

**INFLUENCE OF E-TOURISM ON TRAVEL BUSINESS PROFITABILITY IN  
NAIROBI CITY COUNTY, KENYA**

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**T129/OL/CTY/37929/2016**

**A RESEARCH THESIS SUBMITTED IN PARTIAL FULFILMENT FOR THE  
DEGREE OF MASTER OF SCIENCE DEGREE IN TOURISM  
MANAGEMENT IN THE SCHOOL OF BUSINESS, ECONOMICS AND  
TOURISM OF KENYATTA UNIVERSITY**




**OCTOBER, 2023**

## DECLARATION

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

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## ABSTRACT

The new information era has grown drastically overtime with key stakeholders giving considerable attention to adoption of e-commerce. Travel and Tourism businesses have increasingly adopted e-commerce which has helped to link key market participants enabling easy gathering of information for both consumers and suppliers. E-commerce has led to a revolutionary turn around in the way Travel and Tourism business is conducted away from brick-and-mortar operations. This has changed the way consumers make decisions on personalized travel packages using websites to check for roadmaps, hotels, air fares, restaurants, entertainment joints and local events. This study overall objective was to examine influence of e-tourism on Travel business profitability in Nairobi City County, Kenya. The specific objectives were; to profile the existing e-tourism sites/providers and establish their influence on Travel business profitability in Nairobi City County, Kenya, to determine measures for e-tourism success and influence on travel business profitability in Nairobi City County, Kenya, to establish the influence of e-tourism policies on travel business profitability in Nairobi City County, Kenya, to determine the quality of online presence effect on travel business profitability in Nairobi County and to establish how e-tourism innovations drive travel business profitability in Nairobi City County, Kenya. This study adopted descriptive research design. The study adopted mixed method of collecting quantitative and qualitative primary data. The study was done in Nairobi City County, Kenya's capital considered due to its robust economy. The study targeted 172 travel agencies that use e-tourism in their travel businesses. The study also targeted travel agency professionals whose docket is marketing, ICT and management of travel businesses. Slovin's formula was used to determine the sample size of 120 travel agencies. Simple random sampling using the list of registered travel agencies under the Kenya Association of Travel Agents as the sample frame was used to select the travel agents to be enrolled. Purposive sampling was employed to select three (3) managers from each sampled travel agency giving a total of 360 managers/travel professionals. Semi-structured questionnaires were used to gather quantitative and qualitative primary data from the sampled managers. A pre-test of the questionnaires was carried out involving travel agencies that were not sampled for the main study to determine its reliability. Descriptive statistics such as frequencies, modes, means, variances and standard deviations was used to analyse quantitative data using Statistical Package for Social Sciences version 22. Multiple linear regression fitness model analysis was used to predict the influence of the independent variables on dependent variable (travel business profitability). Regression model ( $r^2=0.217$ ) indicated that e-tourism has influenced 21.7% of travel business profitability variability. The study established that quality of online presence ( $\beta=0.533$ ) influenced the most while measure for tourism ( $\beta=0.233$ ) contributed the least. Chi-Square hypothesis testing established that all the independent variables explored did not significantly influence travel business profitability. The study concluded that other factors like air travel costs such as air ticket, visa payments, inflation, high taxation and levies, operations cost of transport and salaries among others need to be used to measure e-tourism influence on travel business profitability. The study also concluded that the e-tourism in Kenya is underdeveloped compared to more advanced countries therefore it will require major policy directions to bring it at par with its competitors. The study recommends for continuous policy development and implementation to give e-tourism a new impetus.