government did not acknowledge the contribution made in the business tourism hence the reason for failing to invest in the development of the facilities.

Therefore, it is clear from the reviewed studies that government contributes significantly to sustainable destination development and competitiveness (Ramgulam, Raghunandan-Mohammed and Raghunandan, 2012). Identification of critical success factors (CSFs) is an essential notion in strategic management that must be performed well so as to maintain success, achievement of goals and competitiveness (Njeh and Pong, 2012). This phenomena exposes the existing gap that necessitates the need for this study to be performed to examine the interacting effect of government on the

association between cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya. It is worth noting that from the reviewed literature those CSFs can be established by majoring either on the supply or demand side depending the study objectives. The most identified CSFs were from the supply side listed as follows: human resource, quality service, marketing, customer relations, infrastructure, financial management, hygiene, effective and efficient systems. Despite the sufficient studies carried out on CSFs in the hospitality and tourism sector, few have been carried out on business tourism especially in the developing countries, Kenya being one of it.

2.6 Destination Competitiveness

Competitiveness is the main concept in the association between population, environment and territory. Organization for Economic Cooperation and Development, OECD (2005) defined competitiveness as the capability of a given place to deliver products and services in the global market while ensuring that peoples income do increase in the long run. Porter (1990) considered competitiveness as an important element of success in both the territories and organizations. Dwyer, Forsyth, and Rao (2006) defined competitiveness as the main concept that encloses price variation with exchange rate changes, productivity and qualitative determinants that influences the destination attractiveness.

Researchers have strived hard in establishing the appropriate definition of destination competitiveness for instance (Hassan, 2000) defined it as the destination's capability to develop and combine the value-added product so as to ensure sustainable competitive advantage over competitors. Generally, there is no universally accepted definition up to date of destination competitiveness but this study defined destination competitiveness in accordance with the superiority of the destination performance

relative to the set of attributes in comparison with other destinations. Enright and Newton (2004) indicated that the success of a destination is greatly influenced by its competitiveness due to the changing and competitive global market. Croes and Kubickova (2013) revealed that destinations are working hard to acquire market share which has led to increased competition in the hospitality and tourism sector and this in turn has made it the assessment of competitiveness level vital. The main element of a successful hospitality and tourism industry is its potential to acknowledge and handle variations across a broad range of emerging trends.

A destination is competitive if it has the ability to attract and fulfil the visitors requirements and competitiveness is determined by particular factors that affect the service provided such as the critical success factors that include marketing, human resource and financing. Bornhorst, Ritchie, and Sheehan (2010) affirmed that competition between the various destinations is intensifying thus the need for the substitution effect that needs the ability to manage efficiently all the elements of hospitality and tourism systems in order to maintain competitive advantage. Currently, the impact of globalization has coincided with the hospitality and tourism sector rapid growth though with various challenges and hindrances. Porter (1990) noted that organizations are competing in the global market and success of each organization is determined using the economic climate, government policies and institutions. The study expounded further the association that exist between competition, clusters and the organization strategy using three means that include enhancing the organizations productivity, boost capacity for productivity and innovation development, and finally instigate new formation of businesses that support expansion of clusters and innovation.

In the last two decades, the body of research has developed which has sought to establish the theoretical and empirical basis for addressing the competitiveness issue. Destination competitiveness topic has received more attention from various scholars due to the fact that hospitality and tourism have become one of the most prominent industries worldwide. Namhyun (2012) indicated that studies on destination competitiveness have acquired more prominence from scholars and policy makers but few have made the attempt of establishing the causal factors that either contribute or reduce competitiveness. The current stage in creating destination competitiveness theory and knowledge after attaining a good basis for pointing out necessary features of destinations or cluster destination competitiveness is on the specific value that sought to major on establishing the important factors that influence destination competitiveness.

Modern hospitality and tourism is more of experience oriented in accordance with the competitiveness rather than the attractive features in the destination. Omerzel (2006) argued that the concept of competitiveness has been emphasized by economists based on price and certain economic factors in a country while management has majored on firm-specific features and on the other hand, policy makers and politicians have centred on keys areas such as the political and social features. Thus the reason as to why competitiveness is determined in various perspectives. The study further established the importance of comparative and competitive advantage to an economy and in paving way for assessment of destination competitiveness. Comparative advantage was assessed based on waterways, wildlife, climate, environment and attractive sites while on the other hand, competitive advantage was evaluated using means of transport, management, quality of services, government policies, labour force skills and infrastructure. The study concluded that there was a gap between the

products and services offered in the destination and the visitors' preference. Lee, Cai and O'Leary (2006) study on destination competitiveness of tourism industry in Taiwan utilized the industrial organization theory to establish the importance of strategy and the outside environment performance.

Dugar (2007) study in India pointed out that competitiveness is complex in nature which made it difficult to measure due to the fact some essential factors in hospitality and tourism cluster limited the implementation of strategies in the sector because they are interrelated with high costs. Goffi (2013) study on the primary factors affecting destination competitiveness found out that competitiveness was a vital determinant in ensuring the success of the destinations but there was no significant impact between the selected factors and destination performance. Dwyer and Kim (2010) found out that destination competitiveness was positively associated with the ability of the destination of offer good experience to customers most especially in service delivery. Aziz, Jaafar, Hassan and Kadi (2014) proposed that destinations should strengthen their marketing channels and in order to ensure destination competitiveness then they ought to increase expenditure, boost well fare of the local residents, persevere natural resources and provide satisfying and memorable experiences to consumers which is a clear indication that the success of s destination relies on the demand and supply side. Other studies Alves and Nogueira (2015); Estevao, Ferreira and Nunes (2015); Weldearegay (2017) focussed on the analysis of tourism destination competitiveness (TDC) using the covariance-based structural equation models which were considered effective in estimating the weights of each dimension and each factor of TDC. Howell, James and Malik (2013) study in assessing destination competitiveness utilized the partial least squares path models and the study failed to assess the assumptions of the data distribution and allowed both the formative and reflective

constructs. Therefore, the existing literature have failed to establish the relationship that exist between vital factors and destination competitiveness thus the need to investigate the outcome of cluster-based critical success factors on destination competitiveness of conference facilities and the government role in the relationship in Nairobi City County, Kenya.

2.7 Theoretical Literature

This section presented the theoretical literature with relevant theories that were reviewed to unleash the underlying notion of CSFs, government role and destination competitiveness. The theories include resource based view (RBV) and the Porters Diamond.

2.7.1 Resources Based View Theory (RBV)

Penrose introduced the resource-based theory that ensures complementary resources add value in the organization (Penrose, 1959). The theory was further developed by Barney and the name was changed to resource-based view (RBV) which concluded that in order to attain competitive advantage, organizations ought to acquire valuable resources that would ensure high performance in the long run (Barney, 1991). Competitiveness is attained when HR management functions are implemented, marketing of conference products and financing of business capital investments used in developing unmatched products resulting to higher returns. The study further revealed that when an organization fails to have competitive resources, low value and limited then they can seek another organization with sufficient resources and form a merger. Ivanoic, Katic and Mikinac (2010) utilized this theory in assessing competitiveness of an organization. Resources are important elements to consider when carrying out a study that relates to the organization competitiveness hence this

study focused on resources as a valuable variable that was categorized into three dimensions that included; marketing, human resources and finance.

The RBV theory expounds on how the resources and abilities of each destination would make it more outstanding from the rest as this provides the ground for different strategies and performance (Sirmon, Hitt and Ireland, 2007). Another proposition by Ragui (2013) contends that resources account for 85.4% success of tourism enterprises in Kenya. According to Volgger and Pechlaner (2014), they proposed that RBV theory can create a link by establishing the relationship between attaining competitiveness and resources. Two major distinctions were considered in applying the RBV model that includes resources and capabilities of the destinations. There are various indicators of destination competitiveness that could be researched on for instance market and environmental competitiveness (Hassan, 2000) but this study majored on the assessment of resource-based competitiveness due to the fact that resources provide the basis for establishment of these destinations and the reason for selection of preferred destination choice by visitors (Ritchie and Crouch, 2003). Another reason for being the focus of the study is due to the fact that resource-based has not been studied extensively in the hospitality and tourism industry.

2.7.2 The Porters Diamond Model/ Industrial Cluster Theory

Porter (1990) revealed that clusters boost destination competitiveness and boom development in a region or country. Porter theory utilized four dimensions that include; company strategy which informs the independent variables of this study referred to as the cluster-based critical success factors namely marketing, HR management and financing used to create inimitable products for competitiveness. Input factors which include provision of company resources used in this study like the

conference facilities and equipment, capital resources, security provision, training and information. Output factors include the quality of products and meeting specialised customer product needs. Supporting companies include fostering synergy with the competitors, suppliers, market intermediaries and customers. Government variable in the model established policies as a variable. Government policies establish ways of conducting business which in turn would lead to an organization success. This was investigated in the study to affirm whether government moderates on the success factors of destinations. Porter's model informed the different variables of this study as defined in various sub-sections on theoretical literature as shown in Figure 2.1.

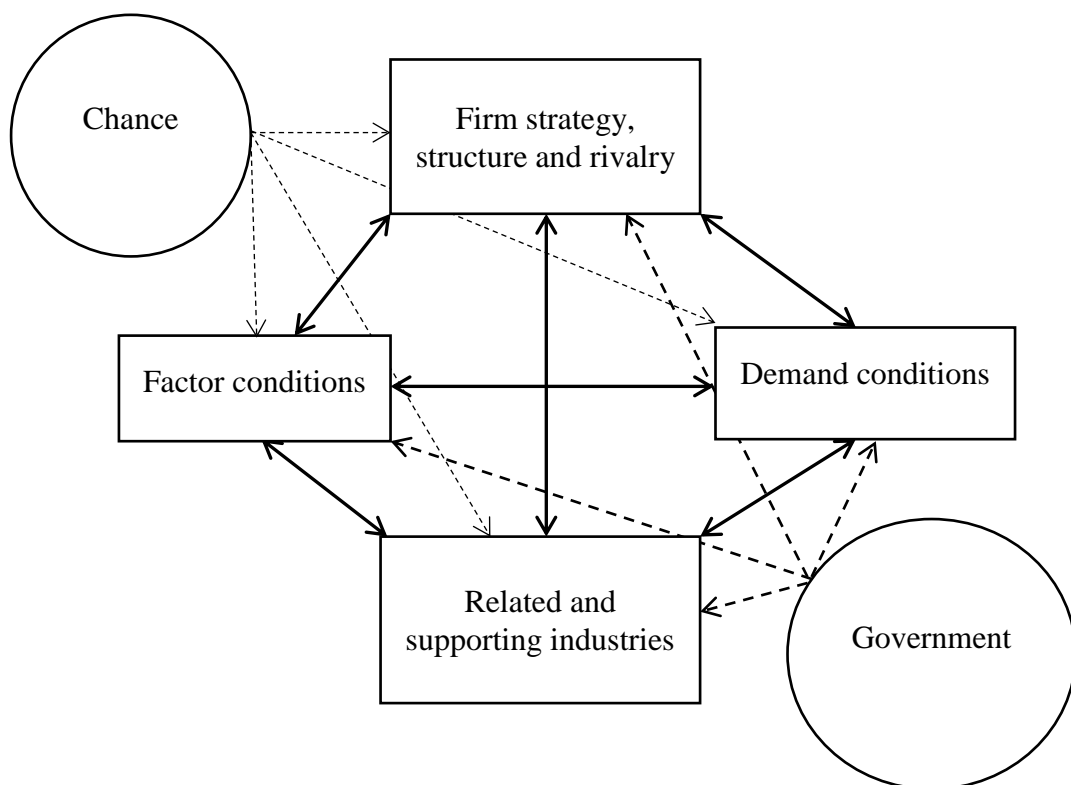


Figure 2.1: Porter's Diamond Model/ Industrial Cluster Theory
Source: Porter (1990)

2.8 Summary Critique and Research Gaps

This section critiqued theoretical and empirical literature related to destination competitiveness in the cluster-based CSFs context of conference facilities where study gaps were established. Bahar and Kozak (2007) revealed that despite the advancement made in comprehending and expounding the complex phenomenon of destination competitiveness, few theoretical frameworks that have been designed would obstruct the theoretical advancement. First, studies based on the RBV theory in firms' strategy paid little attention to resources owned by other industry stakeholders in the micro-environments that can be shared and influence firm competitiveness thus creating a study gap. The Porter's Diamond model on industrial cluster theory provides the four main external factors of competitiveness that exist in the micro-environment then mediated by government and chance events, but ignores to provide a statistical account of the nature and extend of relationships that exist in all the interacting variables of the model like government thus leaving a theoretical gap. According to available literature in Africa, there is limited empirical leaving another study gap on the interventions required to promote MICE industry clustering in the developing economies of Africa. The study combined the two theories to evaluate their complementary effect on local destination competitiveness literature in MICE industry of a local developing economy context where government plays a key role in providing resources that complement what firms own and manage in the realization of destination competitiveness. This fixed the existing management gap where practical integration of clustering models in MICE tourism firm strategy or policy is weak and not localized.

According to the reviewed literature, it is evident that the available empirical literature on competitiveness varied from both the researcher and destination which

implied that the selected CSFs with regards to destinations are different. Dlamini, Nam, Nyamumbo, Obara, and Tasfiha (2016) studied Kenya tourism cluster which may not be effectively applicable with a “one size fits all” approach in all the 47 counties of Kenya and tourism sub-sectors. Namhyun (2012) indicated that studies on destination competitiveness have acquired more prominence from scholars and policy makers but few have made the attempt of establishing the causal factors that either contribute or reduce competitiveness. Different counties are at different tourism area life-cycle (TALC) and endowment levels hence their destination competitiveness is influenced differently by the same factors leaving a contextual gap of how to manage resources at different counties. Most destination studies in Kenya that focused on supply approach by firms adopted a utopian position by paying little or no emphasis on the factors that influence the industry stakeholders in their micro-environments. This necessitated a practical action of integrating this factor in firm innovative strategies inform of clustering structures thus previous studies left a management/conceptual gap. Majority of the studies also in destination competitiveness were institutional case studies applying qualitative design technique of content analysis and the constructionist paradigm which is limited in accuracy and generalization to practically solve the wider MICE tourism industry problem thus leaving a methodological gap. The study applied descriptive and correlational design under pragmatist paradigm of mixed methods approach where moderation analysis was applied to empirically test the significance government moderation on the relationship between cluster-based CSFs and destination competitiveness of conference facilities in Nairobi City County.

It is also worth noting that there is limited empirical literature on the study area. None of the reviewed studies has made an attempt in assessing the marketing ability, human

resource, financial ability, government moderating role and destination competitiveness simultaneously. This concurred with, Maingi, Nthinga, Belsoy, and Odunga (2009) who indicated that in Kenya there are inadequate resources for destination marketing and CVB which renders them ineffective thus the existence of a crack in private and public sector in MICE and events marketing. No matter the existence of destination marketing organizations for more than a century, there is still missing literature on how marketing influences destination competitiveness and the available literature on destination marketing has dealt on the measurement of the image of convention facility. Enright and Newton (2005) study in Cuba which a known as the world class destination reflected destination competitiveness but it did not assure of successful development in the hospitality and tourism sector due to underlying factors such as human resources which is one of the major hindrances to destination progress. According to Miller and Gibson (2005); Wares and Hadley (2008), they focussed on the need for research on hospitality and tourism clustering to be expounded so that it can involve the outside scenario on Porter's cluster framework. The study further revealed that there is no adequate research that has been carried concerning the conference tourism sector in developing countries which makes it difficult to point out obstacles that hinder the firm's competitiveness in the sector.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the study philosophy and design, location, the population, sampling techniques and size determination, data gathering techniques and devices utilized in the study. The chapter also presented operationalization of the study variables, analysis and presentation of data, regression assumptions, rights and logistical concerns for the study.

3.2 Research Philosophy

The research philosophy underpinning this study is pragmatism. To a pragmatist, the mandate of science is not to find truth or reality, the existence of which are perpetually in dispute, but to facilitate human problem-solving (Gohar, Owais, and Muhammad, 2016). The researcher shares in this pragmatist belief and assumption that theory and knowledge is only useful if it contributes practical answers and effects to a problem with informed future practices using common sense and scientific approach in a real world context. This study was therefore guided by the pragmatist paradigm to apply mixed methods in data collection, analysis and interpretation. This approach was employed to study government roles in stimulating tourism development in Guangxi, China in the works of Qin, Wall and Liu (2011). The study also applied both descriptive and inferential approaches in data analysis and interpretation which draws from the strengths of both the positivist and the interpretive research philosophies to best study and solve the complex problem of strategic clusters in MICE sub-sector of Tourism as recommended in Pansiri (2005) and Brierley (2017).

3.3 Research Design

The study utilized descriptive and correlational designs which involved a mixed method technique due to the fact that it comprised of both quantitative and qualitative techniques in establishing the government moderating effect on the relationship between cluster-based CSFs and destination competitiveness of conference facilities. Descriptive design described the population characteristics using the selected sample by drawing conclusions based on the sample findings ((Burns and Bush, 2014). The design was more appropriate for this study due to the fact that it allowed the use of both the questionnaire and interviews, and also it was flexible enough in providing more chances for various indicators of the study problem. Correlational design is a non-experimental method that evaluates the statistical relationship between the variables while holding external factors constant (Creswell, 2009). This design was appropriate to this study due to its ability in investigating the associations between response and explanatory variable which answers the specific objectives of the study.

3.4 Study Variables

This research had five major variables; cluster-based marketing, cluster-based HR management, cluster-based financing, government intervention and Tourist destination competitiveness and their corresponding indicators as depicted in Table 3.2 summary.

Table 3.1: Operationalization of Study Variables

| Variable | Type | Indicator | Sources |
|----------------------------------|-------------|--|---|
| Cluster-based Marketing | Independent | Digital Marketing Marketing strategies Promotions Branding image or identity | Clarke (2005) Buhalis (2000) Morrison (2010) OECD (2010) |
| Cluster-based HR management | Independent | Employee relations Training and professional development Human resource management system (HRMS) | Bratton and Gold (2003) Thang, Quang and Beyens (2010) Chow and Hortcutt (2004) |
| Cluster-based Financing | Independent | Collaborative strategies Incentives Source of funding | Kogut (2008) Hilman (2009) UNWTO (2011) |
| Government Intervention | Moderating | Infrastructure and public amenities Policies and strategies Operations | Todd et al. (2017) Ritchie (2003) Epstein and Buhovac (2014) |
| Destination Competitiveness (DC) | Dependent | Market share Service delivery Resources | Croes and Kubickova (2013) OECD (2005) Ivanoic, Katic and Mikinac (2010) |

Source: Researcher (2021)

3.5 Study Location

Nairobi City County destination doubles up as the capital city of Kenya and also one of the 47 county governments of Kenya. Nairobi City County is the main MICE destination and business hub in East Africa, and the 14th largest city in Africa. It was the best choice for this given study due to the fact that it hosts majority of the conference facilities which attracts more visitors both at national and international level to the various destinations within the region. It has approximately more than 50 hotels and a number of them are located in Nairobi's Starehe, Ruaraka and Westland

Sub-Counties (Simiyu et al., 2015). The city hotels were given preference due to the fact that they are located in the main metropolitan locations which are convention driven and they target corporate visitors at the same time they can offer business support services. Nairobi also has the largest airport and over 30 air carriers joining Africa to the other continents. It also hosts several businesses and the regional headquarters of various companies. Therefore, Nairobi City County was the best choice for the study area due to the fact that it is cosmopolitan, business-centred with adequate accommodation and infrastructure of high quality.

3.6 Target Population

Population is a cohort of subjects with common observable features from which units are selected for the study (Kombo and Tromp, 2009). The study population consisted of conference facilities in NCC and this was obtained from the members' list of KAHC (KAHC, 2019) which contained a list of all hotel-based, college-based and conference facilities like KICC (Appendix 7.6). The total population for the registered facilities with KAHC in the country was 189 out of which 53 are based in Nairobi City County and this formed the study population. The facilities considered were majorly for business and conference with the main specification being on corporate hotels due to the current trend in the sector where Meetings, Incentives, Conventions and Events (MICE) are in the upcoming market (Corgel, Mandelbaum and Woodworth, 2011).

3.7 Sampling Techniques and Sample Size

3.7.1 Sampling Technique

Sampling frame is the sources list and where the sample is drawn from Kothari (2010) and, also the frame has to be complete, credible and with the correct list of all the population members (Cooper and Shindler, 2011). The sampling frame was obtained

from the members' list of KAHC (KAHC, 2019) which contained a list of 189 hotel-based, college-based and conference facilities. The researcher selected the facilities or corporate hotels which are only in Nairobi City County and found a total population of 53. Sampling is logical selection of study participants from the population (Kothari, 2004). The multistage random sampling technique was utilized in this study and it involved sample selection in two or more stages whereby the first stage was random and the following stages were purposive (Onwuegbuzie and Leech, 2017). This study employed cluster sampling first which entailed random selection of the sampled clusters from the study population and all members of the selected clusters were considered for the study. This study selected 53 conference facilities that were in Nairobi City County among a population of 189 in Kenya. Then a sample was drawn out of the 53 conference facilities so as to obtain the sample that was utilized in the study. The second stage involved the use of purposive sampling which is considered a vital sampling method where the researcher deliberately selects the members of the population who will most likely give valid answers to the research questions and also extensively convey human lived experience (Dworkin, 2012).

Purposive sampling on the other hand was applied in selecting the conference facilities CEOs and managers from the respective departments of Marketing, Human resources, Finance and Events/Operations managers who provided more information that linked to the selected critical success factors and the overall competitiveness being studied (Zhilong, Hafsi, and Wu, 2009). This implied that out of the conference facilities that were sampled for the study, approximately five of their employees selected from their various sections were issued with questionnaires. The study further utilized convenience sampling which was utilized in selecting the owners or members of management boards of the facilities who are believed to be experienced technocrats

in MICE tourism industry and they were selected from both the tourism state corporations and private enterprises for interview. The researcher was able to interview five of them and this was deemed appropriate as supported by Dworkin (2012) who indicated that five (5) to fifty (50) participants were found acceptable for interviews in qualitative research.

3.7.2 Sample Size

The sample size for the conference facilities was obtained using Ahmad and Halim (2017) formula as follows:

$$n = \frac{z^2 p(1-p)}{e^2} \quad (3.1)$$

where;

n is the sample size

z is the corresponding critical value to the confidence level. This study assumed 95% confidence interval thus the value is equal to 1.96

p refers to the probability occurrence of a state given as 50%

e is the maximum allowable margin of error considered as 0.05 for this study

$$n = \frac{1.96^2 0.5(1-0.5)}{0.05^2} = 384.16 \cong 384 \quad (3.2)$$

Since the target population is less than 10,000 then the sample size will be adjusted as follows:

$$n_o = \frac{n}{1 + \frac{n}{N}} \quad (3.3)$$

where;

n_o refers to adjusted sample size

n refers to determined sample size

N refers to estimated population size

$$n_o = \frac{384}{1 + \frac{384}{53}} = \frac{384}{8.245} = 46.57 \cong 47 \quad (3.4)$$

Therefore the sample size comprised of 47 conference facilities and the sampling distribution presented in Table 3.1 comprised of 235 participants who were eligible for the study and out of which only 212 were available for the study.

Table 3.2: Sampling Distribution

| Category | Number of Units | Expected Participants | Sampled Participants |
|-------------------------|-----------------|-----------------------|----------------------|
| Marketing Manager | 1 | 47 | 43 |
| Finance Manager | 1 | 47 | 45 |
| Human Resources Manager | 1 | 47 | 46 |
| Events Manager | 1 | 47 | 46 |
| Chief Executive Officer | 1 | 47 | 32 |
| Total | 5 | 235 | 212 |

Source: Researcher (2021)

3.8 Research Instruments

Data collection instruments are tools utilized in gathering information from the selected participants of the study (Creswell, 2002). To be in compliance with this study philosophy, the researcher employed both the questionnaire and interview guide in collecting data. Questionnaires have the main advantage of ensuring anonymity and time efficiency (Orodho, 2009). This tool was deemed appropriate for this study due to the fact that many participants can be reached fast and also it is easy to administer and collect the required information within the shortest time possible. Questionnaires were semi-structured with both open and close ended questions and they were issued

to the selected participants that are managers and CEOs. The close ended questions were rated using the Likert scale ranging from 1 – 5 (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree) and the open ended questions were added to allow the participants share extra information that was not captured in the close ended questions.

On the other hand, an interview guide was utilized in collecting first-hand data from the main informants who were the owners or management board members of the conference facilities. The interview guides were semi-structured with the main focus being the informants' general expertise in the various sections. The interview guide was designed as per the study objectives to ensure they provide relevant feelings, opinions and attitudes from interviewees that provided deeper insights towards comprehending and corroborating with the quantitative findings on the study objectives (Bedwell, McGowan, and Lavender, 2015). Additionally, in-depth interviews were deemed appropriate for this study due to the fact that there was need to reveal patterns and perceptions concerning the conference facilities clusters in a more detailed fashion and explore any emerging issues in detail. The interviews also provided more information in detail than what was available in the questionnaire since it allowed the researcher to be in control over the conversation by probing answers further while allowing the respondents a more relaxed atmosphere for sharing their experiences, ideas and opinions openly as compared to just filling in a questionnaire.

3.9 Pre-Testing

Pre-testing was performed to ensure validity of the data collection instrument. Mugenda and Mugenda (2003) proposed that 1 – 10% of the target population is adequate for pre-testing with regards to the sample size. This was achieved by using approximately 3 conference facilities which is equivalent to 5% of the total population

and the questionnaires were issued to the respective managers selected for this study. This comprised of 10 questionnaires issued to ten (10) managers and three interview guides administered to three hotel owners for expertise management. The study participants who took part in the pre-test exercise were asked to go through the questions in both the questionnaires and interview guide for clarity, omissions, relevance and errors. Some of the items in the tools were rephrased and others reduced since it was necessary in ensuring internal consistency of the instruments and this also allowed the research questions to be answered accordingly with accuracy (Saunders, Lewis and Thornhill, 2012). The participants who took part in the pre-test exercise were excluded from the main study.

3.9.1 Validity Test

Validity examines whether the data collection instruments are sufficient enough in measuring what is required or not (Borg and Gall, 2003). Validity can either be internal or external. External validity is the extent in which study results are comparable to other constructs while internal validity is the measurement of the items in the questionnaire and interview guide in evaluating what it is intended to (Walker, 2012). Internal validity comprised of face, content and constructs validity measures (Creswell, 2005). Face validity generally implied the items in questionnaire and interview guide measuring what it is intended to (Leedy and Ormrod, 2005) and it relies on familiarity and expertise of the study variables. Content validity is basically making the area of specialization relative to the study clear and experts evaluate if the measures of the concept have been represented fully (Sekaran and Bougie, 2013). This was achieved by reviewing the existing theoretical literature on dimensions of the selected CSFs and destination competitiveness in order to identify the different conceptualizations. Face and content validity were both achieved also by submitting

the questionnaires and interview guide to professional experts in the department of hospitality, tourism and leisure for review and their opinions were incorporated during development of the research instruments. Construct validity is the extent in which the constructs associate hypothetically with one another in measuring the given study concept (Zikmund, Babin, Carr and Griffin, 2010). To evaluate construct validity, the study utilized exploratory factor analysis which was done using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (MSA) to eliminate redundant questions whose measure of sampling adequacy (MSA) was below 0.5 and questions whose measure was between 0.5 to 1.0 were considered appropriate (Tabachnick and Fidell, 2007). Factor analysis was carried out to ascertain any non-related variables so as to ensure data redundancy is minimized.

3.9.2 Reliability Test

This refers to the degree in which a data collection apparatus gives even findings on repetitive trials so as to ensure consistency of results (Orodho, 2009). Reliability test applied a constant (α) called Cronbach's Alpha coefficient (Kothari, 2004). The Cronbach Alpha is deemed appropriate due to the fact that it is an important conception in the assessment of questionnaires (Tavakol and Dennick, 2011). It is mandatory to test accuracy and reliability of data collection tools so as to ensure consistency and accurate interpretation of the study findings. Sekeran and Bougie (2010) indicated that a Cronbach Alpha coefficient that is below 0.6 is considered unacceptable while 0.7 is acceptable and above 0.8 is good.

3.10 Data Collection Procedures

The consent letter for the study participants was issued first before gathering information from the participants and this was to ensure that they participate voluntarily in the exercise. Data collection took place in three phases that included;

paying visit to the study area in order to ensure familiarity with the area and obtain important information that refined the study. The second stage entailed identification of research assistants and taking them through the whole process of administering the questionnaires through training them in obtaining informed consent from study participants, safety, ensuring privacy and confidentiality and also how to deal with adverse situations that might occur during the exercise. All the research assistants were issued with a copy of the research permit and they were required to submit dully filled questionnaires on daily basis to the researcher. The final phase entailed administration of interview guides to the conference facilities owners and collecting data using the open ended questions by the researcher.

3.11 Data analysis and Presentation

This means assembling and processing raw data then organize and present it in a given context to create useful information (Saunders and Lewis, 2012). Primary data was gathered through interviews and questionnaires which were recorded and transcribed then grouped into various constructs as per the study variables. Data was entered into Statistical Packages for Social Science (SPSS, V.22.0) software and cleaned to ensure no missing data.

The obtained qualitative data from interviews on all the four objectives of this study was analyzed using thematic analysis in the four objective areas. Additionally, the quantitative data obtained from questionnaires was analyzed using descriptive and inferential statistics. Descriptive statistics comprised of analyzing data using frequencies, percent, measures of central tendency such as mean and measures of dispersion such as standard deviation. Inferential statistics comprised of analyzing data using Pearson product moment correlation and regression analysis. Correlation

analysis was employed on the first three objectives to determine the strength of association between two variables while regression analysis was conducted in two stages that included the simple linear regression which was applied on the first three objectives by testing the null hypothesis one, two and three of the study to establish the strength of the relationships between cluster-based CSFs as independent variables and DC of conference facilities in NCC, Kenya, as the dependent variable. Secondly there was hierarchical multiple regression which is used to test moderating properties of a third variable (Dawson, 2014). This data analysis technique was applied on the fourth objective by testing the null hypothesis four to establish whether government had any moderating outcomes on the association between CSFs as independent variable and DC of conference facilities in NCC, Kenya, as the dependent variables upon a standard 5% level of significance. The data analysis models were presented as per the study objectives in Table 3.3

Table 3.3: Summary of the analytical models

| Objective | Hypothesis | Analytical model | Interpretation |
|---|--|--|--|
| <p>To establish the relationship of cluster-based marketing on destination competitiveness of conference facilities in Nairobi City County, Kenya.</p> | <p>H₀₁: There is no statistically significant relationship between cluster-based marketing and destination competitiveness of conference facilities in Nairobi City County, Kenya.</p> | <p>Simple Regression Analysis:</p> $Y_1 = \beta_0 + \beta_1 X_1 + \varepsilon$ <p>Where: Y_1 = Destination Competitiveness of conference facilities β_0 = Coefficient of the constant variable β_1 = Regression coefficient of cluster-based marketing X_1 = Cluster-based marketing ε = Error term</p> | <p>Pearson's correlation, R</p> <p>Regression coefficients, P-Values</p> |
| <p>To determine the relationship of cluster-based human resource on destination competitiveness of conference facilities in Nairobi City County, Kenya.</p> | <p>H₀₂: There is no statistically significant relationship between cluster-based human resource management and destination competitiveness of conference facilities in Nairobi City County, Kenya.</p> | <p>Simple Regression Analysis:</p> $Y_2 = \beta_0 + \beta_2 X_2 + \varepsilon$ <p>Where: Y_2 = Destination Competitiveness of conference facilities β_0 = Coefficient of the constant variable β_2 = Regression coefficient of cluster-based human resource X_2 = Cluster-based human resource ε = Error term</p> | <p>Pearson's correlation, R</p> <p>Regression coefficients, P-Values</p> |

Source: Researcher (2021)

Table 3.3: “Continued”

| | | | |
|--|---|--|--|
| <p>To assess the relationship of cluster-based financing on destination competitiveness of conference facilities in Nairobi City County, Kenya.</p> | <p>H03: There is no statistically significant relationship between cluster-based financing and destination competitiveness of conference facilities in Nairobi City County, Kenya.</p> | <p>Simple Regression Analysis:</p> $Y_3 = \beta_0 + \beta_3 X_3 + \varepsilon$ <p>Where: Y_3 = Destination Competitiveness of conference facilities β_0 = Coefficient of the constant variable β_3 = Regression coefficient of cluster-based financing X_3 = Cluster-based financing ε = Error term</p> | <p>Pearson’s correlation, R</p> <p>Regression coefficients, P-values</p> |
| <p>To examine the moderating effect of government on the relationship between cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.</p> | <p>H04: There is no statistically significant moderating effect of government on the relationship between cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.</p> | <p>Hierarchical Multiple Regression Analysis:</p> $Y_4 = \beta_0 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 (X_4 * X_5)$ <p>Where: Y_4 = Destination Competitiveness of conference facilities β_0 = Coefficient of the constant variable $\beta_4 - \beta_6$ = Regression coefficients of (X_4, X_5 & $X_4 * X_5$) X_4 = Government X_5 = Critical Success Factors</p> | <p>Pearson’s correlation, R</p> <p>Regression coefficients, P-Values</p> |

Source: Researcher (2021)

3.12 Regression Assumptions

Regression had five main assumptions that included linear association between variables, normally spread data, slight or no auto-correlation in data, slight or no multicollinearity in the data and lastly homoscedasticity of data. To confirm that the five assumptions of the sample in the classical linear regression model (CLRM) had not been violated, an evaluation procedure called diagnostic test of the assumptions was done before attempting to estimate any regression equations. The linear regression model in the study has dependent variable which destination competitiveness with three independent variables; Cluster-Based Marketing, Financing and HR management which are moderated by Government. Appraising these equations when the assumptions of the linear regression have been dishonoured carries the danger of attaining invalid and unreliable findings or conclusions about reality (Brooks, 2008). To satisfy this condition, formal and graphical linearity, normality, auto-correlation, multicollinearity and homoscedasticity tests were computed using the IBM SPSS software.

Normality

Most statistical procedures like correlation, regression, and ANOVA, referred to as parametric tests are established with a notion that data is normally distributed or conforms to Gaussian distribution (Singh and Masuku, 2014). Normality of data was tested using the Kolmogorov-Smirnov (K-S) and Shapiro-Wilk test. The null hypothesis test indicated that data tracks normal dispersal (Saunders and Thornhill, 2012) and if the obtained p-value would be less than 0.05 then the null hypothesis would be rejected and if the value is more than 0.05 then the null hypothesis would fail to be rejected and it would be concluded that the data is normally distributed (Lopes, 2011).

Linearity

Linearity assumption assumes the relationship between variables is linear. Linearity simply means that the slope of the regression function is fixed (Stock, 2007). The main aim of conducting linearity analysis is to establish the relationship between variable in the regression model and this was done on all the independent variables that include marketing, human resource management and finance versus the dependent variable which is destination competitiveness. Pearson product moment correlation coefficients were utilized in testing linearity assumption. If the coefficient values obtained would be 1 or -1 then it implied strong perfect linearity, values between ± 1 to 0.5 implied a high linear correlation, values between ± 0.49 and ± 0.3 implied moderate linearity, values below 0.29 implied weak linear association and a value of zero implied no linearity (Williams, Blackwell, Mackenzie, Holmes and Andrews, 2013).

Autocorrelation

Autocorrelation also known as serial correlation refers to the occurrence of error terms in a regression model that are dependent. There are two types of autocorrelation that include pure and impure serial correlation. Pure autocorrelation occurs when the error terms of the current state are affected by the error terms of the previous state. On the other hand, impure autocorrelation are affected by model misspecification error such as omission of relevant variables. Durbin-Watson statistic was employed in autocorrelation test and the test statistic should lie between 1.5 and 2.5 in order to ascertain the assumption (Garson, 2012).

Multicollinearity

Multicollinearity occurs when two or more predictor variables in the model overlap in what they test so that their effects are the same making one of the variables redundant (Tamura, Kobayashi, Takano, Miyashiro, Nakata, and Matsui, 2016). Multicollinearity leads to large standard errors which influences accuracy and precision. This was tested using tolerance and Variance Inflation Factors (VIF). If the obtained tolerance values would be less than 0.2 and VIF values greater than or equal 10 then it would be considered there is imperfect Multi-collinearity (Field, 2013).

Heteroscedasticity

This test assumes that the error terms in the model have similar variance and if the variance is different then there is presence of heteroscedasticity (Breusch and Pagan, 1979). This assumption was tested using Breusch-Pagan test and if the obtained p-value would be less than 0.05 then the null hypothesis would be rejected and it would be concluded that there is no heteroscedasticity.

3.13 Logistical and Ethical Considerations

The researcher achieved the logistical requirements for this study by obtaining consent from Kenyatta University and an introductory letter to get research permit from NACOSTI. The County Commissioner and the County Director of Education were notified of the study that took place in Nairobi City County. The researcher sought permission from the conference facilities management for easy accessibility to the facilities and informed consent was given to willing study respondents considering participation was voluntary. After obtaining various authorizations the researcher observed ethical conduct by conducting this study within the principles of integrity, anonymity and confidentiality to protect all the rights of all parties involved in the study process from any perils that may be associated to the study findings.

CHAPTER FOUR

4.0 FINDINGS

This chapter revealed the study findings as per the order of the study objectives. The results were accompanied with the discussion based on pragmatic research philosophy to best answer the study hypothesis and questions.

4.1 Response Rate

The response rate for this study was established for both the questionnaires and interviews in order to ascertain the representation and quality of responses for conclusion of the study.

4.1.1 Response Rate for Questionnaires

A total of two hundred and twelve (212) questionnaires were distributed to the sampled 212 respondents working in the conference facilities. Table 4.1 shows a summary of response rate for questionnaires and the frequency of responses.

Table 4.1 Response Rate

| Category | Sampled Participants | Returned Questionnaires | Unreturned Questionnaires |
|--------------------------|----------------------|-------------------------|---------------------------|
| Marketing Manager | 43 | 38 | 5 |
| Finance Manager | 45 | 30 | 15 |
| Human Resources Manager | 46 | 42 | 4 |
| Events Manager | 46 | 40 | 6 |
| Chief Executive Officer | 32 | 22 | 10 |
| Total | 212 | 172 | 40 |
| Response rate (%) | 100% | 81.1% | 18.9% |

Source: Researcher (2021)

From the results in Table 4.1, Out of the 212 questionnaires, 172 questionnaires were properly completed and given back. This translated to a reply level of 81.1 percent.

This response rate was way above the conventionally acceptable rate for surveys. This concurred (Orodho, 2009) who revealed that a reply level that is above 50% was considered fit and appropriate for collecting adequate data. This was supported further with (Mugenda and Mugenda, 2003; Kothari, 2004) who indicated that a response rate of at most 60% was sufficient. Therefore, the obtained findings can be generalized to the entire population.

4.1.2 Response Rate for Interviews

The researcher interviewed five hotel owners which turned to a response rate of 100% of target and this was considered adequate as maintained earlier by Dworkin (2012) who indicated that five (5) to fifty (50) interviewees were acceptable in a study.

4.2 Factor Analysis

Factor analysis was carried out on study variables to establish how each variable contributed to the concept of cluster-based critical success factors, government intervention and destination competitiveness of conference facilities in Nairobi City County, Kenya.

4.2.1 Factor Analysis for Cluster-Based Marketing

The study utilized the Kaiser-Meyer Olkin (KMO), measure of sampling adequacy and Bartlett's test of Sphericity on the eight measures for cluster-based marketing to establish its dimensionality as presented in Table 4.2

Table 4.2: KMO and Bartlett's Test

| | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .883 |
| | Approx. Chi-Square | 427.789 |
| Bartlett's Test of Sphericity | Df | 28 |
| | Sig. | .000 |

Source: Researcher (2021)

The obtained KMO test statistic value is 0.883 which is approximately close to 1 implying a higher acceptability on the use of factor analysis and adequate interrelationship of the measures of cluster-based marketing. Bartlett's test of sphericity (chi-square = 427.789, p = 0.000) is highly significant which implied there exists a significant relationship among the variables.

The constructs were exposed to variance test using principal component analysis so as to identify a cohort of factors that explained more information regarding the parameters as presented in Table 4.3

Table 4.3: Total Variance Explained

| Component | Initial Eigenvalues | | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|------------|-----------------|-----------------------------------|------------|-----------------|
| | Total | % Variance | % of Cumulative | Total | % Variance | % of Cumulative |
| 1 | 2.748 | 34.354 | 34.354 | 1.979 | 24.735 | 24.735 |
| 2 | 1.392 | 17.398 | 51.752 | 1.815 | 22.682 | 47.416 |
| 3 | 1.271 | 15.889 | 67.641 | 1.374 | 17.181 | 64.598 |
| 4 | 1.014 | 12.678 | 80.318 | 1.258 | 15.720 | 80.318 |
| 5 | .867 | 10.832 | 91.150 | | | |
| 6 | .356 | 4.455 | 95.605 | | | |
| 7 | .229 | 2.858 | 98.463 | | | |
| 8 | .123 | 1.537 | 100.000 | | | |

Source: Researcher (2021)

Variance test pointed out the Eigen values which revealed the variance of each factor or component relative to the total variance of the items in the construct. Principal component analysis with varimax rotation was utilized to factor analyze the eight parameters associated with the cluster-based marketing. The variance matrix indicated that four items had values more than 1.0 which implied that these were the parameters of cluster-based marketing that had the highest impact on destination competitiveness. Component one had the greatest variance of 1.979 and it accounted for 24.735% variation followed by component two which had a variance of 1.815 accounting for

22.682% variation then component three with a variance of 1.374 accounting for 17.181% variation and component four with a variance of 1.258 accounting for 15.720% variation. Cumulatively the four factors contributed immensely to notion of cluster-based marketing with a cumulative percent of 80.318 of the total variation.

Table 4.4 presented the findings of the component matrix. According to David, Patrick, Philip and Kent (2010), factors that attain a threshold of 0.4 and above are considered valid and they can be utilized for further analysis.

Table 4.4 Rotated Component Matrix^a

| Item | Component | | | |
|--|-----------|------|------|------|
| | 1 | 2 | 3 | 4 |
| Budget increased for marketing using new ICT technologies. | | | .818 | |
| Adopted and embraced green marketing technologies. | | .789 | | |
| Partnered with KTB in digital marketing. | | | .784 | |
| Engaged in CSR activities within the destination locality. | | | | .867 |
| Networked with MDAs and other industry actors. | .917 | | | |
| Supported a joint lobby with industry partners and government. | | .898 | | |
| Participated in the Magical Kenya Travel Expos to network. | .582 | | | |
| Hosted pro-tourism expos/meetings. | .817 | | | |

Source: Researcher (2021)

The findings indicated the components for cluster-based marketing and the variable had eight factors. All the factors attained a threshold of above 0.4 hence they were all retained for further analysis. The correlations in all the four components were significant in explaining the cluster-based marketing as the explanatory variable. The parameters in factor one were renamed as promotions, factor two renamed as marketing strategies, factor three renamed as digital marketing and components in four renamed as branding image or identity.

4.2.2 Factor Analysis for Cluster-Based Human Resource Management

Several dimensions of cluster-based human resource management were used to find the extent in which they affect the destination competitiveness of conference facilities in Nairobi City County, Kenya. KMO and Bartlett's test were utilized in establishing dimensions driving cluster-based human resource management as shown in Table 4.5.

Table 4.5: KMO and Bartlett's Test

| | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .713 |
| | Approx. Chi-Square | 599.342 |
| Bartlett's Test of Sphericity | Df | 28 |
| | Sig. | .000 |

Source: Researcher (2021)

The KMO statistic value is 0.713 which implied that the set of items were appropriate for factorization. The Bartlett's test of Sphericity value (chi-square = 599.342, p = 0.000) was considered highly significant thus the items in the variable were correlated and this makes it suitable for subsequent analysis.

Table 4.6 displayed the total variance findings of cluster-based human resource management.

Table 4.6: Total Variance Explained

| Component | Initial Eigenvalues | | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 2.719 | 33.988 | 33.988 | 2.554 | 31.920 | 31.920 |
| 2 | 2.040 | 25.494 | 59.482 | 2.077 | 25.966 | 57.887 |
| 3 | 1.235 | 15.443 | 74.924 | 1.363 | 17.038 | 74.924 |
| 4 | .856 | 10.699 | 85.624 | | | |
| 5 | .452 | 5.649 | 91.273 | | | |
| 6 | .405 | 5.056 | 96.329 | | | |
| 7 | .164 | 2.051 | 98.380 | | | |
| 8 | .130 | 1.620 | 100.000 | | | |

Source: Researcher (2021)

The eight items of cluster-based human resource management were analyzed and the results indicated that three components had a variance of more than 1.0. Component one had a variance of 2.554 with 31.920% of the total variation followed by component two which had a variance of 2.077 with 25.966% variation and component three with a variance of 1.363 with 17.038% variation. The three drivers contributed to a total of 74.924% variation in the construct which made them the crucial factors which a major influence on human resource management.

Table 4.7 presented the findings of the component matrix for cluster-based human resource management.

Table 4.7: Rotated Component Matrix^a

| Item | Component | | |
|---|-----------|------|------|
| | 1 | 2 | 3 |
| Trained staff with Kenya Utalii College (KUC), Universities and other institutions. | | .853 | |
| Signed recognition agreements with KUDHEIHA or other trade unions. | | .726 | |
| Subscribed to Tourism Fund (TF) to fund training programs. | .826 | | |
| Engaged with Tourism Research Institute (TRI) and other government research institutions. | | | .877 |
| Applied new R&D findings in our firm strategies and processes. | | | .665 |
| ISO certified organization that offers high quality services and products. | .836 | | |
| Engaged staff with other industry partners and professional associations. | .817 | | |
| Utilized human resource management systems (HRMS). | | .831 | |

Source: Researcher (2021)

The findings revealed that all the eight items had a threshold of above 0.4 thus none was removed. The items in component one were renamed as employee relations, those in component two as training and professional development and component three renamed as human resource management systems.

4.2.3 Factor Analysis for Cluster-Based Financing

To establish the factor driving the cluster-based financing of conference facilities in Nairobi City County, Kenya, KMO and Bartlett's test of Sphericity were employed as presented in Table 4.8

Table 4.8: KMO and Bartlett's Test

| | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .654 |
| | Approx. Chi-Square | 513.012 |
| Bartlett's Test of Sphericity | df | 28 |
| | Sig. | .000 |

Source: Researcher (2021)

The KMO measure of sampling adequacy value was 0.654 which implied that the items in the variable were appropriate for factorization. The Bartlett's test of Sphericity (chi-square = 513.012, p = 0.000) was significant.

Table 4.9 displayed the results of the explained total variance in cluster-based financing.

Table 4.9: Total Variance Explained

| Component | Initial Eigenvalues | | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|----------|--------------|-----------------------------------|----------|--------------|
| | Total | % | ofCumulative | Total | % | ofCumulative |
| | | Variance | % | | Variance | % |
| 1 | 3.034 | 37.929 | 37.929 | 2.234 | 27.929 | 27.929 |
| 2 | 1.625 | 20.308 | 58.237 | 2.162 | 27.031 | 54.960 |
| 3 | 1.385 | 17.311 | 75.548 | 1.647 | 20.588 | 75.548 |
| 4 | .799 | 9.988 | 85.536 | | | |
| 5 | .598 | 7.470 | 93.006 | | | |
| 6 | .308 | 3.850 | 96.856 | | | |
| 7 | .167 | 2.087 | 98.944 | | | |
| 8 | .084 | 1.056 | 100.000 | | | |

Source: Researcher (2021)

The variance test indicated the Eigen values which explained the degree of change in each item to the total items in the relationship. The variance and cumulative percentages described by the extracted factors before and after the varimax rotation

were presented. The eight measures of cluster-based financing were exposed to factor analysis and the findings revealed that three of the eight measures were significant in explaining the impact of cluster-based financing on destination competitiveness of conference facilities in Nairobi City County, Kenya. Factor one had the highest variance of 2.234 with 27.929% variation followed by factor two with a variance of 2.162 contributing to 27.031% variation and factor three with a variance of 1.647 accounting for 20.588% variation. The three factors accounted cumulatively for 75.548% of the total variance which was a clear indication that they were the main drivers of cluster-based financing.

Table 4.10 displayed the findings for components made for cluster-based financing.

Table 4.10: Rotated Component Matrix^a

| Item | Component | | |
|---|-----------|------|------|
| | 1 | 2 | 3 |
| Engaged in Public Private Partnerships | | .765 | |
| Lobbied through KTF with governments to charge favourable levies and taxes. | | .818 | |
| Engaged with government financing bodies like TFC. | | | .711 |
| Cooperated with government MDAs. | .853 | . | |
| Engaged in corporate linkages with other SMTEs. | | .685 | |
| Partnered with relevant financial institutions and SACCOs. | | | .886 |
| Partnered with ICT firms and adopted IFMS. | .854 | | |
| Transacted with industry players electronically. | .812 | | |

Source: Researcher (2021)

The variable had eight factors and all of them attained a threshold of above 0.4 thus they were all retained for subsequent analysis. The three components identified were renamed as collaborative strategies, incentives and sources of funding.

4.2.4 Factor Analysis for Government Moderation

The eight measures of government moderation were factored and findings presented in Table 4.11

Table 4.11: KMO and Bartlett's Test

| | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .637 |
| | Approx. Chi-Square | 528.907 |
| Bartlett's Test of Sphericity | df | 28 |
| | Sig. | .000 |

Source: Researcher (2021)

The KMO measure of sampling adequacy statistic value of 0.637 implied that the set of measures were suitable for factor analysis. Bartlett's test of Sphericity value (chi-square = 528.907, $p = 0.000$) indicated that the correlation was highly significant.

Table 4.12 presented the total variance for government moderation measures.

Table 4.12: Total Variance Explained

| Component | Initial Eigenvalues | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|--------------------|-----------------------------------|---------------|--------------------|
| | Total % Variance | of Cumulative % | Total | % Variance | of Cumulative % |
| 1 | 2.681 | 33.514 | 2.511 | 31.382 | 31.382 |
| 2 | 1.925 | 24.061 | 2.094 | 26.172 | 57.554 |
| 3 | 1.259 | 15.732 | 1.260 | 15.753 | 73.307 |
| 4 | .905 | 11.316 | | | |
| 5 | .588 | 7.356 | | | |
| 6 | .348 | 4.352 | | | |
| 7 | .193 | 2.409 | | | |
| 8 | .101 | 1.260 | | | |

Source: Researcher (2021)

According to factor analysis of the eight items under government moderation, three vital factors contributed immensely to government moderation in the conference facilities in NCC, Kenya. Component one had the highest variance of 2.511 accounting for 31.382% variation followed by component two with a variance of 2.094 accounting for 26.172% variation and component three with a variance of 1.260 contributing to 15.753% variation. Cumulatively, the three factors accounted for 73.307% of the total variance in the variable.

Table 4.13 presented the component matrix for government moderation.

Table 4.13: Rotated Component Matrix^a

| Item | Component | | |
|--|-----------|------|------|
| | 1 | 2 | 3 |
| Member of KAHC/KTF/ other. | | .729 | |
| Participated in forums discussing strategies. | | .851 | |
| Invited stakeholders and representatives for meetings | | .664 | |
| Complied with national and county government policies, regulations and plans. | | | .914 |
| Pressed government to fund amenities like infrastructure. | .798 | | |
| Lobbied through association of tourism stakeholders. | .925 | | |
| Worked closely with national police service and county emergency response units. | .834 | | |
| Engaged with government and MDAs boards. | | .586 | |

Source: Researcher (2021)

Eight factors in the variable had attained a threshold of above 0.4 thus they were considered fit for subsequent analysis. The three factors were extracted for government moderation and indicators in the first component were renamed as infrastructure, those in component two as policies and strategies and those in component three as operations.

4.2.5 Factor Analysis for Destination Competitiveness

Destination competitiveness was measured using eight measures which were analysed to establish whether they were well constructed before proceeding with further analysis. The KMO and Bartlett's test of Sphericity are presented in Table 4.14

Table 4.14: KMO and Bartlett's Test

| | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .716 |
| | Approx. Chi-Square | 1108.439 |
| Bartlett's Test of Sphericity | df | 28 |
| | Sig. | .000 |

Source: Researcher (2021)

The KMO measure of sampling adequacy value of 0.716 implied that the eight measures were appropriate for factorization. Bartlett's test of Sphericity (chi-square = 0.716, p = 0.000) was considered highly significant thus suitable for analysis.

Table 4.15 presented measures of destination competitiveness total variance.

Table 4.15: Total Variance Explained

| Component | Initial Eigenvalues | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|-------------------|-----------------------------------|---------------|--------------------|
| | Total % Variance | ofCumulative % | Total | % Variance | ofCumulati ve % |
| 1 | 3.579 | 44.737 | 2.588 | 32.354 | 32.354 |
| 2 | 1.769 | 66.848 | 2.027 | 25.344 | 57.697 |
| 3 | 1.284 | 82.903 | 2.016 | 25.206 | 82.903 |
| 4 | .645 | 90.965 | | | |
| 5 | .318 | 94.938 | | | |
| 6 | .243 | 97.972 | | | |
| 7 | .138 | 99.701 | | | |
| 8 | .024 | 100.000 | | | |

Source: Researcher (2021)

The variance matrix indicated that three measures had values more than 1.0 which implied that these were the main drivers of destination competitiveness. Component one had the greatest variance of 2.588 and it accounted for 32.354% variation followed by component two which had a variance of 2.027 accounting for 25.344% variation and component three with a variance of 2.016 accounting for 25.206% variation. Cumulatively the three measures contributed immensely to concept of destination competitiveness with a cumulative percent of 82.903 of the total variation.

Table 4.16 revealed the factor loading analysis and the component matrix for the variable destination competitiveness.

Table 4.16: Rotated Component Matrix^a

| Item | Component | | |
|---|-----------|------|------|
| | 1 | 2 | 3 |
| Destination earnings from our products have grown. | .764 | | |
| Conference facilities have increased | | .610 | |
| Our market share in the sector has grown. | .660 | | |
| The number of employees engaged in our enterprise has increased. | | | .758 |
| Our employee retention has gone up | | | .914 |
| The number of local and international visitors' arrivals to our facilities has increased. | .839 | | |
| Our organization offered quality products and services to visitors. | | .671 | |
| Engaged in green tourism activities through Eco tourism Kenya (EK) or other. | | .975 | |

Source: Researcher (2021)

The findings indicated that three factors were extracted for the destination competitiveness variable and all the eight items considered for subsequent analysis since they had surpassed the threshold of 0.4 and above. The variable indicators were grouped into three components renamed as market share, service delivery and resources.

4.3 Reliability Analysis

Therefore, according to reliability statistics in Table 4.17, it was clear that the overall score was above 0.7 and this is considered acceptable and the instrument was deemed fit for data collection.

Table 4.17: Reliability Analysis

| Variable | Number of items | Cronbach alpha | Comments |
|-----------------------------|------------------------|-----------------------|-----------------|
| Cluster-Based Marketing | 8 | 0.783 | Acceptable |
| Cluster-Based HR management | 8 | 0.780 | Acceptable |
| Cluster-Based Financing | 8 | 0.802 | Good |
| Government moderation | 8 | 0.738 | Acceptable |
| Competitiveness | 8 | 0.818 | Good |
| Overall | 8 | 0.7842 | Acceptable |

Source: Researcher (2021)

4.4 Diagnostic Tests

Ordinary Least Squares technique was utilized in estimating the regression models in this study and in order to utilize it the five regression assumptions of normality, linearity, auto-correlation, multi-collinearity and heteroscedasticity were assessed. According to Field (2013), it is necessary to perform various diagnostic tests in order to ascertain the underlying assumptions as follows:

Test for Normality of Data

Normality test is used to statistically measure how far data deviates from the normal distribution (Gaussian distribution) by looking at the graph and seeing if the distribution deviated grossly from a bell-shaped curve. Kolmogorov-Smirnov and Shapiro-Wilk test were used to test using the null hypothesis of normal distribution of data where null hypothesis is rejected if p value is below .05 ($p < .05$) as shown in Table 4.18

Table 4.18: Normality Test on DC

| | Kolmogorov-Smirnov ^a | | | Shapiro-Wilk | | |
|-----------------------------|---------------------------------|-----|------|--------------|-----|------|
| | Statistic | Df | Sig. | Statistic | df | Sig. |
| Destination competitiveness | .128 | 172 | .160 | .936 | 172 | .213 |

Lilliefors Significance Correction

Source: Researcher (2021)

The results revealed that $p > 0.05$ for both Shapiro-Wilk and Kolmogorov-Smirnov (K-S) test and therefore null hypothesis failed to be rejected indicating data on the dependent variable was normally distributed.

In addition, normality was visualized using the Q-Q plot for the dependent variable shown in Figure 4.1

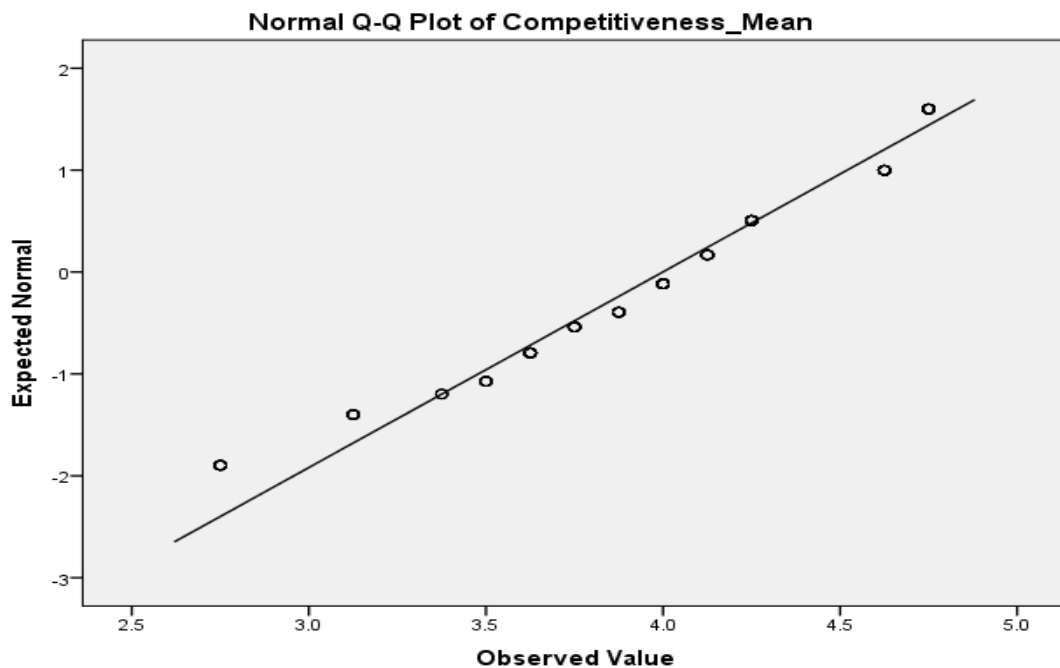


Figure 4.1: Normal Quantile-Quantile (Q-Q) plot

Source: Researcher (2021)

A variable is said to be approximately normally distributed if several points lie on the theoretical quartile line which is fitted from the normal Q-Q plot (Shenoy and Pant, 1994). The findings in Figure 4.1, revealed that the values were randomly distributed

along the line of the best fit thus the dependent variable was approximately normally distributed. Therefore a linear regression model could be used for testing the relationships.

Test for Linearity

Pearson product moment correlation coefficients were utilized in establishing the linearity assumption test.

Table 4.19: Correlations

| | | Destination Competitiveness | Cluster- based Marketing | Cluster- based HR | Cluster- based Financing |
|--------------------------------|------------------------|--------------------------------|--------------------------------|----------------------|--------------------------------|
| Destination Competitiveness | Pearson Correlation | 1 | | | |
| | Sig. (2-tailed) | | | | |
| | N | 172 | | | |
| Cluster-based Marketing | Pearson Correlation | .698* | 1 | | |
| | Sig. (2-tailed) | .000 | | | |
| | N | 172 | 172 | | |
| Cluster-based HR | Pearson Correlation | .649* | .536** | 1 | |
| | Sig. (2-tailed) | .000 | .002 | | |
| | N | 172 | 172 | 172 | |
| Cluster-based Financing | Pearson Correlation | .483** | .505** | .099 | 1 |
| | Sig. (2-tailed) | 0.000 | .000 | .198 | |
| | N | 172 | 172 | 172 | 172 |

*. Significance level at 0.05 (2-tailed).

**.. Significance level at 0.01 (2-tailed).

Source: Researcher (2021)

According to the results in Table 4.19, cluster-based marketing and destination competitiveness has a correlation coefficient ($r = 0.698$) which was above 0.5 and it

indicated a high linear association. The correlation coefficient ($r = 0.649$) was between cluster-based human resource management and destination competitiveness which implied a positive linear relationship. Pearson correlation coefficient ($r = 0.483$) between cluster-based financing and destination competitiveness was below 0.5 which implied a moderate positive linear correlation. The correlation coefficient ($r = 0.536$) was between the cluster-based marketing and human resource management and this indicated a positive linear relationship. Cluster-based marketing and financing had a correlation coefficient of ($r = 0.505$) which was also a positive linear correlation. The interrelationship among the study variables was a clear indication that linearity assumption has been achieved.

Test for Autocorrelation

Table 4.20 presented the Durbin-Watson statistic value of 2.011 and this led to acceptance of the null hypothesis that there was no autocorrelation in the data due to the fact that the value was between 1.5 and 2.5. This concurred with (Ogundipe, Idowu and Ogundipe, 2012) who indicated that the value for the Durbin-Watson test should lie between 1.5 and 2.5 for the assumption to be achieved. This justified the utilization of the regression model in the study.

Table 4.20: Durbin-Watson Statistic

| Model | R | R Square | Adjusted Square | RStd. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-----------------|-----------------------------|---------------|
| 1 | .270 ^a | .073 | .062 | .889 | 2.011 |
| 2 | .292 ^b | .085 | .069 | .885 | |

a. Predictors: (Constant), Government Role, Critical Success Factors

b. Predictors: (Constant), Government Role, Critical Success Factors, CSFsXGM

c. Dependent Variable: Destination Competitiveness

Source: Researcher (2021)

Test for Multicollinearity

Multicollinearity exists when two or more predictor variables in a multiple regression model overlap so much in what they measure that their effects are indistinguishable and therefore are said to be highly correlated. Tolerance of the variable and the VIF value were used where values more than 0.2 for Tolerance and values less than 10 for VIF means that there is no multicollinearity. The results were presented in Table 4.21.

Table 4.21: Multicollinearity Test Using Tolerance and VIF

| | Collinearity Statistics | |
|-----------------------------|--------------------------------|------------|
| | Tolerance | VIF |
| Cluster-Based Marketing | 0.435 | 2.301 |
| Cluster-Based HR management | 0.414 | 2.416 |
| Cluster-Based Financing | 0.759 | 1.317 |
| Government moderation | 0.695 | 1.440 |

Source: Researcher (2021)

The results in Table 4.21 show that all the variables had a tolerance values >0.2 and VIF values <10 indicating that there was no multicollinearity among the independent variables which were cluster-based marketing, cluster-based human resource and cluster-based financing and the moderating variable as government.

Test for Heteroscedasticity

Breusch-Pagan (BP) test was used to test if the null hypothesis had a constant error variance as evidence there was no heteroscedasticity if the P-value obtained turned out to be less than 0.5 as displayed in Table 4.22

Table 4.22: Heteroscedasticity Results

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity
Ho: Constant variance
Variables: fitted values of Destination Competitiveness

| | |
|-------------|--------|
| chi2 (1) | 0.27 |
| Prob > chi2 | 0.5887 |

Source: Researcher (2021)

Results in Table 4.22 showed that $p > 0.05$ and this led to agreement of rejection region and it was concluded that there was no presence of heteroscedasticity.

4.5 Demographic Information

The respondents' demographic information and conference facilities characteristics were captured in the first section of data collection instrument. The main aspects of the background information analysed respondents' characteristics that included years worked, designation, highest academic qualification and facilities characteristics captured that included location of the organization, age of the organization, facility type, capacity, number of employees, ownership and organization structure. These demographics were essential for the discussion regarding the sample size composition and distribution.

Table 4.23: Demographic Characteristics

| Characteristics | Frequency | Percent (%) |
|--------------------------------|------------------|--------------------|
| Duration of service | | |
| Below 10 Years | 45 | 26.2 |
| 11-20 Years | 73 | 42.4 |
| 21-30 Years | 36 | 20.9 |
| Over 30 Years | 18 | 10.5 |
| Designation of respondents | | |
| Marketing Manager | 38 | 22.1 |
| Finance Manager | 30 | 17.4 |
| Human Resource Manager | 42 | 24.5 |
| Events/ Operations Manager | 40 | 23.2 |
| Chief Executive Officer | 22 | 12.8 |
| Age of the conference facility | | |
| Below 2 years | 0 | 0 |
| 3-5 Years | 18 | 10.5 |
| 6-10 Years | 45 | 26.2 |
| Over 10 Years | 109 | 63.4 |

Source: Researcher (2021)

Results in Table 4.23 showed that majority (42.4%) of the respondents had worked in the conference facility between 11-20 years followed by (26.2%) who worked for a period of below 10 years, (20.9%) had worked between 21-30 years and only (10.5%) had served in the industry for over 30 years. The results implied that majority of those working in the tourism industry in Nairobi had served the industry between 11-20 years while the numbers reduced gradually as the work experience exceeded 20 years suggesting a high staff turnover. There was fair distribution in terms of the designation for the respondents who participated in the study. Less than half (24.5%) were human-resource managers followed by (23.2%) events/operations managers, (22.1%) marketing managers, (17.4%) finance managers and (12.8%) chief executive officers. A number of conference facilities (63.4%) had worked in the industry for more than 10 years followed by (26.2%) who were between 6-10 years old since their

establishment, (10.5%) had been in existence for a period of between 3-5 years and none has recently been established. These results implied that most of the conference facilities in the industry have been in existence for over 10 years while there were no upcoming new conference facilities in the previous 2 years and below in Nairobi City County raising concerns on the level of recent growth of capital investments and FDIs in MICE facilities in Nairobi City County.

Highest Academic Qualification of the respondents

The researcher was concerned about capturing the information concerning the highest academic achievements of the respondents and so they were asked to indicate their highest academic qualifications.

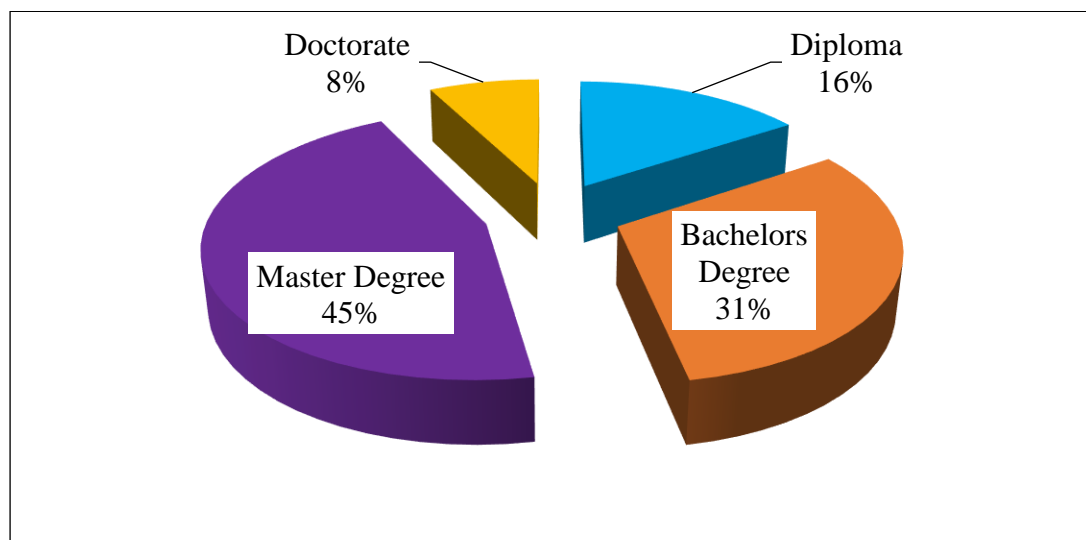


Figure 4.2: Highest Academic Qualification

Source: Researcher (2021)

Outcomes in Figure 4.2 indicated that most (45%) of the participants had master's degree followed by (31%) with bachelor's degree holders (16%) with diploma as the highest academic qualification and only (8%) had PhDs. These results implied that most of the MICE industry managers have high academic qualifications although that did not necessarily imply they were highly specialized in the MICE industry sector.

Location of the Conference Facilities

The respondents were asked to indicate where their organizations were located within Nairobi and their responses were shown in Figure 4.3

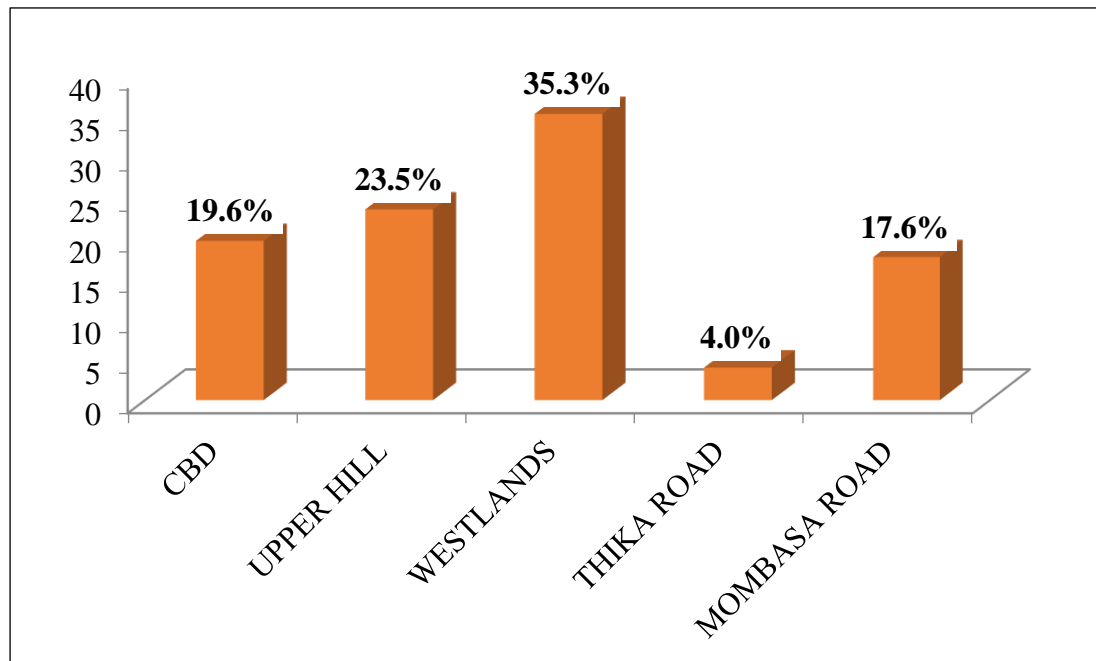


Figure 4.3: Location of Organization
Source: Researcher (2021)

Based on the results displayed, Majority (35.3%) of the conference facilities were located in Westlands area in Westlands Sub-County, then (23.5%) in Upper hill area based in Kibra/Dagoreti Sub-Counties, followed by (19.6%) in Nairobi CBD based in Starehe Sub-County, (17.6%) along Mombasa highway based in Embakasi East Sub-County then finally (4%) the conference facilities were located along Thika super highway based in Ruaraka/Roysambu Sub-Counties. This implied that most of the conference facilities in Nairobi City County were highly clustered in and around the Westlands Sub-County whereas the least number of facilities were clustered in Ruaraka/Roysambu Sub-Counties which are along the super highway but far from the concentration of other MICE facilities and related infrastructures and services around the central parts of Nairobi City County. This observation concurred with (Peiro-

Signes, Segarra-Ona, Miret-Pastor, and Verma, 2014) who revealed that clusters in country side and airport locations experienced lower benefits than those in cities, towns or urban surroundings hence the reason for sampling MICE facilities clustered in or near Nairobi City centre with more supporting industries like shopping malls, Casinos, entertainment joints, museums, nature parks and security.

Type of Conference Facility

Participants were requested to show the type of conference facility they were working for and their responses were recorded in Figure 4.4

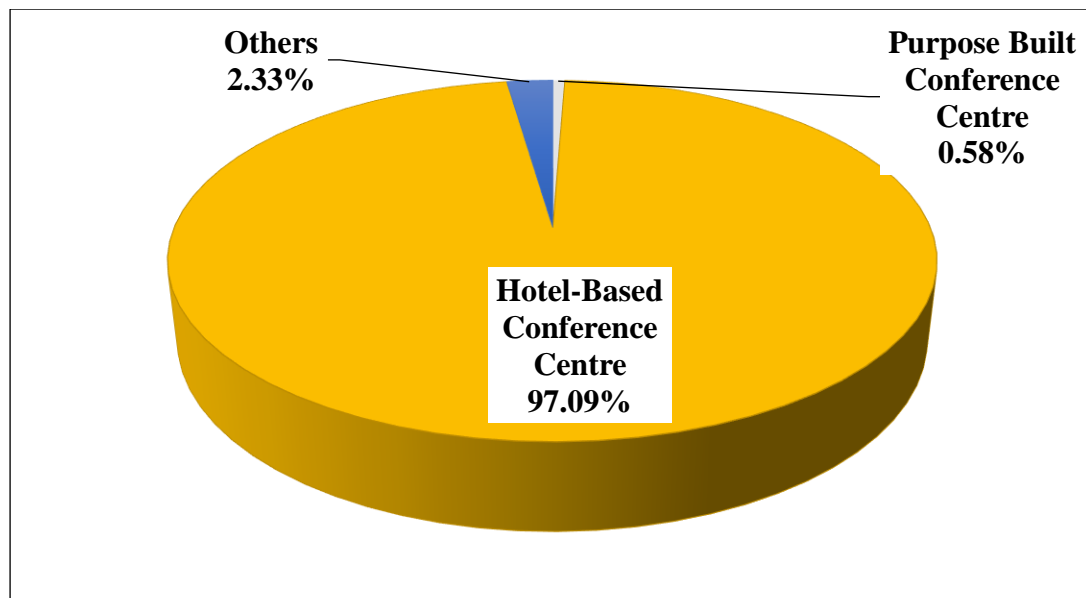


Figure 4.4: Type of Conference Facility

Source: Researcher (2021)

As per the results presented, majority (97.09%) of the respondents indicated that their facilities were hotel-based conference which could provide other matching services like accommodation and catering. This was followed by (2.33%) who indicated that their conference venues had other facilities like training, casino or health clubs and only (0.58%) were purpose built conference centre. The results implied that most of the conference facilities in the selected destinations were majorly hotel-based whereas there was sufficient evidence of an acute shortage of purpose built conference centres

that are supposed to host hallmark MICE events. This further raised a question on the level of government involvement as an interacting variable on the development of conference facilities to enhance destination competitiveness of NCC, Kenya.

Distribution by Number of Delegates

The researcher asked the respondents to indicate the approximate size (number of delegates) of a typical event that they host. Figure 4.5 showed the results of their responses.

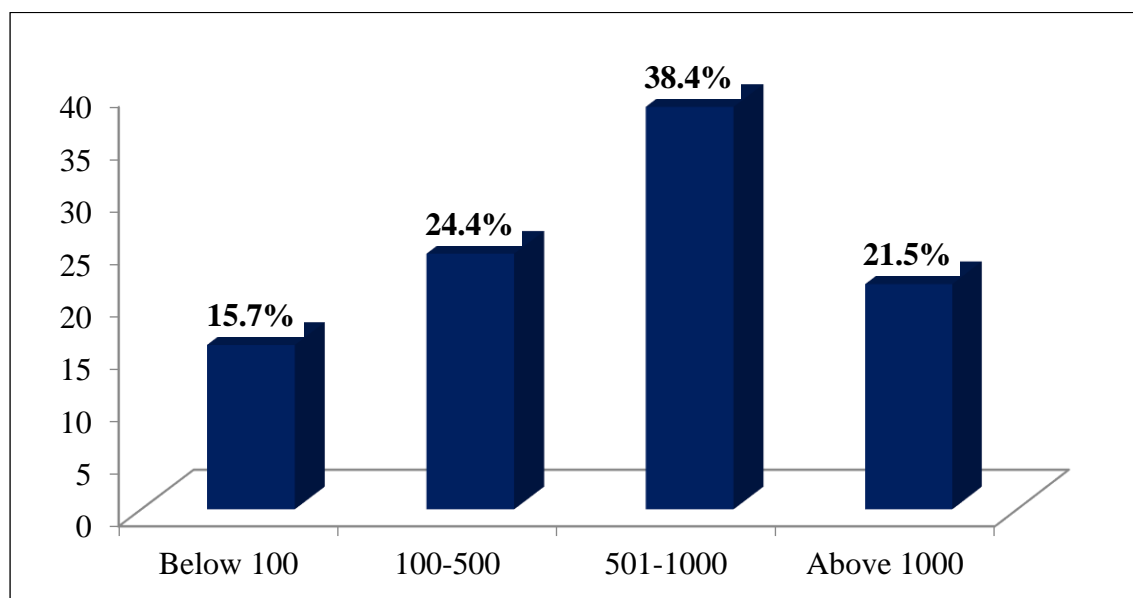


Figure 4.5: Size of Delegation

Source: Researcher (2021)

Results displayed exhibited that most (38.4%) of the respondents indicated that the conference centres could host 501-1000 delegates followed by (24.4%) of the conference centres who could host 100-500 delegates, (21.5%) respondents confirmed that the conference centres could host more than 1000 delegates and (15.7%) indicated that the conference facility could host at most 100 delegates. The results showed that most of the conference facilities sampled in NCC have the capacity of hosting between 501 and 1000 delegates while few conference facilities have a

capacity of hosting more than 1000 visitors. This average capacity reflects on the type of conference facilities in NCC where majority (97.09%) shown in Figure 4.4 were hotel based with limited capacity of hosting delegates more than 1000 in one sitting. The acute shortage of purpose built conference facilities falls at (0.58%) hence the need for government to build more MICE facilities that could even accommodate more than 10,000 visitors.

Number of Employees

The respondents were asked to indicate the number of people employed in the conference facilities and the results are shown in Figure 4.6.

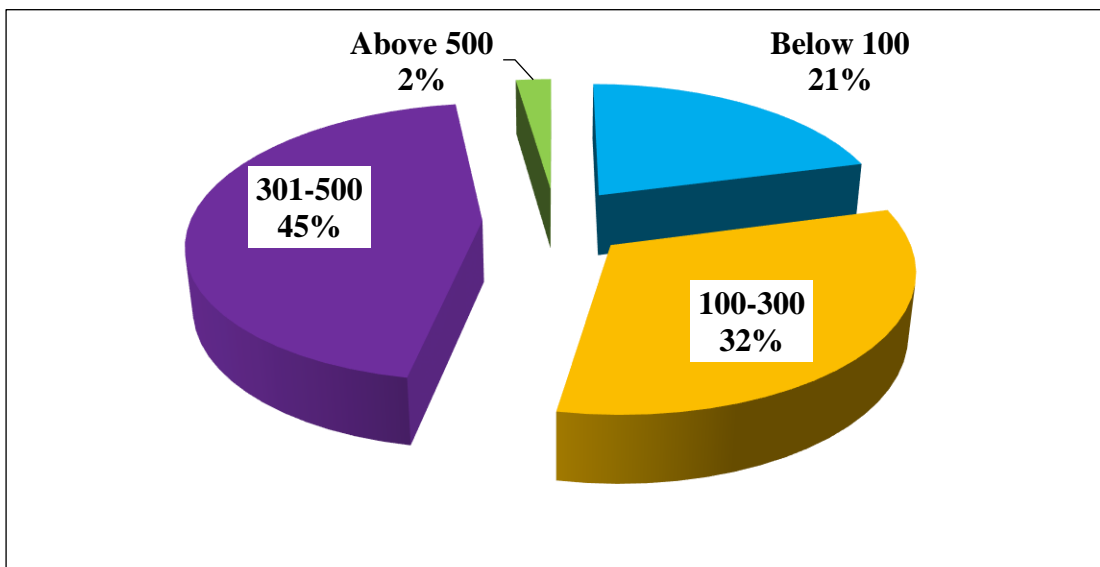


Figure 4.6: Number of Employees
Source: Researcher (2021)

Upon the results in Figure 4.6, majority (45%) of the respondents indicated their conference facility had between 301-500 employees followed by (32%) who had between 100-300 employees then (21%) had less than 100 employees and only (2%) had more than 500 employees. The results implied that most of conference facilities in Nairobi County had between 301 and 500 employees working in the organizations

which may be attributed to the number of delegates they handle where majority handled 501-100 delegates as shown in Fig 4.5 and the fact that MICE is a labour intensive industry with high potential to employ many people.

Type of Conference Facilities Ownership

The respondents were asked to indicate the type of ownership for the conference facilities they work in and they responded as shown in Figure 4.7

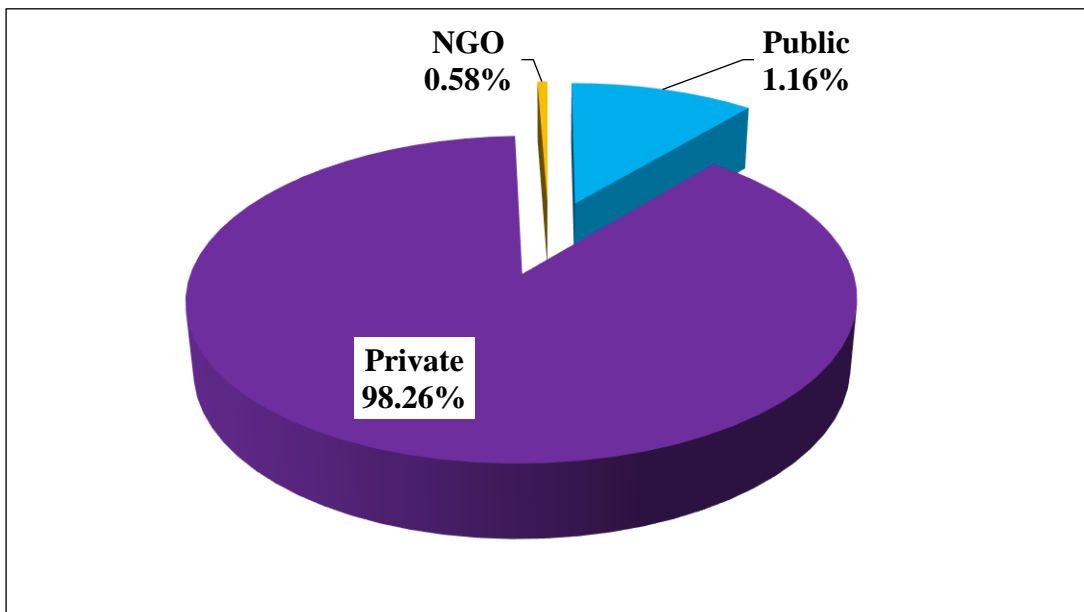


Figure 4.7: Type of Ownership

Source: Researcher (2021)

Based on the results presented, majority (98.26%) of the respondents indicated that their organizations were privately owned followed by (1.16%) that were government owned and only (0.58%) of the facilities were non-governmental organizations (NGOs). The results implied that MICE industry was majorly driven by the private sector and NGOs have not invested adequately in MICE related ventures and the government has invested very little in conference facilities in NCC yet it is the MICE hub in the region. This raises a great policy concern since MICE tourism industry in

the destination of a developing economy context, may not be sustainable if left dominated in the hands of profit-motivated entrepreneurs.

Organization Structure of the Conference Facilities

The respondents were asked to indicate the organizational structure of the conference facilities they work in and the responses are displayed in Figure 4.8

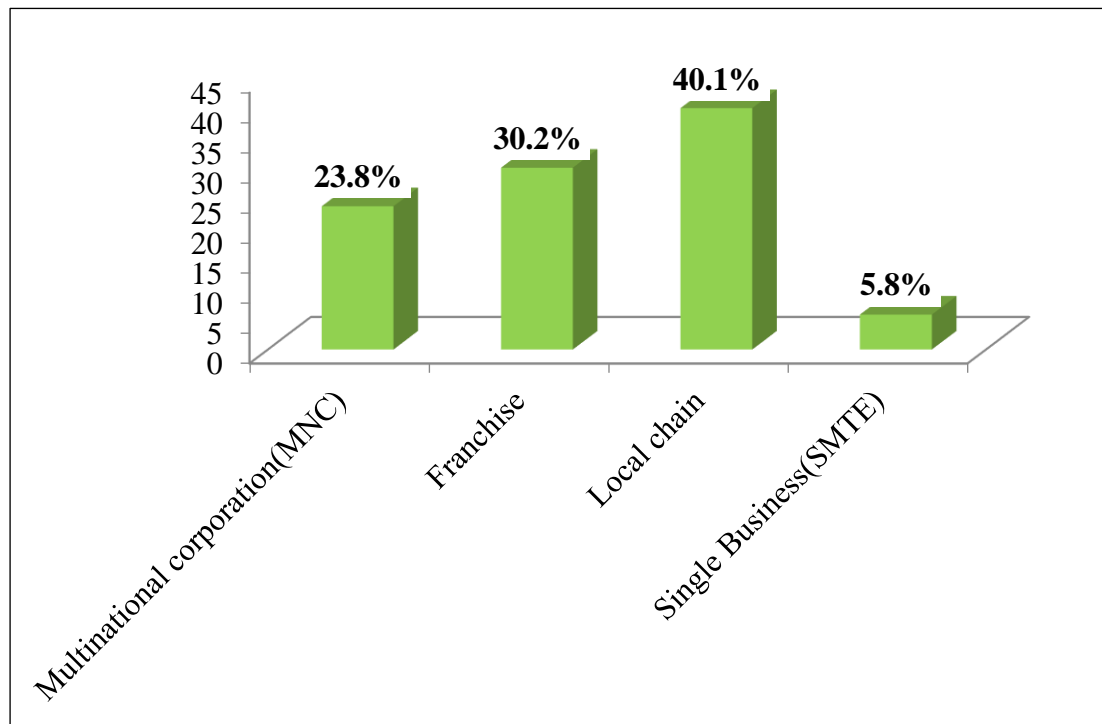


Figure 4.8: Organizational Structure
Source: Researcher (2021)

From the results displayed, close to half (40.1%) of the respondents indicated that structure of the conference facilities were local chain followed by (30.2%) who reported that the facilities were franchise, (23.8%) indicated multinational only (5.8%) of the conference facilities sampled from KAHC population in NCC were single business (SMTE). This implied that most of the upscale conference facilities in Nairobi County are in local chain, franchise businesses and MNCs respectively with little visibility of SMTEs in the conference industry yet SMTEs are known to form the largest critical mass along the hospitality and tourism value chains. The findings

coincide with the observation by (Peiro-Signes et al., 2014) who indicated that Cluster effect is robust for international brands and chain hotels than their independent or SMTE competitors. This suggested that the level of clustering by SMTEs and its contribution on MICE industry growth and TDC is very minimal.

4.6 Descriptive Statistics

Descriptive statistics were used to provide simple summaries about the sample and the measures as the beginning of quantitative analysis of data and included the mean and standard deviation (McCarthy, McCarthy, Ceccucci, and Halawi, 2019). This section contained descriptive analysis for Cluster-Based Marketing, Cluster-Based HR, Cluster-Based financing, government moderating role and destination competitiveness.

4.6.1 Descriptive Statistics for Cluster-Based Marketing

The first independent variable for this study was Cluster-Based Marketing. The study sought to establish the relationship of cluster-based marketing on destination competitiveness of conference facilities. Results of this study were rated using the 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree) and are presented in Table 4.24

Table 4.24: Descriptive Statistics for Cluster-Based Marketing

| Statement | Strongly disagree % | Disagree % | Neutral % | Agree % | Strongly agree % | Mean | Standard Deviation |
|--|---------------------|------------|-----------|---------|------------------|-------------|--------------------|
| Budget increased for marketing using new ICT technologies. | 5.2 | 15.7 | 26.2 | 32.0 | 20.9 | 3.48 | 1.14 |
| Adopted and embraced green marketing technologies. | 0.0 | 26.2 | 20.9 | 42.4 | 10.5 | 3.37 | 0.99 |
| Partnered with KTB in digital marketing. | 10.5 | 0.0 | 5.2 | 63.4 | 20.9 | 3.84 | 1.09 |
| Engaged in CSR activities within the destination locality. | 0.0 | 5.2 | 0.0 | 63.4 | 31.4 | 4.21 | 0.69 |
| Networked with MDAs and other industry actors. | 0.0 | 0.0 | 5.2 | 42.4 | 52.3 | 4.47 | 0.60 |
| Supported a joint lobby with industry partners and government. | 0.0 | 10.5 | 10.5 | 47.7 | 31.4 | 4.00 | 0.92 |
| Participated in the Magical Kenya Travel Expos to network. | 0.0 | 5.2 | 5.2 | 37.2 | 52.3 | 4.37 | 0.81 |
| Hosted pro-tourism expos/meetings. | 0.0 | 10.5 | 16.9 | 22.7 | 50.0 | 4.12 | 0.56 |
| Average | | | | | | 3.98 | 0.85 |

Source: Researcher (2021)

The findings indicated that the overall mean for cluster-based marketing was 3.98 with a standard deviation of 0.85 which was approximately close to a score of 4 meaning that the respondents agreed that marketing influenced destination competitiveness of conference facilities in Nairobi City County, Kenya. Networking with MDAs like KICC, local tour operators, travel agents and other industry actors for business referrals and market information was highly rated by respondents (Mean = 4.47, SD = 0.60) followed by participating in the Magical Kenya Travel Expos to network and explore B-2-B opportunities between exhibitors and buyers while promoting our destination brand and image (Mean = 4.37, SD = 0.81) then engaging in CSR activities within the destination locality to help promote the diversified

cultural heritage and image (Mean = 4.21, SD = 0.69), hosting pro-tourism expos/meetings with our industry stakeholders and government representatives in our facilities (Mean = 4.12, SD = 0.56), supporting a joint lobbying with industry partners and government for establishment of favourable market policies for example operationalizing a visitors convention bureau (CVB) to coordinate and market all tourism products in Kenya (Mean = 4.00, SD = 0.92) and partnering with KTB in digital marketing such as www.magicalkenya.com or other digital platforms like media (Mean = 3.84, SD = 1.09). The remaining two items scored below four, budget for marketing strategy and customer care has been increased by adopting new ICT technologies (Mean = 3.48, SD = 1.14) and green marketing technologies have been adopted and embraced for sustainable tourism and low cost product development (Mean = 3.37, SD = 0.99). The obtained scores of three clearly depicted that only an average number of the conference facilities in Nairobi County had increased their budget for marketing strategy and customer care by adopting new ICT technologies to gain competitive advantage and also the green marketing technology had not be fully adopted by conference facilities in Nairobi City County. This was supported by some interview respondents while others differed.

“We collaborate with local media groups and newspaper companies to promote our brand. We work closely with the Kenya Tourism Board, by attending meetings and meeting all legal requirements as stated. We also organize road shows and exhibitions, and bidding of international conferences through our off shore offices and participate in exchange programs through our marketing team in conference centers situated in both India and South Africa among others”.(LOC 3)

“There is lack of a structured networking policy framework with our competitors to share business information but rather our staff informally network with those of our competitors at a personal level to share market information since they are friends. We only work together with our competitors when we want to collectively raise our voice to government agencies to address common problems facing our co-location such as insecurity, bad roads or power blackouts.” (SMT 4)

“Our marketing programs are coordinated directly from our headquarters in America and we do not participate directly in any clustering activities with the local tourism stakeholders apart from complying with government requirements. Customers are referred to us from our conference facilities in other parts of the world so clustering only happens within our franchises globally.” (MNC 2)

Interview results showed that most of the organisations conducted their marketing activities independently and only collaborated with other competitors or government when it was unavoidable.

4.6.2 Descriptive Statistics for Cluster-Based HR management

The second independent variable for this study was Cluster-Based HR management. The study tried to determine the relationship of cluster-based HR management on destination competitiveness of conference facilities in Nairobi City County, Kenya. Results of this study were rated using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree) and shown in Table 4.25.

Table 4.25: Descriptive Statistics for Cluster Based HR

| Statement | Strongly disagree % | Disagree % | Neutral % | Agree % | Strongly agree % | Mean | Standard Deviation |
|---|----------------------------|-------------------|------------------|----------------|-------------------------|-------------|---------------------------|
| Trained staff with Kenya Utalii College, Universities and other institutions. | 0.0 | 0.0 | 5.2 | 52.9 | 41.9 | 4.37 | 0.58 |
| Signed recognition agreements with KUDHEIHA or other trade unions. | 0.0 | 5.8 | 0.0 | 31.4 | 62.8 | 4.51 | 0.78 |
| Subscribed to Tourism Fund to finance training programs. | 0.0 | 11.0 | 20.9 | 26.2 | 41.9 | 3.99 | 1.04 |
| Engaged with Tourism Research Institute and other research institutions. | 0.0 | 10.5 | 21.5 | 47.1 | 20.9 | 3.78 | 0.90 |
| Applied new R&D findings in firm strategies and processes. | 0.6 | 11.0 | 15.7 | 34.3 | 38.4 | 3.99 | 1.04 |
| Organization were ISO certified for quality controls. | 10.5 | 5.2 | 15.7 | 31.4 | 37.2 | 3.80 | 1.28 |
| Engaged staff with other industry partners and professional associations. | 0.0 | 5.2 | 5.2 | 57.6 | 32.0 | 4.16 | 0.75 |
| Utilized human resource management systems (HRMS) | 0.0 | 5.2 | 10.5 | 42.4 | 41.9 | 4.21 | 0.83 |
| Average | | | | | | 4.10 | 0.89 |

Source: Researcher (2021)

In accordance with the study findings, the general mean for cluster-based marketing was 4.10 and a standard deviation of 0.89 which implied that the participants approved that human resource management greatly influenced destination competitiveness of conference facilities in Nairobi City County, Kenya. Signing of recognition agreements with trade unions such as KUDHEIHA and government for the welfare of our employees was highly rated by the respondents (Mean = 4.51, SD = 0.78) followed by staff have been trained with Kenya Utalii College (KUC), Universities and other institutions for higher skills development, innovativeness and high productivity (Mean = 4.37, SD = 0.58) then utilization of human resource management systems (HRMS) for efficient and effective management of our

employees (Mean = 4.21, SD = 0.83) and engaging staff with other industry partners and professional associations to benchmark for best practices and latest technological innovation in tourism (Mean = 4.16, SD = 0.75). There was a tie between subscribing to the Tourism Fund (TF) to fund training programs available in the industry for our staff development and efficiently applying new R&D findings in our firm strategies and processes (Mean = 3.99, SD = 1.04). The destination is an ISO certified organization and offers high quality conference services and products with high customer satisfaction scored (Mean = 3.80, SD = 1.28) and finally engaging with Tourism Research Institute (TRI) and other government research institutions for adoption of new tourism trends and product development scored (Mean = 3.78, SD = 0.90). All the items scored approximately close to a score of 4 which implied that the respondents agreed with all the items used to measure human resource management in conference facilities and this was supported by most interviewees.

“We have training modules for different areas of tourism sent to us from our headquarters, we send our employees to KUC and also work on a flexible schedules to allow staff enroll for various degree courses in our local universities and other colleges offering tourism courses.” (MNC 3)

“We conduct staff trainings through the internet from the Head office to harmonize services rendered in all their hotels for uniformity. We also collaborate with Utalii College to conduct refresher courses for our staff who are also members of the Association of Professional hotel keepers.” (LOC 1)

“My staff are members of trade unions and professional associations, such as KUDHEIHA, and ICPAK respectively.” (SMT 4)

Interview results showed that all of the conference facilities at some point relied on government institutions and bodies for staff training and professional development.

4.6.3 Descriptive Statistics for Cluster-Based Financing

The third independent variable for this study was Cluster-Based Financing. The study attempted to assess the relationship of cluster-based financing on destination competitiveness of conference facilities in Nairobi City County, Kenya. Results of this study were rated using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree) and are outlined in Table 4.26.

Table 4.26: Descriptive Statistics for Cluster-Based Financing

| Statement | Strongly disagree % | Disagree % | Neutral % | Agree % | Strongly agree % | Mean | Standard Deviation |
|---|---------------------|------------|-----------|---------|------------------|-------------|--------------------|
| Lobbied through KTF with governments to charge favourable levies and taxes. | 0.0 | 5.2 | 21.5 | 68.0 | 5.2 | 3.73 | 0.55 |
| Engaged with government financing bodies. | 5.2 | 15.7 | 37.2 | 33.7 | 8.1 | 3.24 | 0.64 |
| Cooperated with government MDAs. | 0.0 | 5.2 | 10.5 | 52.3 | 32.0 | 4.11 | 0.94 |
| Engaged in corporate linkages with other SMTEs. | 0.0 | 5.2 | 41.9 | 47.7 | 5.2 | 3.53 | 0.79 |
| Partnered with relevant financial institutions and SACCOs. | 5.2 | 16.3 | 20.9 | 57.6 | 0.0 | 3.31 | 0.68 |
| Partnered with ICT firms and adopted IFMS. | 0.0 | 5.2 | 15.7 | 42.4 | 36.6 | 4.10 | 0.93 |
| Transacted with industry players electronically | 0.0 | 0.0 | 5.2 | 47.7 | 47.1 | 4.42 | 0.85 |
| Average | | | | | | 3.78 | 0.77 |

Source: Researcher (2021)

Generally, the study findings depicted that the mean for cluster-based financing was 3.78 which was approximately close to a score of 4 and this implied that the study participants agreed that financing was one of the critical success factors that affected destination competitiveness of conference facilities in Nairobi City County. Majority

of the respondents highly rated transacting with customers, partners and government via electronic methods like VISA cards, MPESA, e-Citizen, e-Tax or other recognized electronic fund transfer systems (Mean = 4.42, SD = 0.85) followed by cooperating with government MDAs through holding meetings in the conference facilities which in turn enhanced business (Mean = 4.11, SD = 0.95), partnered with ICT firms and adopted an integrated financial management systems (IFMS) support for management of our financial transactions and records (Mean = 4.10, SD = 0.93) and lobbied through KTF with governments to charge favourable license fees, levies and taxes for low cost of production (Mean = 3.73, SD = 0.55). The rest of the remaining items scored below a score of four, engaged in corporate linkages with other SMTEs to build a shared critical mass in hi-tech equipment and infrastructural capital (Mean = 3.53, SD = 0.79), partnered with relevant financial institutions and SACCOs for competitive loans to build our capital investments (Mean = 3.31, SD = 0.68) and engaged with government financial bodies like TFC for loans and credit facilities (Mean = 3.24, SD = 0.64) which was a clear indication that the respondents were uncertain with the situation.

“The two governments have imposed different rules, regulations and permits needed for the establishment of a hotel business which are exorbitant, due to double taxation and too many license renewals. These include Catering and tourism development levy 2%, Kenya Wildlife Service 4.0%, Service charge on food and accommodation 7.0%, Service charge on beverages 5.5%, VAT 16.0%. This in turn affects pricing of our products, there by affecting product demand.”(SMT 4)

“This conference facility is a family business and therefore our source of financing is basically got from family savings from other core businesses the

family does. In our case our main business is in ICT. We also acquire loans from our local commercial banks.” (LOC 2)

“Currently, the conference centre is wholly dependent on the Government for capital and funds to facilitate its running and administration. It has no prior arrangements with any banking institutions. This has posed a great set back in that, the Government has not prioritised conferencing and business travelling as much and therefore funding is only done after they are continually pressured.” (MDA 1)

The interview results indicated that neither had the government been keen to provide tax incentives and credit facilities to private conference facilities nor did it provide adequate funding to conference facilities that were state owned which affected destination competitiveness negatively.

4.6.4 Descriptive Statistics for Government Moderating Role

The fourth independent variable for this study was government moderation. The study attempted to examine the moderating effect of government on the association between cluster-based critical success factors and destination competitiveness of conference facilities. Results of this study were rated using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree) and were laid in Table 4.27.

Table 4.27: Descriptive Statistics for Government Moderation

| Statement | Strongly disagreed % | Disagree % | Neutral % | Agree % | Strongly agree % | Mean | Standard Deviation |
|---|----------------------|------------|-----------|---------|------------------|-------------|--------------------|
| Member of KAHC/KTF/ other. | 0.0 | 0.0 | 10.5 | 10.5 | 79.10 | 4.69 | 0.65 |
| Participated in strategic business forums. | 0.0 | 0.0 | 5.2 | 36.6 | 58.1 | 4.53 | 0.60 |
| Invited stakeholders and representatives for meetings | 5.2 | 15.7 | 10.5 | 36.6 | 32.0 | 3.74 | 1.21 |
| Complied with government regulations and plans. | 0.6 | 1.2 | 7.0 | 22.7 | 68.6 | 4.58 | 0.60 |
| Pursued government to develop infrastructure. | 5.2 | 5.2 | 26.2 | 37.2 | 26.2 | 3.74 | 1.07 |
| Lobbied through association of tourism stakeholders. | 0.0 | 5.2 | 15.7 | 63.4 | 15.7 | 3.90 | 0.72 |
| Worked closely with national police service and emergency response units. | 5.2 | 0.0 | 0.0 | 31.4 | 63.4 | 4.48 | 0.94 |
| Engaged with government and MDAs boards. | 0.0 | 0.0 | 0.0 | 57.6 | 42.4 | 4.42 | 0.50 |
| Average | | | | | | 4.26 | 0.79 |

Source: Researcher (2021)

Government moderation was highly rated with a mean of 4.26 and variation of responses was low at 0.79 which indicated that government contributes significantly to destination competitiveness of conference facilities in Nairobi City County. The conference facilities are members of KAHC or KTF or any other trade unions was highly rated (Mean = 4.69, SD = 0.65) followed by complied with national and county government policies, regulations and development plans that affect business (Mean = 4.58, SD = 0.60) then participated in forums discussing strategies for developing organizational relationships with key external stakeholders including government sectors (Mean = 4.53, SD = 0.60), worked closely with the national police service department and other county emergency response units like fire, anti-terrorism/disaster and ambulance services (Mean = 4.48, SD = 0.94), engaged with

local government and MDAs boards like KRA, TRA, KTB through representatives of KTF for policy discussions and regulatory information sharing to improve on our business regulatory environment (Mean = 4.42, SD = 0.50) and lobbied through association of tourism stakeholders to the governments for provision of proper security and health services (Mean = 3.90, SD = 0.72). There was a tie of key stakeholders and public sector representatives are always invited in board meetings and pressed on governments to fund development of key infrastructure and superstructure that support the industry like roads, rail, airport, ICT, convention centres with a mean of 3.74 and standard deviation of 1.21 and 1.07 respectively.

“As the public sector we only facilitate, regulate, educate, market and coordinate the destination activities and stakeholder as per government policies but currently there is not much happening especially in conference bidding, research and financing due to limited funding by the government.”

(MDA 1)

“The synergy between the Government and Tourism stakeholders has been sited to be very weak and is in need of improvement.”(LOC 2)

“Clustering activities of MICE facilities is the role of private business sector through KTF who unfortunately, are not doing it because some of the tourism business owners are doing it for self-gratification or political expediency and not for tourism industry growth. Also the fear of the unknown and mistrust among competitors to work together has undermined this strategic effort.”(MNC 3)

These interview findings explained deeper why the null hypothesis test four, H_{04} , failed to be rejected hence the culmination of the study finding that there was no

statistically significant moderating effect by government on cluster-based CSFs and destination competitiveness of meeting facilities.

4.6.5 Descriptive Statistics for Destination Competitiveness

The dependent variable for this study was Destination Competitiveness. Results of this study were rated using a 5-point Likert scale (1= Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree) and are shown in Table 4.28.

Table 4.28: Descriptive Statistics for DC

| Statement | Strongly disagree % | Disagree % | Neutral % | Agree % | Strongly agree % | Mean | Standard Deviation |
|---|---------------------|------------|-----------|---------|------------------|-------------|--------------------|
| Destination earnings from our products have grown. | 0.0 | 10.5 | 0.0 | 36.0 | 53.5 | 4.33 | 0.99 |
| Conference facilities have increased | 0.0 | 5.2 | 21.5 | 42.4 | 30.8 | 3.99 | 0.86 |
| Our market share in the sector has grown. | 0.0 | 10.5 | 5.2 | 47.7 | 36.6 | 4.10 | 0.91 |
| The number of employees engaged in our enterprise has increased. | 0.0 | 0.0 | 10.5 | 58.1 | 31.4 | 4.21 | 0.61 |
| Our employee retention has gone up | 0.0 | 5.2 | 32.0 | 54.1 | 8.7 | 3.66 | 0.68 |
| The number of local and international visitors' arrivals to our facilities has increased. | 0.0 | 5.2 | 5.2 | 58.1 | 31.4 | 4.16 | 0.74 |
| Our organization offered quality products to visitors. | 0.0 | 5.2 | 37.8 | 27.3 | 29.7 | 3.81 | 0.90 |
| Engaged in green tourism through Eco tourism Kenya | 0.0 | 5.2 | 32.0 | 47.1 | 15.7 | 3.73 | 0.79 |
| Average | | | | | | 4.00 | 0.81 |

Source: Researcher (2021)

According to the presented results, destination competitiveness attained an average of 4 against a standard deviation of 0.81 suggesting that respondents approved the notion of destination competitiveness of conference facilities in Nairobi City County. Destination earnings from products have grown was highly rated by majority of the

respondents (Mean = 4.33, SD = 0.69) followed by the number of employees engaged in our enterprise has increased (Mean = 4.21, SD = 0.61) then number of local and international visitors arrivals to our facilities has increased (Mean = 4.16, SD = 0.74), market share in the sector has grown (Mean = 4.10, SD = 0.91), conference facilities have increased (Mean = 3.99, SD = 0.86), organization offered quality products and services to visitors (Mean = 3.81, SD = 0.90), engaged in green tourism activities through Eco tourism Kenya (EK) (Mean = 3.73, SD = 0.79) and finally, employee retention has gone up (Mean = 3.66, SD = 0.68). More than half of the interviewees agreed to statements on competitiveness in NCC.

“Nairobi is considered the regional hub for business conventions due to its ambience, tranquility and cultural diversity. The 9th March 2018 ‘handshake’ between the president and the leader of opposition ensured political stability, providing a conducive environment for the tourism business. Withdrawal of travel advisories by the UK and U.S.A and the abolishment of Visa requirement for various countries and open border policy for Africans’ entry into Kenya has favoured NCC as a destination too.”(MDA 2)

“Devolution that came through the constitution 2010, has allowed MICE tourism development in almost all counties which hold annual events that attract visitors.”(LOC 1)

“Other indicators of competitiveness in Nairobi City include a vibrant IT Hub with high speed internet connectivity, proximity to Nairobi National park, JKIA, green conferences and green City innovations eg. Proposed car free days to reduce carbon emissions, Hi-tech and accessible MICE facilities.”(MNC 2)

“There exists some issues that curtail the competitiveness of this City County that must be fixed such as price discrimination against the foreigners by hoteliers, high travelling costs in terms of time taken from the airport and harassment of foreigners by corrupt local authorities asking for bribes”.

(SMT 4)

Most of the interview findings indicated that NCC was a relatively competitive as conference destination if only a few obstacles would be mitigated on.

4.7 Correlation Analysis

4.7.1 Correlation between Cluster-Based Marketing and DC

Correlation analysis was employed to establish the association between cluster-based marketing and destination competitiveness of conference facilities in Nairobi City County as outlined in Table 4.29.

Table 4.29: Correlation Analysis between CBM and DC

| | | Competitiveness | Cluster-Based Marketing |
|-------------------------|-------------------------------------|-----------------|-------------------------|
| Competitiveness | Pearson Correlation Sig. (2-tailed) | 1.000 | |
| Cluster-Based Marketing | Pearson Correlation Sig. (2-tailed) | .698** | 1.000 |

** Significance level at 0.01 (2-tailed).

Source: Researcher (2021)

In accordance with the study findings, the variable Cluster-Based Marketing had a positive connection with destination competitiveness ($r=0.698$, $P<.001$). It was therefore established that there was a highly statistically significant connection between cluster-based marketing and destination competitiveness.

4.7.2 Correlation between Cluster-Based HR and DC

Correlation analysis was conducted to establish the association between cluster-based human resource management and destination competitiveness in Table 4.30.

Table: 4.30: Correlation Analysis between CBHRM and DC

| | | Competitiveness | Cluster-Based HR management |
|-----------------------------|---------------------|-----------------|-----------------------------|
| Competitiveness | Pearson Correlation | 1.000 | |
| | Sig. (2-tailed) | | |
| Cluster-Based HR management | Pearson Correlation | .649** | 1.000 |
| | Sig. (2-tailed) | 0.000 | |

** Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher (2021)

Results revealed that there was a positive connection among Cluster-Based HR management and competitiveness of destinations ($r=0.649$, $P<.001$). The study concluded that there was a statistically significant relationship between cluster-based human resource management and destination competitiveness of conference facilities.

4.7.3 Correlation for Cluster-Based Financing and DC

Correlation analysis was conducted to found the association among cluster-based financing and TDC in Table 4.31.

Table 4.31: Correlation Analysis between CBF and DC

| | | Competitiveness | Cluster-Based Financing |
|-------------------------|---------------------|-----------------|-------------------------|
| Competitiveness | Pearson Correlation | 1.000 | |
| | Sig. (2-tailed) | | |
| Cluster-Based Financing | Pearson Correlation | .483** | 1.000 |
| | Sig. (2-tailed) | 0.000 | |

** Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher (2021)

The results indicated that there was a moderate positive association between cluster-based financing and destination competitiveness of conference facilities in Nairobi City County with a coefficient of ($r=0.483$, $P<.001$). The study concluded that there exists a statistically significant relationship between financing and destination competitiveness.

4.8 Regression Analysis

4.8.1 Regression analysis for Cluster-Based Marketing on DC

Regression analysis was conducted to determine the influence of cluster-based marketing on competitiveness of a destination. Table 4.32 presented the regression model summary of cluster-based marketing on destination competitiveness.

Table 4.32: Model Summary for Cluster-Based Marketing on DC

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .698 ^a | .487 | .484 | .37407 |

a. Dependent Variable: Destination Competitiveness
b. Predictors: (Constant), Cluster-Based Marketing

Source: Researcher (2021)

The results indicated that cluster-based marketing was found to be satisfactory in explaining Competitiveness. This was supported by coefficient of determination ($R^2=0.487$) which implied that cluster-based marketing accounted for 48.7% of the total variations in destination competitiveness of conference facilities in Nairobi City County.

Analysis of Variance (ANOVA) was utilized in validating the model further and the results of cluster-based marketing on destination competitiveness were outlined in Table 4.33.

Table 4.33: ANOVA for Cluster-Based Marketing on DC

| | Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 22.602 | 1 | 22.602 | 161.526 | .000 ^b |
| | Residual | 23.788 | 170 | .140 | | |
| | Total | 46.391 | 171 | | | |

a. Dependent Variable: Destination Competitiveness

b. Predictors: (Constant), Cluster-Based Marketing

Source: Researcher (2021)

The results indicated that the model was statistically significant. Further, the results implied that cluster-based marketing was a good predictor in explaining destination competitiveness of conference facilities in Nairobi City County. This was supported by an F statistic of 161.526 and p value of $p < 0.05$.

Simple linear regression coefficient was employed to establish the relationship between cluster-based marketing and destination competitiveness. The outcomes were shown in Table 4.34.

Table 4.34: Regression Coefficient of Cluster-Based Marketing on DC

| | Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|-------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | β | Std. Error | Beta | | |
| 1 | (Constant) | 1.126 | .228 | | 4.940 | .000 |
| | Cluster-Based Marketing | .722 | .057 | .698 | 12.709 | .000 |

a. Dependent Variable: Destination Competitiveness

b. Predictors: (Constant), Cluster-Based Marketing

Source: Researcher (2021)

Findings ($\beta = 0.722$, $p < .001$) indicated that one unit increase in cluster-based marketing would lead to an increase in destination competitiveness by 72.2%. The study established a strong positive significant connection among cluster-based marketing and destination competitiveness.

4.8.2 Regression analysis for Cluster-Based HR management on TDC

Regression analysis was conducted to determine the influence of cluster-based human resource management on destination competitiveness. Table 4.35 presented the regression model of cluster-based human resource management on destination competitiveness.

Table 4.35: Model Summary for Cluster-Based HR management on DC

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .649 ^a | .421 | .418 | .39742 |

a. Dependent Variable: Destination Competitiveness

b. Predictors: (Constant), Cluster-Based HR management

Source: Researcher (2021)

According to the results, cluster-based human resource management was found to be satisfactory in explaining destination competitiveness. This was supported by coefficient of determination ($R^2 = 0.421$) which implied that cluster-based human resource management accounted for 42.1% of the total variations in destination competitiveness of conference facilities in Nairobi City County. The remaining 57.9% was accounted by other factors.

Table 4.36 provided the analysis of the variance (ANOVA) results of cluster-based human resource management on destination competitiveness.

Table 4.36: ANOVA for Cluster-Based HR management on DC

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 19.540 | 1 | 19.540 | 123.715 | .000 ^b |
| | Residual | 26.850 | 170 | .158 | | |
| | Total | 46.391 | 171 | | | |

a. Predicted Variable: Destination Competitiveness

b. Input: (Constant), Cluster-Based HR management

Source: Researcher (2021)

The results indicated that the model was statistically significant. Further, the results implied that cluster-based human resource was a good predictor in explaining destination competitiveness of conference facilities in Nairobi City County. This was supported by an F statistic of 123.715 and p value ($p < .05$).

Simple linear regression was used in determining the relationship of cluster-based human resource management on destination competitiveness of conference facilities in Nairobi City County and the results for were presented in Table 4.37.

Table 4.37: Regression Coefficient of Cluster-Based HR management on DC

| Model | | Unstandardized Coefficients | Std. Error | Standardized Coefficients | T | Sig. |
|-------|-----------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | β | | Beta | | |
| 1 | (Constant) | .854 | .284 | | 3.005 | .003 |
| | Cluster-Based HR management | .767 | .069 | .649 | 11.123 | .000 |

a. Predicted Variable: Destination Competitiveness

b. Input: (Constant), Cluster-Based HR management

Source: Researcher (2021)

Results ($\beta=0.767$, $p < .001$) revealed that one unit rise in cluster-based HR management would contribute a rise in destination competitiveness by 76.7%. The study concluded that there was a strong positive statistically significant relationship between cluster-based human resource management and destination competitiveness of conference facilities in Nairobi City County.

4.8.3 Regression Analysis for Cluster-Based Financing

The study sought to find the influence of cluster-based financing on destination competitiveness of conference facilities in Nairobi City County. The results of this work were laid out in Table 4.38.

Table 4.38: Model Summary for Cluster-Based Financing on DC

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .483 ^a | .233 | .229 | .45749 |

a. Dependent Variable: Destination Competitiveness
b. Predictors: (Constant), Cluster-Based Financing

Source: Researcher (2021)

Results showed that cluster-based financing was found to be satisfactory in explaining destination competitiveness. This was supported by coefficient of determination ($R^2 = 0.233$) which implied that cluster-based financing accounted for 23.3% of the total variation in the model and the remaining 76.7% was determined by other factors.

Table 4.39 provided the analysis of the variance (ANOVA) results which were utilized to validate the model further for cluster-based financing on destination competitiveness.

Table: 4.39 ANOVA for Cluster-Based Financing on DC

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|----------------|-----|-------------|--------|-------------------|
| 1 Regression | 10.810 | 1 | 10.810 | 51.646 | .000 ^b |
| Residual | 35.581 | 170 | .209 | | |
| Total | 46.391 | 171 | | | |

a. Dependent Variable: Competitiveness
b. Predictors: (Constant), Cluster-Based Financing

Source: Researcher (2021)

The results indicated that the model was fit for further analysis and that cluster-based financing was a good predictor in explaining destination competitiveness of

conference facilities in Nairobi City County. This was supported by an F statistic of 51.646 and $p < .05$.

Simple linear regression was employed to determine the relationship of cluster-based financing on destination competitiveness and the regression coefficients results were presented in Table 4.40.

Table 4.40: Regression Coefficient of Cluster-Based Financing on DC

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|-------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | β | Std. Error | Beta | | |
| 1 | (Constant) | 1.951 | .287 | | 6.797 | .000 |
| | Cluster-Based Financing | .543 | .076 | .483 | 7.187 | .000 |

a. Dependent Variable: Competitiveness
b. Predictors: (Constant), Cluster-Based Financing

Source: Researcher (2021)

Results ($\beta=0.543$, $p < .001$) revealed that a unit rise in cluster-based financing would lead to a rise in destination competitiveness by 54.3%. The study concluded that there was a positively significant relationship between cluster-based financing and destination competitiveness.

4.8.4 Regression on Government Moderation on Critical Success Factors and DC

Hierarchical multiple regression was conducted to examine the moderating effect of government on the relationship between cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.

The results for the moderated regression analysis were presented in Table 4.41.

Table 4.41: Model Summary^c for Government Moderation, CSFs and DC

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | Change Statistics | | | |
|-------|-------------------|----------|-------------------|----------------------------|-----------------|-------------------|-----------------|-----------------|---------------|
| | | | | | | F | df ¹ | df ² | Sig. F Change |
| 1 | .270 _a | .073 | .062 | .889 | .073 | 6.629 | 2 | 169 | .002 |
| 2 | .292 _b | .085 | .069 | .885 | .013 | 2.330 | 1 | 168 | .129 |

a. Predictors: (Constant), Government Role, Critical Success Factors

b. Predictors: (Constant), Government Role, Critical Success Factors, CSFsXGM

c. Dependent Variable: Destination Competitiveness

Source: Researcher (2021)

Results presented the R square change which revealed the increase in variation accounted for by the added interaction term. The change in R square is 0.013 which implied 1.3% increase in variation as explained by the added interaction term. It is worth noting that the increase in variation is not statistically significant ($p > 0.05$) thus it can be concluded that government does not moderate the correlation among critical success factors and destination competitiveness.

Table 4.42 presented the Analysis of Variance (ANOVA) findings for government moderating influence on the relationship between cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County.

Table 4.42: ANOVA^a for CSFs, Government Moderation and DC

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|-------|-------------------|
| 1 | Regression | 10.475 | 2 | 5.238 | 6.629 | .002 ^b |
| | Residual | 133.525 | 169 | .790 | | |
| | Total | 144.000 | 171 | | | |
| 2 | Regression | 12.302 | 3 | 4.101 | 5.231 | .002 ^c |
| | Residual | 131.698 | 168 | .784 | | |
| | Total | 144.000 | 171 | | | |

a. Dependent Variable: Destination Competitiveness

b. Predictors: (Constant), Government Role, Critical Success Factors

c. Predictors: (Constant), Government Role, Critical Success Factors, CSFsXGM

Source: Researcher (2021)

The results ($F = 5.231$, $p = 0.002$) indicated that the model was statistically significant and fit for further analysis.

Moderated regression was utilized in determining the moderating effect on the relationship between critical success factors and destination competitiveness of conference facilities in Nairobi City County as presented in Table 4.43.

Table 4.43: Regression Coefficients^a for Moderated Regression Analysis

| Model | | Unstandardized | | Standardizedt Coefficients Beta | Sig. | 95.0% Confidence | |
|-------|-----------------------------|----------------|---------------|---------------------------------------|--------|------------------|----------------|
| | | B | Std. Error | | | Lower Bound | Upper Bound |
| 1 | (Constant) | 6.065 | .574 | | 10.564 | .000 | 4.931 7.198 |
| | Critical Success Factors | .145 | .065 | .165 | 2.219 | .028 | .274 .016 |
| | Government Role | .350 | .114 | .227 | 3.059 | .003 | .576 .124 |
| 2 | (Constant) | 9.781 | 2.501 | | 3.911 | .000 | 4.844 14.718 |
| | Critical Success Factors | 1.033 | .586 | 1.177 | 1.764 | .080 | 2.190 .123 |
| | Government Role | 1.236 | .592 | .803 | 2.089 | .038 | 2.404 .068 |
| | CSFsXGM | .213 | .139 | 1.128 | 1.526 | .129 | .062 .488 |

a. Dependent Variable: Destination Competitiveness

Source: Researcher (2021)

Findings according to the original model indicated that critical success factors that include marketing, human resource and financing ($\beta = 0.145$, $p = 0.028$) and government ($\beta = 0.350$, $p = 0.003$) were significant which implied further that an increase in cluster-based CSFs and government contribution in conference facilities would contribute significantly to an increase in destination competitiveness by a magnitude of 14.5% and 35% respectively. After injecting the moderating variable government into the model, the interaction term between critical success factors inclusive of marketing, human resource management and financing and government turned out to be insignificant ($\beta = 0.213$, $p = 0.129$) which implied that government did not have significant moderating effects on the relationship between critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.

4.9 Hypothesis Test

The study was underpinned by four hypotheses and this section presented the findings as follows.

4.9.1 Hypothesis Test One

Hypothesis one established the significant relationship between cluster-based marketing and destination competitiveness of conference facilities in Nairobi City County.

H₀₁: There is no statistically significant relationship between cluster-based marketing and destination competitiveness of conference facilities in Nairobi City County, Kenya.

The regression findings for cluster-based marketing ($\beta=0.722$, $p<.001$) in Table 4.34 exposed a significant relationship between cluster-based marketing and destination

competitiveness of conference facilities in Nairobi City County. Since the obtained p-value < 0.05 then the null hypothesis was rejected and the study concluded that cluster-based marketing proved to bear statistically significant outcomes on destination competitiveness.

4.9.2 Hypothesis Test Two

Hypothesis two determined the significant relationship of cluster-based human resource management on destination competitiveness of conference facilities in Nairobi City County, Kenya.

H₀₂: There is no statistically significant relationship between cluster-based human resource management and destination competitiveness of conference facilities in Nairobi City County, Kenya.

The regression findings for cluster-based human resource management ($\beta=0.767$, $p<.001$) in Table 4.37 revealed that there was a significant relationship between cluster-based human resource management and destination competitiveness of conference facilities in Nairobi City County. Since the obtained p-value < 0.05 then the null hypothesis was rejected and the study concluded that cluster-based human resource management had a statistically significant outcomes on destination competitiveness.

4.9.3 Hypothesis Test Three

Hypothesis three assessed the significant relationship of cluster-based financing on destination competitiveness of conference facilities in Nairobi City County, Kenya.

H₀₃: There is no statistically significant relationship between cluster-based financing and destination competitiveness of conference facilities in Nairobi City County, Kenya.

The regression results for cluster-based financing ($\beta=0.543$, $p<.001$) in Table 4.40 indicated that there was a significant relationship between cluster-based financing and destination competitiveness of conference facilities in Nairobi City County. Since the obtained p-value < 0.05 then the null hypothesis was rejected and the study concluded that cluster-based financing has a statistically significant relationship on destination competitiveness.

4.9.4 Hypothesis Test Four

Hypothesis four examined the moderating effect of government on the relationship between cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.

H₀₄: There is no statistically significant moderating effect of government on the relationship between cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.

The findings for government moderating effect on the relationship between critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya ($\beta = 0.213$, $p = 0.129$) in Table 4. 43 indicated that there was no moderating effect. Since the obtained p-value > 0.05 , the null hypothesis failed to be rejected and the study concluded that there was no statistically significant moderating effect on the relationship between cluster-based critical success factors and destination competitiveness.

CHAPTER FIVE

5.0 DISCUSSION OF FINDINGS

This chapter presented the discussion of findings as per the study objectives.

5.1 Cluster-Based Marketing on DC of Conference Facilities

Majority of the respondents agreed that marketing was a vital driver of destination competitiveness of conference facilities in Nairobi City County, Kenya. This concurred with Fyall, Garrod and Wang (2012) who agreed that destination marketing is the main element of hospitality, tourism and leisure studies that is relative with the operational tasks carried out in an increasingly competitive business of attracting visitors to the destinations. This was further supported by Hays, Page and Buhalis (2013) who also cited that understanding destination marketing is vital in identifying factors that hinder or enhances effective marketing of the destinations and how it is a difficult activity due to the rise in technological advancements such as social media. The respondents highly rated networking with MDAs like KICC, local tour operators, travel agents and other industry actors for business referrals and market information.

The results contradicted with interviewee three about networking with competitors who noted that: “There is lack of a structured networking policy framework with our competitors to share business information but rather our staff informally network with those of our competitors at a personal level to share market information since they are friends. We only work together with our competitors when we want to collectively raise our voice to government agencies to address common problems facing our co-location such as insecurity, bad roads or power blackouts”. The respondents also highly rated the fact that they participated in the Magical Kenya Travel Expos to network and explore B-2-B opportunities between exhibitors and buyers while

promoting their destination brand and image. This contradicted with interviewee four who indicated that: “Our marketing programs are coordinated directly from our headquarters in America and we do not participate directly in any clustering activities with the local tourism stakeholders apart from complying with government requirements. Customers are also referred to us from our conference facilities in other parts of the world. Hence, clustering only happens within our franchises globally”.

The study established that there was a positive association between cluster-based marketing and destination competitiveness. The results were consistent with Hassan (2000) who established that there was a positive association between competitiveness and destination marketing through emphasizing on the importance of ensuring sustainable longevity of a destination in the global market using careful analysis and responding to the main values and requirements of the niche section in the market. The study further established that there was a highly significant relationship between cluster-based marketing and destination competitiveness of conference facilities in NCC. This was supported by Wang, Hsu and Swanson (2012) who revealed the five indicators that include: marketing, human resource, financial, information and crisis management had a significant relationship on destination competitiveness. The findings also concurred with a number of studies Buhalis (2000); Flagestad and Hope (2001); Ritchie and Crouch (2003); Yoon (2002) that found out that there was a positive significant relationship between marketing and destination competitiveness. Kotur (2014) further supported the findings by revealing that the use of internet and especially on social media can act as advertising channels for marketing destinations with MICE facilities. This also enhanced promotion strategies hence contributed to increased destination competitiveness.

5.2 Cluster-Based Human Resource Management on DC of Conference Facilities

A number of respondents agreed that human resource management influenced destination competitiveness of conference facilities in Nairobi City County, Kenya. This was consistent with Yesiltas et al. (2010) who pointed out the contributions of HRM in service quality and customer experience which is the main element in service delivery and the study concluded that investment in HRM is vital for organisational competitiveness. The findings were also consistent with the other researchers Cho, Woods, Jang, and Erdem (2006); Thang, Quang, and Buyens (2010) findings who acknowledged the significance of human resource management for its employees and also found out that enhances competitiveness. This was further supported by Enz (2009) study which indicated that human resource management is essential in ensuring attainment of sustainable destination competitiveness thus the need for more application of HRM. Signing of recognition agreements with trade unions such as KUDHEIHA and government for the welfare of our employees and followed by staff have been trained with Kenya Utalii College (KUC), Universities and other institutions for higher skills development, innovativeness and high productivity were highly rated by the respondents. This was supported by Hanqin et al. (2012) study which indicated that there was need for training and professional development of employees so as to enhance customer relations which in turn would increase customer satisfaction hence increased competitiveness. This concurred with interviewee five who indicated that: “We have training modules for different areas of tourism sent to us from our headquarters, we send our employees to KUC and also work on flexible schedules to allow staffs enrol for various degree courses in our local universities and other colleges offering tourism courses”.

The study established that there was a positive association between cluster-based HRM and destination competitiveness of conference facilities in NCC. The correlation outcomes were in agreement with Singh et al. (2007) who indicated that human resource management is an important source of competitiveness due to its positive association hence the need for more understanding on HRM for improved organisational performance which is a major concern for all establishments in the hospitality and tourism sector. The study further established that there was a statistically significant relationship between cluster-based HRM and destination competitiveness of conference facilities in NCC. The findings concurred with Kusluvan et al. (2010) study which revealed that human resource management significantly impacted on competitiveness of organizations in hospitality and tourism industry. The results also corresponded with Lee-Ross (2000) study which indicated that human resource management significantly influenced the competitiveness of the selected hotels and catering facilities. The findings disagreed with Cho et al. (2006) study which indicated that there was no significant relationship between human resource management and organizational competitiveness of all the firms in the hospitality sector.

5.3 Cluster-Based Financing on DC of Conference Facilities

The respondents agreed that cluster-based financing was one of the key critical success factors that affected destination competitiveness of conference facilities in NCC. This concurred with Hilman (2009) who argued that financing is the proportion of various sources of funds utilized by an organization to finance its operation and development and it affects destination competitiveness due to the fact that financial planning could be employed in transforming the destination incentives so as to outperform competitors. This was supported further by Mangion, Durberry and

Sinclair (2005) study which concluded that financing is an essential element in ensuring development of destinations and its success. Majority of the respondents highly rated that they cooperated with government MDAs through holding meetings in the conference facilities which in turn enhanced business, partnered with ICT firms and adopted an integrated financial management systems (IFMS) support for management of our financial transactions and records and lobbied through KTF with governments to charge favourable license fees, levies and taxes for low cost of production. This was inconsistent with the interviewee four who noted that: “The two governments have imposed different rules, regulations and permits needed for the establishment of a hotel business which are exorbitant, due to double taxation and too many license renewals. These include Catering and tourism development levy 2%, Kenya Wildlife Service 4.0%, Service charge on food and accommodation 7.0%, Service charge on beverages 5.5%,VAT 16.0%. This in turn affects pricing of products and product demand. Charges imposed on signage are also high, and pulling down of signs by the local authorities also affects advertising. To counter this high cost we hike room rates during international events through a formula that is created internally”. The respondents were neutral on forming partnerships with relevant financial institutions and SACCOs for competitive loans to build our capital investments and engaging with government financial bodies like TFC for loans and credit facilities. The findings further revealed that they are in support of Borza, Mitra and Nistor (2010) who indicated that an organization financing their investments using the internal generated funds is one of the most important factors in attaining competitiveness as compared to indebted organization which will suffer immensely from a competitive disadvantage. It also concurred with Martin and Witt (2007) who elaborated the significance of government financed destinations in boosting their

competitiveness. The findings were further supported by Poon (2013) who recognized the role of financing in providing the best product and service experience to customers by emphasizing on the fact that funds should be available and sufficient enough to ensure services such as technology, transportation, communication, power and water supply are provided to consumers which would boost the visitors experience and with customer satisfaction attained then this would result to increased competitiveness against other destinations. This was supported by other researchers Buhalis (2000); Chow (2008) who noted that the impression visitors develop of the image of the destination after their stay is important thus they concluded that financing plays a significant role. The findings were also supported by interviewee three who revealed that: “We have our sister company which is a bank and it is where we get our capital financing at friendly terms to implement our business strategies altogether as a business chain”. Interviewee four also added that: “The conference facility is a family business and therefore our source of financing is basically got from family savings of other core businesses the family does. In our case our main business is in ICT. We also acquire loans from our local commercial banks. The conference tourism business is however, part of our business diversification strategy and we wish to invest more in this venture by opening conference facilities in other destinations”.

The study established that there was a moderate positive association between cluster-based financing and destination competitiveness of conference facilities in NCC. The results were in agreement with Merono, Acosta and Lopez (2008) study which revealed that financing associated positively with firm competitiveness. The results also agreed with Nandakumar (2011) study which found out that there was a positive relationship between financing and firm competitiveness. This was further supported by Kogut (2008) who revealed that collaborations which are one of the financing

indicators positively influenced firm competitiveness. The study further established that there exist a statistically significant relationship between cluster-based financing and destination competitiveness of conference facilities in NCC. The findings agreed with Cao and Zhang (2011) study which stated that financing had a positive significant firm performance by increasing the competitiveness. This was also supported by Craigwell (2007) study which indicated that financing significantly affected destination competitiveness. Laws et al. (2015) study further supported that financing had a significant on tourist destination competitiveness.

5.4 Government Moderation on Cluster-Based CSFs and DC

A number of respondents agreed that government contributed significantly to destination competitiveness of conference facilities in NCC. This was consistent with Epstein and Buhovac (2014) who indicated that involving government in the operation of the sector boosts the probability of sustainability and in turn ensures competitiveness of the destinations. This was further supported by Zhao and Timothy, (2015); Todd et al. (2017) who argued that government has the ability and the legality to expedite and coordinate multiple stakeholders to curtail negative effects on destination competitiveness through competitive advantage. The findings were also in agreement with interviewee one who noted that: “The government state corporations formed under the Tourism Act. 2011 have specific mandates as specified in that Act.

Therefore clustering initiatives for MICE facilities is the role of private business sector through KTF who unfortunately, are not doing it because some of the tourism business owners are doing it for self-gratification or political expediency not for tourism industry growth. Additionally the fear of the unknown and mistrust among competitors to work together has undermined this strategic effort. As the public sector we only facilitate, regulate, educate, market and coordinate the destination activities

and stakeholders as per government policies but currently there is nothing much happening especially in conference bidding, research and financing due to limited funding by the government". These findings generally revealed that various destinations feel motivated when government enhances their development and eliminate unnecessary challenges and obstacles (Ritchie, 2003). This was further supported by Cope and Davidson (2003) who revealed that the hospitality and tourism sector would benefit more from successful government policies and contribution for instance the appealing foreign direct investments (FDIs) and the facilitation of visitors in and out of the country.

The notion of destination competitiveness was fully supported by various respondents and they indicated that it contributed immensely to the success of conference facilities. This agreed with Pike (2004) who indicated that success of the conference facilities relied on destination competitiveness. This was supported by Kozak (2001) study which revealed that competitiveness is an important goal of destination marketing. This was also supported by Mill and Morrison (2002) who explained in detailed how destinations can increase competitiveness through implementation of destination management programs and marketing. Blanke and Chiesa (2013) also pointed out factors that assist in shaping destination competitiveness that include the training of human resource and the right marketing strategy for instance branding, market share, quality of service and image. It is worth noting that Navickas and Malakauskaite (2009) revealed that global market has become more competitive and this has contributed to intense competition between destinations to develop their own market share. This agreed with Lee and King (2006) who revealed that human resources, financial ability, marketing, strategies, and government policies significantly impacted on competitiveness of a destination.

The study established that there was no statistically significant moderating effect of government on the relationship between cluster-based CSFs and destination competitiveness of conference facilities in NCC. The findings disagreed with Ramgulam et al. (2012) who indicated that government contributed significantly to critical success factors, sustainable destination development and competitiveness. The finding was however supported by Armesiki et al. (2011) study which found out that destinations are more competitive when they utilize their own natural and cultural resources and less competitive when government imposes restrictions in the management of the resources. The findings were in disagreement with Melville and Annari (2015) whose study found out that government contributed significantly to essential components such as finances, economic climate and marketing of various destinations and competitiveness. The study findings were not supported by Ritchie and Crouch (2003) who revealed that government controls the success factors and ensures sustainable development of destinations through the public amenities and infrastructure it provides. According to some studies Buhalis (2000); Lee and King (2006); Pansiri and Courvisanos (2010), they were inconsistent with the study findings by revealing that government either supports or obstructs the destination strategies such as marketing, development, planning, human resource, collaborations, strategic plan, financial and organization assessment and these strategies are meant to increase destination competitiveness.

CHAPTER SIX

6.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter presents the summary of the study findings as per the study objectives, draws conclusion and provide recommendations as per the study outcome. The chapter further highlights the study implications and the areas for further research.

6.1 Summary of Major Findings

This section provides the summary of the findings in accordance with the study objectives.

6.1.1 Cluster-Based Marketing on DC of Conference Facilities

The first goal of this work was to establish the relationship of cluster-based marketing on destination competitiveness of conference facilities in Nairobi City County, Kenya. Cluster-based marketing was measured using four indicators as follows: promotions, marketing strategies, digital marketing branding image or identity. As per the descriptive statistics, most of the respondents agreed that cluster-based marketing greatly influenced destination competitiveness. The correlation analysis revealed that there exist a strong positive association between cluster-based marketing and destination competitiveness.

The regression findings were utilized in drawing the conclusions and it clearly depicted that a unit increase in cluster-based marketing would also lead to an increase in destination competitiveness by 72.2%. The regression findings also indicated that there was a significant relationship between cluster-based marketing and destination competitiveness of conference facilities in Nairobi City County due to the rejection of null hypothesis. The results clearly indicated that destination competitiveness of conference facilities largely relied on cluster-based marketing.

6.1.2 Cluster-Based HR management on DC of Conference Facilities

The second objective was to determine the relationship of cluster-based human resource management on destination competitiveness of conference facilities in Nairobi City County. The indicators of cluster-based human resource management include: employee relations, training and professional development and human resource management systems. A number of respondents agreed with the statements under cluster-based human resource management that it greatly influenced destination competitiveness. The correlation findings indicated that cluster-based human resource management had a strong positive association on destination competitiveness.

The regression results led to the null hypothesis being rejected and this directed that there was a positive association between cluster-based marketing and destination competitiveness.

6.1.3 Cluster-Based Financing on DC of Conference Facilities

The third objective was to assess the relationship of cluster-based financing on destination competitiveness of conference facilities in Nairobi City County, Kenya and it was measured using three dimensions that include: collaborative strategies, incentives and sources of funding. Majority of the respondents agreed that cluster-based financing is one of the critical success factors that affect destination competitiveness. The correlation analysis revealed that there was a moderate positive association between cluster-based financing and destination competitiveness.

The regression findings also confirmed a positive significant relationship between cluster-based financing and destination competitiveness.

6.1.4 Government Moderation on Cluster-Based CSFs and DC

The fourth goal of this work was to examine the interaction effect of government on the correlation between critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya. While most of the respondents agreed that government influenced destination competitiveness of the conference facilities, this did not work on the association between critical success factors and destination competitiveness.

Regression results indicated that critical success factors and government had a positive significant relationship on destination competitiveness of conference facilities. On the contrary, when government was introduced as a moderating variable then the model became insignificant and this implied that there was no statistically significant moderating effect of government on the relationship between critical success factors and destination competitiveness of conference facilities.

6.2 Conclusion

The conclusions for the study were made as per the study objectives.

6.2.1 Cluster-Based Marketing on DC of Conference Facilities

The correlation outcomes revealed a strong positive significant relationship between cluster-based marketing and destination competitiveness of conference facilities in NCC. The regression findings further proved that there was a significant relationship between cluster-based marketing and destination competitiveness. In accordance with the regression findings, it led to the rejection of the null hypothesis and the study concluded that cluster-based marketing had a statistically significant relationship on destination competitiveness.

6.2.2 Cluster-Based HR management on DC of Conference Facilities

The correlation results indicated that there was a positive significant association between cluster-based human resource management and destination competitiveness of conference facilities in Nairobi City County. The regression findings further proved that there was a significant relationship between cluster-based human resource management and destination competitiveness. In accordance with the regression findings, the null hypothesis was rejected confirming that cluster-based human resource management had a statistically significant relationship on destination competitiveness.

6.2.3 Cluster-Based Financing on DC of Conference Facilities

Based on correlation analysis, it exposed a moderate significant association between cluster-based financing and destination competitiveness of conference facilities in Nairobi City County. Regression outcomes further indicated a significant relationship between cluster-based financing and destination competitiveness. With regards to the regression results, the null hypothesis was rejected and this led to the implication that cluster-based financing had a statistically significant relationship on destination competitiveness.

6.2.4 Government Moderation on Cluster-Based CSFs and DC

The regression results indicated that government as predictor influenced destination competitiveness of conference facilities in Nairobi City County but not as a moderating variable. The null hypothesis failed to be rejected confirming that although government had generally contributed in supporting the tourism industry, it had not invested heavily enough in the MICE industry to achieve any statistically significant moderating effect on the relationship between cluster-based critical

success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya. It is worth noting that regardless of whatever level of government involvement in the MICE facilities' business environment, the critical success factors of conference firms would still have a significant relationship on their destination competitiveness.

6.3 Recommendations

Recommendations were made in accordance with the study objectives.

6.3.1 Cluster-Based Marketing on DC of Conference Facilities

The study recommends that the conference facilities in Nairobi County should come up with effective marketing techniques for advertising the facilities with the related MICE products and services offered through KTB, use of referrals and also establish and activate a local CVB to enhance destination competitiveness (DC) through vibrant destination management activities. Managers should adopt new ICT technologies like the GIS and the Virtual Incoming Agency model (VIA) which are ICT tools useful in managing a local destination value chain data in a spatial context and building of a brand image of destination globally. The study recommends further that there is need for marketers and travel organisers to ensure that they fully understand the all-inclusive packages and the unique features of each destination within the region so that they can plan well and deliver products and services that suit the particular requirements of the all-inclusive market.

6.3.2 Cluster-Based HR Management on DC of Conference Facilities

The study recommends that the managers of conference facilities should be cognizant of the micro-environment and strive to engage their staffs through linkages with other industry partners and professional associations like KAHC, KTF to benchmark for

best practices and latest technological innovation in MICE tourism as one way of ensuring that their employees are up to date with the latest trends in the industry. There is need for special training and orientation of staff in the conference facilities should be provided so as to equip them with the relevant skills that would enhance service delivery and efficiency. There is also need for HRM strategies that would assist in identification of motivated, adaptable and well skilled labour force. The study also emphasized on the need to adopt human resource initiatives that would probably boost competitiveness. The study recommends further that there is need for a sustainable long-term relationship between the organization and its employees which would in turn reduce turnover and also reduce training and recruitment cost in order to ensure high company performance. Thus, it is necessary for each destination in the hotel sector to focus on recruitment and staffing so as to maintain smooth functioning of various departments.

6.3.3 Cluster-Based Financing on DC of Conference Facilities

The study recommends the conference facilities should be supported to access soft loans from TFC, the Development Banks, SACCOs and other financial institutions without barriers such as interest rate capping which make it difficult for such facilities to access the loans they require to build capital investments necessary in growing their enterprises. There is need for destinations to invest in collaborative strategies that are managed by public destination management organizations so as to ensure value added network and enhanced destination competitiveness. The study further recommends that destinations should ensure delivery of quality service to customers, remain updated on the emerging trends in the market, adjust their provision of products and services, utilize the available resources and keep track of competitive activities in an effective manner in order for high performance and increased competitiveness.

6.3.4 Government Moderation on Cluster-Based CSFs and DC of Conference Facilities

The study recommends destination managers and government to locally foster collaborations in shared resource endowments, market value, innovations and uptake of technologies in hospitality and tourism that create unique inimitable products leading to highly profitable local firms and destination competitiveness. It is obligatory that destination managers to manage and develop resources such as human resource, destination marketers and factors through implementation and assessment of the available strategies and following government policies that are utilized in the dynamic business environment since the strategies and policies are meant for increasing firms and destination competitiveness. There is need also for destinations management and government to address the MICE amenities and the destination level factors such as financing, tax incentives and security. As per the findings of this study, it is recommended the government should support the conference facilities especially in terms of infrastructure. Managements of the conference facilities in Nairobi City County should further ensure they partner with state department of ICT and adopt an Enterprise Resource Planning system (ERP) to manage data that supports financial and tax planning, marketing, HR management and customer care. This might help in networking with competitors and customers, online training of staff and also help in monitoring the market trends through information sharing within the destination stakeholders. Further, the study recommends that managers should collaborate with government agencies like Brand Kenya Board and MICE consultants like KICC to realize the establishment of a MICE destination management organization (DMO) in form of a Visitor's Convention Bureau (CVB). This might

improve the professional co-ordination and management of destination activities between all stakeholders of MICE industry locally.

6.3.5 Study Implications

This study adds to existing theory, policy and practice on MICE industry clusters which is relatively new in Africa. The study builds on Resource Based View and Porter's Diamond Model theories to explain and practically answer the problem under study. Data in the study provides indication that the Industrial cluster theory and RBV theories may advance further as it pertains to MICE tourism industry clustering in developing countries of Africa. In a new competitive model it is recommended that government and MICE related stakeholders in the micro-environment, should come up with a policy to guide on how to play a complementing role of providing the limited firm assets necessary to drive the local MICE industry through clustering to amass and share more resources in industry coordination, training, infrastructure development, marketing, ICT and financing to support local enterprises resulting to higher and consistent DC.

According to the available literature on cluster-based critical success factors, government moderation and destination competitiveness in the Kenyan hospitality and tourism sector, the previous studies did not cover all the aspects of critical success factors adequately and how they influence destination competitiveness. This is a clear indication of an existing study gap thus this study has made an attempt in contributing towards the empirical literature and knowledge. The study has explained the importance of the cluster-based critical success factors and government contribution towards destination competitiveness of conference facilities.

On the aspects of industry practice, the obtained findings will be a guide for managers to apply the cluster-based approach while implementing firm strategies to offer

quality service and ensure sustainable competitiveness in their various destinations. Therefore, this study has implications to the limited empirical literature and narrowed the existing gap in cluster-based critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.

6.3.6 Further Research

Although relevant findings emanated from the study, there are other essential areas that were recommended for further studies that specifically arose from the obtained primary data and interview responses from the conference facilities owners. There are other critical success factors that influence destination competitiveness other than marketing, human resource management and financing that were featured strongly in enhancing the selected factors such as communication, technology, quality service and customer satisfaction which call for further research in order to establish how such factors affect the destination competitiveness of conference facilities. The study findings that government moderating effect on cluster-based CSFs and destination competitiveness of conference facilities was not statistically significant calls for further research. This will aim to apply simple slope tests technique to establish the level of interaction at which government will attain a significant moderating effect on the relationship between CSFs and destination competitiveness of conference facilities in Nairobi City County, Kenya. Further research will also determine whether there could also be a three-way interaction involving another moderator that moderates on the government MDAs. Such moderators could be the legislature, judiciary or the executive arms which issue various guidelines that influence how the mandates of relevant government MDAs interact with critical success factors and destination competitiveness of conference facilities in Nairobi City County, Kenya.

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APPENDICES

Appendix 7.1: Letter of Introduction

Kenyatta University

Questionnaire No:

School of Hospitality and Tourism

P.O. Box 43844 – 00100

Nairobi – Kenya

Dear Respondent,

RE: Request for Data Collection for Academic Research Thesis

I am a post graduate student at Kenyatta University (KU). I am doing a research thesis titled “*Cluster-Based Critical Success Factors, Government Moderation and Destination Competitiveness (DC) of Conference Facilities in Nairobi City County, Kenya*”.

Please find attached a questionnaire for my study. I kindly request you to answer all the questions to the best of your knowledge. All the information given will be confidential and used for the research purpose only. Your participation and responses will be highly appreciated.

Thank you.

Yours sincerely,

Victor K. Makau
Department of Tourism Management
Mobile No. 0726311599
Email: victormakau9@gmail.com

Appendix 7.2: Research Authorization-NACOSTI



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349,3310571,2219420
Fax: +254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/19/29725/28536**

Date: **6th March, 2019**


Victor Kyalo Makau
Kenyatta University
P.O. Box 43844-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Cluster-based critical success factors of conference facilities and Government intervention on Tourist destination competitiveness in Nairobi City County Kenya,*" I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **6th March, 2020.**

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.


DR. MOSES RUGUTT, PHD, OGW
DIRECTOR GENERAL/CEO

Copy to:

The County Commissioner
Nairobi County.



11/03/2019.

COUNTY COMMISSIONER
NAIROBI COUNTY
P. O. Box 30124-00100, NBI
TEL: 341666

The County Director of Education
Nairobi County.

Appendix 7.3: Research Authorization-Ministry of Education



Republic of Kenya

MINISTRY OF EDUCATION

STATE DEPARTMENT OF EARLY LEARNING AND BASIC EDUCATION

Telegrams: "SCHOOLING", Nairobi
Telephone: Nairobi 020 2453699
Email: rcenairobi@gmail.com
cdenairobi@gmail.com

REGIONAL DIRECTOR OF EDUCATION
NAIROBI REGION
NYAYO HOUSE
P.O. Box 74629 – 00200
NAIROBI

When replying please quote

Ref: RCE/NRB/RESEARCH/1/64/VOL.I

Date: 11th March, 2019

Victor Kyalo Makau
Kenyatta University
P. O. Box 43844 - 00100
NAIROBI

RE: RESEARCH AUTHORIZATION

We are in receipt of a letter from the National Commission for Science, Technology and Innovation regarding research authorization in Nairobi County on "*Cluster-based critical success factors of conference facilities and Government intervention on Tourist destination competitiveness in Nairobi City County Kenya*".

This office has no objection and authority is hereby granted for a period ending **6th March, 2020** as indicated in the request letter.

Kindly inform the Sub County Director of Education of the Sub County you intend to visit.


JAMES KIMOTHO
FOR: REGIONAL DIRECTOR OF EDUCATION
NAIROBI

Copy to: Director General/CEO
National Commission for Science, Technology and Innovation
NAIROBI

Appendix 7.4: Questionnaire

This questionnaire has several sections that take only a few minutes to complete. Please indicate your response in the appropriate box. Your responses will be handled with confidentiality (do not indicate your name).

1: FIRM CHARACTERISTICS AND DEMOGRAPHIC DATA

Kindly answer all questions by tick (✓) or write your best answers as indicated in the following.

1. How many years have you worked in the business/conference tourism industry?
Below 10 years 11-20 years 21-30 years over 30 years
2. Your designation
3. Highest Academic Qualifications:
Diploma Bachelors' degree Master Degree Doctorate
Other (please specify)
.....
.....
4. Which part of Nairobi City County is your organization located?
.....
5. Number of years since your organization was established in the conference tourism industry
Below 2 years 3-5 years 6-10 years over 10 years
6. What type of conference facility is your firm?
Purpose- built Conference Centre Hotel- based Conference
Other (please specify below)
.....
.....
7. What is the approximate size (number of delegates) of a typical event that you host?
.....
8. What is the number of employees in your organization?
9. What is the type of ownership of your conference facility?
Public Private NGO CBO
10. What is the organizational structure of your firm
International Brand/Franchise Local Chain Local Single Business (SME)
Other (Please specify)
.....
.....

2: CLUSTER-BASED CRITICAL SUCCESS FACTORS (CSFs) FOR YOUR ORGANISATION

Cluster-based critical success factors are the integrated external business factors into marketing, financing and human resource strategies of conference facilities that aim to optimize firm and destination competitiveness.

11. Has your organization implemented any cluster-based critical success factors (CSFs) to help achieve firm strategy?

1. YES

2.NO

2A: CLUSTER-BASED MARKETING AND COMPETITIVENESS

12. This Section is concerned with determining the influence of cluster-based marketing on the competitiveness of your conference facilities and the destination of Nairobi City County, Kenya. Please tick (✓) in the box which in your opinion best scores each statement.

| No | Statement | Strongly disagree 1 | Disagree 2 | Neutral 3 | Agree 4 | Strongly agree 5 |
|----|--|------------------------|---------------|--------------|------------|---------------------|
| 1 | We have increased our budget for marketing strategy and customer care by adopting new ICT technologies. | | | | | |
| 2 | We have adopted green marketing technologies for sustainable tourism and low cost product development. Eg. Use of recyclable materials, solar/wind energy, | | | | | |
| 3 | We partner with KTB in digital marketing tools on www.magicalkenya.com or other digital platforms | | | | | |
| 4 | We engage in CSR activities within our local communities to help promote local | | | | | |
| 5 | We network with MDAs like KICC & KTB, NGOs, local tour operators, travel agents, media or our competitors for business referrals and market information | | | | | |
| 6 | We support a joint lobbying with industry partners on government to establish favorable market policies eg. operationalizing a visitors convention bureau (CVB) to market tourism in Kenya | | | | | |
| 7 | We participate in the Magical Kenya Travel Expos to network and explore B-2-B opportunities between exhibitors and buyers while promoting our destination brand and image | | | | | |
| 8 | We host pro-tourism expos/meetings with our industry stakeholders and government representatives in our facilities | | | | | |

13. What challenges does your firm face against implementing cluster-based marketing while trying to work with competitors, supporting industries and governments?

.....

 14. Kindly name other associations that your organization has partnered with in achieving various cluster-based marketing strategies

.....
 15. Do you believe that MICE facilities (enterprises) may be key drivers of marketing synergy among tourism actors in Nairobi City County? Yes No

2 B: CLUSTER-BASED HR MANAGEMENT AND COMPETITIVENESS

16. This Section is concerned with establishing the influence of cluster-based HR management on the competitiveness of MICE facilities in Nairobi City. Please tick (✓) in the box which in your opinion best scores each statement.

| No. | Statement | Strongly disagree 1 | Disagree 2 | Neutral 3 | Agree 4 | Strongly agree 5 |
|-----|---|------------------------|---------------|--------------|------------|---------------------|
| 1. | Our staff train with Kenya Utalii College (KUC), Universities and other institutions for higher skills development, innovativeness and high productivity. | | | | | |
| 2. | We have signed recognition agreements with KUDHEIHA or other trade union, who partners with us and government for the welfare of our employees. | | | | | |
| 3. | We subscribe to the Tourism Fund (TF) to fund training programs available in the industry for our staff development. | | | | | |
| 4. | We engage with Tourism Research Institute (TRI) and other research institutions for adoption of new tourism trends and product development | | | | | |
| 5. | We efficiently apply R&D findings in our firm strategies and processes | | | | | |
| 6. | We are an ISO certified organization and offer high quality conference products for customer satisfaction. | | | | | |
| 7. | We engage our staff with other industry partners and professional associations to benchmark for best practices in technological innovation in tourism. | | | | | |
| 8. | We use human resource management systems (HRMS) for effective management of our employees. | | | | | |

17. What challenges does your firm face against implementing cluster-based HR management while trying to work with competitors, supporting industries and governments?

.....

18. Kindly name other associations that your organization has partnered with in achieving various cluster-based HR management strategies

.....

2 C: CLUSTER-BASED FINANCING AND COMPETITIVENESS

19. This Section is concerned with examining the influence of cluster-based financing on the competitiveness of MICE facilities in Nairobi City County Kenya. Please tick (✓) in the box which best describes your opinion.

| No | Statement | Strongly disagree 1 | Disagree 2 | Neutral 3 | Agree 4 | Strongly Agree 5 |
|----|---|------------------------|---------------|--------------|------------|---------------------|
| 1 | We engage with government through KTF for suitable PPP policies that can attract and secure partnering for investment growth in conference industry | | | | | |
| 2 | We lobby through KTF with governments to charge favorable levies and taxes for low cost of production | | | | | |
| 3 | We engage with government financial bodies like TFC for credit facilities | | | | | |
| 4. | We cooperate with government MDAs to hold meetings in our conference facilities | | | | | |
| 5. | We have engaged in corporate linkages with other SMTEs in shared hi-tech equipment and infrastructural capital | | | | | |
| 6. | We have partnered with relevant financial institutions and SACCOs for competitive loans to build our capital investments | | | | | |
| 7. | We partner with ICT firms and adopt integrated financial management systems (IFMS) in our financial management. | | | | | |
| 8. | We transact with our customers, partners and government via electronic methods like VISA cards, MPESA and eCitizen | | | | | |

20. What challenges does your firm face against implementing cluster-based financing while trying to work with competitors, supporting industries and governments?

.....

21. Kindly name other associations that your organization has partnered with in achieving various cluster-based financing strategies

.....

3: GOVERNMENT MODERATION AND COMPETITIVENESS

22. This Section is concerned with determining the influencing effect of government on destination competitiveness (DC). Please tick (✓) in the box which in your opinion best scores each statement.

| No | Statement | Strongly disagree 1 | Disagree 2 | Neutral 3 | Agree 4 | Strongly agree 5 |
|----|--|------------------------|---------------|--------------|------------|---------------------|
| 1. | We are member of KAHC/KTF/ other. | | | | | |
| 2. | We participate in forums discussing for developing organizational relationships with key stakeholders and government agents. | | | | | |
| 3. | Stakeholders and government representatives are invited in our boards | | | | | |
| 4. | We comply with national and county government policies, regulations | | | | | |
| 5. | We press on our governments to fund development of key infrastructure and superstructure that support our industry like roads, rail, airport, ICT, convention centres. | | | | | |
| 6. | We lobby through association of tourism stakeholders to the governments for provision of proper services | | | | | |
| 7. | We work closely with the national police service and other emergency response units | | | | | |
| 8. | We engage with local government and MDAs boards like TRA, KTB through representatives of KTF. | | | | | |

23. What challenges does your firm face while trying to work with competitors and supporting industries to cause the governments to act in favor of tourism related ventures in Nairobi City County destination?

.....

4: COMPETITIVENESS OF A DESTINATION

24. This section is concerned with examining the indicators of TDC. Please tick (✓) in the box which in your opinion best scores the indicators of competitiveness of a destination.

| No | Statement | Strongly disagree 1 | Disagree 2 | Neutral 3 | Agree 4 | Strongly agree 5 |
|----|---|------------------------|---------------|--------------|------------|---------------------|
| 1. | Visitors' expenditure on our products has grown | | | | | |
| 2. | Visitor days and nights of stay in our facilities have increased | | | | | |
| 3. | Our market share in the sector has grown | | | | | |
| 4. | The number of employees engaged in our enterprise has increased | | | | | |
| 5. | Our employee retention has gone up | | | | | |
| 6. | The number of local and international visitors to our facilities has increased | | | | | |
| 7. | Our organization is eco-certified so our products and practices comply to the green tourism practices | | | | | |
| 8. | We engage in green tourism activities through Eco tourism Kenya (EK) or other | | | | | |

25. Please list down the other indicators of competitiveness used in your organization and in Nairobi City County as a tourist destination?

.....

“I appreciate your time and co-operation for participating in this study”

Appendix 7.5: Interview Guide

Section A: Self-Introduction and Setting Interview Atmosphere

- Acknowledge and thank the interviewee for allowing time for the interview.
- Set the stage and ice-break through conducting self-introductions of self, research assistant, and the affiliated institution and then ask the interviewee to speak.
- Explain briefly the title and focus of the study.
- Declare that the interview is planned to take around 45 minutes
- Assure the interviewee confidentiality and anonymity on the information to be shared.
- Seek consent from interviewee to participate in and to record the interview and start the interview once given go ahead.
- Take control of the interview by taking the respondent through guided question discussions while probing further on statements to gather in-depth information into the study questions.

Section B: Questions

1. Cluster-Based Marketing and DC of Conference Facilities

- i. What are some of the marketing practices that your organization is engaging in to ensuring improved marketing of your services and products?
.....
.....
.....

- ii. Do you participate fully in these marketing practices and how do you ensure these practices are useful in your organization?

.....
.....
.....

iii. Kindly tell me if some of these marketing practices have impacted in any way in your facility?

.....
.....
.....

iv. What other challenges do you encounter during marketing and are you in a position to identify the areas of weakness and improvement in marketing of your facility?

.....
.....
.....

v. How do you overcome such challenges as an organization?

.....
.....
.....

2. Cluster-Based HRM and DC of Conference Facilities

vi. Please tell me about any joint arrangements with other stakeholders and government applied in human resources management in your facility?

.....
.....
.....

vii. What are some of the human resource strategies that you have utilized in your organization to ensure continuous professional development of employees?

.....
.....
.....

viii. According to the human resource strategies that you have mentioned and are being utilized, which among them would you consider and which one would you discontinue?

.....
.....
.....

ix. What are some of the challenges that you encounter during implementation of effective human resource management in your facility?

.....
.....
.....

x. How have you been able to overcome these challenges?

.....
.....
.....

3. Cluster-Based Financing and DC of Conference Facilities

xi. What joint strategies has your organization established with other industry partners to locally amass necessary financial resources for business?

.....
.....
.....

xii. Please share with me any joint strategies your organization and other industry players in NCC apply together to accumulate shared business assets or infrastructure?

.....
.....
.....

xiii. In your opinion what form of obstacles does your facility face against jointly trying to accumulate shared business assets or infrastructure?

.....
.....
.....

xiv. Kindly enlighten me on how you have managed to handle such form of obstacles?

.....
.....
.....

4. Government Moderation on Conference Facilities

xv. What are some of the current National and County government initiatives supporting your business operations?

.....
.....
.....

xvi. Please tell me if the government policies or initiatives in place have impacted positively in your facility?

.....
.....
.....

xvii. What are some of the challenges that you have encountered in ensuring smooth operations between the government and the facility?

.....
.....
.....

xviii. Please tell me how you have managed to overcome such challenges?

.....
.....
.....

5. Destination Competitiveness of Conference Facilities

xix. Kindly indicate at least three indicators that you utilize in measuring your firm competitiveness.

.....
.....
.....

xx. In your opinion, do the mentioned indicators effective in measuring destination competitiveness?

.....
.....
.....

xxi. In your opinion is the synergy between tourism players performing at its very best locally?

.....
.....
.....

xxii. What recommendations do you have that will ensure sustainable destination competitiveness in future for such facilities?

.....
.....
.....

Closing Remarks

- Do you have anything else that you would like to add please?

.....
.....
.....

- I will analyse the information you have shared with me and I will gladly share the report with you for a review in a month's time if at all you will be interested in it.

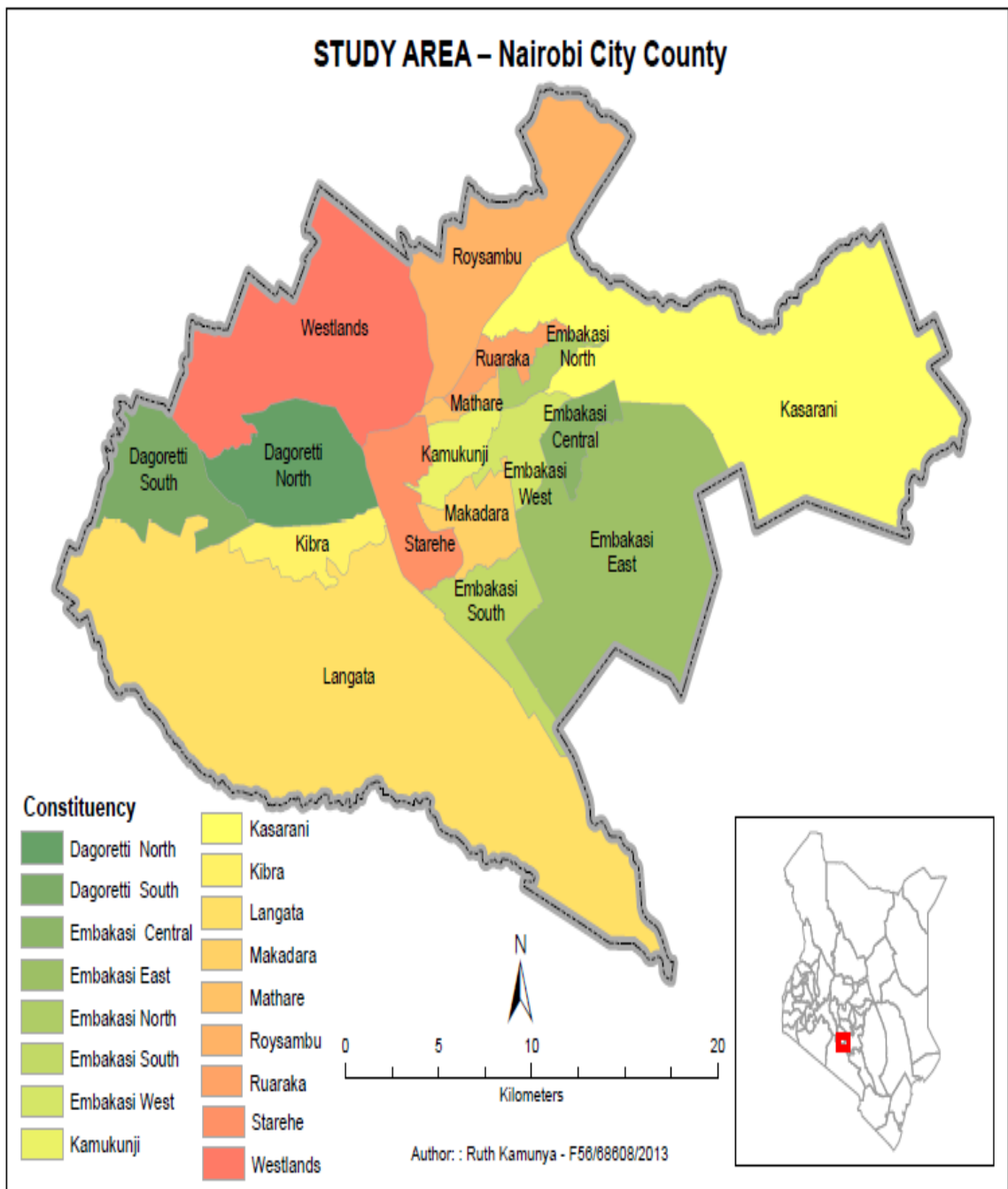
Thank you for your time.

Appendix 7.6: Nairobi-KAHC Member Hotels, 2019

| | |
|-----|--|
| 1. | 67 AIRPORT HOTEL |
| 2. | BEST WESTERN PREMIER |
| 3. | BOMA INTERNATIONAL HOSPITALITY COLLEGE |
| 4. | CLARION HOTEL |
| 5. | CROWNE PLAZA |
| 6. | EKA HOTEL |
| 7. | ENASHIPAI RESORT & SPA |
| 8. | FAIRVIEW HOTEL |
| 9. | GOLDEN TULIP HOTEL |
| 10. | HEMMINGWAYS NAIROBI |
| 11. | HILL PARK HOTEL |
| 12. | HILTON NAIROBI |
| 13. | HOTEL INTERCONTINENTAL NAIROBI |
| 14. | HOTEL ROYAL ORCHID AZURE NAIROBI |
| 15. | INTERNATIONAL HOTEL & TOURISM INSTITUTE |
| 16. | JACARANDA HOTEL NAIROBI |
| 17. | KAREN BLIXEN COFFEE GARDEN & COTTAGES |
| 18. | KAREN COUNTRY CLUB |
| 19. | KENYATTA INTERNATIONAL CONFERENCE CENTER |
| 20. | LAICO REGENCY HOTEL |
| 21. | LEISURE AND TRAVEL GUIDES - EA |
| 22. | MAANZONI LODGE |
| 23. | MUTHAIGA COUNTRY CLUB |
| 24. | NAIROBI SAFARI CLUB |
| 25. | NAIROBI SERENA HOTEL |
| 26. | NAIVASHA KONGONI LODGE |
| 27. | NAS AIRPORT SERVICES |
| 28. | OLE DUME SERVICED APARTMENTS |
| 29. | OLE SERENI HOTEL |
| 30. | PANARI HOTEL NAIROBI |
| 31. | PARKLANDS SPORTS CLUB |
| 32. | PRIDE INN LANTANA |
| 33. | PRIDEINN HOTEL RHAPTA |
| 34. | PRIDEINN HOTEL WESTLANDS |
| 35. | PRIDEINN HOTEL WESTLANDS |
| 36. | PRIDEINN LANATANA SUITES |
| 37. | RADISSON BLU HOTEL |
| 38. | RED COURT |
| 39. | SAFARI PARK HOTEL & CASINO |
| 40. | SANKARA NAIROBI |
| 41. | SAROVA PANAFRIC |
| 42. | SOUTHERN SUN MAYFAIR |
| 43. | SOVEREIGN SUITES |
| 44. | THE BOMA NAIROBI |
| 45. | THE FAIRMONT NORFOLK HOTEL |
| 46. | THE SAROVA STANLEY |
| 47. | THE TAMARIND GROUP |
| 48. | TIN TIN RESTAURANT |
| 49. | TRIBE - THE VILLAGE MARKET HOTEL |
| 50. | UTALII HOTEL |
| 51. | VILLA ROSA KEMPINSKI |
| 52. | WESTON HOTEL |
| 53. | WINDSOR GOLF HOTEL & COUNTRY CLUB |

Source: www.kahc.co.ke/kahc-members-directory, TRA(2019)

Appendix 7.7: Map of Nairobi City County Study Location



Source: Nairobi CIDP (2018)

Appendix 7.8: Time Schedule

| ACTIVITY | September 2019-December 2021 MONTHS | | | | | | | | | | | | | | | |
|--|--|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| Research proposal compilation and presentation | █ | | | | | | | | | | | | | | | |
| Compilation and approval of final research proposal | | █ | | | | | | | | | | | | | | |
| Issue graduate school notice to conduct research for approval | | | █ | █ | | | | | | | | | | | | |
| Processing of research permits | | | | █ | | | | | | | | | | | | |
| Pre-testingg of questionnaire and data collection | | | | | █ | | | | | | | | | | | |
| Data processing and analysis | | | | | | █ | █ | █ | | | | | | | | |
| Compilation of thesis under supervisors' guidance and presentation of findings | | | | | | | | | █ | █ | | | | | | |
| Notice and submission of thesis for examination and defense at graduate school | | | | | | | | | | | █ | █ | █ | | | |
| Defend thesis at graduate school | | | | | | | | | | | | | █ | | | |
| Thesis corrections to incorporate examiners' and defense panelists' reports | | | | | | | | | | | | | █ | █ | █ | |
| Submit thesis to Graduate School for final examination | | | | | | | | | | | | | | | █ | |
| Bind approved thesis and graduation | | | | | | | | | | | | | | | | █ |

Source: Researcher (2021)

Appendix 7.9: Budget

| Item | Quantity | Unit Price (KES) | Total (KES) |
|---|------------------------|------------------|----------------|
| Statutory tuition fee | 2 years | 120,000 | 240,000 |
| Proposal and related costs | 80 pages | 30 | 2,400 |
| Typing final thesis (Chapter 4 and 5) | 79 | 25 | 1,975 |
| Internet charges | 24 months | 2000 | 48,000 |
| Transport expenses (Proposal writing, Pre-testing, research) | | | 30,000 |
| Subsistence while on data collection | 30 days | 1500 | 45,000 |
| Stationery | 10 realms | 400 | 4,000 |
| Photocopying of Proposals (Drafts and Final) | 50 pages x 10 copies | 2 | 1,000 |
| Photocopying of thesis | 160 pages x 10 | 2 | 3,200 |
| Photocopying of questionnaires | 220 sets | 2 | 2,200 |
| Binding of draft proposal and final proposal | 10 sets | 1000 | 10,000 |
| Computer time (Proposal writing, Data Analysis, publishing and thesis binding work) | | | 50,000 |
| Hiring of research assistants | 2 assistants x 15 days | 1000 | 30,000 |
| Expert consultation on data analysis | | | 45,000 |
| Laptop for use in the field | | | 30,000 |
| Miscellaneous expenses (Permits etc) | | | 5,000 |
| Telephone communication | | | 6,000 |
| TOTAL | | | 553,775 |

Source: Researcher (2021)