

**IMPACT OF THE INTERNET ON TOURISM AND
HOSPITALITY IN KENYA**

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ABSTRACT

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This thesis gives an insight into the importance of the use of the Internet in tourism and hospitality industries in Kenya. The aim of this thesis was to find out the impacts of the Internet in tourism and hospitality industries and the advantages and disadvantages of the Internet use in tourism and hospitality. The authors' focus was on hotel and tour companies.

The theoretical framework of the thesis includes Internet marketing, business-to-business (B2B) internet marketing, business to consumer (B2C) internet marketing, customer relationship management (CRM) and marketing mix.

The aim of this study was to find out how the selected hotel and tour companies use the Internet for bookings and reservations and how tourists are able to make prior bookings and reservations. For the findings, qualitative and quantitative research approaches were used. Questionnaires were used to gather information, which the authors analyzed in the end.

The results show that the selected hotel and tour companies in Kenya operate by using the Internet daily for bookings and reservations. It was also found out that domestic and international tourists prefer to use the Internet for their travelling arrangements. Most of the international tourists of this survey were from Europe and most of them had visited Kenya before. The results from the survey indicate that most respondents prefer the Internet to telephone bookings.

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1 INTRODUCTION

The aim of this study was to find out how by the authors selected hotel and tour companies use the internet for bookings and reservations and how tourists are able to make prior bookings and reservations. For the findings, qualitative and quantitative research approaches were used. Questionnaires were used to gather information, which the authors analyzed at the end. The Internet is an important new channel for commerce in a wide range of sectors.

The main research questions in this bachelor's thesis are: 'What are the impacts of the internet in tourism and hospitality industries in Kenya? and 'What are the advantages and disadvantages of the internet use in tourism and hospitality industries in Kenya?

The research was carried out in Nairobi in various tour companies and one luxurious hotel. The questionnaires helped the authors to find out what attracts tourists to Kenya and how many tourists make bookings on a daily basis. They also showed the number of local and international tourists. This thesis will therefore analyze the positive and negative influences of the internet on the tourism and hospitality sector, using as a case study the tourism industry in the Republic of Kenya.

While the opportunities afforded by this phenomenon seem readily apparent, there is still much debate and speculation on exactly how the use of the Internet and in particular the World Wide Web (www) will affect established industries. The tourism industry, unlike many other industries is a composite of service providers that are grouped with other industries in the national system of accounts. These service providers include travel agencies and tour operators, air, rail, road, and sea transportation operators, hotels, guest houses and inns, tourist attraction operators and other operators of interest to tourists.

2 RESERCH PLAN

2.1 Research topic

The internet has had a profound effect on the hospitality and travel industries. The internet has created a new distribution channel for hospitality and travel products. Expedia sells more than ten million hotel room nights a year. Today, over 50 % of business travellers book travel services online; this is up 33% from just two years ago. Most hotels, rental car companies and hotel chains have set up their own online reservation systems, allowing the guest to book directly online (Kotler et al 2006, 131.)

The tourists are turning in increasing numbers to the internet to help them plan and book their travel. Some stakeholders in the travel industry, such as airlines, car rental companies and international hotel chains, have been quick to grasp the potential for marketing and selling their services online (Hudson 2008, 229). The internet is being used by the tourism and hospitality industry to perform six key functions: direct mail marketing, advertising, providing information, distribution and selling services to customers, relationship marketing and marketing research.

The Internet first became available in Kenya during 1993. Full Internet access was established in 1995. The African Regional Centre for Computing (ARCC), a non governmental organization (NGO) based in Nairobi, Kenya, became the first provider of web-based Internet service. The first commercial internet service provider (ISP), Formnet began operating in 1995. Soon competition increased with the entry of three other ISPs. All the ISPs would lease analogue or digital data lines from Kenya to the US to access the Internet backbone. In 2000, there were about 200,000 Internet users in Kenya, with an estimated monthly growth of 300 new subscribers each month.

<http://www.internetworldstats.com/af/ke.htm>

The latest estimate of Internet users for Kenya from the international telecommunication union (ITU) is 3,995,500 people, corresponding to a penetration rate of 9.7%. The main users of the Internet in Kenya are multinational corporations, international organizations and NGOs.

The authors' objectives in the research were to find out how the internet usage came to Kenya and penetrated into the big industries like the hotels, travel and tour companies

and to find out its contribution to the development of the tourism industry. The authors wanted to find out how internet access helped travelers to access information about tourism and destinations in Kenya.

2.2 Concepts and theoretical framework

2.2.1 Business to Business (B2B) Internet Marketing

Although the popular press has given the most attention to business-to-consumer (B2C) websites, consumer goods sales via the web are dwarfed by business-to-business e-commerce. One study estimated that B2B e-commerce was \$4.3 trillion in 2005, compared with just \$282 billion in 2000. Another study estimated that in 2005, more than 500,000 enterprises use e-commerce as buyers, sellers, or both. Firms that supply the hospitality firms are using business-to-business trading networks, auctions sites, spot exchanges, online product catalogues, barter sites, and other online resources to reach new customers, serve current customers more effectively, and obtain buying efficiencies and better prices (Kotler et al 2006, 694).

Business to business (B2B) is the commercial transaction between an organisation and other organisations. Companies, which engage in B2B transactions, sell and market their products and services to other businesses, as opposed to individuals or families.

The purpose of B2B marketing communications is to support the organizations' sales effort and improve the company profitability. B2B marketing communications tactics generally include advertising, public relations, direct mail, trade show support, sales collateral, branding, and interactive services such as website design and search engine optimization. http://en.wikipedia.org/wiki/Business_marketing

According to Professor Anghel Laurentiu-Dan, to define business-to-business marketing today implies to regard it less through the nature of its products and more through the aspect of the customers interested in these respective products. Thus, in defining B2B marketing, one must account for the specific of the customers and the characteristics of

the markets where the organizations are acting – in our case the characteristics of the organizational markets (Management & Marketing Challenges for the Knowledge Society (2011) Vol. 6, No. 2, 275).

2.2.2 Customer Relationship Management (CRM)

This is a managerial philosophy and practise that has received widespread acceptance in many industries. It combines marketing strategy, business strategy and information technology to better understand the customer and to develop custom-tailored products for key customers. CRM focuses on managing revenue opportunities from customers, retaining customers, and enjoying a stream of income from over their lifetime. As the name implies, CRM calls for developing unique and lasting relationships with customers, particularly key customers. One goal of CRM is to make switching costs high for customers thus discouraging them from buying from another supplier. (Kotler et al 2006, 63.)

Direct marketing is an important tool in customer relationship management (CRM) programs. Customer relationship management is a name commonly given to loyalty programs or relationship-marketing programs that make use of the technology. Today, airlines, hotels, travel agents, restaurants, and rental car companies operate in very competitive markets. The major way to grow market share is to steal it from the competition. Direct marketing allows companies to develop a strong relationship with their customers, which helps prevent them from switching to competitors. (Kotler et al 2006, 713.)

2.2.3 Marketing Mix

The concept of marketing mix is one of the most important in marketing - indeed it can be called the core of all marketing planning. It determines how the marketing budget is allocated, forms the foundation of the marketing plan's strategies, and provides the marketing manager with techniques to optimise budgetary expenditure. Kotler et al. define the marketing mix, as "the set of controllable tactical marketing tools that the firm blends to produce the responds it wants in the target market".

The marketing mix is applied frequently in discussion of marketing strategy since it provides a simple strategic framework for varying different elements of an organisation's product offering to influence the demand for products within target markets. For example, if the aim is to increase the sales of a product, options include decreasing the price and changing the amount or type of promotion or, some combination of these elements.

Marketing mix is a set of tools that are controllable and tactical, and help the company to influence the demand for its products. There are four core variables generally known as the four P's; product, price, place and promotion. In order to create an effective marketing program all the elements should be blended and used actively. (Kotler & Armstrong 2010, 76.)



FIGURE 1. The traditional four Ps of the marketing mix (Holloway 2004, 52)

Product: The product is the element of the marketing mix and it refers to characteristics of a product, service or brand. Product decisions are informed by market research where customers' needs are assessed and the feedback is used to modify existing product or develop new products.

Price: The price variable of marketing mix refers to an organisation's pricing policies which are used to define price models and of course, to set prices for products and services. Baker et al. (2000) noted two approaches that have been commonly adopted for pricing on the internet: start up companies have tended to use low prices for some of their products online. The price element mix will often relate to the product element since online pricing depends on the range of products offered.

Place: The place element of marketing mix refers to how the product is distributed to customers. Typically, for online channels, the aim of place is to maximise the reach of distribution to achieve widespread availability of products while minimising the costs of inventory, transport and storage. In online context, thanks to ease of navigating from one site to another through the humble hyperlink, the scope of `place` is less clear since place also relates to promotion and partnership. Successful retailers are those that maximise their representation or visibility on the third-party sites which are used by their target audience.

Promotion: The promotion element of the mix refers to how marketing communications are used to inform customers and other stakeholders about an organisation and its products. Promotion is the element of marketing mix that is concerned with communicating the existence of products or services to target market. Specification of the promotion element of the mix is usually part of communications strategy. This includes selection of target markets, positioning and integration of different communication tools. (Chaffey et al, 2006, 217-244.)

2.2.4 Business to Consumer (B2C) Internet Marketing

The popular press has paid the most attention to business to consumer e-commerce as the online selling of goods and services to final consumers. Online consumer buying

continues to grow at a healthy rate. E-commerce has been growing at about an annual rate of about 30% over the past year. One of the largest categories of consumer products is travel services. As more and more people find their way onto the internet, the cyberspace population is becoming more mainstream and diverse. Internet consumers differ from traditional offline consumers in their approaches to buying and in their responses to marketing. The exchange process via the internet has become more customer initiated and customer controlled. People who use the internet place greater value on information and tend to respond negatively to messages aimed only at selling. (Kotler et al 2006, 691-694.)

Businesses to consumer markets have made a significant contribution to the commercial development of the internet. The internet provides access to a new trading environment, a virtual market place, which uses digital data to facilitate market exchanges. During the last decade, this market space has become widely accessible to consumers and in doing so has presented retail businesses trade with many opportunities and challenges. The success levels of internet-based retailers have been watched and tracked by analysts around the globe as an indicator of the potential of this virtual trading environment, to change fundamentally the way the businesses trade with their customers.

2.2.5 Internet Marketing

Holistic marketing incorporates internet marketing, ensuring that everyone in the organisation embraces appropriate marketing principles, especially the senior management. Internet marketing is the task of hiring, training and motivating able employees who want to serve customers well. Smart marketers recognize that marketing activities within the company can be as important as or even more important than marketing activities directed outside the company. Internal marketing must take place at two levels. At level one the various marketing functions which are sales force, advertising, customer service, product management and marketing research must work together. At the second level, other departments must embrace marketing and must think about the customer. (Kotler & Keller 2009, 64.)

2.3 Research Questions

The research questions of this thesis were designed to help to understand the use of the internet in hospitality management and tour operations. Questions were formulated to help the authors to find out how much contribution the internet usage has made in the tourism industry in Kenya. The authors' main research questions were:

2.3.1 What are the impacts of the internet on tourism and hospitality industries in Kenya?

Before the internet in Kenya was discovered, travelling had been considered quite risky because tourists had limited knowledge of the places they wanted to visit. Tourists had limited knowledge about terrain, climate, culture, and other factors that drive or inhibit traveling. Tourism industries like hotels, tour companies and travel agencies had old methods and ways of making bookings and reservations. Only well known destinations were visited and those who dared and went to a remote place had no idea what to expect once they arrived. Generally, lack of information about different parts of the world limited travelling.

As Reventons (2005) implies, this industry has a very interesting value delivery network, airlines, hotels and other providers would typically sell their services to customers through intermediaries such as travel agencies. After the introduction of the internet in Kenya, the methods of booking changed and this is shown in the diagram in figure 2.

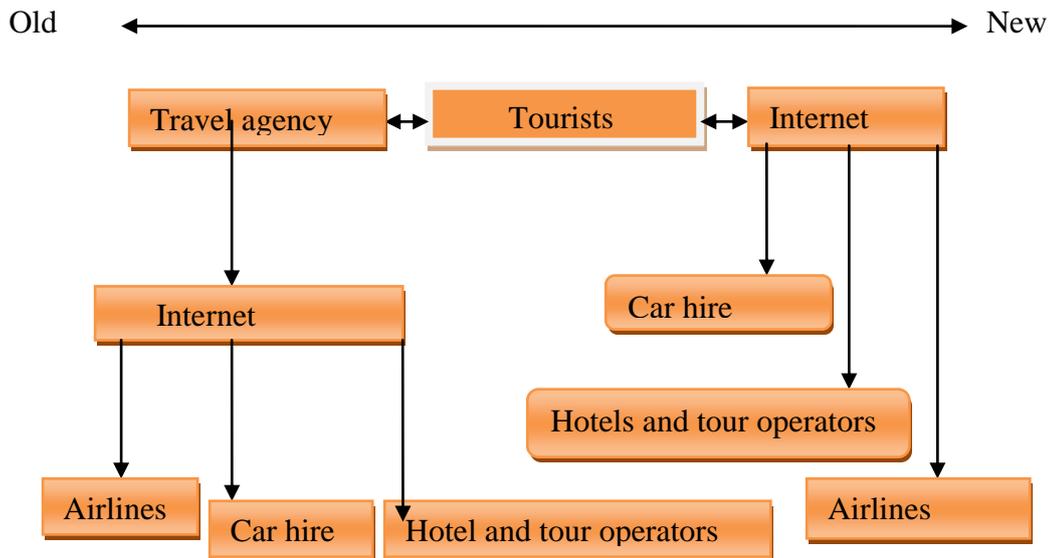


FIGURE 2. Distribution channels of the internet in tourism industry (Authors' own diagram)

Old channel of distribution of the internet tourists' reservation and booking went through the travel agency who in return accessed the internet to make bookings of airlines, car hire, and hotel and tour operations. The new system is easier and faster because tourists use the internet directly to make their own bookings and reservations. Many hotels have developed web based booking tools for both leisure and group sales.

Increasingly, package holiday tour operators are including direct sales via the internet in their sales strategy, thus bypassing the travel agencies. These travel companies are adopting both organic (internal) and acquisitive growth strategies. Other researchers have also identified the role played by the internet in tourism industry.

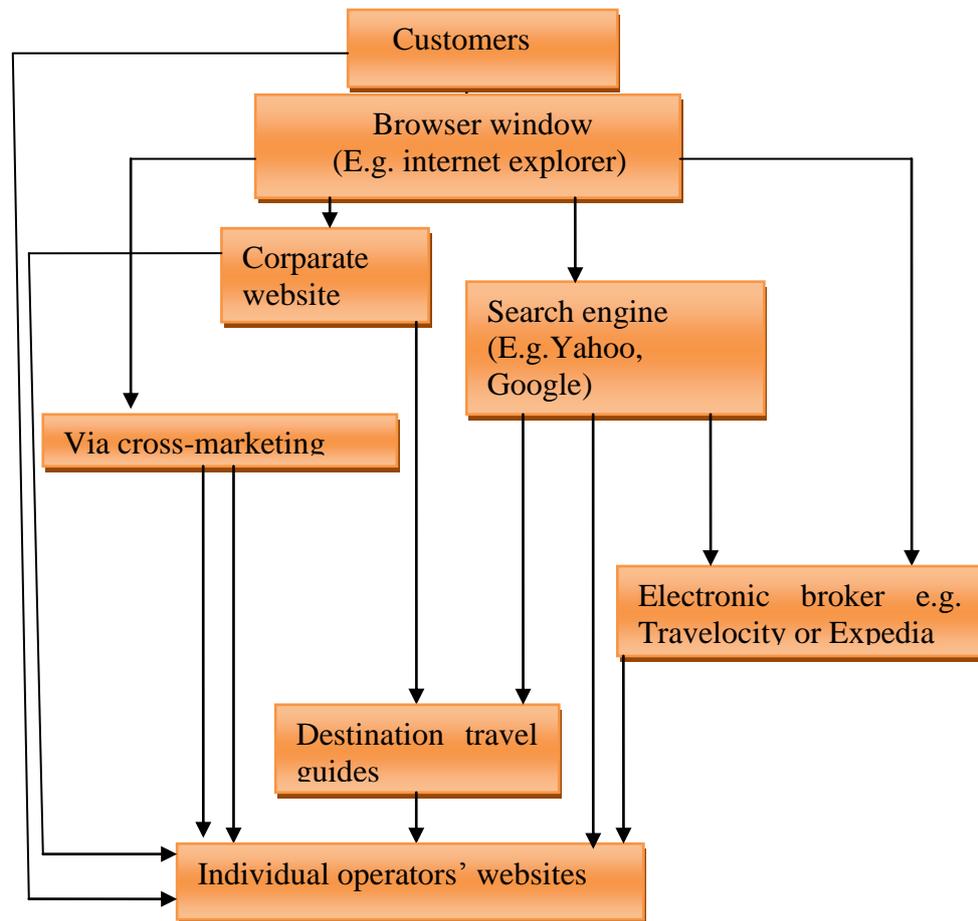


FIGURE 3. Intermediaries involved in the online distribution of the destination's tourism products and services (Hudson 2008, 231)

The diagram in figure 3 shows the model of online distribution applicable to many destinations and various ways customers can reach individual websites. The diagram also indicates that some customers may book travels through corporately managed websites. The sites are operated by national companies such Marriott, Howard Johnson and Fairmont that distribute hotel room reservations for the area via their corporate reservation systems. Travelers may also book directly, through the various destination travel guides.

2.3.2 What are the advantages and disadvantages of the internet use in tourism and hospitality industries in Kenya?

The advantages of the internet in Kenya are very many. The main one is that tourists can look up a destination at the comfort of their homes before planning a trip. This makes the work easy and faster.

They can also make hotel bookings and reservations online. This has increased the number of tourists coming to Kenya in the recent years. The hotels and tour operators can now communicate with the tourists on a daily basis as they plan their trips beforehand. The disadvantages of the internet are that it can be expensive for some companies to maintain.

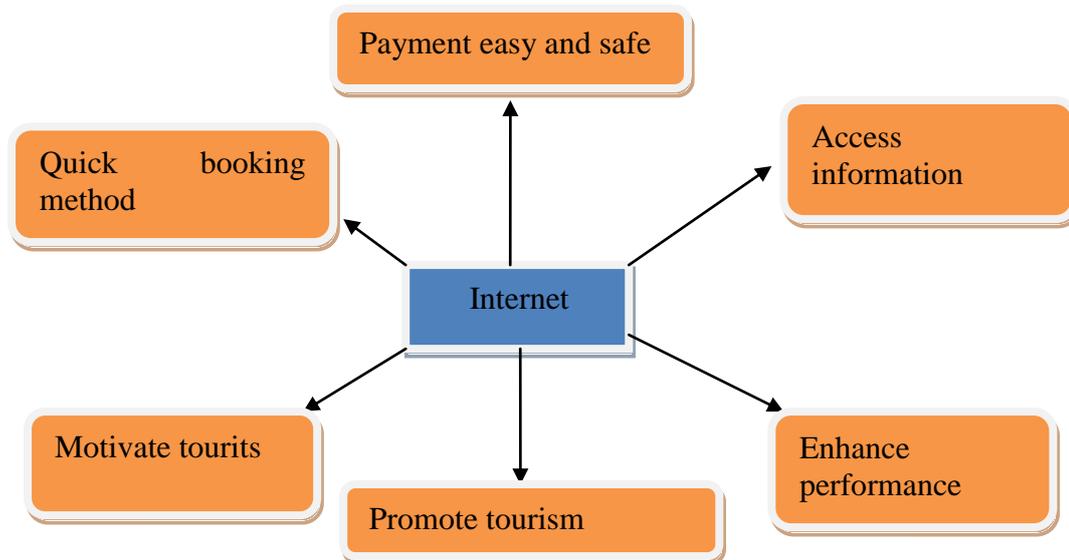


FIGURE 4. The advantages of the internet in tourism industry (Authors' own diagram)

The discovery and the use of the internet has contributed greatly to the development of tourism growth in Kenya for the past years because it has promoted tourism and motivated tourists to come to Kenya. Travellers can have now access to information online before making their bookings. Another way of looking at the role of the internet in the travel industry is looking at Doolin et al (2002) contention that the web is becoming a collective “travel square” because more and more travelers are turning to online travel to fulfill their travel related tasks such as seeking information, making travel transactions and finding travel companies.

2.4 Data and research methods

The authors used quantitative and qualitative research approaches. Questionnaires, observation and interviews were used to collect the data. Two questionnaires were designed; one was for the tourists and the other one for hotel and tour companies' manag-

ers. At one level, it is very easy to distinguish between quantitative and qualitative research. Punch (1998) refers to quantitative research as an empirical research where the data are in form of numbers, and qualitative research where the data are not in the form of numbers. (Punch 1998, 4.)

2.4.1 Questionnaires

The authors used two types of questionnaires; one for the tourists and one for the managers of the chosen companies. The authors took the questionnaires for the tourists personally to the hotel and tour companies. The authors left the questionnaires for the tourists to the receptionists who were supposed to give them to the tourists as they checked in and as they made their travel bookings. The managers filled in their questionnaires as the interview went on. This gave the authors detailed data for the research work.

2.4.2 Observation

Observation is a qualitative method used for collecting information by monitoring the people acting in their natural environment and critically noting the details. Thus, one notices what people '*do*' which can be different from what they '*say*'.

The plan was to take part in the reality which companies face every day, making observations after each interview by moving around the office during the working hours and observing the way people in the companies work and to study their opinions, ideas, thoughts and inputs on the use of the internet. This was possible to carry out since the managers, the personnel were around, and they were very helpful. In addition, the performance, and attitude of the interviewed persons were observed. In total five companies were observed, these were; African Horizons, Kobo Safaris, Pollmans Tours & Safaris, Safe ride Tours and Safaris Limited and The Sarova Panafric Hotel.

The authors conducted this method while they were in the companies collecting data from the managers. The manager took them round to see how the work is done and by this, the authors learnt a lot about the company and how it is done. This made them come up with the final report for their research work.

2.4.3 Interviews

Interviews were semi-structured, meaning that the respondents had an opportunity to express their own thoughts while answering the questions, at the same time as there was possibility for asking additional relevant questions (Halvorsen, 1992). Thus, the questions were open and they required much involvement from the respondent.

This method was chosen because of the possibility of gaining as much information as possible at the same time as one is able to lead the interview in the desirable direction. It was also possible to adjust the interviews in the way so that more emphasis was put on more interesting issues, all depending on the respondent and the circumstances.

The interviews were performed with the managers or directors of the companies.

During the interviewing process, it was observed that while some managers were interested in the topic and did not mind, if the interview was going to last one or two hours, others seemed to be in a hurry to finish the interview and acted uninterested, which made it hard for the authors to perform closer discussion on the issues.

3 TOURISM COMPANIES AND INTERNET USAGE

3.1 Introduction of the visited companies

For hotels and tour companies in Kenya, reservations and bookings are done using other search engines such as travel sites. Mostly it is done by sending emails and by using the websites of the companies. Below are some examples of the travel sites used by hotel companies for booking and reservation (www.hotelbooking sites.com)



PICTURE 1. Booking sites

3.1.1 African Horizons

In 1998, African Horizons was born out of a passion for the African continent and formed on the premise of providing quality African travel not only to the savvy globe-trotters among us but also to those who had never experienced the thrill of an African safari or wildlife tour. They firmly believe in adventure travel in general and African safaris in particular. African Horizon has branches in Kenya, Tanzania, Uganda, Rwanda, Botswana, Zimbabwe, Namibia, South Africa, Zambia and Madagascar. Booking and reservation is done through the emails. This shows how widely the internet is used in almost all tour companies everywhere.

3.1.2 Kobo Safaris

Kobo Safaris is one of Africa's leading destination management companies. Since its launch in Kenya in 1994, it has grown from its East African origins to now cover a variety of African destinations. Kobo Safaris provides a wide range of products and services, including regular departures on fixed circuits, tailor made safaris for individual travellers, and incentive packages for groups. Kobo Safaris steps lightly and avoids any negative environmental impacts.

With over 15 years experience in handling groups and incentives of different sizes and needs, the company offers tailor made services solutions for different budgets. They have their head office in Nairobi, as well as fully fledged offices in Cape Town and Windhoek. Among the destinations they operate in are Tanzania, Zanzibar, Rwanda, Uganda, South Africa, Namibia, Mauritius, Mozambique, Madagascar, Botswana and Zambia. (<http://www.atta.travel/member/1506/kobo-safaris>)

Internet usage is utilized in making bookings and sending tailored itineraries to their customers. They also make flight bookings for customers interested in such packages. The website of the company is www.kobo-safaris.com and this is how most tourists are able to see what the company has to offer. Booking and reservation is done mainly by email where the guest specifies the package he/she wants.

3.1.3 Pollmans Tours & Safaris

Pollmans Tours & Safaris is among Kenya's oldest and most respected tour companies. Founded more than fifty years ago by Karl Pollman, Pollmans Tours & Safaris has grown to become an industry leader with more than 200 latest model vehicles with varieties to meet the needs for a variety of groups and individual clients and custom-designed vehicles for the roads of Kenya.

Pollmans Tours & Safaris have staff that speak a number of languages and dedicated departments for incentive groups, cruise ship arrivals and other group events. They also have specialised programmes for weddings, honeymoons, bird watching and even sport training safaris where you work next to some of the world's top runners.

(http://www.pollmans.com/index.php?option=com_content&view=article&id=57&Itemid=29)

The booking process in Pollmans Tours & Safaris is done through filling the reservation form in the following link

(http://www.pollmans.com/index.php?option=com_chronocontact&Itemid=56)

Marketing is the most important factor in Pollmans Tours & Safaris and this is done through the internet. Their destinations and packages are marketed through pictures in their website. Pollmans Tours & Safaris also do promotions in the internet to give offers to their customers.



PICTURE 2. Pollmans Tours & Safaris' trade fair stand (www.pollmans.com)

3.1.4 Safe ride Tours and Safaris

Safe ride Tours and Safaris is a family owned tour Company in Nairobi, which arranges tour packages for tourists from all over the world. The company has tented camps along the Maasai Mara National Park. The visitors who visit the camp are mainly backpackers, because the camp offers budget accommodation.

The company has its own search engine www.saferidesafaris.com and it is used mainly for bookings and reservations, marketing and communication with guests who want to make bookings. The company also uses the internet to check in their guests at their Manyatta camps.

3.1.5 The Sarova Panafric Hotel

Most city hotels insist on blending into the concrete jungle. Thankfully, The Sarova Panafric Hotel refuses to succumb to this urban order. Named in honour of the Pan African movement, The Sarova Panafric Hotel was inaugurated by the first president of Kenya, Mzee Jomo Kenyatta on the 5th of January 1965 and truly represents the African renaissance.

Idyllically located in 5 minutes' drive from the central business district and 18 km from the Jomo Kenyatta International Airport, amidst beautifully landscaped gardens in a quiet suburb of Nairobi, The Sarova Panafric Hotel offers 162 rooms in a range of Superior, Executive, Club, Studio and Themed Suites - all recently refurbished and decorated in a contemporary vibrant African style. Once the watering hole for freedom fighters, spies and foreign correspondents, Flame Tree restaurant is named after the Flame Tree that holds pride of place in the gardens and offers leisure meals (<http://www.sarovahotels.com/panafric/>).

The internet in the hotel is used in the following ways:

- Receptionists use it to make bookings and reservations.
- The marketing department uses it to market the hotel world wide
- All the rooms in the hotel are equipped with free Wi-Fi for the guests
- The human resource department uses the internet to communicate with their employees

According to the hotel manager, the internet has helped them in very many ways in maintaining the position of the best hotel in the city centre. The internet is mostly used for bookings and reservations.



PICTURE 3. Receptionist at The Sarova Panafric Hotel (www.sarovahotels.com)

The overall conclusion of the internet usage of the visited companies is that the companies use the internet at very basic level in their day-to-day operations. However, all managers expressed the extreme importance the internet has in their business. Many of them said that the business was started because of the Internet and that it would be impossible for them to run the same kind of business without it. It was noted that the internet usage in companies was more on bookings and reservations.

4 SURVEY RESULTS

The research was conducted during a period of two and half weeks from the 1st of March to the 18th of March 2013. The interviews were performed with the managers of the companies. Initially, five selected companies (hotel, travel agencies) were contacted. The questionnaires for tourists were handed to the managers after the interviews to be given to the receptionists to be given to the tourists when they visited the organizations.

Out of 50 questionnaires handed to the tourists, 36 were returned and most filled out questionnaires came from The Sarova Panafric Hotel. This indicates that the hotel had more tourists. The authors also had six questionnaires for the managers of the organizations, which were all returned because they were used in the interviews.

4.1 Results of the tourist survey

4.1.1 Gender of the respondents

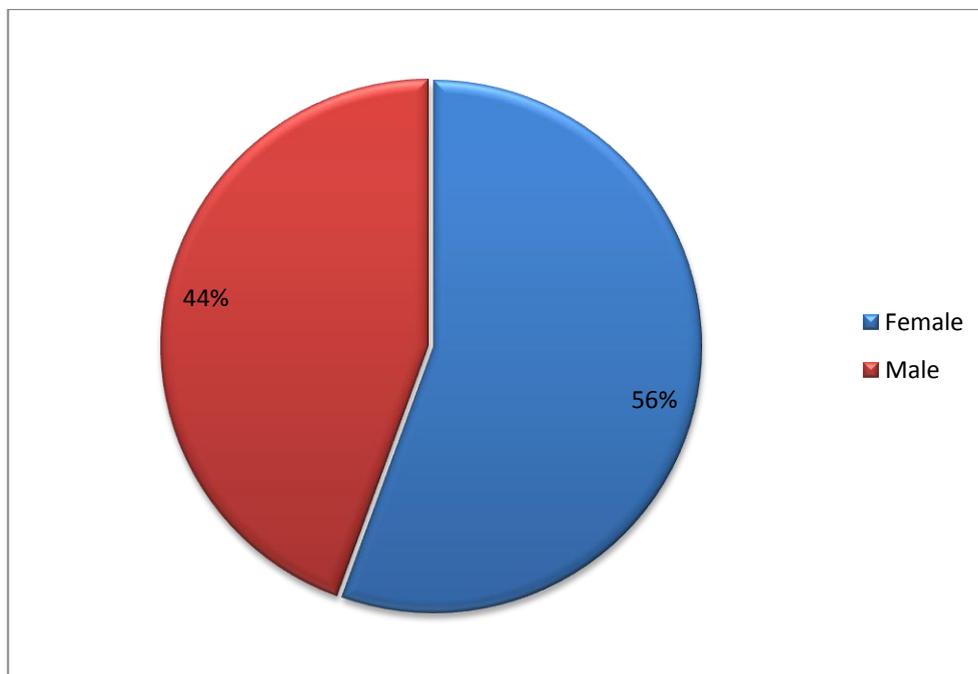


FIGURE 5. Gender of the respondents

The pie chart in figure 5 shows the gender distribution of males and females. It shows that there were more females than males among the respondents. The reasons for this could be that women are known for liking to travel and to shop unlike the male. Gender segmentation has long been used in marketing clothing, hairdressing, cosmetics and magazines.

However, more recently gender segmentation has been applied to tourism and hospitality products and services. For example, the number of women travelling for work purpose has been growing steadily for two decades and women travellers have influenced the introduction of better-lit parking garages, high quality soaps and lotions in hotel bathrooms, and improved room service fare. Travel industry experts say that women travellers are more demanding and discerning than their male counterparts. (Hudson 2008, 47.)

4.1.2 Age of the respondents

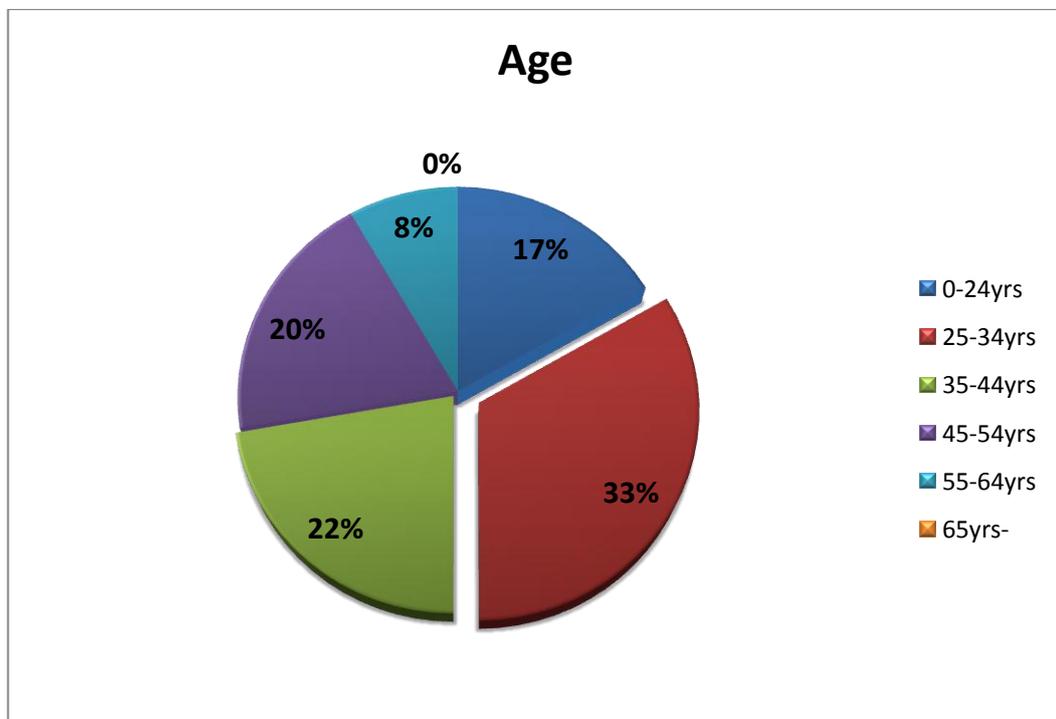


FIGURE 6. Age of the respondents

The pie chart in figure 6 indicates that the age group from 25-34 years was the highest among the respondents followed by 35-44 years. The amount of the respondents of the age group between 55-65 years was the lowest.

The authors expected that the age group 55-65 years would have the high percentage because these age groups are less tied to seasonal travel. The hotel manager also mentioned that during the season the age group between 25-34 years is always the highest because young people like travelling and exploring. The authors thought this is because youth of today works harder than ever to achieve more, and there is no better way to reward themselves and take time out than with a good old vacation.

4.1.3 First time in Nairobi?

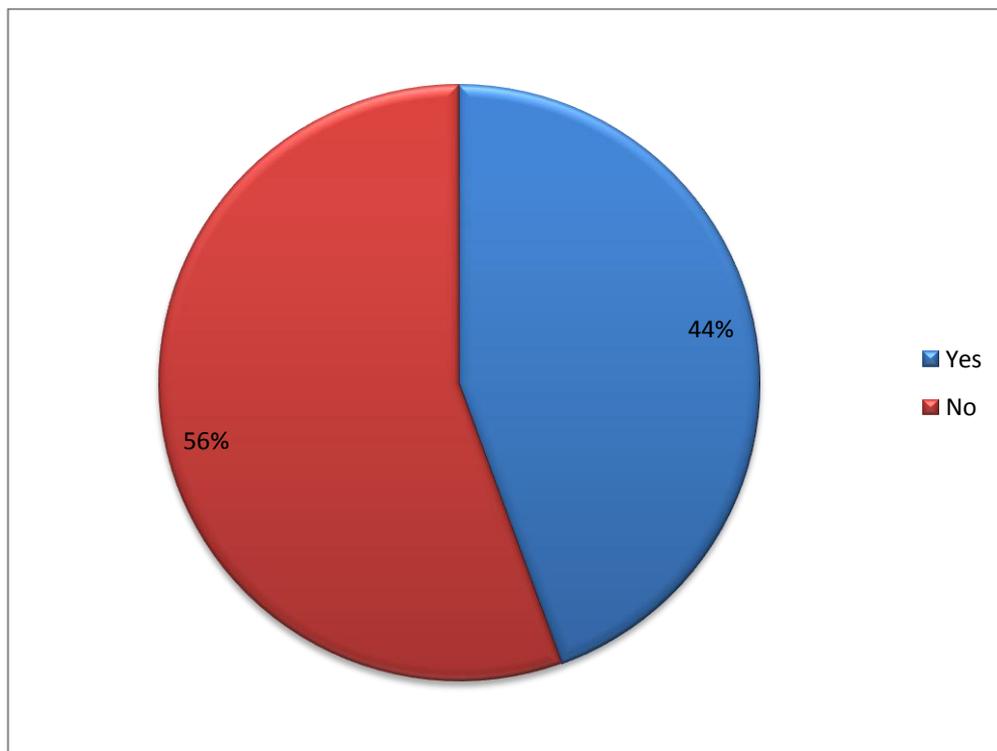


FIGURE 7. First time in Nairobi for the respondents

The pie chart in figure 7 shows the percentages of tourists who had visited Nairobi and those who had not visited Nairobi before. According to the pie chart, 44% of the respondents had chosen the alternative yes. 56% of the respondents had visited Nairobi. The amount of the first timers is high because of many activities marketed online; activities such a wildlife, tour safaris and culture. Based on the information given in the questionnaires, more tourists are discovering Nairobi as a popular tourist destination. 44% indicated yes for the first time in Nairobi. Most tourists are coming back for post tour experience, reputation and business purposes.

4.1.4 Online purchases

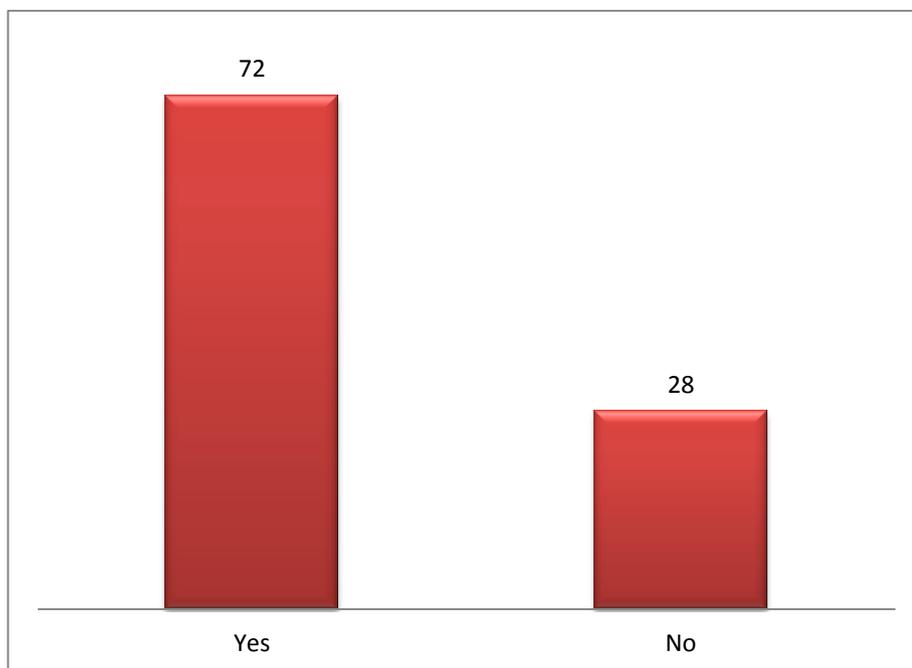


FIGURE 8. Online purchases by the respondents

Figure 8 shows that 72% of the respondents had at one time purchased something online. This can include tickets, airlines, destinations and hotels. This indicates that the internet access is available word wide. More people are aware of the internet existence. 28% had not purchased anything via the internet, the reason according to the authors being maybe the lack of the internet and interest.

4.1.5 Have you checked destinations online?

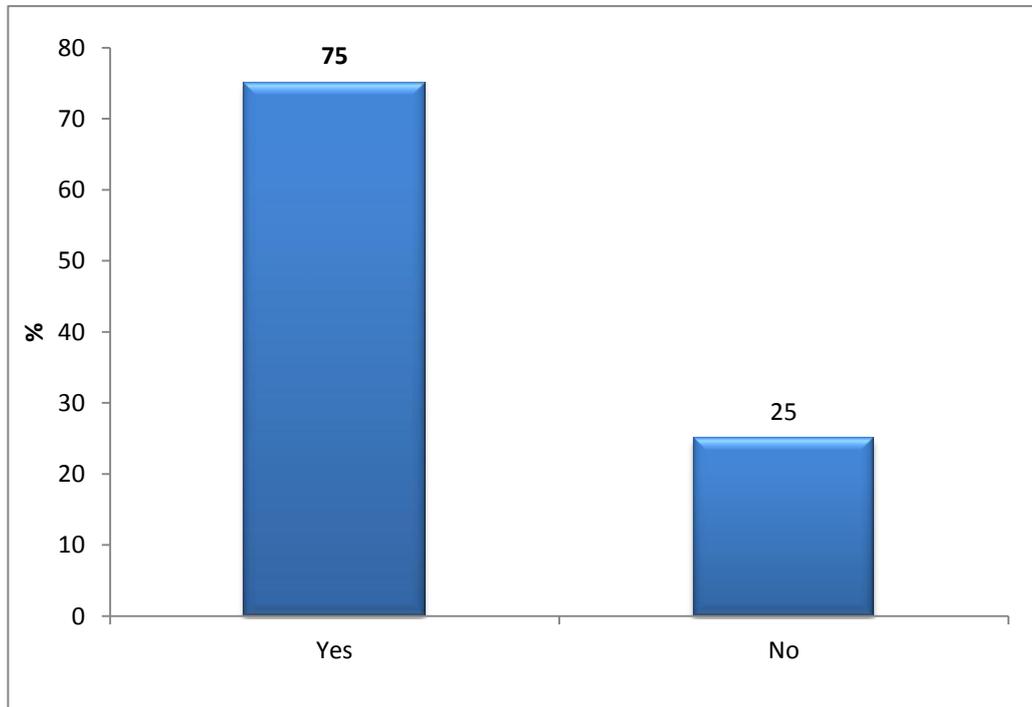


FIGURE 9. Amount of the respondents who checked destinations online.

Figure 9 shows that most respondents checked their destinations online. The authors thought that the reason for this could be that the internet is widely available to individuals these days.

The access to the internet has exceeded 50 per cent in many developed countries. While this indicates that the internet is now a mass medium, a significant minority does not have access and cannot be reached via this medium. (Chaffey et al 2006, 355.) This explains why 25% of the respondents chose the alternative no.

4.1.6 Did the use of the internet have any impact on your bookings?

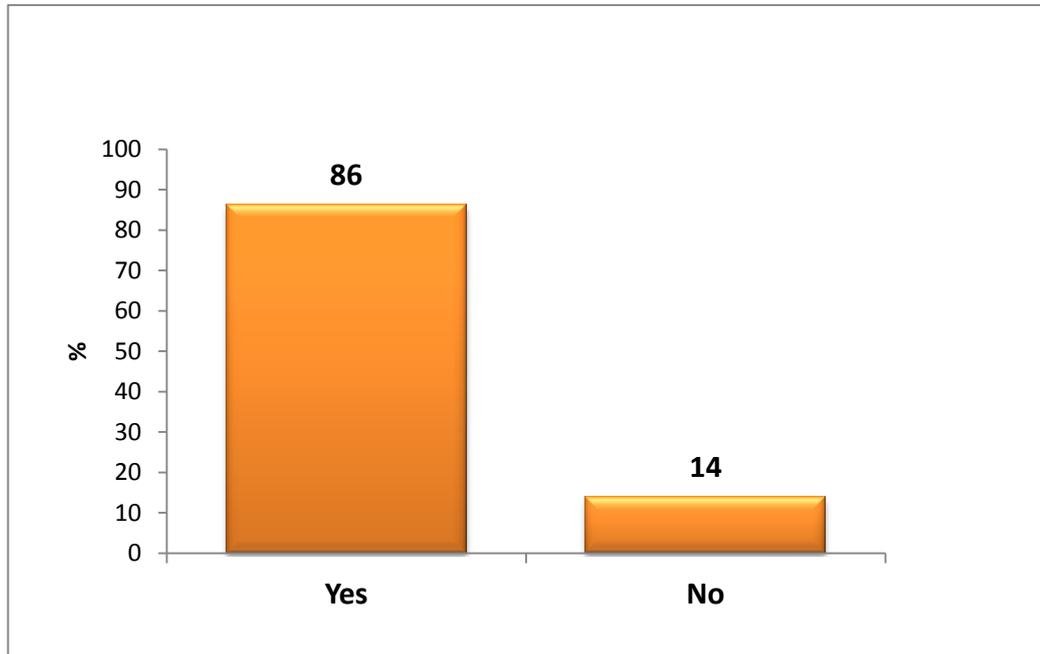


FIGURE 10. Impacts of the internet on booking.

Figure 10 shows that 86% of the respondents think that the internet had had impact on their bookings. The reason for the high percentage was that the bookings were well handled and the process was fast and easy. The other 14% of the respondents chose the alternative no. Maybe the services were poor or there were security reasons. According to the observation of the authors, some tourists prefer booking and paying personally on location.

4.1.7 Would you use the internet for future bookings?

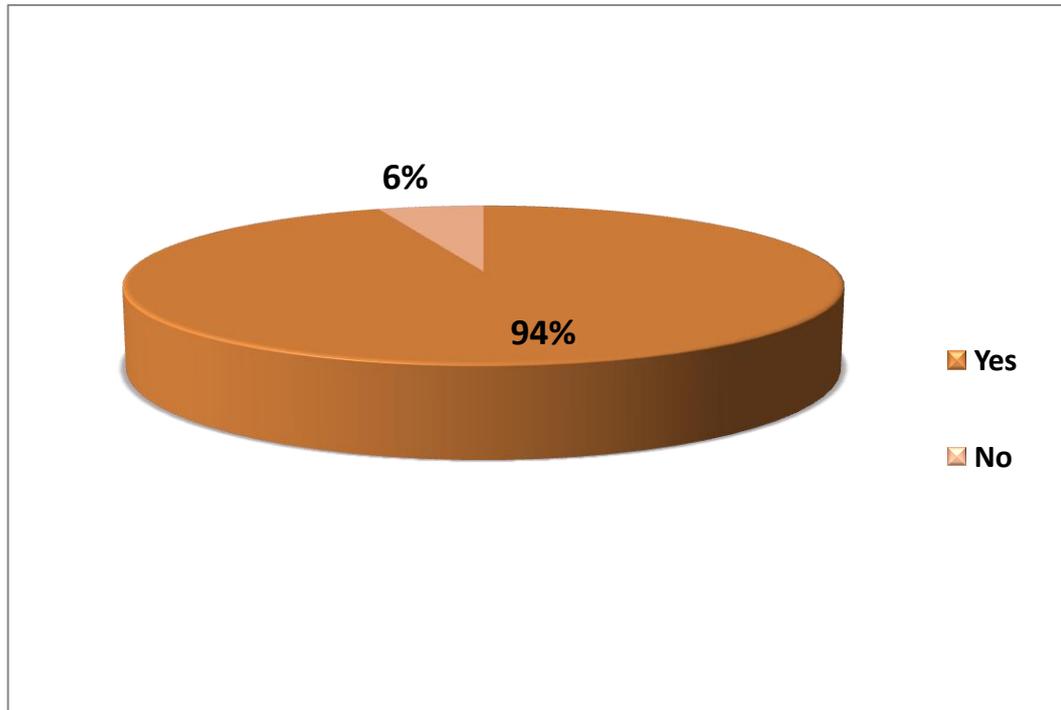


FIGURE 11. Future bookings online

Figure 11 shows that most respondents would use the internet for their future bookings. The reason is maybe because the internet is more reliable and available all the time. 6% of the respondents chose the alternative no. This according to the observation by the authors, these people had security fears when booking online.

4.2 Managers set of questionnaires

The authors had two sets of questionnaires and they used both questionnaires for analysing the data. The authors decided to use both sets, because they felt it was important to get information from the managers of the hotel and the tour companies. They collected the data as they interviewed the managers.

4.2.1 Duration of the business

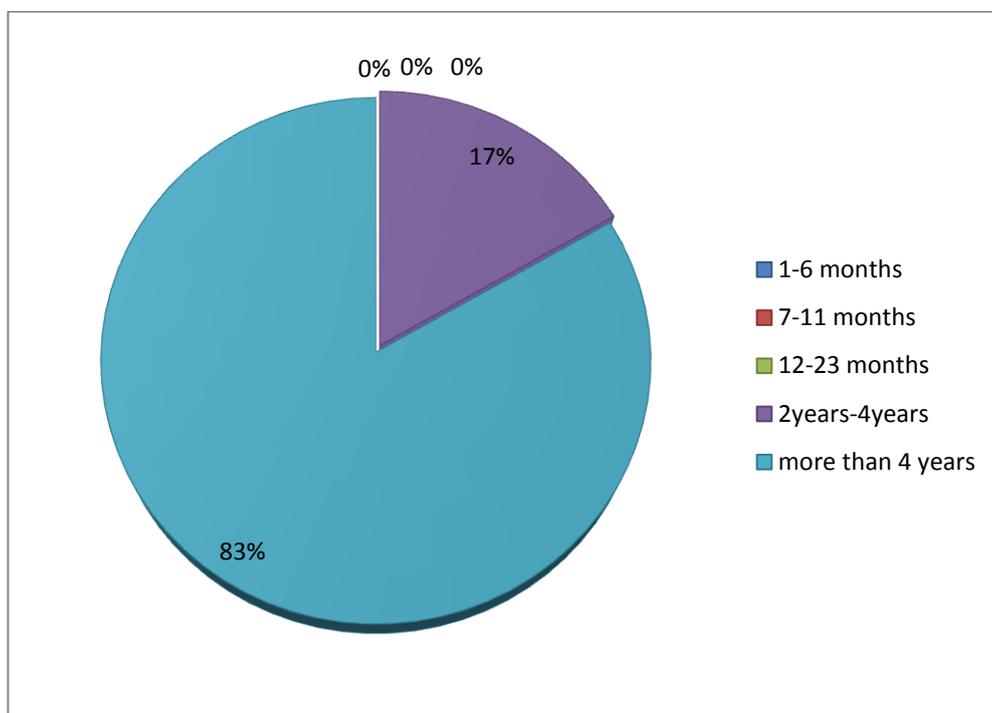


FIGURE 12. Duration of the business

According to figure 12, most of the businesses had started earlier and this is evident because of the 83% of the responses. The observation done by the authors showed that most companies in Nairobi, Kenya started very early because Kenya is a tourist destination. 17% replied that the companies had existed from 2 years to 4 years. The authors also discovered that among the companies they interviewed none of them had existed below one year since establishment.

4.2.2 Does your company have a website?

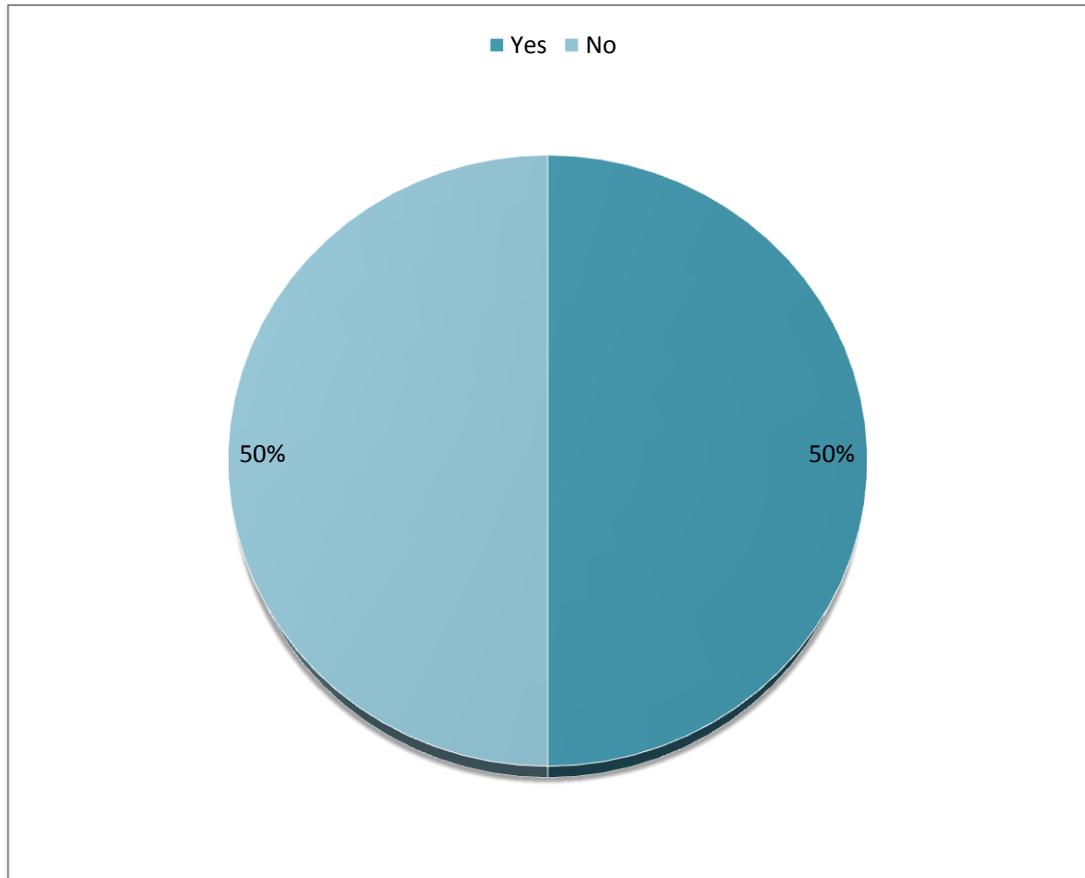


FIGURE 13. Company website

Figure 13 shows that 50% of the companies did not have company websites and the authors found out that the customers used several search engines to look for the company information. 50% of the companies have a website and this according to the research conducted made searching easier for the customers.

The phenomenal boom in website creation and the explosive growth of online traffic has intensified the battle for the consumer's time and attention. The secondary component or required follow-on to website design and development involves developing comprehensive online marketing (Sweeney 2000, xxiii).

4.2.3 How often do you promote your company?

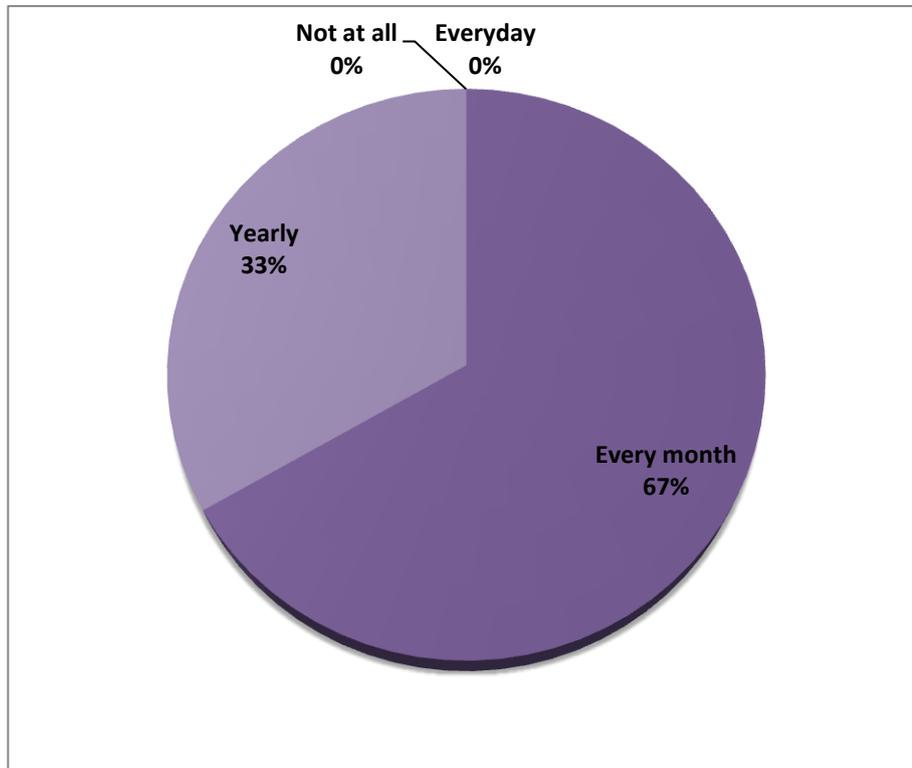


FIGURE 14. Promotion of the company

The authors asked the respondents how often they promote their organisation. 67% of the respondents said that the promotion is done every month and 33% responded to doing it on yearly basis. Sales promotion includes an assortment of tools, coupons, contests, cents-off deals, premiums and others and these tools have many unique qualities. They attract consumer attention and provide attention and information that may lead the consumer to buy the product (Kotler et al 2006, 559).

4.2.4 Online promotions

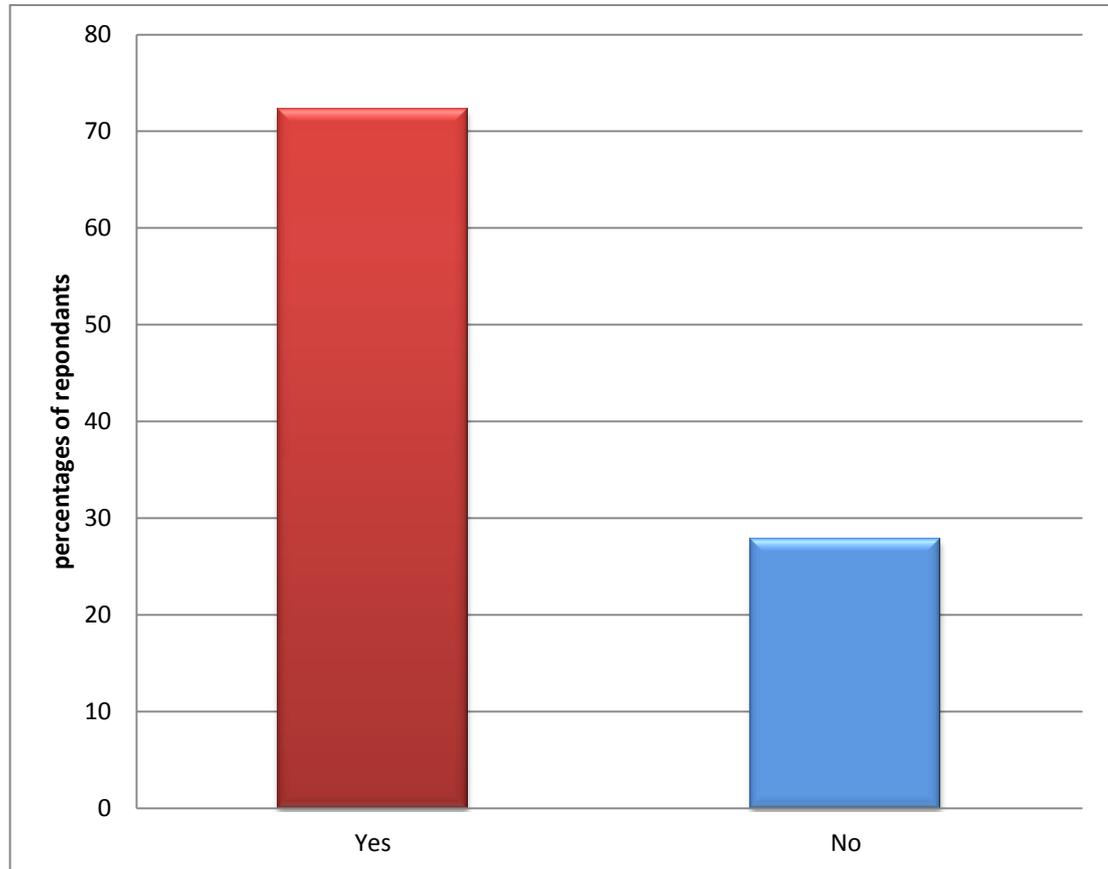


FIGURE 15. Online promotions

The authors wanted to find out if the respondents used the internet for their promotions. 72% of the respondents used the internet while 28% did not use the internet. According to the respondents with the higher percentage, they used the internet because it was faster and it reached many of their customers. The respondents with the lower percentage said that the internet was too expensive sometimes and they decided to distribute brochures and use media like the television and radio to make their promotions.

5 CONCLUSIONS

The research study was done in Kenya, a country of enormous diversity. Most people come to go on safari in one or several of the excellent game reserves and national parks in pursuit of the big five.

The research concluded that internet cafes and email facilities are plentiful in the major cities and towns in Kenya and range from the upmarket hotel, cybercafés with fast connections to small shops and business centres that may just have a single computer.

Although the internet is known and used worldwide, it was clearly noted that not everybody uses it not only for booking but also for daily use. This was found out by the answers given in the questionnaires.

The internet has had a profound effect on the hospitality and travel industries and it has also created a new distribution channel for hospitality and travel products. It is also a great source of information for travellers. Technological change faces opposition from those who see it as threatening nature, privacy, simplicity and even the human race (Kotler et al 2006, 131-132).

The research further concluded that not all hotels and tour companies use the internet for booking or even making reservations in Nairobi. Some companies prefer doing everything manually according to their comfort.

Marketers must understand and anticipate changes in the technological environment and utilize technologies that serve human needs. They must be sensitive to aspects of any innovation that might harm users and bring about opposition (Kotler et al 2006, 131-132).

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APPENDICES

Appendix 1: Questionnaire for tourists

We are students of Tampere University of Applied Sciences taking a Degree in Tourism and Hospitality. We are carrying out a research project on **“Impact of the Internet on Tourism and Hospitality in Nairobi”**. We randomly picked you to form a part of our sample. We hope you will take some time and answer our questions. Your responses will be highly appreciated. Answers and opinions expressed in the questionnaire will be treated with confidentiality. A summary will be made of all the responses and no individual response will be published. Tick the appropriate option/options.

1. Gender

1. Female
 2. Male

2. Age

1. -24
 2. 25-34
 3. 35-44
 4. 45-54
 5. 55-64
 6. 65-

3. Country of residence _____

4. Nationality _____

5. Occupation _____

6. Is this your first time to visit Nairobi?

1. Yes
 2. No

7. If this is not your first time, how many times have you visited Nairobi?

8. How did you find out about tourist attractions of Kenya? More than one alternative can be given.

- | | | |
|---|--------------------------|-------------|
| 1. Catalogues/ brochures | <input type="checkbox"/> | |
| 2. Friends /acquaintances | <input type="checkbox"/> | |
| 3. Internet | <input type="checkbox"/> | |
| 4. Magazines/journals | <input type="checkbox"/> | |
| 5. Social media (for example Facebook) | <input type="checkbox"/> | |
| 6. Tour operator | <input type="checkbox"/> | |
| 7. Travel agency/agencies | <input type="checkbox"/> | |
| 8. Trade fairs and exhibitions (tourism & travel) | <input type="checkbox"/> | |
| 9. TV commercials | <input type="checkbox"/> | |
| 10. TV programs (tourism and travel) | <input type="checkbox"/> | |
| 11. Other | <input type="checkbox"/> | what? _____ |

9. What attracted you to Kenya? More than one alternative can be given.

- | | | |
|---------------------------|--------------------------|-------------|
| 1. Historical sites | <input type="checkbox"/> | |
| 2. Adventure | <input type="checkbox"/> | |
| 3. Climate and vegetation | <input type="checkbox"/> | |
| 4. Beaches | <input type="checkbox"/> | |
| 5. Wildlife | <input type="checkbox"/> | |
| 6. Reputation | <input type="checkbox"/> | |
| 7. Shopping | <input type="checkbox"/> | |
| 8. Tour activities | <input type="checkbox"/> | |
| 9. Other | <input type="checkbox"/> | what? _____ |

9 a. Through which method did you make your booking?

- | | | |
|---|--------------------------|-------------|
| 1. Internet | <input type="checkbox"/> | |
| 2. Tour company/companies | <input type="checkbox"/> | |
| 3. Booked and paid personally on the location | <input type="checkbox"/> | |
| 4. Telephone booking | <input type="checkbox"/> | |
| 5. Email | <input type="checkbox"/> | |
| 6. Other | <input type="checkbox"/> | what? _____ |

10. How often do you use the internet? Tick the appropriate alternative.

1. Daily
2. Weekly
3. Monthly
4. Yearly
5. Not at all

11. Have you ever purchased anything via the internet?

1. Yes
2. No

12. Have you ever logged into any website seeking details about preferred tour destinations?

1. Yes
2. No

13. If yes, did you find the information you needed?

1. Yes
2. No

14. Did the use of the internet have any impact on your booking?

1. Yes
2. No

15. Would you use the internet in future for your future bookings?

1. Yes
2. No

Thank you for your participation!

Appendix 2: Questionnaire for managers

We are students of Tampere University of Applied Sciences taking a Degree in Tourism and Hospitality. We are carrying out a search project on **“Impact of the Internet on Tourism and Hospitality in Nairobi”**. We randomly picked your organization to form a part of our sample. We hope you will take some time and answer our questions. Your responses will be highly appreciated. Answers and opinions expressed in the questionnaire will be treated with confidentiality. A summary will be made of all the responses and no individual response will be published. Tick the appropriate option/options.

1. What is the name of your company?

2. In what kind of business are you operating?

1. Travel agency/agent

2. Accommodation provider

3. Other what? _____

3. How long has your business been running?

1. 1-6 months

2. 7-11 months

3. 12- 23 months

4. 2years – 4 years

5. More than 4years

4. Describe your organization’s core competence.

5. What are your main customer groups?

6. How is the Internet useful within your organization?

7. Does your company have a website?

1. Yes

2. No

If yes, what is your website address? _____

8. Does your website provide an e-mail address through which you can be contacted?

1. Yes

2. No

9. Is your website registered with any search engines?

1. Yes

2. No

10. What are some of the advantages and disadvantages of using the Internet?

11. Does your organization often do the promotion on the Internet?

1. Yes

2. No

12. If yes, how often do you promote your organization?

1. Every day

2. Every month

3. Yearly

4. Not at all

13. Has your organization benefitted from the online promotion?

1. Yes

2. No

14. If yes, how? _____

15. How do your customers make bookings with your business mostly?

1. Telephone

2. In person

3. Internet

4. Business website

5. Email

6. Other what? _____

16. Has the amount of people making booking online increased recently?

1. Yes
2. No

17. Are there many tourists who contact your organization for more information?

1. Yes
2. No

18. Have customers given feedback to your organization by email?

1. Yes
2. No

19. According to the alternatives below, how is internet utilized best in your company?

1. Promotion
2. Booking
3. Tour
4. Transaction
5. Post tour experience
6. Other what? _____

20. Does the Internet help your organization a lot?

1. Yes
2. No

If yes, how? _____

21. Please give some opinions about the impact of the Internet in tourism industry and especially for your own business.

Thank you for your participation!