

**THE OPPORTUNITIES FOR KENYAN INBOUND TOUR OPERATORS  
IN MARKETING KENYA AS A TOURIST DESTINATION OF CHOICE  
FOR THE USA TOURISM MARKET, NAIROBI, KENYA.**

**BY:**

**DANIEL KATEI KIKEMU**

**A PROJECT SUBMITTED TO THE SCHOOL OF TOURISM, HOSPITALITY  
AND EVENTS MANAGEMENT IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF EXECUTIVE MASTERS IN  
TOURISM & HOSPITALITY MANAGEMENT**

**MOI UNIVERSITY**

**OCTOBER 2017**

## DECLARATION

### Student declaration

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Signed.....

Date.....

**DANIEL KATEI KIKEMU**

**REG. NO: STHE/EMTHL/003/15**

### Declaration by University Supervisors

This project has been submitted for examination with the approval of the University Supervisors

Signed .....

Date.....

Dr. Ondabu Kiage

Department of Tourism Management

Signed.....

Date: .....

Dr. Nehemiah Kipruto

Department of Travel and Tour Operations Management

## **DEDICATION**

I dedicate this research project to my family for strong support and encouragement throughout this academic journey. May God so abundantly bless all of you.

## ABSTRACT

Kenya is a popular tourism destination in Africa which offers abundant tourism resources. However, to Americans who are the world's top spenders in outbound international travel, Kenya is still not a popular travel destination. This research sought to identify the opportunities available for inbound tour operators in promoting Kenya as a destination of choice for the United States leisure and travel market. Specifically, it sought to: understand the needs of the USA leisure and travel market; establish the tourism products and activities for the USA tourists; establish how the American travel market access information about destination Kenya, determine the strength/weaknesses of destination Kenya ; and establish the operational marketing strategies by tour operators in the US. Primary data was collected targeting 40 respondents from selected inbound tour operators based in Nairobi using questionnaires mainly on 5 point likert scaling. Data was analyzed using descriptive statistics and result presented on tables and charts. The research revealed that: about 24.2% of ITOs targeted the American market and handled about 35.8% tourists; American tourists appreciate abundant tourism resources and quality accommodation; engaged in seeing wildlife, visiting national parks/reserves and safari experience; get their information from company website, travel agencies, brochures and word-of-mouth (scored 5). However, safety and security, and traveling time between Kenya and America (scored 5) were the major obstacles for American tourists into Kenya. In conclusion, Kenya has abundant tourism resources and country do/can delivery travel experiences to American tourists led by safari, unique accommodations and well trained/knowledgeable human resources, and Kenyan Diaspora and social media have great potential to sell and promote Kenya as a destination of choice. It is recommended that; there are lots of opportunities available for ITOs, all they need is to collaboratively put more effort in marketing their products to the American leisure and travel market in order to change/reinforce negative/positive images delivered by international media and some tour wholesalers in America; engage the Kenyan Diaspora and more use of social media to reach more American tourists, and provide accurate information about destination Kenya; engage the government to improve on security and assure American airlines to start direct flights into Nairobi. It is expected that, the results will contribute to academic theory.

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## LIST OF ABBREVIATIONS AND ACRONIMS

DMOs	Destination Management Organizations
EAC	East Africa Community
EATTA	East Africa Travel and Tourism Association
EU	European Union
FIT	Fully Inclusive Tours
GDP	Gross Domestic Product
GIT	Group Inclusive Tour
IATA	International Air Transport Association
ITA	International Trade Administration
ITO	Inbound Tour Operators
JKIA	Jomo Kenyatta International Airport
KA AO	Kenya Association of Air Operators
KAHC	Kenya Association of Hotel Keepers and Caterers
KATA	Kenya Association of Travel Agents
KATO	Kenya Association of Tour Operators
KES	Kenya Shillings
KNBS	Kenya National Bureau of Statistics
KSLH	Kenya Safari Lodges & Hotels
KTB	Kenya Tourism Board
KTDC	Kenya Tourist Development Cooperation
KTF	Kenya Tourism Federation
KWS	Kenya Wildlife Service
MCTA	Mombasa and Coast Tourist Association
MDRs	Market Development Representatives
NTA	National Tourism Authority
NTO	National Tourism Organization
OTO	Outbound Tour Operators
OECD	Organization for Economic Co-operation and Development
PERAK	Pubs, Entertainment and Restaurants Association of Kenya
PESTLE	Political, Economic, Social, Technological and Environmental
RMM	Regional Marketing Manager
ROI	Returns on Investments

SWOT	Strength, Weakness, Opportunities and Threats
TRA	Tourism Regulatory Authority
UFTAA	Universal Federation of Travel Agents' Association
UNCTAD	United Nations Conference for Trade and Development
UNWTO	United Nations World Tourism Organization
WCED	World Commission on Environment and Development
WEF	World Economic Forum
WTTC	World Travel Tourism Council
WTO	World Tourism Organization

## OPERATIONAL DEFINATION TERMS

**Opportunity** According to (Herron & Sapienza, 1992; Shane, 2003) opportunity has been referenced to three central characteristics: potential economic value (i.e., the potential to generate profit), newness (i.e., some product, service, technology, etc. that did not exist previously), and perceived desirability (e.g., moral and legal acceptability of the new product or service in society). For purposes of this paper, therefore, Opportunity will be defined as perceived means of generating economic value for Inbound Tour Operators by reviewing Challenges facing Kenya's inbound Tour Operators and the competitive advantage Kenya has as a destination and finding ways of bridging the gap.

**Inbound Tour Operators.** Cooper et al. (1998) states that, tour operators are the crucial link in tourism distribution chain. They are the only pure tourism organizations. They are in contact with travelers before, during and after their vacation and hence they can influence behavior. They potentially have control of tourists' itinerary while at destination including accommodation, excursions, air and ground transportation, where to visit, etc. Inbound Tour Operators, also known as 'ground operators' or destination management companies', are the local experts in a certain destination's tourism products. In this study, we look at the role they play in tourism product distribution among all stakeholders, as they promote and distribute Kenya's tourism products to the USA consumers.

**Marketing** is everything and everything is marketing (McKenna 1991). In this study I look at marketing as an organizational function and a set of processes for creating, communicating, and delivering value to consumers and for managing consumer's relationships in ways that benefit the inbound tour operators

**Tourist Destination** is a combination of tourism products, offering the tourist an integrated experience (Bulharis 2000). Tourism destination refers to a place/s that offer an amalgam of tourism products and services, which are consumed under the name Destination (Bulharis 2000). In this study Tourist destination are a mix of tourism products, experiences and other intangible items which are promoted to the consumer. In this study it will refer to the attractions, accessibility, amenities, activities ancillary services and all the available packages.

**Choice** is an exercise in knowing, communicating, and realizing one's preferences. In this study we will look at the preferences of USA travel and leisure consumer market look at when deciding on a particular destination as USA society is fundamentally individualist in character, and choice fuels this individualism (Bellah et al. 1985; Markus and Kitayama 1991).

## **ACKNOWLEDGEMENT**

During my research, the constant association with inbound tour operators who were active members of KATO was most pleasurable. Without their help the completion of this report would have been difficult. Thank so much for your help. Secondly, I would like to thank the members of my family especially my wife and our children, those wonderful staff I work with and friends. You have been loyal and helpful. Thirdly, I acknowledge my supervisors, Dr. Ondabu Kiage and Dr. Nehemiah Kiprutto Kiprop, who provided guidance, support, encouragement, and were patient in the course of writing this report. Without you, this report would not have been what it is. Thank you so very much. Finally, thank you to the almighty God for your unconditional love and protection for me.

## **CHAPTER ONE**

### **1.1 Introduction**

This chapter focuses on; background, problem statement, objectives, research questions, justification/significance, scope and limitations of the study. It laid the foundation of the study, identified the problem the study focused on and made attempts to minimize the problem through stated objectives. It further outlined the need for this study and finally outlined the limitations of this study.

### **1.2. Background to the Study**

According to Mathieson and Wall (1982), tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs". While, McIntosh and Goeldner (1986), showed it as, the sum of the phenomena and relationships arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors. "Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited" (UNWTO, 2005).

According to UNWTO (2014) reports, tourism is an increasingly important global industry whose statistics indicate that; international arrivals are expected to be more than double by 2020, reaching 1.6 billion arrivals while tourism expenditure will be more than quadruple to reach US\$ 2 trillion. From the perspective of this global tourism industry, tourism to and in developing countries may seem to be of major significance i.e. 42% of international travel takes place to the vast number of today's

developing countries. Travel to developing countries, however, is growing disproportionately fast. Between 1990 and 2000 the growth rate of international travel to developing countries was 94.4%, compared to a growth rate of only 29.3% of international arrivals in OECD countries and 38.4% in EU countries (WTO 2002). The direct contribution of Travel & Tourism to Kenyan GDP was KES220.6bn (4.1% of total GDP) in 2014, and was forecast to rise by 3.8% in 2015 and to rise by 5.1% p.a. in the period 2015-2025 generating KES 376.5bn (4.0% of total GDP) in 2025. In 2014 Travel & Tourism directly supported 206,500 jobs (3.5% of total employment). This was expected to rise by 1.2% in 2015 and rise by 2.9% pa to 277,000 jobs (3.4% of total employment) in 2025. Travel & Tourism investment in 2014 was KES69.3bn, or 6.4% of total investment. It rose by 5.0% in 2015, and was expected to rise by 5.2% pa over the next ten years to KES121.0bn in 2025, (World Travel & Tourism Council, 2015).

Despite wars, political turmoil, natural disasters, medical scares, terrorist attacks, economic and energy crises in various parts of the world, international trade in tourism has continued to grow spectacularly since the 1970s. According to KNBS (2015), the number of international visitor arrivals declined by 11.1 per cent from 1.52 million in 2013 to 1.35 million in 2014. Tourism earnings declined by 7.3 per cent from KES 94.0 billion to KES 87.1 billion over the same period. The number of bed-nights occupied declined from 6.6 million in 2013 to 6.3 million in 2014. International conferences decreased by 19.4% to 241 in 2014 from 299 in 2013, but the number of local conferences held increased by 8.0 per cent from 2,849 in 2013 to 3,077 in 2014. Factors that impacted negatively on the tourism sector include: security concerns, negative travel advisories and fear of spread of Ebola.

Tourism, through its multiplier effect, has the capacity to promote regional development, create new commercial and industrial enterprises, stimulate demand for locally produced goods and services, and provide a market for agricultural products. KNBS (2001-2011), indicates that tourism development in Kenya led to economic growth and poverty eradication in a number of ways such as; generation of foreign exchange earnings, taxation, duties, license fees, park entry fees; employment both in the formal sector (200,000 jobs) and in-formal sector (600,000 jobs), and a stimulant of growth in other economic sectors such as agriculture, manufacturing, transport and handicrafts. Tourism has been identified as one of the key drivers in achieving the goals of Kenya's Vision 2030 (GoK, 2011). With these existing and potential benefits of tourism, it is essential that inbound tour operators identify opportunities that they can use to market Kenya as a destination of choice for specific tourism market to enable the country be competitive in the global tourism market. Middleton and Clarke (2001), stated that the essential component of a marketing strategy is the formulation of a brand, image and positioning. These elements aim to answer "the organization position in terms of customer and retailers perceptions of its products and values." and it includes the choice of corporate brand and image in relation to competitors. Hart (2004) recognizes that product branding is a vital concept in traditional marketing.

The aim of the project was to evaluate the opportunities available for Kenyan tour operators, here referred to as inbound tour operators (ITOs), in marketing Kenya as preferred tourist destinations for the USA tourist consumers. ITOs are a central link between demands (tourists) and supply (destinations) and hence have power to influence both according to their needs. ITOs may be referred to as 'middlemen' (Maru, Loice and Kieti, 2013). ITOs are normally located in key urban centers and usually the entry areas to main attractions. They range from multinationals to



briefcase firms and are usually contracted by OTOs and thus are an important component in ensuring tourist satisfaction (Honey and Krantz, 2007). ITO firms face various challenges cause of dynamic nature of tourism, changes in technology, and other emerging destinations offering similar products and services. Therefore, ITOs play a central role in the whole tourism operations.

### **1.3 Statement of the Problem**

The USA resident outbound market totalled 64 million in 2007, there was a significance growth to 68.2 million in 2014, up by 11 percent from 61.3 million in 2013(ITA 2015). Main purpose for the travel was vacation/holiday which was estimated at 51 percent. Kenya travel only accounts for around 0.32% of the total overseas travel from USA, and around 3% of USA travellers who choose Africa as their overseas travel destination.

By 2007, the USA was the 2nd largest source market for tourist arrival into Kenya (100,516 arrivals) after the UK (203,494 arrivals). In 2015, the USA retained the same position with a total of 63,193 tourists after UK 74,090 arrivals using JKIA as their port of entry. Comparing 2007 and 2015, the number of USA tourists into Kenya has been declining. This decline may be as a result of external environmental forces, poor coordination and lack of strategic alignment between the tourism stakeholders to tap the available opportunities Kenya has as a tourist destination. The USA market cannot be ignored because statistics show that more Americans are travelling to various destinations for leisure, business and conferences (UNWTO, 2014). For destination Kenya, there are opportunities available for the American leisure and travel market, if stakeholders and especially ITOs can tap and exploit them. This project sought to explore those opportunities with the aim of filling the existing gap.

## **1.4 General Objective**

The objective of the study was to determine the opportunities for inbound tour operators in marketing Kenya as preferred tourist destination of choice for USA leisure and travel market.

### **1.4.1 Specific Objectives.**

The study sought;

- i) To find out the needs of the USA leisure and travel market;
- ii) To establish the tourism products and activities for the USA tourists;
- iii) To find out how the American travel market access information about destination Kenya;
- iv) To determine the strength/weaknesses of inbound tour operators;
- v) To establish the operational marketing strategies by tour operators in the American leisure and travel market.

### **1.4.2 Research Questions**

- i) What are the needs of the USA leisure and travel market to Kenya?
- ii) What are the tourism products and activities that the USA tourists consume/engage in Kenya?
- iii) How the American travel market access information about destination Kenya?
- iv) What are the strengths/weaknesses of inbound tour operators in service provision?
- v) What are the operational marketing strategies by tour operators in the American leisure and travel market?

### **1.5 Justification of the Study**

Statistics show that the USA leisure and travel market into Kenya has been declining and yet it is an important market for the Kenyan tourism. Also, there is a growing Kenyan Diaspora in America, calling for urgent need to understand this trend with a view to reversing it. Tourism is one of the leading foreign exchange earners and creates enormous employment opportunities for Kenyan people, revenue base and thus, a decline of tourists must be a cause of concern. Tourism is one of the pillars of vision 2030 and therefore, this trend must be understood to support the realization of vision 2030.

### **1.6 Significance of the Study**

The study will contribute to tourism product diversification, good service delivery, enhanced people skills, and good image of brand Kenya. The study also, will contribute to theoretical knowledge and a source for reference.

### **1.7 Scope of the Study**

The study focused on the respondents from tour operators who are members of Kenya Association of Tour Operators based in Nairobi and targeted 40 TOs. Owners of the companies, CEOs, Marketing Directors and Tour Consultants were the respondents.

### **1.8 Limitation of the Study**

The scope of this project was focused on the respondents from Tour Operators who are members of KATO. Respondents who answered these survey questionnaires were Owners of the companies, CEOs, Marketing Directors and Tour Consultants etc. The limitation of the project included; Accessibility- some Tour Operator offices were scarcely located within Nairobi meaning, I had to move from one end of the city to the other which in turn proved to be expensive in terms of bus fare. Weather condition

was pathetic; sometimes I got rained on and/or suffered the scorching sun. The data was collected during peak season thus most respondents were out on the field or busy with guests hence I had to wait for long period to get the feedback. There was also lack of literature on the relevant topic I was researching on with only a small amount of data available.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Chapter two focuses on existing literature, theoretical framework of the study, marketing strategies for a tourist destination and role of Inbound Tour Operators. It begins with tourism evolution up to present time, analyzes all the marketing theories related to tourism marketing, defines destination, marketing, and Tour Operators. It looks at the role of the Kenyan Government and its marketing agency KTB in marketing Kenya as a tourist destination, identifies all the opportunities and challenges facing Tour Operators in marketing Kenya's tourism products and services to the US consumer. The chapter concludes with travel related motivation theory.

#### **2.2 History of Tourism**

Tourism history is divided into six different stages of its evolution. Tourism development at Roman Empire Stage; This was the period between 27 B.C. to A.D. 476, there was need for travel because of military, political, communication and trade from the central government to all its distance territories. Artisans and architects had to travel in order to design and construct all different tombs and palaces. Olympic Games in Greece were another reason why tourism evolved as participants and spectators had to travel hence there was need for accommodation and food. It's in record the rich Romans travelled to the seaside resorts for sightseeing.

Tourism development at Middle Age Stage; This was the period between A.D. 500 to 1400 where there was much growth influenced by religious reasons. Pilgrims had to visit their holiday which included Mecca for the Muslims followers and Jerusalem and Rome for the Christians. Tourism development in the 16<sup>th</sup> Century; Many people

travelled to broaden their personal experiences and knowledge especially traders from Europe. Tourism development in the 17<sup>th</sup> Century; Grand tour had started in Europe in countries like Germany, France and Italy especially for the children of British aristocracy. It was a very important tour to train future administrators as well as political leaders.

Tourism development during the Industrial Revolution Stage; which was the period from about A.D. 1750 to 1850 when there was mass tourism movement in Europe. Many people changed their livelihood from agriculture to urban life style. This led to the rapid growth of wealth hence increased leisure time as well as creation of holiday destinations. Travel by the wealthy people to visit the spa because of health related issues increased. The rich also wanted to differentiate themselves by fashionable designs and outfits.

Tourism development in the 19<sup>th</sup> to 20<sup>th</sup> Centuries; during this period social and technological advancement brought around immense impact on tourism development; railways, air and safe road transportation were invented. During the world war two there was impetus improvement in communication. 1980s was the boom period and 1990s the aviation sector marched towards sophistication technology (Linda, Michael 2012).

### **2.3 Tourism History in Kenya**

Crompton (quote in Jommo, 1987) had observed that tourism in Kenya was instituted during the colonial period as a “European hedonocracy”, that is, a leisure-oriented activity for which only Europeans were equipped culturally, economically and socially to take part in, and around which they reserved for themselves the right to undertake entrepreneurial activity. In those days, tourism was the “white hunter”

brand of independent adventures. It should be noted that before the colonial period, East Africa had long received visitors from ancient Greece, Arabia, Persia (now Iran) and India. However, the majority of those who came to the Kenyan coast from these countries were traders and conquerors rather than leisure seekers (Migot-Adolla et al., 1982).

Tourism in Kenya began during the colonial era as Trophy hunting. Trophy hunting by early settlers to Africa was largely uncontrolled with negative consequences for wildlife populations, and particularly those of large bodied species (Roulet, 2004a). Tourists who came then were mainly in search of prized game trophies won from safari hunting.

In the late 19th century there was recognition among some hunters of the need to protect remaining 'game' populations (Adams, 2004). During the early 20th century, hunters played a key role in the establishment of protected areas in various African countries (Fitter and Scott, 1978; Adams, 2004). This led to development of distinct tourism destinations as well as tourism product. Policies were eventually enacted that greatly increased the country's involvement in tourism. Among other policies were, the National Parks Ordinance was instituted in 1945 "to provide for the establishment of national parks and for preservation of wildlife; wild vegetation and objects of aesthetic, geological, prehistoric, archaeological, historical or other scientific interest therein and for incidental matters relating thereto" (Williams quoted in Nyeki, 1992). Creation of wildlife protected parks and game reserves in Kenya started with Nairobi National Park being the first park to be gazette 1946 followed by Tsavo National Park.

East Africa Travel and Tourism Association (EATTA) was formed in 1948 to coordinate the development and promotion of organized tourism (Ouma, 1982). EATTA laid down the initial groundwork for the development of organized tourism activities in Kenya (Akama & Ondimu, 2000). This led to the increase in wildlife viewing and game hunting in East Africa. International tourists arriving in Kenya increased from 40,000 in the year 1955 to 65,000 in the year 1963 (Ouma, 1982). At the time when Kenya gained its independence in 1963, the government inherited a tourism industry whose structure and infrastructure had been carefully nurtured by EATTA through promotional efforts. However, the tourism sector did not attract the attention of the government until 1965 when it was included in the first National Development Plan 1965-1970 (Kenya, 1965a). Ministry of Tourism and Wildlife was created in 1966 as the main policy making organ of the state in tourism and wildlife matters. Part of its brief was to allocate resources to cover all activities carried out by other public bodies whose responsibilities impinged on tourism (Kenya, 1965a).

There was an accommodation shortage especially in 1965-66. This situation was aggravated by the fact that the former colonial regime had left little expertise in tourism, which together with capital and skilled labor shortages constrained the rapid expansion of tourism (Mitchell 1968). This led to the formation of Kenya Tourist Development Corporation (KTDC), in 1965 through an act of parliament. A Government Parastatal within the Ministry of Tourism and Wildlife to provide finance and technical support to potential investors in different sections of the tourism industry with emphasis on small and medium sized hotel and lodge developments; to closely monitor the operation of hotels, lodges and other forms of accommodation; to ensure government direct participation in commercial investments in the tourism industry, and to act as the executive agency for the government's digitization policies,



as stipulated in Sessional Paper no. 1 of 1965 under the brand name “African Socialism” (Kenya 1965b). The immediate aims of the government were to expand the capacity of lodges, to develop tourist circuits within Kenya and East Africa, and to encourage tourists to combine the pleasures of fishing, beaches and mountain climbing with game viewing.

Training of personnel for the tourism industry was the other policy which was adopted in 1969; the tourist industry was managed almost exclusively by expatriates working for overseas tourism companies with the assistance of Kenyans in subordinate ranks (Sindiga 1996b; Summary 1987). (Ouma, 1982) decried this “fumbling” in a competitive world industry and plead to the government not to leave training to the “voluntary whims of private operators (1970, 103)”. The urgency of the situation led to the establishment of the Kenya Utalii Hotel Management and Training College (Utalii College) in 1975. This College trains personnel for the various positions in the hotel and tourism industry. The college is funded by a 20% gross income on hotels and restaurants, and is administered by the Catering Levy Trustees (Jommo, 1987; Sindiga, 1996b).

In 1970s, there was increased development of tourism. This was the turning point from trophy hunting safari to photographic safari and beach tourism. Tourism was evident when the sector became the fastest growing and most important sector of the Kenyan economy. In the late 1980s Kenya was receiving over 6% of the total international tourist arrivals to Africa. The tourism facilities and infrastructures were relatively developed and air transport links, lodges and accommodation facilities that aimed at attracting local middle class, particularly along the main tourist circuits and cities, developed rapidly. The tourism sector recorded over 1 per cent contribution to

national gross domestic product (GDP), generating an estimated 140,000 direct jobs and a further 350,000 indirect jobs (Government of Kenya, 1993).

In 1989, the country received over 800,000 international tourists and it was predicated over 1 million tourists by the turn of the century.

In the 1990s, the number of tourists travelling to Kenya decreased, According to (Holloway 1989) had observed that however attractive a destination, its potential for tourism will be limited unless basic amenities that a tourist requires are provided.

Reasons for tourist decline were:

- a) Tour Operators had over the years presented partial information and undifferentiated images of Kenya's tourist attractions. Little effort was expended in giving a complete and accurate picture of Kenya's diverse cultural and environmental attractions (Sinclair, 1990; Kibara, 1994).
- b) Unplanned and haphazard development of tourism facilities in the 1970s in the fragile coastal and marine environment led to severe tourism resource degradation. Hotels that had been constructed without taking into consideration the environmental impact had interfered with the fragile marine ecosystems comprising of lagoons, sandy beaches and coral reefs (Visser & Njuguna, 1992). As a result, the quality of the coastal and marine tourism product deteriorated. At the same time other African countries including Tanzania, Zimbabwe and Botswana opened up their tourism industry significantly, offering competitive, un-spoilt products. In response, many tourists that had traditionally visited Kenya moved on to these alternative destinations.
- c) 1991 to 1992 Kenya undertook the first multi-party elections democracy from a single party dictatorship in late 1992 amid political violence in the clamor for

political reforms. The political and economic environment that preceded the emergence of multiparty democracy in the early 1990s destabilized the tourism industry significantly in 1993 and even more in 1994 as a negative image of national security spread through international media and national stability is a major prerequisite for a stable tourism sector.

- d) According to UNICEF (1998) report, El-Nino rains of 1996/7 damaged and destroyed many roads, particularly less robust feeder roads that supply tourists to remote areas, and to lodges within game parks and reserves.
- e) The terror attack of the American embassy in Nairobi, August 07<sup>th</sup> 1998 at 10:00am, The West Gate Shopping mall attack on September 21<sup>st</sup>, 2013, Garissa University attack on April 02<sup>nd</sup> 2015.
- f) Partly due to the well-publicized murders cases of several tourists while in Kenya for example Julie ward murder case in September 1988.

Factors which contributed to tourism decline in Kenya are many but inter-related in one way or the other. Violent protests, civil war, the perceived violation of human rights or even the mere threat of these activities will cause tourists to cancel their vacations (Teye, 1988; Richter, 1992). Tourism is driven by a number of key factors including economic wealth, social-political stability, availability of leisure time, the expansion of safe and affordable transport, the lessening of travel formalities, and advanced in information technology (Ibrahim & Gill, 2005). Today Kenya's wildlife resources are distributed in well over 44 locations, in what are known as National Parks and National Reserves. The parks and reserves occupy 15,797 square miles (7%) of Kenya's land surface area (Yeager and Miller, quoted in Dieke, 1991).

In the 20<sup>th</sup> century, there was minimal increase in tourism which was generated by several factors including attacks, where a series of four coordinated terrorist attacks

by the Islamic terrorist group Al-Qaeda on the United States on the morning of Tuesday, September 11, 2001 as well as the SARS, Ebola and chicken flu scares in the Far East. The emergence of AIDS in Kenya coincided with a deteriorating security situation and infrastructure (Wikipedia).

## **2.4 Overview of Destination Marketing.**

Destination marketers operate within some limitations as; they cannot change the official name or geographic boundary of an area they are representing, have little control over the host community's ways of acceptance as well as their and attitude towards tourists. They can't control the quality of the actual visitor experience relative to what they promise while marketing. They have little if at all any contact with the tourists to have meaningful engagement and understand the guest's needs. They can't control stakeholders' product development, pricing or marketing communications which should be part of joint promotions. As Fyall (2011), argued "...unless all elements are owned by the same body, then the ability to control and influence the direction, quality and development of the destination pose very real challenges". Marketing a destination must be based on a mix of the 7Ps namely; promotion, product, place (distribution), price, processes, people and physical evidence. If this 7Ps are well mixed and complement one another, then a destination is a success story.

### **2.4.1 Definition of a Destination.**

Richardson and Fluker (2008) have described a destination as the "fundamental unit" of tourism, the focal point where the development and delivery of tourism products occurs. What is generally accepted is that a destination is a complex phenomenon, something that cannot be equated with a 'product' or 'commodity'. Rather, it is a place where people live, work and play (Hall et al., 2004). Metelka (1990: 46)

defined a destination as the 'geographic location to which a person is traveling'; Vukonic (1997) equated the term to that of a 'resort', Gunn (1994: 107) saw a destination as being a 'travel market area' and referred to destination zones that are geographic areas 'containing a critical mass of development that satisfies traveler objectives'.

According to UNWTO (2003b), a destination is "a physical space in which visitors spend at least one night and is made up of tourism products such as support services and attractions, and tourism resources with physical and administrative boundaries that define its management, images/ perceptions of market competitiveness".

According to Buhalis (2000), tourist destination is a places that offer an amalgam of tourism products and services, which are consumed under a brand name of the destination. He argues that 'they are well defined geographical regions, understood by visitors as unique entities with a core of six main provisions, i.e. attractions, accessibility, amenities, available packages, activities and ancillary services. According to Cooper et al (1998) destination is defined as "the focus of facilities and services designed to meet the needs of the tourists". A destination can be characterized in the six provisions illustrated in Table 2.1

**Table 1: Framework for the analysis of tourism destinations (Buhalis (2000))**

Attractions	(Natural, man-made, artificial, purpose built, heritage, special events)
Accessibility	(Transportation system comprising of routes, terminals & vehicles)
Amenities	(Accommodation & catering facilities, retailing, other tourist services)
Activities	(All activities available at the destination)
Ancillary services	(Services used by tourists such as banks, police posts, hospitals, etc.)
Available packages	(Pre-arranged packages by intermediaries and principals e.g. Hotels)

**Source: Buhalis (2000)**

#### **2.4.2 Destination Marketing and Management.**

Marketing is everything and everything is marketing McKenna (1991). Destination marketing and destination management are words which are often used interchangeably. Destination marketing is part of destination management. Destination marketers are more concerned with the selling of a certain destination with unique characteristics. Most tourism planners focus only on destination developments without paying attention to retaining and preserving and constantly marketing the destination. Hence, destination marketing is one of the key theoretical standpoints in this study, which at the same time create opportunities for ITOs to market Kenya as a destination of choice for both international and domestic tourists.

Destination marketing involves cooperative and competitive linkages among the commercial operators and also the coordinating organizations. According to Buhalis (2000), a destination is a combination of tourism products, offering the tourist an integrated experience. Destination marketing is the “heartland of tourism marketing”,

as it acts as a catalyst by linking all the other industries in the tourism, accommodation, transport and attractions sectors (Seaton and Bennett, 2004).

The role of Destination management is to manage and support the integration of different resources, activities and stakeholders through suitable policies and actions. It implies then both governmental/decisional and functional competences (planning, organization and control of business activities), which should be generally performed by the public sector (Manente & Minghetti, 2006). These roles should include; ensuring tourism sustainability, improving tourism yield, spreading the benefits of tourism, building a strong and vibrant brand identity, leadership and coordination, planning and research, product development, marketing and promotion, establishing a competitive edge and community relations.

While tourism has been around since the late 19th century, texts concerned with destination planning, marketing and management have only emerged in earnest since the 1990s. Destination management is the coordination and integration of all of the elements of the destination mix in a particular geographic area based upon a defined tourism strategy and plan. The destination mix elements are the attractions and events, facilities (hotels, restaurants, etc.), transportation, infrastructure, human resources and hospitality resources (Mill and Morrison, 2012). In addition, destination management encompasses the image-making, branding, and marketing and communications of all that the place has to offer to tourists.

Destination mix and the destination product all have similar concepts which have products components.

When discussing strategies to market services, which in turn create opportunities for service providers to market a destination, attention must be paid to the distinctive

nature of service performance especially customer involvement in production, time factors and real-time consumption. This leads the project to focus on the 7Ps model of integrated services management which forms the opportune of opportunities (Zeithaml and Bitner, 2000). They are:

**(a) Products.** According to Kotler (1984), a product is defined as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, places, organizations and ideas". This product has to be purchased from the market. Managers must select the features of both core product (service or good) and the bundle of supplementary service elements surrounding it, with reference to the benefits desired by customers and how well competing products/services perform. For example a hotel, animal zoo are available in the market satisfying different needs and wants of the buyer. These form part of our natural and cultural heritage which plays the pivotal role in drawing tourists to a certain destination. They should be supported by all other elements of a tourist destination to make travel within a destination enjoyable.

Service providers must be attentive to all aspects of the service performance that have the potential to create value to customers (Lovelock, 2000). Tourism products are only offered or available at the destination. They cannot be transferred or moved outside the destination. That's why tourists have to travel to the destination site. Only memories can be transferred from the site of consumption, you cannot take back the experience and share it with your friends. Tourism products are highly dependent upon the experience of the tourist. So it becomes difficult to measure the level of



product quality. Tourist's products are availed by people, especially the locals who have to be at the site to deliver the services.

**(b) People.** Many services depend on direct and personal interaction between customers and a firm's employees. The nature of these interactions strongly influences the customer perceptions of service quality (Hartline and Ferrel, 1996). Customers will often judge the quality of the service they receive based on their assessment of the people providing the service. They may also make judgment based the other customers they encounter. Successful service firms devote significant effort to recruiting, training and motivating their personnel. The quality of service can be measured by observing the performance of employees against objective criteria that specify the types and level of technical knowledge an employee must have to perform his/her job (Gronroos, 1983; Fitzsimmons and Sullivan, 1982; Normann, 1984).

Numerous authors have asserted that tourism is essentially experiential not just as something that is experienced but, rather, an experience per se. The idea that a tourism product is a human experience is not just an academic notion. People are the backbone to the tourism; they do provide hospitality resources and personal services (Dann, 1976; Gunn, 1988; Jefferson and Lickorish, 1988; Murphy, 1985; Prentice, 1993)

**(c) Process.** Creating and delivering product elements to customers requires the design and implementation of effective processes that describe the methods and sequence of actions in which service operating system work. Badly designed processes are likely to annoy customers when he/she experience slow, bureaucratic and ineffective service delivery. Processes are designed by service providers and monitored carefully to see their successes.

Packages can be assembled by tour operators, travel agents etc. And combine many elements of the total travel experience. Packages can be purchased through traditional retail channels including tour operators, travel agencies, or online. We have several types of tour packages including; Group Inclusive Tour (GIT) these are tour package prepared for specific minimum number of guests all traveling together and mostly they are escorted on charter transport. Fully Inclusive Tour (FIT) these are tour packages prepared for one to ten people, the packages includes accommodation, sightseeing and transport. Successful tour package should be planned far enough to ensure there is enough room for correction, the price should be competitive in relation to other similar packages, Quality should be the key and maintained, paying attention to detail is very important, the package should be compatible with all activities and services as per the target group, easy to communicate to avoid last minute surprises and a package should accommodate a profit for the company (Lumsdon, 1997).

**(d) Promotion.** No marketing program can succeed without effective communications. Promotion provides information and advice, persuade target customers of the merits of a specific product/service and encourage them to take action at specific time. Communications can be delivered by sales people, electronic media, newspapers, brochures, websites, etc. Promotional activities may serve to marshal arguments in favor of selecting a particular brand (i.e. brand Kenya) or use incentives to catch customers' attention and motivate them to act (Lovelock, 2000). Tour operators can use promotions to increase sales within a short term. However there are several questions which you have to answer before any promotion is done. When is the best time to promote? Is there seasonality in the market for the product? How do your competitors do their promotions? And how does that influence your choice of promotional activity? Promotion from services perspective is more of

creating awareness, informing potential customers what a destination offers, how to access that destination, how to pay for services, among others.

**(e) Physical Evidence.** The appearance of what customers encounter, interact with and use including buildings, landscapes, vehicles, equipment, rooms, seats, staff members, signs, printed materials, and other visible cues, all provide tangible evidence of a firm's service quality. They do have a profound impact on customers' impressions and their future intentions (Gronroos, 1983).

**(f) Price.** Management of expenditures and other incurred by customers in obtaining benefits from service product is critical to the contemporary visitors. Service providers should minimize burdens that customers may bear in purchasing and using a service, including time, mental and physical efforts and unpleasant sensory experiences such as noises and smells. At service consumption, customers are keenly watching what they were promised and what they are experiencing and comparing them with prices charged (Zeithaml and Bitner, 2000).

**(g) Place.** Delivery of product elements to customers involves decisions in the place and time of delivery as well as the methods and channels employed. Delivery may involve physical or electronic distribution channels (or both), depending on the nature of service being provided. Use of messaging services and internet allows information-based services to be delivered in cyberspace for retrieval by computer whenever and wherever it suits the customer. Service providers may deliver services directly to the customers or through intermediary organs such as retail outlets that receive a fee or a percentage of the selling price to perform certain tasks associated with sales, service and customer contact. Speed and convenience of place and time for the customer are important determinants in service delivery strategy (Gronroos, 1983).

A summary of the 7Ps



Source: [www.professionalacademy.com](http://www.professionalacademy.com)

**Figure 2.1: The marketing mix (7Ps)**

### 2.4.3 Elements of a Tourist Destination

Tourist friendly destinations are created from a combination aspect of space, activities, and products within the tourism system approach (Anuar et al., 2012a). Space which is equipped with infrastructure, facilities, accommodation, attraction and others, is essential to ensure a tourist friendly destination that fulfills the supply and demand of tourist (Anuar et al., 2012b). Morgan *et al.* (2002b), points out that 70% of all tourists visit the ten major world tourist destinations, leaving the rest of the world sharing the remaining 30% of tourists. This indicates the intensity of competition for the other less known destinations. For the tourism to be a profitable industry now and in the long term, its development and management should be according to a new competitiveness paradigm (Ritchie and Crouch, 1993). Competitiveness is now widely accepted as the most important factor determining the long term success of organizations, industries, regions and countries (Kozak and Rimmington, 1999). These elements from the aspect of space which make the foundation of tourist friendly destination includes;

**(a) Attractions.** Kenya is regarded as the ‘Jewel of East Africa’ (Kenya, Feb 2009). It is hard to find any other country in the world that can provide the visitors as much to experience as Kenya can. Visitors are offered diverse choices ranging from world famous wildlife parks/reserves to Indian Ocean beaches with 480km of coral reefs, and from breathtaking natural beauty of rich cultural and historical sites. Besides, there is the great migration covering two national parks, an attraction of its kind. According to Mayo and Jarvis (1981), attractiveness of a destination is perceived as the ability of that destination to deliver individual benefits’. It’s the ability to enhance the attributes of a destination, i.e. those components that makeup a destination. This is a demand side perspective of the destination. The importance of these attributes help people to evaluate the attractiveness of a destination and make relevant choices. The attractiveness of a tourist destination encourages people to visit and spend time at the destination. Therefore the major value of destination attractiveness is the pulling effect it has on tourists. Without the attractiveness, tourism does not exist and there could be little or no need for tourist facilities and services. It is only when people are attracted to a destination that facilities and services follow (Ferrario, 1979b).

According to Cooper et al, (1998), attractions can be classified by ownership, capacity, market or catchment area, permanency and type. However, these classifications appear rather narrow, not taking vital factors into account, such as ownership, multiple stakeholder involvement, access and so on (Leask, 2003). Therefore Leask (2003) proposes a more comprehensive model, based on the product and resources, but taking other important factors into account as well. Weaver and Lawton (2010), contend that it is not sufficient to simply list and categorize attractions, but demand that managers and owners regularly assess their attraction, using a variety of attraction attributes. These attributes include ownership, orientation,

spatial configuration, authenticity, scarcity, status, carrying capacity, accessibility, market and context. Kenya is endowed with both natural and cultural heritage attractions which give her and those service providers immense opportunities in marketing Kenya as a destination of choice.

**(b) Accessibility and Connectivity.** Accessibility implies how well a destination is located and served by transportation network and systems. Location can be defined as a place or position (Dewan and Kamus, 2010). Though the physical characteristics of a location cannot be changed (with the exception of the passing of millions of years during which change inevitably happens), the location of tourist markets can change quickly (Ritchie & Crouch, 2003).

Macro-access International links refers to international accessibility and connectivity to and from that key destination. Factors considered includes freedom of air and bilateral agreements, number of national carriers to and from that destination, lower cost airfares, visas facilitating process, easy connectivity for long hub etc. Micro access/ local links; this refers to transportation and communication within a local destination. Factors considered include; capacity of transport system-traffic congestion, Pedestrianization (nature trails/ foot paths) *Inter-modal* and *Intra-modal* connectivity, etc. There is fairly good air accessibility and connectivity into and out of Kenya. Aviation infrastructure is critical for inbound tourism. Nairobi is well connected internationally and there is continued expansion and development of airport(s) in the country.

**(c) Amenities.** These are the supporting services and facilities for the tourist to visit a certain destination. They included: banking services, recreation facilities, health facilities, well maintained and clean waiting rooms and toilets, cafeteria, parking

facilities, utilities (electricity, water and sanitation, waste management systems, telecommunication), etc. The quality of the amenities should exceed guests' expectation for a destination to be valued.

According to Ritchie & Crouch (2003), infrastructure and superstructure constitute the most important element in determining the success of a tourism destination. This element is typically implemented by relevant parties aside from the private sector such as the government to develop tourism destination (Anuar et al., 2012c). Infrastructure can be defined as the basic structure of an organization, system, facility, and basic service (Dewan and Kamus, 2010). Accordingly, infrastructure can be divided into two categories: general infrastructure and basic service infrastructure (Ritchie & Crouch, 2003). Kenya's tourism infrastructures are fairly developed largely meets international standards and continues to be improved.

**(d) Activities.** Tourism activities are those productive activities whose principal output is characteristic of tourism. There are many different types of tourism activities and that's why tourists choose a particular destination over another. The most common types of tourism activities associate with tourists are; safari, game drive, recreation tourism, cultural tourism, nature tourism, pleasure tourism, sports tourism, religious tourism, medical/health tourism, adventure tourism, dark tourism, sex tourism, philanthropy, etc. For a destination to be successful, it needs to broaden its scope of activities offered as many tourists will be willing to combine different activities on one single trip. A destination offering products and services which meet the demands of the tourists can survive for long time and will continue to attract tourists. The availability of the activities offered in a destination is greatly influenced by the actions of innovation and product development e.g. establishment of golf

courses across the rivers, scuba-diving, jungle-trekking, river cruises etc. (IATA, 2005). Kenyan tourism has many good attractions admired internationally and tourists can engage in many activities that will give them positive experiences. ITOs need to turn them into opportunities for marketing destination Kenya.

**(e) Ancillary Services.** Ancillary services will include for example, security; a destination with many cases of insecurity will witness a big drop in the number of tourists. Safety can be defined as prosperity and peace (Dewan and Kamus, 2010). Safety encompasses, disease free environment, safety from natural disasters, terrorism, violence, mugging, etc. The element of safety at a tourism destination is now under threat when it is actually an important indicator in preserving the quality of life for tourists (Anuar et al., 2011). According to Floyd et al. (2003), there are four risk factors that can damage the tourism industry at a certain destination: (i) war and unstable politics, (ii) health, (iii) crime and violence. A combination of these factors is enough to influence a tourist's intention to visit a certain destination aside from his or her own experiences and motivations. Poon & Adam (2000), also state that safety is an important factor that all tourists should focus on a view supported by Hall & Sullivan (1996) who define safety as a significant deciding factor in selecting a tourism destination besides its appeal. Destination Kenya has not been doing well in security issues but it also avails opportunities to market a destination based on zones for prosperity.

**(f) Accommodation.** Kenya the top safari destination in the world offers a variety of choices to the traveler regarding accommodation. They range from luxury beach resorts, modern hotels in different scales to incredible tree houses and tented camp. Accommodation is one of the key bases of tourism industry's success and is



fundamental part of tourism supply. This has led to commercial accommodations offering a great diversity in type and size of accommodation in relation to location and services provided. Accommodation facilities and services offered vary from each other based on their targeted tourist groups. Some accommodation facilities can target business travelers and families where as leisure travelers could be targeted in other kinds of accommodation facilities.

Accommodation comprises of physical surrounding, decoration, meals and beverages (tangible and intangible factors). The tangible aspect of accommodation is very complex hence guests have to make their judgment on the accommodation sometimes based on appearance and surrounding as per their expectation. Dining experience and of course, food and beverage is also considered as an important factor of accommodation facility as it will influence guests' lasting memories (Cooper et al., 2008).

Accommodations are also classification/categorized into grades or classes according to the services they provide. So far, there is not any international standard classification adapted. As a result, therefore, there are many ways to classify hotel establishments according to countries (Cooper et al., 2008). Efforts to introduce a transnational system within some associates, for example, the EU have failed mainly because of the diversity within the tourism industry of each country (Cooper et al. 2008, 357-358.). Kenya's accommodation infrastructure is well diversified, meets international standards, well spread within the county and therefore opportunities for marketing destination Kenya.

**(g) Human Resources.** The right people are your most important asset. Companies that do right by employees seem to do right by stakeholders (Collins, 1999; Levering & Moskowitz, 2000). Among the most demanding jobs in service businesses are so-called boundary-spanning positions, where employees are expected to be fast and efficient at executing operational tasks as well as courteous and helpful in dealing with customers. Employees are the most visible asset of a firm meaning that you must pick the right people and design jobs well in order to minimize cases of unproductive behavior and stress. In recent times, a growing number of service jobs are being created in telephone-based call centers where customer contact is ear-to-ear rather than face-to-face. However, effective service performance remains vital. Service employees play a key role in both creating customer satisfaction and working toward service recovery when things go wrong. Kenya has a competitive advantage inherent in a well-trained, skilled, dedicated, motivated set of employees who contribute directly and indirectly to customer satisfaction and have skills and tools needed to be both productive and quality oriented. High customer satisfaction leads to continuity in relations with customers and therefore customer loyalty, retention and low customer turnover. Kenyan human resource is indeed an opportunity for destination choice. All these factors and many more (like the innovation abilities of the Kenya people – Mpesa, Mshwari etc) give Kenya opportunities that ITOs can focus on to market as a competitive and destination of choice by international tourists.

## **2.5 The USA Leisure and Travel Market**

By 2007, the USA was the 2<sup>nd</sup> largest source of tourist arrivals into Kenya (100,516) after the UK (203,494). However, the total number of American outbound overseas travelers was 31,288,000 in 2007. Kenya only accounted for 0.32% of the total overseas travel from American, and about 3% of the US travelers choose Africa as a

destination (UNWTO, 2008). Of the 3%, South Africa attracted 219,000 travelers, double that into Kenya. This is rather disturbing knowing well that there is a large Kenyan Diaspora in America led by the most famous Kenyan roots son, President Obama.

According to statistics, Americans who visit Kenya are interested in; wildlife, visiting parks/reserves, participating in safari and game drives, visiting natural wonders, experiencing culture, participating in philanthropy (i.e. visiting orphanage and schools), etc. They also prefer quality accommodation and services. They get their sources of information from company websites, social media, travel agencies, brochures and travel magazines. Therefore, to further understand the American market, there is need for regular market research. Marketing research is one of the tools used by destination marketers into identifying the types of customers that can be attracted (active demand), as well as the prospective visitors (suppressed demand) who do not visit for a variety of reasons (Athiyaman, 1997). Approaching the right target market and providing the most suitable combination of local tourism products and services is the secret for successful marketing destinations. Therefore, the product design and formulation should be based on marketing research (Baker, Hozier & Rogers, 1994; Ritchie, 1996; Calantone and Mazanec, 1991; Hu & Ritchie, 1993). The effective of promotional tools can be evaluated so that the most cost-effective media is used to approach, inform and persuade target markets to visit the destination (Woodside, 1990).

The world we live in today is characterized by dynamic changes. It is a world defined by two words: Internationalization and globalization. In this context, Tour Operators need to know how to survive and penetrate the luxurious USA tourism market,

because of the internationalization and globalization processes, where increasingly more companies are fighting for the same market which leads to the intensification of competition. Companies must accept that they are required to be reactive and proactive, to the opportunities and challenges that accompany globalization (Nicolau, 2008).

Therefore, Kenya has a lot to offer to the USA tourists who are looking for destinations with amazing and beautiful wild life, beautiful coastline, and diverse cultural background and mountain highlands. Tour operators need to come up with packages that will increase their length of stay and encourage higher levels of expenditure. If all the attractions in Kenya can be packaged and marketed well to the USA consumer, Definitely Kenya will be the preferred tourist destination of choice for the USA consumers.

## **2.6 Tour Operators**

A Tour operator (tour wholesaler) is often described as an intermediary (Burns and Holden 1995; Cooper et al. 1998; and Holloway 1998). As (Cooper et al. 1998) has said, tour operators are the crucial link in tourism distribution chain. They are the only pure tourism organizations. They are in contact with travelers before, during and after their vacation and hence they can influence behavior. They potentially have control of tourists' itinerary while at destination including accommodation, excursions, air and ground transportation, where to visit, etc. They therefore, play an important role in tourism product distribution among all stakeholders, as they promote and distribute Kenya's tourism products to the USA consumers. Their effort can significantly influence the tourism industry, especially in a country like Kenya with less familiarity and accessibility for the USA visitors. They sell tourism packages which are a

combination of components of a vacation, such as accommodation, transportation, entertainment, meals, which is sold to the final consumer as a single product and at a single price (Sheldon, 1986). As an intermediary, they bring buyers and sellers together, either to create markets where they previously did not exist, or to make existing markets work more efficiently and thereby to expand market size. In all industries the task of intermediaries is to transform goods and services which consumers do not want, to a product that they do want (Cooper et al. 1998:189).

The British company, Cox & Kings is sometimes said to be the oldest travel agent in the world, but this rests upon services that the original bank (established in 1758) supplied to its wealthy clients. However, the modern travel agent first appeared in the second half of the nineteenth century. In 1822, Robert Smart of Bristol, England announced himself as the first steamship agent. He began booking passengers on steamers to various Bristol Channel ports and to Dublin, Ireland. The first specialist in individual inclusive travel was probably Thomas Bennet (1814-1898), an Englishman who served as secretary to the British consul general in Oslo, Norway. He frequently arranged individual scenic tours in Norway for visiting British Nobles.

### **2.6.1 Types of Tour Operations**

Now we will review the different types of travel operators that are the main players in the tourism industry:

#### **2.6.1.1 Out bound Tour Operator (OTOs)**

They promote tours, design multi-national tours especially long haul travelers seeking a specific experience in a foreign destination. They sell a package tour to an individual or a group of people within their own country to another country or a number of countries for a specific pre-decided period. They design and operate their

own tours though they have to work in partnership with local operators in the destination, or alternatively they can choose tours already designed by inbound operators and re-sell them to clients. They have a depth knowledge of their customers' needs, what they are shopping for thus able to design travel products that meet those needs which includes; travel documents, transportation, accommodation, local sightseeing and other services as requested by the guest. They offer tours to a variety of destinations, and some specialize on a small number of destinations as they have to liaison with the inbound tour operators/ground operators and who will offer special requested services.

#### **2.6.1.2 Inbound Tour Operators (ITOs)**

ITOs, also known as 'ground operators' or destination management companies', are the local experts in a certain destination's tourism products. They pick out 'export ready' products that they promote overseas through distributors. They formulate tour package individually or in collaboration with foreign tour operators and deal direct with inbound tourists providing them with various services as per their set packages. Services include: transportation, sightseeing, entertainment, meals, currency exchange, insurance services, etc. Tourists at home in their country generally do not have in depth knowledge of a destination or the service providers in that destination hence they end up seeking the services of inbound tour operator. Inbound operators mostly specialize in one country though they may market another country's packages which go hand in hand. They offer tour packages catering across a range of interests if their destination isn't well known to travelers, though they prefer to sell one destination if it's famous. Therefore, ITOs must; have an established product, be in demand in the target market, offer good value for money, having a product that is

consistently delivered with high level of quality and customer service, provide a unique experience, and have regular availability. (USAID, 2007).

ITOs must know how the tourism distribution system works especially when it comes to the commissions. Must know when and how to respond to booking inquiry in less than 24 hours and must know how to handle complaints.

### **2.6.2 Opportunities for Inbound Tour Operators**

The opportunities for ITOs to market Kenya as a destination of choice revolves around the 7Ps and include; accessibility and connectivity, facilities and amenities, human resources, image, diversity of tourism products (both natural and cultural) spread across the country, geographical location, our democratic/ diplomatic status, business and investment regime, among others.

### **2.6.3 Challenges facing Kenya's Tour Operators**

A change that has taken place in the last decade is diversification away from pre-occupation with mass tourism, as the demand for tourism products has changed. Poon (1993), describes this as a transition from 'old' to 'new' forms of tourism. Old tourism was best described as driven by consumers who were inexperienced travelers satisfied with homogenous tourism products which were predictable and which was centered on sun-based destinations for those seeking escape from the routine of everyday life. In contrast 'new' tourism is characterized by more experienced travelers who have a growing concern for the environmental impact of their holidays. New tourism seeks more individualized products that are less predictable, full of surprise, discovery and a memorable experience rather than a repetition of last year's beach holiday. Whereas the 'old' and 'new' tourism coexist, 'new' tourism offers

more growth opportunities for the tourism industry. Challenges facing inbound Tour operator is to understand the new consumers' needs which includes;

***Product quality and diversity;*** wildlife and beach tourism are the core tourism products in Kenya with wildlife tourism concentrated mainly within seven parks and game reserves. There is need to diversify tourism and offer other destinations with different attractions.

***Educated customer;*** today's guests are better educated on their destination expectation to some extent they are concerned with environmental conservation; they will only deal with Tour operators who are ecofriendly.

***Relations between countries;*** the political and economic relations between two countries affect the tour operators business in case they have to market two different destinations as one, For example the rivalry between Kenya and Tanzania makes it difficult to market Masai Mara and Serengeti as one destination while they share the same eco-system. (IATA, 2005).

***Effect of currency exchange rate fluctuations;*** different currencies are used in different tourist generating countries hence the Tour operators are affected by currency fluctuations. The government needs to stabilize the country economy.

***Language constraint;*** Tour operators have always experienced communication barriers from travelers originating from different continent, countries, states and even regions. They have to hire the services of a translator guide but that comes with an additional cost.



***Stringent regulatory laws***; the regulatory laws governing the Tour operators business differs from country to country. Some countries offer subsidence tax relief to tourism products while others don't. (IATA, 2005).

***High competition levels***; there is high growth on different dynamics packages; customers have various options to choose from which has increased their bargaining power. Due to the high returns associated with the business of Tour operators, every year many entrepreneurs enter into the said industry. It has become very difficult to establish the brand name in the said business because of the cut throat competition that is prevalent.

***Lack of capital***; lack of enough capital to invest in the business has led to substantial products and services being offered. Banks require security before the grand a loan of which many operators don't have. Enough capital in terms of money as well as other resources such as land and labor is required in order to start up this business.

***Insecurity***; especially the political instability during presidential elections, tribal clashes as well as the recent terrorist threats is a big challenge to the tourism industry affecting the Tour operators. The most recent Al-shabaab threats and attacks have also been a challenge to this industry though the government has done so much to curb the situation.

***Epidemics***; Outbreak of diseases in certain countries affects tourism almost in the whole world, the outbreak of Ebola in West African countries to be specific in Liberia affected tourism in the whole Africa continent.

**Technology advancement;** some operators are not connected to current technology hence they can't connect in the real world. Some tourists as well are not yet digital. (ITB World Travel Trends Report 2012/2013).

**Lack of education and skilled labor;** Government should regulate the training institutes and come up with more training institutions that offer the latest skills as per the market expectations; this includes constant curriculum reviews on tourism management.

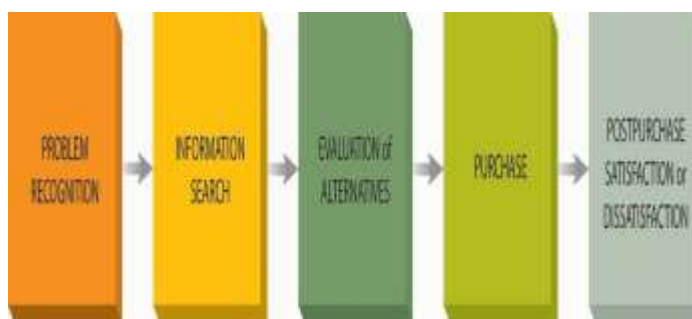
## 2.7 Theoretical and Conceptual Framework

Theoretical Framework and Conceptual Framework may be represented as a model or symbolic representation that helps the researcher to express abstract concepts and relationships easily, using minimal words.

### 2.7.1 Theoretical Framework

The study utilizes marketing theory of consumer decision making process.

**(a) The Consumer decision making process-**Tour operators need to identify and track the decision making process of USA customers from start to the end. These can be broken down in to five stages.



Source: [saylordotorg.github.io](http://saylordotorg.github.io)

**Figure 2: Consumer decision making process**

Problem recognition; the consumer need to go on safari, Information search; they will search for the best destination, consumers will evaluation the availability of alternatives safaris, Purchase; Tour operator need to educate consumers further on the product they are offering, Post purchase satisfaction or dissatisfaction; Tour operator needs to keep in touch with the guest after safari.

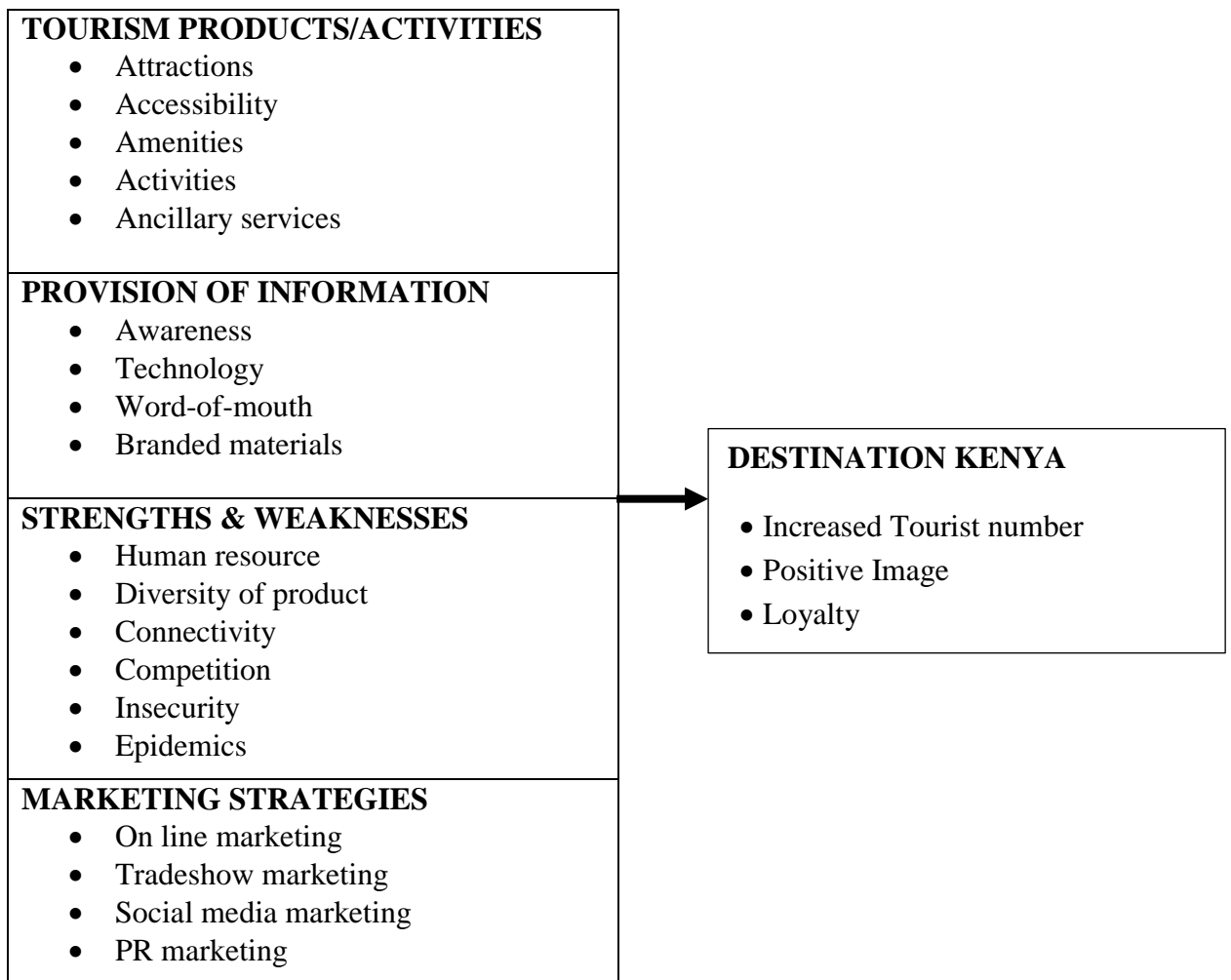
**2.7.2 Conceptual Framework**

**INDEPENDENT VARIABLE**

**Opportunities for ITOs**

**DEPENDENT VARIABLE**

**Destination Choice**



Source: Researched (2016).

**Figure 3: Conceptual Framework**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

According to (Denscombe, 1998) there are four data collection methods; questionnaires, interviews, observation and written sources. The choice of interview is based on the researchers “decision that, for the purposes of the particular project in mind, the research would be better served by getting material which provides more of an in-depth insight to the topic, drawing on information provided by fewer informants”. (Yin, 2003) states there are three types of interviews: open-ended, focused and survey. The methodology in this study was conducted via Questionnaires and interviews and a series of justification are argued and adopted to facilitate the study.

The chapter also explains the research design used, study area, targeted population, sample size, data collection methods as well as validity and reliability of the data.

#### **3.2 Study Area**

The public of Kenya is a popular tourism destination which offers abundant attractions including; wildlife parks/reserves, cultural and historical sites, Indian Ocean beaches and other attractions with various tourism activities. It is the regional hub of trade, business, finance, and transportation center. Kenya’s official languages are English and Kiswahili, and with a population of about 40 million people of ethnic and cultural diversity (GoK, 2009). Geographically, Kenya is bordered by Tanzania, Ethiopia, South Sudan Somalia, and Uganda, and covers an area of about 580,000 square km. Administrative and democratically; Kenya has been divided into 47 counties (GoK, 2010). The main economic activities are driven by agriculture and the

service sector. Inbound tour operators who are fully registered members of Kenya Association of Tour Operators (KATO), based in Nairobi form target population of this study because Nairobi had more ITOs as per KATO statistics. Nairobi, the capital city of Kenya, is situated at an elevation of 1,820m, covers an area of 696 km<sup>2</sup> and has pleasant weather throughout the year at about 19°C. Nairobi has good tourism infrastructure; accommodation facilities, transportation into and outside the country with good connectivity, and various attractions in the city and beyond.

### **3.3 Research Design**

Research design refers to the overall strategy that one chooses, outlining how an investigation will take place, should include how data will be collected, instruments used and analyzing data collected. Different research problem designs are used for different research design problems. The function of a research design is to ensure that the evidence obtained enables us to answer the initial question as unambiguously as possible.

According to Cooper & Schindler (2008), research design is the plan and structure of investigations developed to obtain research questions and answers. It is the plan or blueprint followed to provide answers to the research objectives (McDaniel & Gates, 1996). Research can be divided into three main categories: exploratory, descriptive and causal (Cooper & Schindler, 2001).

Research design is different from the method by which data are collected. Many research methods texts confuse research designs with methods. It is not uncommon to see research design treated as a mode of data collection rather than as a logical structure of the inquiry. Research design is not related to any particular method of collecting data or any particular type of data.

The current study employed survey design, descriptive in nature which gave summarized data of either a representation of the entire population of Inbound tour operators who are fully registered members of Kenya Association of Tour Operators (KATO), based in Nairobi and those who had interest in marketing Kenya as a tourist destination to the USA market as per KATO statistics or a sample of it.

### **3.4 Target Population and Sampling procedures**

#### **3.4.1 Population and Sampling**

According to Anderson, Sweeney and Williams (2002), a sample is a subset of a larger group that contains elements of the group from which it is selected. This representative portion of a population is called a sample. A population is the total number of all the individuals, items or events that have certain characteristics and are of interest to a researcher and must have sufficient size to warrant statistical analysis. A sample is a subset of the population. Population sampling is the process of taking a subset of subjects that is representative by the entire population. There are many types of samples, including a random sample, a stratified sample, and a convenience sample; all have the goal of accurately creating a smaller subset from the larger set of general participants such that the smaller subset is a representative of the larger set. A population is also a collection of all the elements of interest.

Samples for this study were drawn from a total population of 250 inbound tour operators who were active members of KATO, out of this number 40 specialized mostly in marketing the USA travel and leisure market and the current study adopted convenience sampling method by sampling all the current 40 ITOs serving USA market.

### **3.4.2 Sample Frame and Size**

Sampling frame is a complete source of materials or devices from which sampling is drawn which may include households, or institution. The difference between a population and a sampling frame is that the population is general and the frame is specific. For example, the population could be “National Parks in Kenya.” The frame would name all of those national parks e.g. Amboseli and Lake Nakuru.

The main aim of this project was to study the opportunities for Kenya’s inbound tour operators marketing tourism products and services to the USA travel and leisure market, hence it was relevant to accept information from KATO of ITOs marketing in the USA. They recommend certain standards which the government might consider in determining whether or not to grant or renew the license of an operator, they uphold the good reputation of Kenya as a tourist destination by ensuring that Kenya Tour Operators maintain the highest standards of service and value.

### **3.5 Data Collection**

Data collection is the process of gathering and measuring information on targeted variables, in an established systematic fashion that enables one to answer relevant research questions, test hypotheses, and evaluate outcomes. Data was collected using a questionnaire which was designed to address the main issues in the research topic. The questionnaire included a set of multiple choice questions in which the respondents got the opportunity to choose various options which were reflecting to their opinions/status, Open-ended questions which gave the respondents freedom in expressing their views and closed-ended questions and main of likert scale, that limited respondent to certain options which they were asked to select the answers.

### **3.5.1 Primary Data**

Primary data consists of a collection of data from sources such as personal interviews, questionnaires, direct observation with a specific intention and on a specific subject, and observation and discussion by the researcher him/herself, which information is then assessed by that person. It is a direct approach and, as it is tailored to researcher particular needs, it has not been previously published, reveals apparently, much-needed information to that researcher who started the research; that is, the results are used for the purpose for which they were originally intended. It can be a lengthy process but does provide first-hand information and you have no doubt about the quality of the data though it can be costly. In this study, the researcher collected his own data from a population sample representatives of forty in bound tour operators in Kenya whose market segmentation was USA travel and leisure market and where active members of KATO.

### **3.5.2 Secondary Data**

Secondary data is information that is already available somewhere, it is second hand and/or re-used data that is collected from primary data, its data collected by someone else for some other purpose (but being utilized by the investigator for another purpose) whether it be in journals, on the internet, in a company's records or, on a larger scale, in corporate or governmental archives. Such data are cheaper, allows for comparison and more quickly obtainable than the primary data and available when primary data cannot be obtained at all. Secondary data for this study was used from KATO to give guidance on the registered and active KATO members.



### **3.6 Validity and Reliability of Research Instruments**

Reliability and validity are tools of an essentially positivist epistemology. Patton (2001), states that validity and reliability are two factors which any qualitative researcher should be concerned about while designing any study, analyzing results and judging the quality of the study.

#### **3.6.1 Reliability**

Reliability is the degree to which an assessment tool produces stable and consistent results. The tendency toward consistency found in repeated measurements is referred to as reliability (Carmines & Zeller, 1979). According to Joppe (2000), reliability is the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable.

The reliability of this study might change with time due to the fact that this research is aimed at examining the opportunities available for tour operators in marketing tourism products and services to the USA market which are being influenced by the internal and external forces as per PESTAL & SWOT Analysis . In case of any forces change, they might lead to changes in the available opportunities provided by the respondents.

#### **3.6.2 Validity**

According to Joppe (2000) Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, does the research instrument allow you to hit "the bull's eye" of your research

object? Researchers generally determine validity by asking a series of questions, and will often look for the answers in the research of others.

Degree of validity of the research was improved by avoiding distortions of questions through a clear questionnaire and precise questions for respondents, Data was collected from top managers if not the owners of the companies. For the interview, a group discussion was conducted hence all the questions were discussed and debated before an answer was forwarded to me for recording. Convenience sampling (non-probability method) was used and a total sample population size of 40 ITOs out of 40 ITOs was used, whose market segmentation was USA travel and leisure market and where active members of KATO hence representing 100% accuracy.

### **3.7 Ethical Issues in Research**

Ethics have been conceptualized as a set of rules and principles, concerning 'rightful' conduct based on our most deeply held values, the things we most cherish and the things we most despise (Lieberman, 2000). The term can also refer to the systematic study of way of thinking about 'how we ought to behave' and finding a rational way of 'how we ought to live'. Ethics and morality suggest a set of duties that require subordination of natural desires in order to obey the 'moral law' (Singer, 1994). The 20th century saw philosophers approaching the problem of the origin of ethics as something unreachable. Among the most publicized conceptual thinkers in the field of ethics have been (Singer, 1994:18):

The researcher upheld ethics by ensuring questionnaire design and process of asking questions never infringed the rights of the respondents. No respondent was coerced into giving information for purpose of this study. Information given was treated with confidentiality and data collected was for the purpose of this research only. In the

process of collecting data, the researcher was sensitive to the host culture; respected their belief and values. He followed all research guiding principles and ensured there was equal representation within the targeted population. To avoid plagiarism, all sources cited in the study were referenced.

## **CHAPTER FOUR**

### **DATA ANALYSIS, INTERPRETATION AND PRESENTATION**

#### **4.1 Introduction**

Data analysis is a process of inspecting, cleaning, transforming, and modeling data with main aim of discovering useful information, supporting decision-making and suggesting conclusions.

Convenience sampling was used which is a non-probability method which relied on data collected from active members of KATO who were available to participate in the study and their main market segment was USA Travel and leisure consumers. Analysis was done through an appropriate assessment of the answers provided in the questionnaires and response after the interview in reflection to the main objectives of the research which was to find out the opportunities available for inbound tour operators in marketing Kenya tourism products and services to the USA market. They included; Visit Africa, Favour Tours & Safaris Ltd, Silver Bird Travel Plus, Somak Safaris, among others.

#### **4.2 Response Rate**

There were a total of 12 questions in the questionnaire meant to provide answers to the issues sought in stated objectives. To get a better understanding of the questions, majority of the questions had several related questions in order to collect more in-depth information from participants. Majority of the questions used likert scale method that required participants give responses in a scale of 1 to 5. The questionnaire was distributed either through email or in person to the 40 targeted inbound tour operators who were active members of Kenya Association of Tour

Operators (KATO) out of which all 40 answered the questionnaire and returned them representing 100% rate of the targeted sample size of the tour operator's population.

The questionnaire was designed to understand the following 3 issues from the Inbound Tour Operator perspective;

- a) The needs of the American tourists to Kenya,
- b) The appeal of the American consumer to Kenya,
- c) The opportunities and challenges of selling Kenya tours to Americans from the aspects of ITOs consumer marketing and tour suppliers.

#### **4.3 Research Questions, Analysis and Results**

Based on the responses from 40 ITOs, the analysis of each question using descriptive statistics in large part showed the following results/findings:

### Question 1: Demographic of American tourists

**Table 4.1 Summary of Demographics Information**

**1) Table 4.1.1 Age**

Age Bracket	Frequency	Percentage
Up to 25	6	15%
26 – 35	8	20%
36 – 45	16	40%
46 – 55	7	17.5%
Above 55	3	7.5%
<b>Total</b>	<b>40</b>	<b>100%</b>

Mean was 8, Median was 7, Mode was none, Range 13.

#### Standard Deviation

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
3	8	-5	-5	25
6	8	-2	-2	4
7	8	-1	-1	1
8	8	0	0	0
16	8	8	8	64
				94

$$\text{Variance} = 94/13 = 7.230$$

**Standard deviation** = square root of the variance

$$7.230 \text{ square root} = 2.689$$

## 2) Table 4.1.2 Genders

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	23	57.5%
Female	14	35%
Other	3	7.5%
<b>Total</b>	<b>40</b>	<b>100%</b>

Mean was 13.33, Median was 14; Mode was none, Range 20.

**Standard Deviation**

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
3	13.333	-10.333	-10.333	106.770
14	13.333	0.667	0.667	0.444
23	13.333	9.667	9.667	93.450
				200.664

$$\text{Variance} = 200.664 / 20 = 10.033$$

**Standard deviation** = square root of the variance

$$10.033 \text{ square root} = 3.167.$$

### 3) Table 4.1.3 Marital Statuses

Status	Frequency	Percentage
Single	12	30%
Married	15	37.5%
Widowed	3	7.5%
Divorced	8	20%
Other	2	5%
<b>Total</b>	<b>40</b>	<b>100%</b>

Mean was 8, Median was 8, Mode was none, Range 13

#### Standard Deviation

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
2	8	-6	-6	36
3	8	-5	-5	25
8	8	0	0	0
12	8	4	4	16
15	8	7	7	49
				126

$$\text{Variance} = 126/13 = 9.692$$

**Standard deviation** = square root of the variance

$$9.692 \text{ square root} = 3.113$$



## 4) Table 4.1.4 Education

Literate Level	Frequency	Percentage
Elementary	3	7.5%
Secondary	6	15%
College/University	30	75%
Other	1	2.5%
<b>Total</b>	<b>40</b>	<b>100%</b>

Mean was 10, Median was none; Mode was none, Range 29.

## Standard Deviation

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
1	10	-9	-9	81
3	10	-7	-7	49
6	10	-4	-4	16
30	10	20	20	400
				546

**Variance =  $546/29 = 18.827$ .**

**Standard deviation** = square root of the variance

18.827 square root = 4.339.

## 5) Table 4.1.5 Occupation

Occupancy Level	Frequency	Percentage
Farmer	2	5%
Environmentalist	1	2.5%
Teacher/Professor	5	12.5%
Lawyer	3	7.5%
Sport	1	2.5%
Business	15	37.5%
Other	13	32.5%
<b>Total</b>	<b>40</b>	<b>100%</b>

Mean was 5.714, Median was 3, Mode was 1, Range 14.

**Standard Deviation**

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
1	5.714	-4.714	-4.714	22.221
1	5.714	-4.714	-4.714	22.221
2	5.714	-3.714	-3.714	13.793
3	5.714	-2.714	-2.714	7.365
5	5.714	-0.714	-0.714	0.509
13	5.714	7.286	7.286	53.085
15	5.714	9.286	9.286	86.229
				205.423

**Variance = 205.423/14 = 14.673.**

**Standard deviation** = square root of the variance

14.673 square root = 3.830.

6) Table 4.1.6 Level of income

Income	Frequency	Percentage
Below 4,000	4	10%
4,000 - 8,000	32	80%
Above 8,000	4	10%
<b>Total</b>	<b>40</b>	<b>100%</b>

Mean was 13.33, Median was 4, Mode was 4, Range 28.

#### Standard Deviation

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
4	13.333	-9.333	-9.333	87.104
4	13.333	-9.333	-9.333	87.104
32	13.333	18.667	18.667	348.456
				522.664

**Variance = 522.664/28 = 18.666.**

**Standard deviation** = square root of the variance

18.666 square root = 4.320.

Respondents indicated that majority (40%) of American tourism consumers were in the 36 – 45 age brackets, male (57.5%), married (37.5%) and of college/university education (75%), seemed middle class professionals (80%) and in business (37.5%) whose average income ranged from 4,000-8,000/month. The demographics age characteristics fit well on typical leisure tourists who visit Kenya i.e. professionals, middle aged, adventurous, nature lovers, etc. The age distribution provide crucial information to ITOs as to who to target and position themselves in, develop and improve tourism products to fit them for competitive advantage.

**Question 2: Name of the ITO Company**

Responses mainly came from inbound tour operators who were active members of KATO and had indicated on their website that was their market of interest was America. From the responses, majority of the respondents were, product development managers, marketing executives and tour consultants. This level of leadership provided confidence that the information given was credible.

**Question 3: Number of years in operation as a tour company**

The responses showed that about 82.5% of respondents had been in tour operations business for more than 10 years. The entrance of new tour operations business into the Kenyan market in the last 10 indicated serious decline perhaps because of insecurity as a result of international terrorism, competition from current tour operators among others.

**Table: 4.2 Number of years in operations**

No. years' operating	N	Frequency	Percentage
01 – 05	40	3	7.5%
06 – 10	40	4	10%
11 – 15	40	8	20%
16 – 20	40	8	20%
21 – 25	40	3	7.5%
26 – 30	40	4	10%
31 – 35	40	6	15%
36 – 40	40	3	7.5%
Above 41	40	1	2.5%

Mean was 4.444, Median was 4, Mode was 3, Range 7.

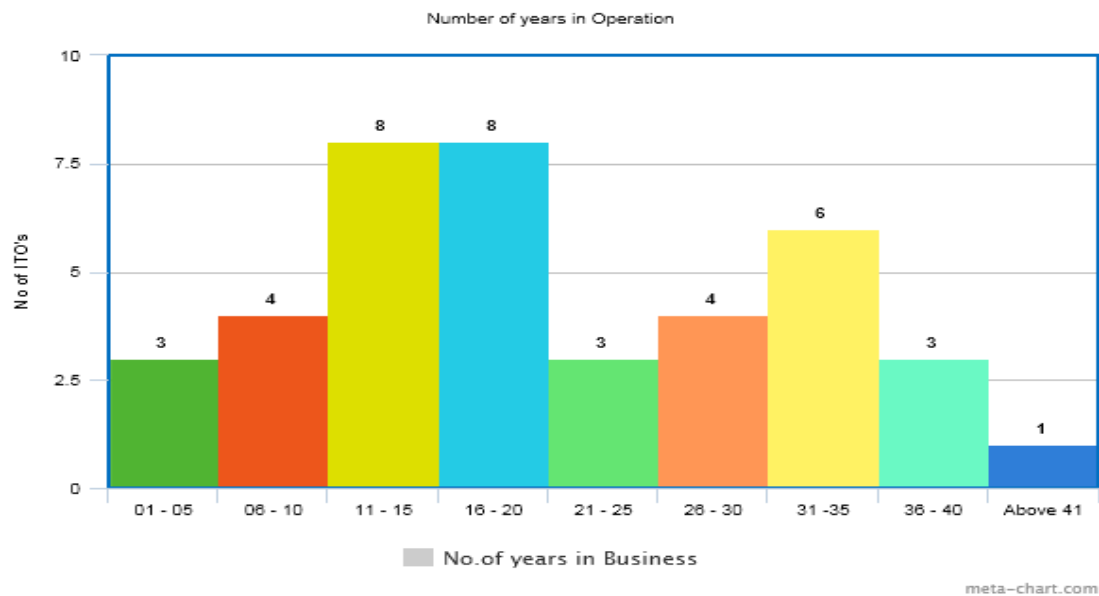
### Standard Deviation

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
1	4.444	-3.444	-3.444	11.861
3	4.444	-1.444	-1.444	2.085
3	4.444	-1.444	-1.444	2.085
3	4.444	-1.444	-1.444	2.085
4	4.444	-0.444	-0.444	0.197
4	4.444	-0.444	-0.444	0.197
6	4.444	1.556	1.556	2.421
8	4.444	3.556	3.556	12.645
8	4.444	3.556	3.556	12.645
				46.221

**Variance=4 6.22/7 = 6.603.**

**Standard deviation** = square root of the variance

6.603 square root = 2.569.



**Figure 4.1** Frequency distribution of a bar chart of number of years in business

#### **Question 4: Clients/customers originating countries and why**

Majority (80%) of the inbound tour operators targeted consumers come from the UK, U.S.A, Germany and France. The much discussed about that the country is moving east (India, China) seem not true for the inbound tour operators yet. They represent about 17.5% of customers consuming Kenyan tourism. It also seems that EAC consumer market is not representing a significant consumption market despite a common market. Therefore, our traditional source markets still remain the largest source and consumption market. Although China is investing strongly in Kenya, it only generates 7.5% of customers. This may be as a result of lack of knowledge of the China market generally and any other. For EAC, it may be because of lack of well-organized statistics as a result of cross boarder evasion that may not be captured.

**Table 4.3 Consumer generating countries**

Tourists Generating Countries	N	Frequency	Percentage
UK	40	10	25%
USA	40	8	20%
Germany	40	7	17.5%
France	40	7	17.5%
India	40	4	10%
China	40	3	7.5%
EAC	40	1	2.5%

Mean was 5.714, Median was 7, Mode was 7, Range 9.

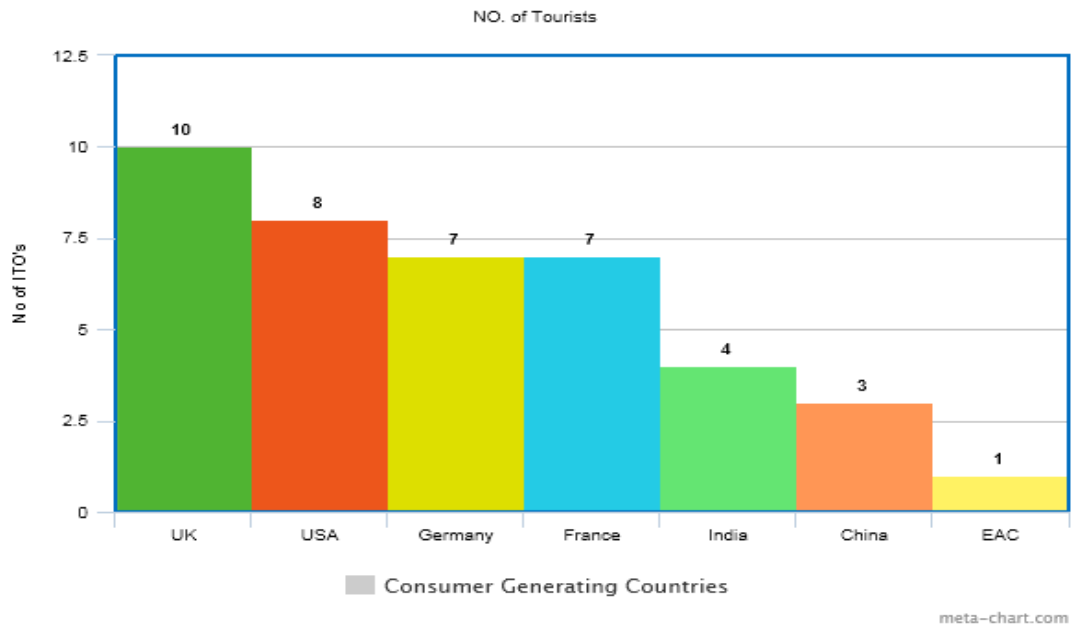
#### Standard Deviation

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
1	5.714	-4.714	-4.714	22.221
3	5.714	-2.714	-2.714	7.365
4	5.714	-1.714	-1.714	2.937
7	5.714	1.286	1.286	1.653
7	5.714	1.286	1.286	1.653
8	5.714	2.286	2.286	5.225
10	5.714	4.286	4.286	18.369
				59.423

**Variance =  $59.423/9 = 6.602$ .**

**Standard deviation** = square root of the variance

6.602 square root = 2.569.



**Figure 4.2 Frequency distribution of a bar chart of Consumer generating countries**

**Question 5: Countries targeted as tourists generating sources.**

About 70% of tour operators targeted tourists from Western countries which are traditional source market lead by USA (22.5%), UK (17.5%), Germany (15%) and France (15%). This is because they understand their consumption patterns, have investments in the country, they are heavy spenders and tour operators have a presence in these countries and a fairly large Diaspora in USA, UK and Germany. They also appreciate both our natural and cultural heritages (the big five/small many). According to the respondents, in recent years about 20% of tour operators are targeting China and this will increase as they progressively gain awareness of the Chinese market and continue to position their tourism products to fit that market. However, respondents indicated that the Returns on investments (ROI) are still low. Only 7.5% of respondent's targeted consumers from EAC.



**Table 4.4 Targeted countries.**

Target Countries	N	Frequency	Percentage
UK	40	7	17.5%
USA	40	9	22.5%
Germany	40	6	15%
France	40	6	15%
India	40	1	2.5%
China	40	8	20%
EAC	40	3	7.5%

Mean was 5.714, Median was 6, Mode was 6, Range 8.

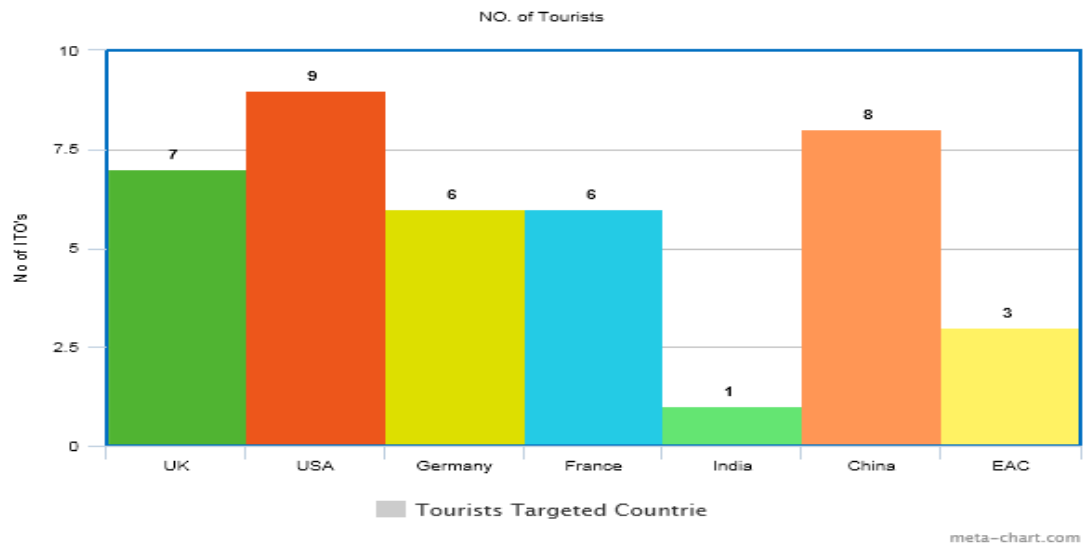
#### Standard Deviation

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
1	5.714	-4.714	-4.714	22.221
3	5.714	-2.714	-2.714	7.365
6	5.714	0.286	0.286	0.081
6	5.714	0.286	0.286	0.081
7	5.714	1.286	1.286	1.653
8	5.714	2.286	2.286	5.225
9	5.714	3.286	3.286	10.797
				47.423

**Variance =  $47.423/8 = 5.927$ .**

**Standard deviation** = square root of the variance

5.927 square root = 2.434.



**Figure 4.3** Frequency distribution of a bar chart of tourists targeted countries

**Question 6: Number of clients handled in a year from USA Market**

From table 4.3 only 9 inbound tour operators targeted the USA travel market as the major source of tourists and results are shown on table 4.4. In a month the 9 inbound tour companies distributed an average of about 4,350 tourists meaning that they served about 52,200 (52%) of total number of American tourists out of 100,516 who visited Kenya in 2006 (UNWTO, 2007). They also indicated that most of those tourists were in the country in the months of July to October which is the peak season.

**Table 4.5 Tourist monthly Turnover**

Monthly Guest Turnover	Frequency	Percentage
50 – 150	1	11.1%
200 – 500	4	44.5%
600 – 700	3	33.3%
800 – 1000	1	11.1%
Total	9	100%

Mean was 2.25, Median was none; Mode was 1, Range 3.

**Note;** this figures were yearly average monthly distribution.

#### **Standard Deviation**

Frequency	Minus Mean	discrepancies	Square	Sum of Squares (SS)
1	2.25	-1.25	-1.25	1.562
1	2.25	-1.25	-1.25	1.562
3	2.25	0.75	0.75	0.562
4	2.25	1.75	1.75	3.062
				6.748

**Variance =  $6.748/3 = 2.249$ .**

**Standard deviation** = square root of the variance

2.249 square root = 1.499.

#### **Question 7: Preference of American tourists in destination Kenya**

All inbound tour operators indicated that majority of Americans choose to visit Kenya because of abundant tourism resource like national parks and game reserve, Safety and quality service like professional human resource. Each of these indicators scored 5, while friendly environment, clean accommodation and other reasons scored an average of 4. These means that our tourism resources, safety and well trained human resources forms the strongest opportunities to market Kenya as a destination of choice for the American leisure travel market.

**Question 8: Main appeals of Kenya as destination to American travel leisure market. (See Q7 scales)**

Seeing wildlife, visiting national parks/reserves, and experiencing a safari topped the reasons for visiting Kenya and all participants gave the three items a score 5 on each. Experiencing various cultures and participating in philanthropy activities (visiting orphanages, local schools, slums, etc.) scored an average of 3.6 and 3.4 respectively. Visiting natural wonders (Mt. Kenya, Lake Victoria, Lakes in the Rift valley, etc.) scored an average of 2.2 while for other reasons scored 2.8. They indicated that the second most important appeal was culture to American travel consumers. The coast towns popular with European tourists did not feature prominently with American travel market and only scored an average of 1.2. This is probably because of other better beaches like the Caribbean that are close to mainland American.

**Question 9: How American leisure and travel market get to know about Kenya and booking behavior.**

Respondents indicated that company website, American travel agencies, brochures distributed at various OTOs and word-of-mouth were major sources that existing/potential travelers use to get information about destination Kenya and its service/products offerings and each had an average score of 5. Travel magazines and social media (average score of 3.8) also provide information to potential travelers about tourism product offered in Kenya. This was a significant finding about social media and how it is progressively becoming a major source of information in leisure and travel industry.

American leisure and travel market majorly books their trips on-line and through travel consultants (score 5). Those who booked onsite were mainly those who were on return visit and understood Kenyan tourism products/services fairly well (score 2.5), which meant that there were significant return visitation.

**Question 10: Potential strengths as an ITO that helps them serve American tourists better.**

Majority of the respondents indicated that their major strengths are availability of well trained and knowledgeable human resources, working relations with America tourist supplies (OTOs), availability and application of technology, high quality service delivery provision, and knowledge of tourism products and diversity, all scored an average of 5. This was followed by ability to distribute tourist from airports and hotels to various attractions for consumption, uniqueness of accommodation and interpretation, each scored an average of 4.2. Surprisingly, a significant number of respondents indicated that availability of large and well distributed slums/orphanages were attracting significant number of American tourists, each scored an average of 3.4. Finally, working together with Kenyan Diaspora, knowledge of English language and other reasons all scored an average of 3.2. The ITOs have significant internal and external strengths and if utilized well would market destination Kenya as a good choice for American leisure and travel market.

**Question 11: Main obstacles American leisure and travel market consider when visiting Kenya.**

According to the respondents most Americans considered safety and security and long travel time between the USA and Kenya, as the main obstacles for them when deciding to travel to Kenya (each scored 5). May be occasional political instability

and poor tourism infrastructure scored an average of 3.8 and 3.6 respectively. Corruption and other evil tendencies at information and travel documents centers, and much talked about and happening environmental degradation especially impacts on wildlife at national parks/reserves, were also seen as obstacles (an average score of 3.1). Finally expensive destination and other reasons, though not considered as major obstacles, scored an average of 2.4. These are major challenges which have major policy implications for tourism and selling Kenya in the American leisure and travel market.

**Question 12: Operational marketing strategies put in place to reach the American travel market.**

Most respondents indicated that marketing directly in the American leisure and travel market was very expensive because it is market driven by likes and preferences and therefore, ITOs needed to choose strategies that did not require huge amounts of money. Company website, working closely with OTOs in the USA and brochures was widely used by all respondents (score 5). This was closely followed by social media and engaging the large/growing Kenyan Diaspora (score 3.8). Those who used hired PR reported that they worked closely with KTB office in the American cluster, and participation in trade shows/fairs organized by KTB, each scored an average of 1.8. Advertisement on American TV stations was considered out of reach by all respondents.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This section provides a summary of the research findings, makes conclusions and proposes the recommendations that if implemented will minimize the gap between demand for and supply of tourism products.

#### 5.2 Summary

Kenya can offer a variety of tourism products both natural and cultural, and a wonderful experience to the American leisure and travel market hardly found anywhere in the world. Attempts have been made by ITOs to understand the opportunities in marketing Kenya to the USA travel market though their knowledge remains low and the country's image seems negative despite of the Obama factor. The American leisure market that include Kenya in their holiday plans, are mainly driven by abundant tourism resources, conditions and unique accommodations, and word-of-mouth from others. This means that, those who had visited Kenya before must have had wonderful experiences in the country and therefore positive word-of-mouth.

This also means that one of the opportunities for ITOs for marketing Kenya as a destination of choice is well trained and knowledgeable manpower, who delivers seamless services, knows and interprets tourism products, and the Kenyan Diaspora. However, the country's challenge and therefore ITOs challenge remain insecurity, distance between America and Kenya, and tourism product education in the American travel and leisure market. For successful tourist product and service marketing in the USA leisure and travel market, the Government has a big role to play in policy

formulation and implementation, and in particular on the provision of security and safety, direct flight between USA and Kenya, development infrastructure that fits their standards for direct flights, and provide incentives to the private sector mainly the inbound tour operators to invest in consumer education. Kenyan government and other tourism stakeholders cannot afford to ignore this market.

### **5.3 Conclusion**

Kenya is able and capable of offering diversity of tourism experiences to USA leisure and travel markets because it has a variety of tourism resources that can hardly be found in any other country in the world. Some efforts have been made by inbound tour operators to understand the opportunities available in marketing Kenya as the USA leisure market and more needs to be done in order to prepare and serve this market much better. Seeing wildlife, visiting national parks/reserves, and experiencing a safari topped the reasons for visiting Kenya. Experiencing various cultures and participating in philanthropy activities followed respectively. The coastal towns didn't feature prominently with American travel market; this is probably because they have better beaches like the Caribbean and Hawaii Island that are close to the mainland of American.

On information access, company website, American travel agencies, brochures distributed at various OTOs, Travel magazines, social media and word-of-mouth were major sources that existing/potential travelers use to get information about destination Kenya. More investment in consumer education is needed to increase their knowledge and build positive image about destination Kenya for increased consumption. The advantage destination Kenya has in attracting the USA leisure market includes; variety of wildlife, safari experience, unique accommodation, quality of service



delivery and recently, engagement in philanthropy activities. ITOs capabilities and abilities to distribute tourists, knowledge of tourism products, diversity and interpretation, social media, Kenyan Diaspora and availability of slums/orphanages are some of the opportunities to promote and sell Kenya to the American leisure and travel market. However, the main obstacles for American tourists to Kenya were security and safety, and travel time between America and Kenya.

ITOs needed to choose strategies that don't require huge amounts of money like Company website, working closely with OTOs in the US and use of brochures. This because marketing directly in the American leisure and travel market is very expensive as the market driven by likes and preferences. Marketing strategies are ever changing.

#### **5.4 Recommendations**

Based on this research it is recommended that; Kenya has much to offer to USA leisure and travel markets. Kenyan tourism stakeholders should put more efforts to promote destination Kenya to American leisure and travel market, and use a variety of avenues including; continuous government invest and improvement on the tourism infrastructure to international standards to respond to the needs of the contemporary tourists; Market Kenya's cultural diversity like origin myths, family structure, rights of passages, arts and handcrafts, Eco-Tourism should be embraced by all tourism stakeholders in order to conserve the environment. National security and safety, corruption, political instability, environment degradation, etc must be addressed to reassure American tourists because they are very sensitive to these issues and tend not to travel destinations that are affected by them.

It's very important for the tourism stakeholders to understand how USA leisure and travel markets accessed their travel information for destination Kenya. They need to work with Kenyan Diaspora, constantly update and have well researched information content in Websites and social media, have collaborative marketing ideas with American tour wholesalers, Participate at USA Trade shows provide information and awareness to USA leisure and travel markets on the advantages of visiting destination Kenya which includes; diversity of Kenyan tourism products besides wildlife and cultural tourism, Well trained and knowledgeable human resources, availability and application of technology, high quality service delivery provision, and knowledge of tourism products, availability of large and well distributed slums and boost philanthropic tourism in Kenya. The ITOs have significant internal and external strengths and if utilized well would market destination Kenya as a good choice for American leisure and travel market.

Continuously improve on products/services offerings that fit American leisure and travel market, information and awareness provision, improve company websites/brochures to maintain competitive edge through research on products and consumer needs, human resource training, etc.

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## **APPENDICES**

### **APPENDIX 1: COVER LETTER**

#### **COVER LETTER**

Dear respondent,

I am a student from Moi University, undertaking an Executive masters in Tourism, Hospitality and Events Management. I am carrying out a research study on “the opportunities for Kenyan inbound tour operators in marketing Kenya as a tourist destination of choice for the USA tourism market, Nairobi, Kenya”. Any Information you give is purely intended for academic purpose and will be handled with utmost confidentiality. Your contribution, participation and co-operation will be highly appreciated.

Thank you in advance,

**Daniel Katei Kikemu.**

## APPENDIX 2: QUESTIONNAIRE

### QUESTIONNAIRE FOR INBOUND TOUR OPERATORS

**Question 1. How would you describe the tourists from America that you serve in terms of?**

- i) Age bracket; up to 25  26-35  36-45  46-55   
over 55
- ii) Gender; male  female  other
- iii) Marital status; single  married  widowed  divorced   
other
- iv) Education; elementary  secondary  college/university   
other
- v) Occupation; farmer's  environmentalist  teachers/professors   
Lawyers'  sports  business
- vi) Average income per month (\$); below 4,000  4,000-8,000  above 8,000

**Question 2. What is the name of your company?.....**

**Question 3. How many years have you operated as a tour company? .....**

**Question 4. Where do most of your clients/customers come from? .....**

**Question 5. Which countries do you target as tourists generating sources and why? .....**

**Question 6. Approximately how many clients does your company handle in a year from USA? .....**

**Question 7. What do American tourists prefer in any destination?**

(Respond the following options in a scale of 1 to 5; 1-not at all important, 3-neutral,   
5-very important)

- |                           |   |                          |   |                          |   |                          |   |                          |   |                          |
|---------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|
| i) Clean accommodation,   | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| ii) Quality service       | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| iii) Friendly environment | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| iv) Safety and insecurity | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| v) Abundant resources     | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| vi) Others_____           | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |

**Question 8. What are the main appeals of Kenya to USA tourists? See Q7 scale)**

- |                                    |   |                          |   |                          |   |                          |   |                          |   |                          |
|------------------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|
| i) Seeing wildlife (big five)      | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| ii) Seeing national parks/reserves | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| iii) Experience safari/game drive  | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| iv) Seeing Kenyan natural wonders  | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| v) Seeing various cultures         | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| vi) Philanthropy activities        | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| vii) Seeing the coast              | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| Viii) Others_____                  | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |

**Question 9. (a) How do American leisure and travel market get to know about Kenya?**

- |                                |   |                          |   |                          |   |                          |   |                          |   |                          |
|--------------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|
| i) Advertisement on mass media | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| ii) Travel magazines           | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| iii) Company website           | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |
| iv) Word-of-mouth              | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> |

- v) Social media 1  2  3  4  5
- vi) Company brochures 1  2  3  4  5
- vii) USA Travel Agents 1  2  3  4  5
- viii) Other distribution channels 1  2  3  4  5

**(b). How do they book the trip?**

- i) Company website 1  2  3  4  5
- ii) Travel consultants 1  2  3  4  5
- iii) Onsite 1  2  3  4  5
- iv) Other channels 1  2  3  4  5

**Question 10. What are your potential strengths as ITO that helps you serve American tourists better?**

- i) Well trained human resources 1  2  3  4  5
- ii) Quality service delivery 1  2  3  4  5
- iii) Distribution ability/capability 1  2  3  4  5
- iv) Language and cultural diversity 1  2  3  4  5
- v) Tourism products knowledge and diversity  
1  2  3  4  5
- vii) Good working relations with OTOs  
1  2  3  4  5
- viii) Availability of technology 1  2  3  4  5
- ix) Large slums/orphanages 1  2  3  4  5
- x) Uniqueness of accommodation 1  2  3  4  5
- xi) Kenya Diaspora 1  2  3  4  5
- xii) Others \_\_\_\_\_ 1  2  3  4  5

**Question 11. What issues to American leisure and travel market consider as main obstacles to visiting Kenya?**

i) Safety and security	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
ii) Travel time between US and Kenya	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
iii) Poor tourists Infrastructure	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
iv) Environmental degradation	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
v) Political instability	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
vi) Expensive destination	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
vii) Corruption and bureaucracy	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
viii) Others _____	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>

**Question 12. What are the operational marketing strategies have you put in place to reach the American travel market?**

i) OTOs in USA and brochures	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
ii) Company website	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
iii) Trade shows and fairs	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
iv) Advertisement on TV	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
v) Hired in-country PR	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
vi) Social media and Diaspora	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>
vii) Others _____	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>

**APPENDIX 3: List of Inbound Tour Operators targeting USA Travel and Leisure market**

1. Micato safaris
2. Somak Safaris
3. Abercrombie & Kent
4. Africa Horizons Travel & Safaris
5. Africa Secrets
6. Express Travel Group
7. Game Watchers Safaris
8. Liberty Africa Safaris
9. Maniago Safaris
10. Origins Safaris
11. Pollmans Tours & Safaris
12. Private Safaris
13. Southern Cross Safaris
14. Rhino Safaris
15. Twiga Safaris
16. Vintage Africa
17. DK Grand Safaris
18. Wild Trek Safaris
19. Classic Africa Safaris
20. Big Five Safaris
21. Discover Kenya
22. Sunworld Safaris
23. Dallago Tour & Safaris
24. Game Trackers
25. Nature's Wonderland Safaris
26. Nature Expeditions Africa
27. Sun Trek Safaris
28. BCD Travel
29. Destination Kenya
30. Let's Go Travel
31. Custom Safaris
32. Destination Connection
33. GAT Safaris
34. Naked Wilderness
35. Prima Vera Tours
36. Favour Tours & Safaris
37. Silver Bird Travel Plus
38. Shades of Africa Safaris
39. Woni Safaris
40. Visit Africa