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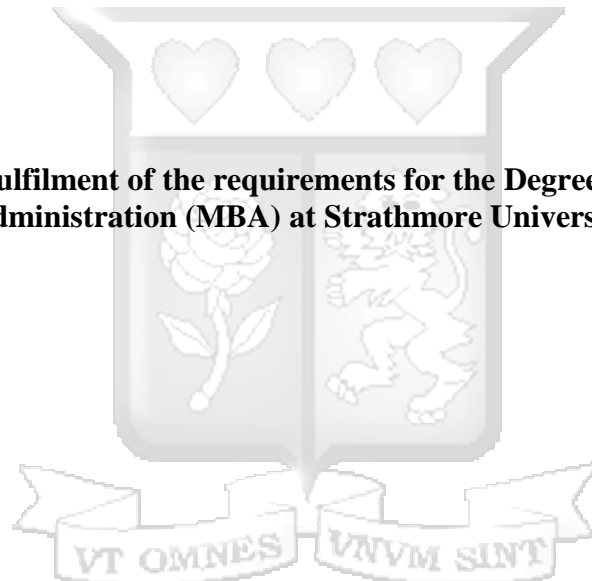
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Promoting Domestic Tourism in Kenya: An Assessment of Economic Significance and Opportunities for Tourism Stakeholders in Nairobi

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MBA/87888/16

Submitted in partial fulfilment of the requirements for the Degree of Master of Business Administration (MBA) at Strathmore University



**Strathmore Business School
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JUNE, 2018

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June, 2018

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ABSTRACT

Domestic tourism provides critical support to tourism industry in several areas of performance including seasonality, regional dispersal and increased domestic spending. A vibrant domestic tourism industry can generate visitor spending of substantial contribution to the industry's overall financial resilience. Statistics on the uptake of domestic tourism especially in Kenya has received little attention as the focus is predominantly on international tourism, with a major allocation of tourism budgets and tourism research going towards promotion of international tourism. The study aimed at assessing the economic significance and opportunities for promoting domestic tourism in Kenya. The study employed descriptive and causal research designs and used questionnaires for data collection from tour operators and hotel owners in Nairobi. A stratified random sampling design was used to select 362 hotels and tour operators. The study found that key economic indicators for promoting domestic tourism among tour operators and hotels are economic returns and job sustainability. A positive relationship was established between domestic tourism volumes and financial gains. The results show that increased disposable income, improved transport network, price incentives and awareness are major opportunities for promoting domestic tourism in Kenya. These findings provide insights on potential of domestic tourism to enhance sustainability and functionality of tourism in Kenya during the off-peak months.

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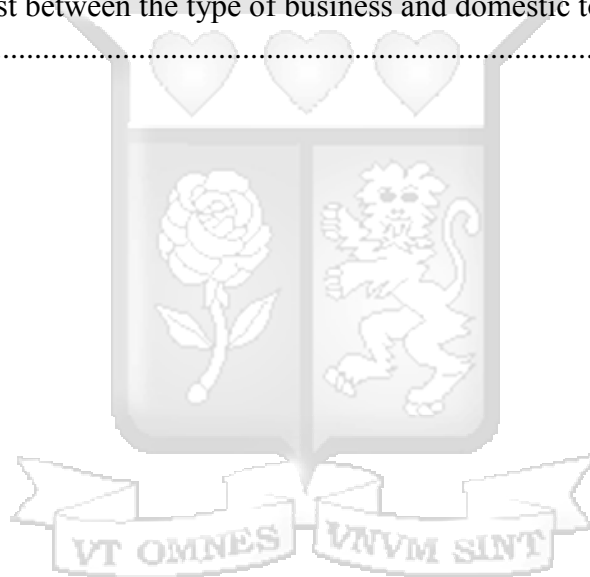
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ABBREVIATIONS

AIDA	Attention, Interest, Desire and Action
CBD	Central Business District
EAC	East African Community
EMAB	England Marketing Advisory Board
ETC	European Travel Commission
GDP	Gross Domestic Product
IATA	International Air Transport Association
KAHC	Kenya Association of Hotelkeepers & Caterers
KATO	Kenya Association of Tour Operators
KTB	Kenya Tourism Board
SMS	Short Message Service
TRA	Tourism Regulatory Authority
UNECA	United Nations Economic Commission for Africa
UNWTO	United Nations World Tourism Organization
VFR	Visiting Friends and Relatives
WTO	World Tourism Organization



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DEDICATION

To my children Shirley Kendi Mwiti and Shawn Murithii Mwiti I treasure you.

To my parents Mr. & Mrs. Andrew Kwoba and my parents in law Mr. & Mrs. Gitobu thank you for always believing in me.



CHAPTER ONE

INTRODUCTION

1.1 Background information

Domestic tourism provides critical support to the tourism industry in several areas of performance including seasonality, regional dispersal and increased domestic spending. A vibrant domestic tourism industry can generate visitor spending of substantial contribution to the industry's overall financial resilience, sustainability and functionality in off season months. Domestic Tourism is defined by the World Tourism Organization (WTO) as the activities of persons traveling to and staying in places outside their usual environment but within the country of residence for not more than one year for leisure, business and other purposes. According to Weaver & Lawton (2006), the purpose of travel can be for leisure and recreation, visiting friends and relatives, and business although a variety of other purposes of tourism are recognized by the UNWTO, including education/study, sport, religion and health.

Frédéric (2010) states that domestic tourism was the first form of tourism that was ever practiced and still continues to be practiced today accounting for high tourist volumes in the tourism industry. He further estimates that of the 4.8 billion tourist arrivals per year, 4 billion or 83 percent, correspond to domestic tourism. The United Nations World Tourism Organization's (UNWTO) economists estimate that at the global level domestic tourism represents 89 percent of arrivals and 75 percent of overnights in non-hotel accommodations. Domestic tourism is further estimated to represent around 5 to 6 billion trips globally (World Tourism Organization, 2013). Despite the above statistics, domestic tourism throughout the world is a predominant but invisible portion of total tourism activity due to lack of commonly accepted and used domestic tourism definition. The tourism sector and tourism research community focus mainly on international tourism volumes and expenditures (Eijgelaar, Peeters, & Piket, 2008). This is informed by the fact that there is greater availability of statistics on international tourist flows and its continued recognition by many government agencies as more significant from an economic perspective that represents high revenues unlike domestic tourism that represents recycling on monies within the nation (Kang, Kim, & Nicholls, 2014).

In developed countries and some emerging markets, domestic tourism is flourishing. For China, domestic tourism has witnessed rapid development since the 1990s, outpacing international tourism. In countries such as France, United Kingdom, the United States of America, China and Malaysia, their tourism development model is rooted in a domestic foundation that guides the orientation of the industry in product development and marketing (National Tourism Strategy, 2012). In 2009, Malaysia recorded 90 million domestic tourists versus 23 million international arrivals, of which 13 million were regional tourists from Singapore (UNECA, 2011). Domestic tourism in India is a major driver of both economic growth and development (Sharma & Karthikeya, 2017). It contributes 6.77 percent of the country's GDP to income generation and 43.8 million or 8.2 percent total employment in both formal (10 percent) and informal (90 percent) sectors (NCAER, 2012).

Within Africa, South Africa's tourism is firmly grounded purely on the domestic market. In 2009, domestic tourism in South Africa contributed 54.8 percent to GDP and 79 percent to the overall tourism economy (Domestic Tourism Strategy, 2010). In Durban, South Africa, domestic tourism has been recognized as the cornerstone of economic development. Domestic tourist numbers have been on the increase in recent years with 87.7 percent in 2014, 88 percent in 2015 and 93.56 percent in 2016 while international tourists in 2016 were only 6.44 percent. (Makhaola & Proches, 2017). The same cannot be said of other African countries, Mazimhaka (2007) opines that governments and tourism bodies in most of the developing nations especially Africa, focus more on promoting international tourism due to the huge revenues from foreign currencies brought in a countries economy compared to domestic tourism.

Manwa and Mmereki (2008) also state that in the African marketing strategies, development of domestic tourism has received little attention as it is assumed that most African citizens live below the poverty line and hence cannot afford to go on holiday. In Botswana, literature on domestic tourism is almost non-existent. Visitor numbers to most attractions by residents and the performance of the sub-sector in general is also not available save for the Department of Wildlife and National Parks (DWNP) which have visitor numbers to the protected areas (Morupisi & Mokgalo, 2017). Ndlovu, Nyakunu and Heath (2009) state that traditionally, developing countries such as Namibia rely on international tourist arrivals often at the expense of promoting domestic tourism. In Botswana, according to the Department of Tourism (2012) in their tourism

statistics 2006-2010 report, an estimated 2.1 million international tourists against 1.2 million domestic tourists visited Botswana in 2010. These statistics indicate that domestic trips trail international arrivals.

In Kenya, although the importance of developing domestic tourism has been recognized since the early eighties, the absence of a comprehensive enabling environment has left this segment of the market lagging behind (National Tourism Strategy, 2012). Manono and Dorothy (2013) state that tourism investment in Kenya targets mainly the affluent tourists from western countries and domestic tourism only comes up as a passing concern when international tourism is on the decline especially during low season and threats to international tourism especially terrorism, epidemic disease outbreaks, political instability and global economic recessions. The impact of domestic tourism in Kenya was fully realized following major disasters such as El Nino flooding, Kikambala bombings, September 11th and its aftermaths, Kenya's post-election violence, the global economic downturns in key source markets and the disaster of Ebola in the west African countries from March 2014 to 2015 (UNWTO, 2014).

According to the Bloomberg Terminal Research (2017), domestic tourism has been gaining momentum with the Kenya Tourism Board launching marketing campaigns aimed at attracting Kenyans to take up domestic tourism. They further state that while Kenyans have limited purchasing power, campaigns urging tour operators and hotels to reduce rates for the domestic traveller to encourage them to take up holidays during low season is paying dividends. Despite such initiatives clear studies that address why domestic tourism is low with little complete research being done on what contributes to domestic tourism's presence in a country (Manono & Dorothy, 2013). In 2016, domestic travel spending generated 60.8 percent of direct travel and tourism GDP compared with 39.2 percent for visitor exports (foreign visitor spending or international tourism receipts). Domestic travel spending is expected to grow by 6.1 percent in 2017 to KES 284.9 billion and rise by 5.4 percent per annum to KES 484.1 billion in 2027 (World Travel & Tourism Council, 2017). These statistics indicate that domestic tourism needs to be developed to become an enduring foundation the tourism industry and the economy as a whole. The purpose of this research is to assess the economic significance and opportunities for promoting domestic tourism in Kenya.

1.2 Problem statement

According to UNWTO (2012) in Asia and the Pacific, domestic tourism has been neglected as both as an area of research and development. Scheyvens (2007), affirm that domestic tourism research has received very few submissions in research. Manwa and Mmereki (2008) concede that international tourism promotion is more emphasized in Africa while very little is known about domestic tourist impacts. International tourism is a source of foreign currency and foreign income and international tourists' actual numbers can be captured at points of entry to the host destination. Singh and Krakover (2015) also suggest that the cause for neglect of domestic travel results from the popular assumption that tourists invariably originate from distant lands and other cultures with the consequence that domestic travelers sometimes are discounted as tourists. Ndlovu *et.al.* (2008) asserts that while international tourism brings in the much-needed foreign currency into the country, most of this currency leaks out to support imports. Domestic tourism on the other hand ensures that revenue generated is used within the country and various stakeholders stand to benefit from this. Tourism is important to the economy of South Africa and domestic tourism forms the foundation of the tourism industry and tourism development in Durban (Robbins, 2017). Mutinda and Mayaka (2012) state that, domestic tourism has the potential to make several economic and socio-cultural contributions to a country, key among them national integration and cohesion and creation of opportunities through various economic linkages at destinations. While literature exists on the importance of domestic tourism as a whole, little is mentioned on how to promote this segment of the tourism industry and what opportunities exist for Kenya. This study therefore seeks to assess the economic significance and opportunities for promoting domestic tourism for tourism stakeholders in Nairobi.

1.3 General objective

To assess the contribution of domestic tourism to tourism stakeholders in Nairobi.

1.3.1 Specific objectives

- i. To analyze the economic significance of domestic tourism to tourism stakeholders in Nairobi.
- ii. To assess the opportunities for promoting domestic tourism by tourism stakeholders in Nairobi.

- iii. To assess the effectiveness of marketing strategies used by tourism stakeholders in Nairobi to promote domestic tourism.

1.3.2 Research questions

- i. What is the economic significance of domestic tourism to tourism stakeholders in Nairobi?
- ii. What opportunities exist in promoting domestic tourism by tourism stakeholders in Nairobi?
- iii. Which effective marketing strategies are used by tourism stakeholders in Nairobi to promote domestic tourism?

1.4 Scope of the study

The study was focused on tourism stakeholders based in Nairobi. The UNWTO identified stakeholders in tourism destinations as tourism professionals, public authorities, as well as the press and other media. In addition, other interest groups and individuals and in particular local residents and indigenous groups, also need proper recognition as stakeholders in their own right. This study was limited to hotel owners, tour operators and travel agents. The study was conducted in Nairobi county because it is the largest industrial center with a relatively well developed industrial base that accounts for 20% of the Gross Domestic Product (GDP). Nairobi has a well-developed system of hotels and top-rate tour companies. Cities of the World (2008). The county is a cosmopolitan area hence represents the feelings and character of Kenya as a country (Kenya National Bureau of Statistics, 2014).

1.5 Significance of the study

This study aimed at providing insights on effective marketing strategies that can be used to promote domestic tourism to tour operators and hotel owners. The study will encourage tour operators and hotels to take up domestic tourism as an important wing of tourism trade. The findings of this study are important to domestic tourists as it provides them with more information on domestic tourism. The findings from this study adds to existing literature on domestic tourism and can also be used by researchers and academicians as a basis to carry out further research on domestic tourism as well as industry-based training.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides a review of relevant literature from research journals, publications and reports on theoretical and empirical studies presented in the objectives of this study. The chapter covers literature on the economic significance of domestic tourism, opportunities that exist in promoting domestic tourism, marketing strategies employed in promoting domestic tourism. The chapter also covers the conceptual framework.

2.2 Theoretical framework

This study adopts the AIDA model to build the theoretical framework for promoting domestic tourism in Kenya. Since tourism is a service industry, an effective framework is required to create awareness.

2.3 STEAM Model

The Scarborough Tourism Economic Activity Monitor (STEAM) is derived from a model developed by David James and Frank Hart in the process of developing a ten-year tourism policy for the province of Saskatchewan, Canada, in 1981. In 1987, the employment department established a Tourism Statistics Advisory Group (TSAG) to create strategic oversight of statistics relevant to tourism and leisure. The STEAM model is a tourism economic impact modelling process that approaches measurement of tourism from the bottom-up by use of local supply side data and tourism performance and visitor survey data collection (James, 2018).

The model is designed to provide a robust indicative base for monitoring trends based on monthly and annual outputs within acceptable statistical confidence levels. STEAM approaches the measurement of tourism at the local level from the supply side, which has the benefit of immediacy and relative inexpensiveness. STEAM is designed to provide an indicative base for monitoring trends in the industry and the confidence level of the model is calculated to be within the ranges of plus or minus 10% in respect of the yearly outputs and plus or minus 5% in respect of trend.

STEAM quantifies the local economic impact of tourism, from both stay and day visitors by: Analysis of bed stock (by category month by month, year on year); Analysis of bed stock seasonal availability (by category of accommodation); Estimates of revenue generated by tourists (by category of accommodation and distribution by activity by month); Categories of serviced and non-serviced accommodation; Estimates of number of tourists and number of tourist days (by category of accommodation by month); Estimates of employment supported by tourism; Estimates of traffic implications of tourism (by month); and Trend information annually for all output categories by zone. (Middleton, 2002)

The STEAM model is relevant to this study as it provides data that helps define economic parameters within which local tourism destinations operate. The information collected includes type of tourism establishments, capacity of the establishments, use of the tourism establishments, employment data from the establishments and economic multipliers in respect to tourist economic impacts and employment generated indirectly from the tourism sector.

2.4 AIDA Model

In 1898, E. St. Elmo Lewis proposed a theory of communication called the AIDA model, the acronym that refers to Attention, Interest, Desire, and Action. This theory was developed based on a study of the life insurance industry that describes the four cognitive phases experienced by an individual upon receipt of a new idea or a new product purchased (Michaelson & Stacks, 2011). The AIDA model is used to describe the basic process through which consumers are motivated to make a purchase which is based on external stimuli from sales representatives (in our case the key tourism stakeholders). Consumers are motivated to make purchases based on Awareness (existence of a product or service), Interest (paying attention to the benefits of the product or service), Desire and Action (the actual purchase). This model is relevant in the tourism industry as consumption of the tourism product stems from awareness, then interest that sparks desire and final action by the purchase of the product or purchase of the experience (a holiday).

According to Barry and Howard, as cited in Heath and Feldwick (2007), the AIDA model contains a four-step formula to get attention, attract interest, create desire, and then take action,

which is making a purchase. This model is very useful in assessing the impact of advertising by controlling every step of the psychological transformation that starts from the individual level to see an advertisement up to the purchase made by the individuals involved (Kojima, Kimura, Yamaji, & Amasaka, 2010). While we live in the age of interactive online communication and emerging social networks, consumers of products and services still need to be aware of the existence of the product, show interest in the product based on information obtained related to the benefits of the product, and express a desire to have these products because they meet the needs, wants, and their interests, and take action to make the decision to purchase or other relevant actions (Michaelson & Stacks, 2011). The AIDA model has different levels. The cognitive level is when the user's attention is first drawn. It is the first step in the communication process where the consumer needs to know about the existence of such a service. The tourism stakeholders, therefore, need to create products that capture the imagination of the traveler. At the affective level, consumers have an interest in the services offered and in finding out more about what is being offered. The stakeholders need to identify the best channels of communication that yield results. This leads to the desire to acquire the product or service. The stakeholders in this case need to be strategically placed and positioned to gain the competitive edge. At the level of behavior, the action takes place, the stakeholders close the sale. The consumer uses the service provided as a valued resource. This study has adopted this model to suit marketing strategy for promoting domestic tourism by tourism stakeholders in Nairobi.

2.5 Empirical review

This section carries out an empirical review of the socio-economic significance, the opportunities and the marketing strategies used to promote domestic tourism by tourism stakeholders

2.6 Socio-economic significance of domestic tourism

Domestic tourism can lead to a number of benefits to a destination. Mazimhaka (2007) states that domestic tourism is vital as it can act as a catalyst to bring stability and used as an avenue to create a more sustainable path for tourism development. This section looks at the socio-economic significance of domestic tourism. In Namibia for example, an increase in domestic travel has ripple effects on the growth of the economy and tourism stakeholders. This includes an increase in employment, improved living standards of the host community, and development of attractions (Ndlovu *et.al.*, 2009). In Botswana, Leechor (2007) states that some of the benefits of

promoting domestic tourism include national pride as a result of exposing the country's cultural and natural resources to the people, development of new tourism products and experiences including urban and shopping tourism and creating a greater understanding and affinity among local people for the value and requirements of the foreign tourism market, thereby elevating the value and importance to employment opportunities and service levels in tourism.

2.6.1 Source of income

Domestic tourism has a socio-cultural and economic significance that contributes to the national and local economic development (Haddad *et al.*, 2013; Kang *et al.*, 2014) This include national integration and cohesion and creation of opportunities through various economic linkages at destinations (Mutinda & and Mayaka, 2012).According to Rogerson and Lisa, (2005) the positive impacts from domestic tourism include the geographical spread of tourism benefits, and non-economic benefits such as support for nation-building and integration (Scheyvens, 2007). Taine (2014) further states that domestic tourism acts as a stabilizing element in a tourism economy as it protects the incomes and employment of tourism product providers during the off-peak season. Domestic tourism helps local entrepreneurs and small business to thrive (Scheyvens, 2007; Zhao, 2009) and can avoid outflows of profits since its development does not require huge investments and at times thrives without external control and investments (Scheyvens, 2007). While the locals may lack the necessary skills and resources to cater for high-end international tourism, domestic tourism provides a platform for the locals to cater for the needs of their fellow countrymen (Rogerson & Letsie, 2013; Scheyvens, 2007).

Domestic tourism in particular is a catalyst for local economic development, as the domestic tourists tend to purchase local goods and services unlike the international tourists who will only focus on "tourist category products". In this way, domestic tourism promotes small-scale enterprises and the informal sector (Scheyvens, 2007). According to Mazimhaka (2007) in Rwanda, the development of a tourism culture that promotes domestic tourism has led to a boost to both the informal tourism economy through the sale of various merchandise and the formal tourism economy through site visits and stay in hotels.

2.6.2 Job creation

Blapp (2014) states that one of the major development goals for nations today is poverty reduction and tourism has been recognized as a key tool to do so. Poverty in tourism has been

contributed by an unequal participation of locals, local communities receiving the low distribution of the benefits, high dependency on developed world and large outflows of money (Harrison & Schipani, 2007). By focusing on domestic tourism development, poverty will be alleviated (Scheyvens, 2007). Mazimhaka (2007) alludes that domestic tourism promotion in Rwanda leads to the stability of the tourism industry by acting as an economic stabilizer through job creation leading to poverty alleviation. Jobs are created through both informal sectors such as the sale of various merchandises and formal sectors through employment in various tourism establishments.

In his study on the significance of domestic tourism in Durban South Africa, Makhaola and Proches (2017) found that job creation ranked top. This is because the locals gained from both formal and informal employment not only in tourism but also other sectors that work hand in hand with the tourism industry including but not limited to accommodation, transportation, and restaurants. Job creation acts as a tool to alleviate poverty and unemployment. He further states that domestic tourism is among the factors that contribute to decrease in crime and poverty. This is because tourism creates opportunities for self-employment. For every business opportunity created, people are employed reducing unemployment rates. (Eugenio-Martin & Campos-Soria, 2011) also affirm that since tourism is labour intensive, many people are hired to perform this service hence tourism creates employment opportunities. On poverty alleviation, (Chandralal, 2010) opines that the tourism industry provides various job opportunities in various sectors of tourism and other industries therefore playing a major role in poverty alleviation. Statistic indicates that in Kenya, over 219, 000 people are employed in the tourism sector. This represents about 11 percent of the total workforce in the country, making tourism a major source of employment (the Republic of Kenya, 2012). Further research is required to establish how much domestic tourism contributes to employment creation.

Domestic tourism acts as a basis for a stronger international tourism. It also bridges the seasonality gap and therefore creates jobs and stability in the employment sector (Mazimhaka, 2007). Domestic tourism can also help non-five-star hotels and restaurants in the country secure steady business and since domestic tourism is the biggest generator of jobs, the economic contribution of domestic tourism can be significant even when domestic tourists do not have high spending power. Domestic tourism requires little foreign exchange to develop and it is not

vulnerable to fluctuations in numbers caused by seasonality or problems arising from travel booking system, international airline schedules, changing international tastes, perceived security threats or world economic recession (Scheyvens, 2007).

2.6.3 Linkages in the tourism value chain

Manwa and Mmereki (2008) assert that domestic tourism promotes linkages with local industries, for example, demand for agricultural produce to supply tourism destinations. This could also encourage investment in infrastructure development. Domestic tourists more often than not, consume local products as they are familiar with. Other linkages are with small and medium-sized enterprises which are predominantly owned and run by local people. Scheyvens (2007) asserts that domestic tourism can be a catalyst for local economic development as domestic tourist support small-scale enterprises and the informal sector as a whole as they purchase more of locally produced goods and services. This in effect leads to poverty alleviation. Tourism as a whole, is a major source of government revenue (taxes, duties, license fees, and entry fees), and contributes immensely to the multiplier effect and the tourism value chain. This has led to the regional development, stimulated new commercial and industrial enterprises, created demand for locally produced goods and services, and provided a market for agricultural products, thus has benefitted associated sectors in the country (the Republic of Kenya, 2008)

Tourism has extensive multiplier effects. The key products and services in the tourism sector are food, beverage and accommodation services, secondary products and services include amusement parks, festivals and other cultural services, and camping sites (Department of Tourism 2011). Linkages directly associated to tourism include transport services (transport of goods and passengers), property and equipment maintenance, the security business, the grocery trade, specialty trade, construction and building development services, IT services, the production of foodstuffs, food processing and waste management. Scheyvens (2007) affirms that domestic tourists can contribute immensely to local economic development because they typically purchase more locally produced goods and services than other categories of tourists thus supporting small-scale enterprises and the informal sector (Scheyvens 2007). According to Athanosopoulos and Hyndman (2008) domestic tourism plays a significant role in maintaining and improving infrastructure especially in regional Australia. An Australian tourist is more prone than an international tourist to visit regional and remote areas of Australia that are not internationally promoted opening up the area for more tourism activities.

2.7 Opportunities for promoting domestic tourism by tourism stakeholders

In 2016, domestic travel spending generated 60.8 percent of direct travel and tourism GDP compared with 39.2 percent for visitor exports (foreign visitor spending or international tourism receipts). Domestic travel spending is expected to grow by 6.1 percent in 2017 to KES 284.9 billion and rise by 5.4 percent per annum to KES484.1 billion in 2027 (Travel& Tourism Economic Impact, 2017 Kenya). This goes to show that there is great potential for domestic tourism growth in Kenya. This section seeks to examine existing literature on opportunities that exist to promote domestic tourism by tourism stakeholders.

2.7.1 Increased disposable income

Several factors contribute to the growth of domestic tourism, key among them is the growth of the urban middle classes, growing economic health of many nations, improvements in transport which have increased mobility and enhanced workers' benefits accompanied by an increase of tourist facilities and marketing (Gladstone, 2005). Rogerson and Letsie (2007) pointed out that domestic tourist arrivals in India are more than three times higher than all annual international arrivals worldwide. The main reason for this increase is the rising middle-class, improved mobility and tourist facilities as well as the strong desire to travel (Rogerson & Letsie, 2007). The Ministry of Tourism India, (2006) state that the various factors that have contributed to the India's domestic tourism include increased disposal income among the middle class, urbanization and ownership of cars by most families, better employment benefits including leave travel concessions, improved road network and development of inexpensive mass transport has improved connections to various tourism destinations, increased number of affordable accommodation facilities and advertising targeted at domestic tourists.

In Africa, the growth in the Gross Domestic Product (GDP) per capita has led to the emergence of the middle-class consumers with discretionary income to travel under the right conditions, the tourism sector can tap into this wealth (Christie, Fernandes, & Messerli, 2013). For South Africa, the growth of the new urban middle classes facilitated by greater automobility and available disposable incomes has been the key driver for the formal manifestations and growth of domestic tourism. Increased household incomes, lower government restrictions on internal population movement within the country rising and the expansion of an urban and industrial workforce. The introduction of new labor rights for the workforce through legislation with flexible working

hours, leave travel concessions and some companies offering sponsored holidays for best employees to destinations within the country (Scheyvens, 2007). According to the Government of Kenya (2008) the trends and indicators for the potential for growth in domestic tourism include the growth of the middle class in urban and pre-urban centers that are capable of taking annual domestic family holidays as most of them travel outside the country for holiday and visiting friends and relatives (VFR).

2.7.2 Incentives to promote domestic tourism

Ndlovu *et al.* (2011) state that in Namibia, high prices were a major hinderance for the locals to take up domestic tourism. The prices for most tourism products were steep and beyond the income bracket of many Namibians. In order to curb this, tourism enterprises introduced a tier pricing system that differentiated prices paid by locals and that paid by international tourists. They indicated that the best incentive that appealed to most Namibians was to lure them to travel by offering discounts and special packages. Dwyer, Edwards, Mistilis, Roman and Scott (2009) opine that services offered in any destination should be worth their prices, hence they are of the school of thought that affordability does not necessarily mean low prices. They indicate that tourists are ready to pay reasonable amounts of money should the tourism experience be of high quality. According to them, tourists need affordable value for their satisfaction. Makhaola and Porches (2017) on their part also allude that high pricing remain a deterrent to domestic tourism and they propose that in order to reduce pricing, the service providers must see the benefit of the domestic market and implement marketing practices, of which price ranks top with the sole focus on the local domestic tourism market.

Sporting events like soccer and especially rugby, have the potential to significantly alter the travel landscape of young people while exhibitions like trade expos and now home expos, provide a big potential for the growth in domestic tourism. Mega arts and cultural events as seen in music concerts and school's music and drama festivals, can easily be used to spur domestic tourism. Further, religion-based events are gaining popularity among the youth. The above trends and indicators of potential for growth, point towards the need for intervention in developing facilities as well as secondary product and packages that can further stimulate growth, with the collaborative engagement of private sector investors (Department of tourism, 2008; Rogerson & Lisa, 2005) affirm that events and entertainment appeal to domestic tourists, as do religious

pilgrimages. South Africa seeks to improve both upper and middle-class resident perceptions of local holiday making by increasing the number of first-time black market local tourists and providing more affordable and accessible tourism experiences for the domestic traveler (Department of Tourism, 2011). Leechor (2007) state that by locals being tourists themselves, they could create a greater understanding and affinity among local people for the value and requirements of the foreign tourism market, thereby elevating the value and importance to employment opportunities and service levels in tourism.

2.7.3 Improved transport infrastructure

Transport plays a major role in tourism. Destinations that lack transport are negatively impacted as tourists will not be able to access such destinations (Wang, 2010). The government is responsible for strengthening the transport infrastructure, while the tourism industry is responsible for offering reliable, accessible and affordable transportation to tourism destinations so as to keep up with the rate of development and incoming tourist flows (Makhaola and Proches, 2017). IATA (2006) shows that air transport is the fastest growing sector in the transport industry and one of the major sectors of the global economy that generates about 413 billion dollars annually in revenues. Data from the European Travel Commission (ETC 2005, 2006 and 2007) indicated that low-cost carriers were the main drivers of growth in tourism and travel demand. Olipra (2011) states that In Europe, low- fare airlines were mentioned as a major factor boosting tourism and similarly, the lack of the low-cost airline was the main barrier to tourism development. According to the European Travel Commission Report (2005), Norway had more arrivals in 2005 attributed to the higher demand for winter tourism and more to the new low-cost airline routes that served new destinations. The same report indicates that the biggest success among tourist destinations in 2005 was in Valencia, Barcelona (Spain) and Dubrovnik (Croatia). The main reason for a very dynamic increase in the number of tourists mentioned a massive increase in low-cost airline services which doubled arrivals from the UK (ETC, 2005).

Olipra (2011) therefore alludes that, arguments given above prove that the development of low-cost carriers influences tourism in Europe, and not only quantitatively but also qualitatively. Low-cost airlines are significant for the development of weekend, city or short-break tourism and in effecting a radical expansion of potential destinations. Cheap airlines target an eclectic range

of overlapping niche markets, ranging from cultural tourism through the second-home market, pensioners wintering abroad to “stag” and “hen” parties. The airlines also serve the “visiting friends and relatives” (VFR) market thanks to the increasing number of destinations served (Graham & Shaw, 2008)

2.7.4 Strong stakeholder partnerships

The Tourism Department of South Africa (2010) affirms that for domestic tourism to be successful the key factors that form opportunities for promoting this sector include a strong partnership and strong collaborative initiatives among all the tourism and non-tourism stakeholders, competitive pricing of all packages offered, accessible information, and ease of purchase. Governments’ must recognize the role of platforms such as travel agents, hotels directly, mobile phones, banks among others, dedicate more research focused on high potential markets for domestic tourism growth and have a monitoring, evaluation and reporting mechanism in place to track the performance of the sector. In Kenya, the Kenya Tourism Board (KTB), a government agency, continues to play an active role in tourism development in recent years and is responsible for overseeing development of a Ksh. 200 million national tourism recovery marketing strategy that was announced in May 2014 (The report Kenya, 2017). At the domestic level, KTB launched a host of new marketing campaigns initiatives such as the eight-week Short Message Service (SMS) and social media campaigns on Twitter. Other initiatives include the formation of Kenya Tourism Federation (KTF), that acts as an umbrella body that represents industry interests with a membership base that includes the Kenya Association of Hotel Keepers and Caterers (KAHC), the Kenya Association of Tour Operators (KATO) among others.

2.7.5 Policies for promoting domestic tourism

The role of local governments cannot be overlooked when it comes to policies towards domestic tourism. The National Tourism Sector Strategy emphasizes the central role of local government as a partner or stakeholder in expanding the tourism sector and achieving the desired outcomes of national tourism policy (Department of Tourism, 2011). The South African government has in the recent past launched several initiatives aimed at strengthening the contribution of local governments in tourism planning that include; preparing a tourism planning toolkit for local governments and launch of the local government tourism development and growth program for

partnership between the South African national government and the local government association (Department of Tourism, 2012).

According to Christie *et al.* (2013), East African countries like Uganda and Rwanda that are scaling up their tourism, need to come up with policies that make tourism as valuable as other sectors of the economy such as agriculture and mining. The further state that while socio-economic returns from tourism are known, there is laxity by the governments to prioritize tourism policy formulation. This is attributed mainly to a lack of understanding of how tourism works, it's worth and what is crucial to achieving "destination readiness" for tourism (Christie *et al.*, 2013). Despite the above, the development of key subsectors, such as transport, lodging, national parks' system, enterprises, and land leases for tourist investors, crucial in supporting the tourism industry are often left to the fragmented mandate of disconnected government departments and ministries, leading to lack of strategic development of the sector.

2.8 Marketing strategies for promoting domestic tourism

Destination marketing is defined as strategic activities that are performed so as to attract tourists to a specific location. These strategic activities are performed by different stakeholders in the industry. The tourism stakeholders all have an interest in attracting tourists to their destination, and what they offer and how they do it affects both their own brand image and the image of the entire destination, and thereby the image of other actors. (Elbe, Hallen & Axelsson 2009). According to Mazimhaka (2007), the importance of information for tourists cannot be underestimated. Tourists must have sufficient information about the destination they desire to travel, different activities to engage in, mode of transport among others before they make a decision to travel to the destination.

Tools that can be used to market tourism to the local population include advertising, direct sales, the print, and electronic media as well as the internet (Ndlovu *et al.*, 2011). They further state that that for promotion, group discounts, special packages, incentives and competition involving domestic tourists could be used. In order to position their offerings to domestic tourists, tourism establishments must fully utilize publicity. Publicity includes use of periodicals, newsletters, special events and public relations exercise to market domestic tourism. Another marketing strategy was reach out to the was by designing products specifically to the domestic market, word of mouth, travel expos and road shows. Makhaola and Proches (2017) concur and state that

limited information has a negative impact to tourism development. Tourism industries must constantly update their websites with current information. This is because, domestic tourists who can afford to travel to destinations do not travel as they are not well informed about the pleasurable tourists' activities that they may enjoy.

In England, VisitBritain with the guidance of the England Marketing Advisory Board (EMAB) and with formal consultations from both the private and public stakeholders developed a domestic tourism growth strategy dubbed "Enjoy England" and the vision statement was "To grow the value of the domestic market by encouraging the British to spend more on tourism throughout the English regions throughout the year" (British Tourist Authority, 2003). They identified key strategies that formed the foundation of the domestic growth strategy and they include: First, to improve the knowledge of the domestic market, VisitBritain took the initiative to understand consumer attitudes, their motivations and the barriers to taking trips in England whether for business or leisure purpose. This helped them understand the different objectives or aims for the domestic for the domestic market. Second, to optimize the resources between private and public stakeholders in relation to marketing tools, collaterals and skills in order to create synergy, VisitBritain conducted market intelligence. Third, market segmentation system was developed based on the different consumer beliefs and values parallel to the domestic growth strategy. This was key in helping identify the different needs and wants of the different domestic travelers. VisitBritain created world-class destination brands and marketing campaigns that set the scene for building the value of tourism.

In Africa, South Africa, through the South African Tourism Board followed the same ideals that England and Australia had implemented by formulating its own strategy for domestic tourism. Their marketing tool for the domestic tourism growth strategy was dubbed "The Sho't Left marketing campaign" (South African Tourism Board, 2004). The marketing strategies developed included: First, enhanced promotion of the domestic tourism brand in order to make domestic travel attractive and create a holiday culture amongst all South Africans. Second, promotion of a set of experiences that a majority of South Africans could relate to by tailor making the experiences that different market segments could relate to and reasons to take the holiday experiences. The different experiences included City Breaks, Coastal Getaways, Mountain Escapes, Cultural Discoveries, Countryside Meanders, Bush Retreats and Event Wonders.

Distribution of appropriate information to specific places. Third, availability of information and education of domestic tourism was through traditional and non-traditional media. Fourth, facilitating the development of co-operative product packages. Working at the national and provincial level to facilitate linkages and product packaging to convert interest into action. Fifth, development of appropriate marketing and distribution channels to ensure that conversion and purchase in a relevant and cost-effective manner, through traditional and non-traditional media such as Stokvel's (Co-operative savings clubs). Lastly, promote repeat visits by the locals to destinations previously visited. To do this, customer relationship management and loyalty or reward programs for frequent domestic travelers were facilitated to encourage repeat visitations by the consumer to engage with a variety of travel experiences, leading to customer loyalty and increased revenues.

Department of tourism (2008) affirm that most Kenyans have not had the opportunity to tour major tourist attractions in the country and this is attributed to lack of knowledge by the locals, lack of disposable income and free time, poor marketing that does not resonate with local people, unfamiliar food types in hotels, lack of hospitable treatments to local tourists by service providers, lack of own transport, and negative perceptions that tourist destinations are for the rich and foreign. On the other hand, the locals who have traveled in their own countries are generally and have been a great influence to others nudging them to also visit. Okello and Novelli (2014) state that the governments of the East African Community (EAC) the above issues in order to encourage and promote local and regional tourism. To do this, they need to partner with local tour operators and hotels in promoting accessible national and regional tours. According to the Report, Kenya (2017), the Kenya Tourism Board has played an active role in tourism development in Kenya. In May 2014, a national tourism recovery marketing strategy was developed. For domestic tourism, in order to draw more Kenyans to tourist's hotspots, initiatives an eight-week Short Message System (SMS) campaign and social media campaigns on twitter were launched in June 2016. Other initiatives include ongoing campaigns to urge tour operators and hotels to reduce rates for domestic tourists during the low season.

2.9 Conceptual Framework

A conceptual framework is an analytical tool with several variations and contexts and is used to make conceptual distinctions and organize ideas into a visible frame. Figure 2.1 provides the conceptual framework for the study. The growth of domestic tourism is dependent on various elements including marketing strategies, opportunities, and its socio-economic significance. These three form our independent variables for the purpose of this study.

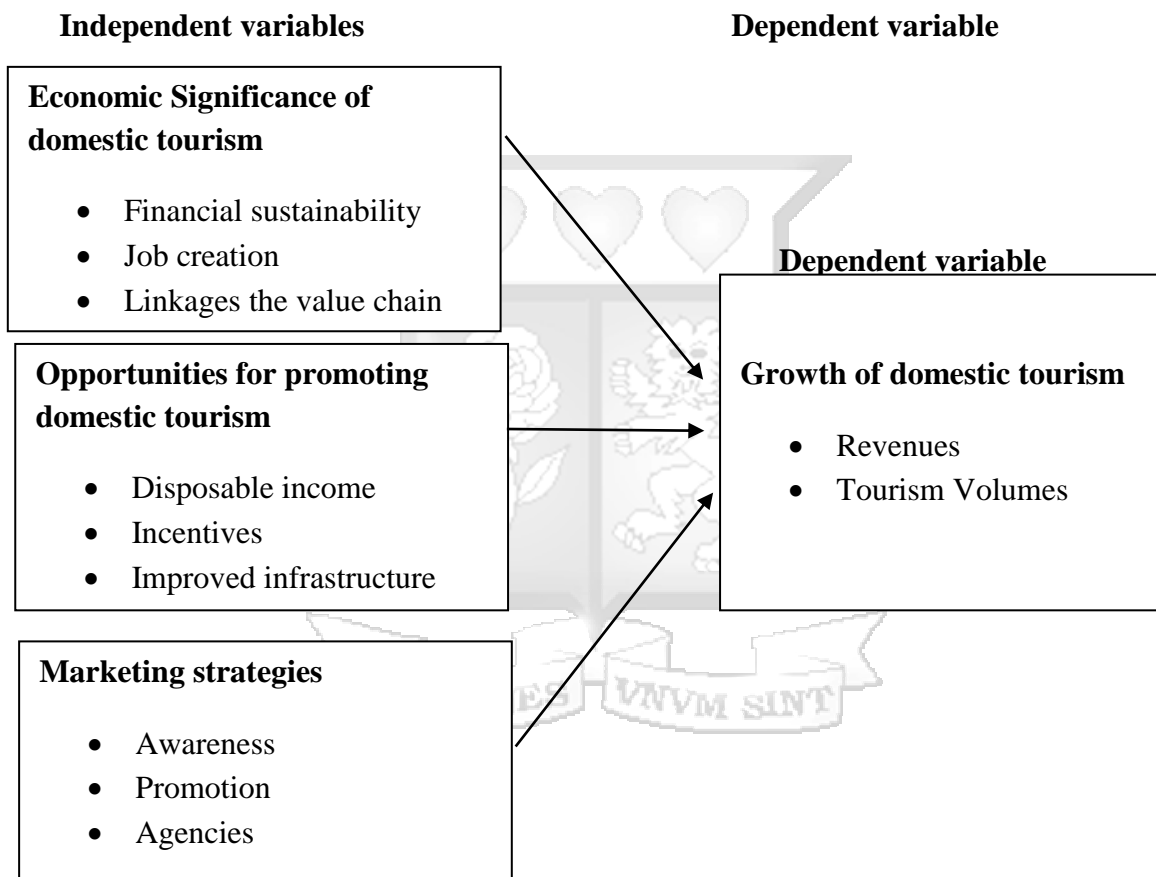


Figure 2.1 Conceptual framework illustrating elements that contribute to growth of domestic tourism.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines and discusses the research methodology that was adopted to meet the research objective of assessing the economic significance and opportunities for promoting domestic tourism for tourism stakeholders in Nairobi. Insights on the study population and sample size, data collection instruments, method of data analysis, data reliability and validity as well as the test of significance between the variables have been provided.

3.2 Research design

To achieve the proposed research objective of assessing the economic significance and opportunities for promoting domestic tourism by tourism stakeholders in Nairobi, the research design selected was a descriptive and correlational analysis. A correlation analysis is used to determine the extent to which two variables are related to each other (Saunders et. Al, 2016).

3.3 Target population

The population for this study was from all registered tour operators/ travel agents and hotels operating within Nairobi County. Based on data provided by the Tourism Regulatory Authority (TRA), the number of registered tour operators /travel agents was 2,709 and hotels was 1127. As the information required in the study could best be addressed by top executives in the tourism industry, business owners and senior-level managers (especially sales and marketing managers) formed the target population.

3.4 Sample size and sampling procedures

Based on data from TRA, the sample population was 3,836 (2,709 tour operators and 1,127 hotels). A 95% confidence level and a 5% margin error were sought and considered when determining the sample size for the study.

The Yamane formula Yamane (1967) was adopted in coming up with the sample size of 362 respondents.

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

$$n = \frac{3836}{1 + 3836 (5\%)^2}$$

$$n = 362$$

Where; n = sample size; N = Total population (Number of hotels and tour operators in Nairobi);
 e = margin of error (0.05)

To get appropriate sample size for the tour operators and the hotel businesses, we used the respective values get ratios of each based on the total population size.

This is as follows:

a. Tour Operators

$$n = \frac{2809}{3836} * 362$$

$$n = 253$$

b. Hotels

$$n = \frac{2809}{3836} * 362$$

$$n = 109$$



3.4.1 Sampling procedures

Taking into consideration the geographical spread of the hotels and tour operator business within Nairobi County, a stratified random sampling technique was used to determine the number of respondents to target. In the context of this study, Nairobi was divided into five clusters Nairobi. The Central Business District (CBD) East, West, North and South West. proportionate sampling was used to determine the number of questionnaires to be administered. The sample size per cluster was based on the location of most establishments using yellow pages and the internet. On this basis, the questionnaires were as follows: CBD (75), East (40), West (100), North (67) and South (80)

3.5 Data collection

This study employed the use of structured questionnaires as the main instrument for data collection. The questionnaire was divided into four sections; the first section focused on profiling the companies while the outline of the other three was based on the three research objectives: economic significance, opportunities and marketing strategies used by tourism stakeholders to promote domestic tourism. The use of questionnaires to gather information is efficient and cost-effective (Gerhardt, 2004; Saunders *et al.*, 2012), hence the choice of this particular instrument. The questionnaire method was chosen as structured questions can be analyzed quantitatively and interpreted for descriptive purposes (Saunders, Lewis, & Thornhill, 2009).

3.5.1 Data validity

Mugenda and Mugenda (2003) states that validity is the accuracy and meaningfulness of any interpretations that are founded on research results. Before undertaking the field study, the researcher carried out a pilot test targeting 10 randomly selected tourism establishments. The exercise helped clarify on wording and grammar in the questions ensuring that the final questionnaire had no misinterpretations. Piloting helped reveal a number of ambiguous questions and repetition that the researcher was able to correct. The researcher was therefore confident that the data used in the analysis is valid.

3.5.2 Reliability test

Saunders *et al.* (2016) refers reliability to consistency. They state that reliability is concerned with the robustness of the questionnaire and particularly, whether or not it will produce consistent findings at different times and under different conditions. This study tested the internal consistency by correlating the responses to the questions in the questionnaire with each using Cronbach's alpha. The result was Cronbach's alpha of 0.643 which is desirable. Churchill and Peter (1984) state that a value of alpha below 0.60 is undesirable.

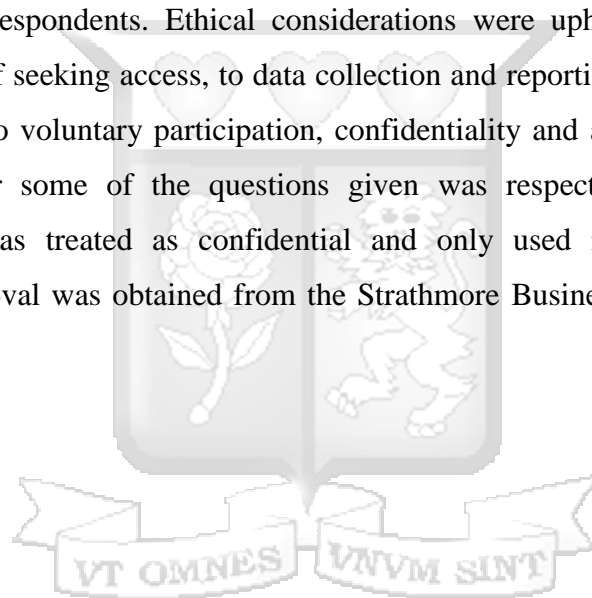
3.6 Data analysis

Data analysis is the ability to break down data and to clarify the nature of the component parts and relationship between them (Saunders *et al.*, 2016). Data gathered in the study was quantitative. The study used SPSS version 23 to analyze distributive, descriptive and inferential statistics. The study adopted the Likert-type rating scales of 1-5 in the questionnaire to rate the

various variables in opportunities and effectiveness of marketing strategies for promoting domestic tourism. Pivot tables were used to perform frequency distribution analysis for tallies and percentages on dollar value returns from domestic tourism, and volumes of domestic. Chi-Square test was done to establish the association between type of tourism business and domestic tourism revenues. Correlation was used to establish whether there was any significant relationship between years of operation and domestic tourism revenues while crosstabulation was done to compare period that domestic tourists are likely to travel and domestic tourism revenue.

3.7 Ethical considerations

Saunders, *et al.* (2016) defines ethics as the standards of behavior that guide the researcher's conduct in relation to respondents. Ethical considerations were upheld at all stages of this research from the time of seeking access, to data collection and reporting. The respondents were informed of their right to voluntary participation, confidentiality and anonymity. Their right to refuse to answer all or some of the questions given was respected. When reporting, all information gathered was treated as confidential and only used in meeting the research objectives. Formal approval was obtained from the Strathmore Business School to conduct the research



CHAPTER FOUR

RESULTS

4.1 Introduction

This chapter provides the presentation, analysis and interpretation of the data collected. As outlined in the research methodology, the data was collected exclusively from questionnaires designed in line with research objectives which were administered to various tourism establishments (hotels and tour operators/travel agents) within Nairobi.

4.2 Response rate

Out of the anticipated target sample of 362 questionnaires, 228 were adopted for data analysis as they were duly filled. The response rate for this study was 63%. This was calculated based on the number of administered questionnaires that were submitted back and appropriately answered for use in data analysis. The response rate is within the statistically significant response rate for analysis and generalization of findings to the entire population (Mugenda & Mugenda, 2003). This is reinforced by Onuegbuzie (2004), who states that disclosure of response rate is a necessary condition for scholars. He further provides for “*at least a 60% response rate with rare exceptions*” as a tenable response in research surveys (Table 4.1).

Table 4.1 Response rate from tour operators and hotels in Nairobi.

Respondents	Frequency	Percent
Responded	228	63%
Did not Respond	134	37%
Total	362	100

4.3 Company profiling

In this section, the company profiling of the respondents as surveyed has been discussed. Key company profiling information includes the type of business they are in, how long the company has been in operation and the number of branches out of Nairobi the businesses have. To determine the type of business carried out by the 228 tourism stakeholders, the researcher grouped the responses into two categories: Hotels/lodges/Camps and Tour Operator/Travel Agent. Tour Operators/Travel agents were considered as establishments that operate and provide a holiday by booking and packaging together various components of a tour such as hotel,

transportation, meals, guides and sometimes flight. In total this type of business comprised 57% percent while those in Hotels/lodges and Camps are commercial establishments that offer lodging to travelers and have restaurants, meeting rooms, among others available to the general public. This type of business comprised of 43% of the total respondents. The findings indicated that most of the tourism establishments are tour operator run businesses in line with figures provided by TRA that indicate that we have more tourism establishments that are run as tour operators/ travel agents than hotels in Nairobi.

Most of the business, 31% had been in operation between 0-4 years. 22% had been in operation between 5-9 years and 18.42 for between 10-14 years. Cumulatively 68% of the businesses had been in operation for over 5 years. This high percentage gives the researcher confidence that the study population could be relied on to meet the researcher's objective. The study is reliant on information gained over time. The length of time a business has been in operation validates the basis for the research. Seventy-eight percent (78%) of the business establishments under the study had no branch out of Nairobi and 22% had two branches out of Nairobi. These results validate the choice of County for the research study.

Table 4.2 Company profile on years of operation for tour operators and hotels in the study.

Years of operation	Frequency	Percent
0 - 4 years	71	31%
5 - 9 years	51	22%
10 - 14 years	42	18%
15 - 19 years	25	11%
Over 20 years	39	17%

4.4 Tourism revenue from tourism stakeholders in Nairobi

The study findings in Table 4.3 indicate that 26% of the tourism establishments have an annual domestic tourism revenue turnover of less than USD 50,000. Domestic tourism earnings of between USD 200,000-249,000 and USD 250,000-299,000 recorded the least performance at 4% and 3% respectively. Cumulatively, 78% of the tourism establishments earn up to USD 149,000 per annum in domestic tourism revenues, while 15% earn the highest domestic tourism revenue of over USD 300,000. The least number of establishments (7%) earned a domestic tourism revenue of between USD 150, 000-USD 299,000. Twenty-four percent (24%) of the tourism establishments earn less than USD 50,000 from international tourism, international tourism

earnings of between USD 50,000-99,000 and USD 100,000-149,000 both recorded 20%. Seventy-six percent (76%) of the tourism establishments earn up to USD 199,000 from international tourism per annum, while 16% earn the highest revenue of over USD 300,000. The least number of establishments (9%) earned between USD 200,000-USD 299,000 from international tourism. Twenty-six percent (26%) of the business establishments had an annual overall tourism revenue turnover of over USD 300,000. This is followed by 19% of the establishments with a turnover of between USD 100,000- 149,000. Establishments with a turnover of less than USD 50,000 from overall tourism earnings were 14%.

Table 4.3 Annual revenues hotels and tour operators based in Nairobi.

Annual revenue	Frequency	Percent
Domestic tourism		
Less than \$ 50000	60	26%
\$ 50,000 - 99, 000	54	24%
\$ 100,000 - 149, 000	41	18%
\$ 150,000 - 199, 000	23	10%
\$ 200,000 - 249, 000	9	4%
\$ 250,000 - 299, 000	6	3%
Over \$ 300,000	35	15%
International tourism		
Less than \$ 50000	54	24%
\$ 50,000 - 99, 000	45	20%
\$ 100,000 - 149, 000	46	20%
\$ 150,000 - 199, 000	28	12%
\$ 200,000 - 249, 000	13	6%
\$ 250,000 - 299, 000	6	3%
Over \$ 300,000	36	16%
Overall tourism		
Less than \$ 50000	31	14%
\$ 50,000 - 99, 000	23	10%
\$ 100,000 - 149, 000	43	19%
\$ 150,000 - 199, 000	27	12%
\$ 200,000 - 249, 000	20	9%
\$ 250,000 - 299, 000	25	11%
Over \$ 300,000	58	26%

4.5 Number of jobs supported by domestic tourism

The study findings according to Figure 4.1 reveal that the highest number of jobs supported by gains from domestic tourism (32%) was over 40,000. This was followed by 28% of jobs that were supported by domestic tourism at between 30,000-39,000 and 20% of the jobs at between 20,000-29,000. 94% of the total respondents indicated that over 10,000 jobs were supported by

gains from domestic tourism. This further provides a basis for valid inferences.

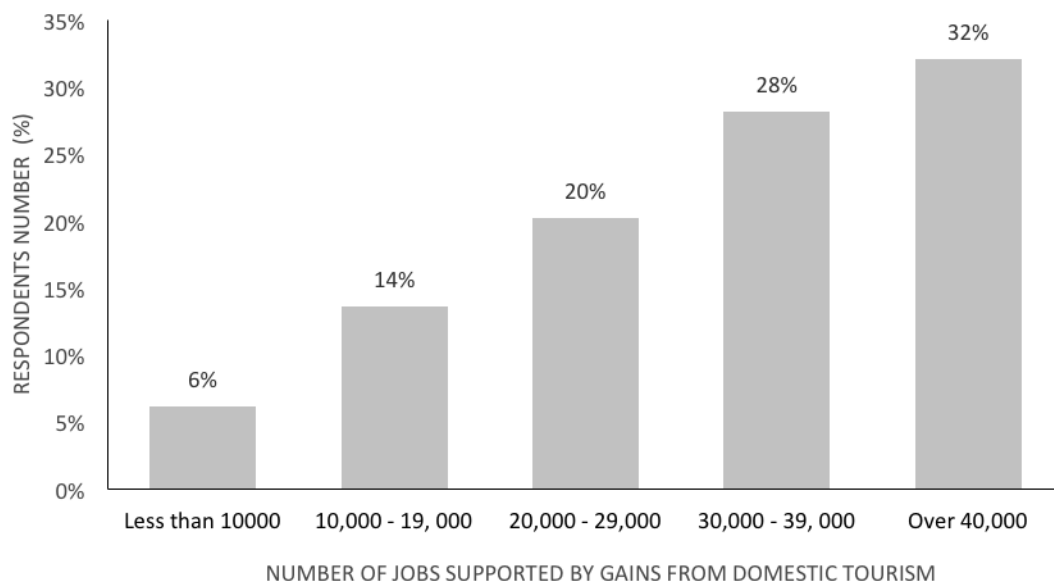


Figure 4.1 Number of Jobs supported by gains from domestic tourism in Nairobi

4.6 Economic indicators for promoting domestic tourism

Respondents were asked their views on attributes that act as the key indicators of economic significance for promoting domestic tourism, the results indicated in table 4.4 show that economic returns rank the highest with a mean of 4.58 followed closely by improved infrastructure with a mean of 4.57, job opportunities with a mean of 4.11 and poverty alleviation at 3.89. The overall mean was 3.82 indicating the four main attributes act as economic significance for promoting domestic tourism.

Table 4.4 Economic indicators for promoting domestic tourism by tourism stakeholders

Economic indicators	Very low	Low	Average	High	Very high	Mean* rating	Std. Dev
Economic returns (Source of income)	1%	1%	8%	18%	72%	4.58	0.8
Improved infrastructure	1%	2%	7%	20%	70%	4.57	0.77
Job opportunities	2%	4%	13%	44%	37%	4.11	0.9
Poverty alleviation	2%	4%	22%	45%	26%	3.89	0.92
Diversification	3%	15%	39%	28%	16%	3.39	1.01
Increased spending in local communities	2%	16%	42%	26%	14%	3.33	0.98
Multiplier effect	12%	23%	36%	19%	9%	2.89	1.13

*Key: 1=Very low, 2=Low, 3=average, 4=High, 5=Very high

4.7 Factors influencing travel to local tourism destinations

The findings in Table 4.5 show that the factor that will most likely influence the desire to travel to a destination is improved transport network that has a mean of 4.56. Price incentives came in second with a mean of 4.55 while discovering new tourism destinations and improved services ranking third with a mean of 4.45 closely followed by increased disposable incomes. The developed governance did not influence the desire to travel and it ranked last with a mean score of 2.72. From the results the factors that are most likely to influence the desire to travel include improved transport network, price incentives, awareness, discovering new tourism destinations, improved services, increased disposable income and increased airline routes. The overall mean of factors likely to influence the desire to travel was 4.07 which implies that on a scale of 1-5, the above-mentioned attributes are opportunities for promoting domestic tourism by tourism stakeholders.

Table 4.5 Factors that influence travel to local tourism destination.

	Not important	Little important	Moderately important	Important	Great importance	Mean rating*	Std.dev
Improved transport network	0%	2%	11%	15%	72%	4.56	0.804
Price incentives	1%	4%	9%	11%	75%	4.55	0.896
Awareness	0%	4%	12%	16%	67%	4.45	0.901
Discovering new tourism destinations	1%	3%	12%	20%	65%	4.45	0.863
Improved services	2%	1%	13%	19%	65%	4.4	0.999
Increased disposable incomes	1%	3%	13%	26%	57%	4.35	0.896
Increased airline routes	3%	8%	15%	24%	50%	4.1	1.105
Standard gauge railway	3%	9%	33%	23%	33%	3.74	1.096
Social events	2%	10%	35%	20%	33%	3.73	1.093
"No frills" airlines	4%	16%	22%	20%	38%	3.73	1.225
Devolved governance	21%	26%	30%	8%	16%	2.72	1.313

* KEY: 1=Not important, 2=of little importance, 3=Moderate important, 4= important 5= Of great importance

4.8 Marketing of local tourism destinations

When respondents were asked to rate the level of significance of various options in providing information on local tourism destination, respondents indicated tour operators as the most significant option for providing information on local tourism with a mean of 4.55. Organization websites, online search and radio advertisements ranked second, third and fourth with a mean of 4.33, 4.32 and 4.26 respectively. In this study, roadshows ranked the least in terms of the

significance of options in providing information on local tourism destinations with a mean of 2.81, this was followed by sales calls with a mean of 3.18 (Table 4.6).

Table 4.6 Channels for providing information to local tourist's local tourism destinations

Channels for providing information	Very low significance	Low significance	Significance	High significance	Very high significance	Mean rating*
Tour Operator	1%	0%	8%	24%	67%	4.55
Organization Websites	1%	1%	9%	44%	46%	4.33
Online Search	1%	3%	12%	30%	54%	4.32
Radio Advertisements	1%	1%	13%	39%	46%	4.26
Tv Advertisement	2%	3%	13%	41%	42%	4.18
Social Media	0%	3%	15%	51%	31%	4.09
Magazines	1%	2%	21%	46%	30%	4
Recommended by a Contact	3%	6%	29%	43%	20%	3.71
Tradeshows	2%	6%	41%	29%	22%	3.64
SMS Campaigns	3%	12%	46%	27%	12%	3.34
Sales Calls	2%	17%	50%	22%	9%	3.18
Roadshows	9%	30%	38%	18%	5%	2.81

KEY: 1=very low significance, 2=low significance, 3=significant, 4= high significance 5= very high

4.9 Agencies that promote domestic tourism

Respondents were asked to rate how important the agencies were responsible for promoting domestic tourism on a scale of 1-5 with 5 ranking as of great importance. The study findings in Table 4.7 indicate that Tour Operators were the most responsible in promoting domestic tourism with a mean of 4.57, the Kenya Tourism Board ranked second with a mean of 4.39 while Hotels came third with a mean of 4.36. The agency that ranked the least in promoting domestic tourism was the media.

Table 4.7 Agencies responsible for promoting local tourism destinations.

Agencies that promote domestic tourism	Not important	little importance	Moderate important	Important	Great importance	Mean rating*	Std. Dev
Tour Operators	1%	0%	8%	23%	68%	4.57	0.721
KTB	1%	2%	13%	26%	58%	4.39	0.855
Hotels, lodges and camps	2%	3%	12%	25%	59%	4.36	0.921
Ministry of Tourism	0%	4%	19%	25%	51%	4.22	0.923
The media	4%	10%	21%	24%	42%	3.91	1.152

*KEY: 1=Not important, 2=of little importance, 3=Moderate important, 4= important 5= Of great importance

4.10 Level of awareness of key tourism destinations to domestic tourists.

The study findings indicate that Nairobi National Park ranked very high on the level of awareness with a mean of 4.76, while Mombasa ranked second with a mean of 4.76. An overall mean of 3.96 indicates that domestic tourists are aware of destinations such as Nairobi National Park, Mombasa, Mt. Kenya National Park, Tsavo National Park, Amboseli National Park and Masai Mara National Reserve. Lake Turkana ranked as the least known destination with a mean of 2.61. Destinations that recorded a mean of less than 3.96 indicate that domestic tourists are not aware of about 46% of key tourist destinations within Kenya (Table 4.8).

Table 4.8 Level of Awareness of selected Tourism destinations to domestic tourists.

	Very low awareness	Low-level awareness	Moderately aware	High-level awareness	Very high-level awareness	Mean rating*	Std. Dev
Nairobi National Park	0%	0%	5%	15%	81%	4.76	0.531
Mombasa	0%	0%	6%	18%	76%	4.71	0.569
Mt. Kenya National Park	0%	0%	9%	33%	58%	4.49	0.67
Tsavo National Park	0%	0%	8%	36%	55%	4.46	0.693
Amboseli National Park	0%	3%	15%	30%	52%	4.3	0.855
Lake Nakuru National Park	0%	3%	12%	41%	44%	4.26	0.776
Masai Mara National Reserve	0%	4%	20%	22%	54%	4.25	0.916
Lamu	1%	10%	34%	29%	26%	3.68	0.999
Malindi National Park	3%	8%	34%	31%	25%	3.68	1.021
Aberdares National Park	4%	10%	32%	33%	23%	3.61	1.048
Samburu National Reserve	7%	11%	41%	23%	19%	3.36	1.11
Kakamega	7%	19%	29%	35%	11%	3.26	1.087
Lake Turkana	12%	35%	37%	11%	5%	2.61	1

*Key: 1=very low of awareness, 2=low level of awareness, 3=moderately aware, 4= high level of awareness, 5= very high level of awareness

4.11 Domestic tourism volumes in key tourism destinations and revenues generated

Respondents were asked to rate 8 regions in terms of domestic tourism volumes. A cross tabulation between domestic tourism revenues and domestic tourism volumes was done. As indicated in table 4.9, Mombasa as a destination recorded the highest tourism volume and revenues with an overall mean of 4.74. From the table their highest revenue bracket was earnings between USD 150,000-199,000 at a mean of 4.71. Naivasha came in second in terms of tourism volumes (mean of 4.35) with their highest earning bracket indicated as earnings over USD 300,000 with a mean of 4.46. Northern Kenya recorded the lowest volume and revenues at a

mean of 2.32. The mean was 3.62 indicating that Masai Mara and Amboseli recorded above-average volume and revenue.

Table 4.9 Cross tabulation between domestic tourism volumes in key destinations and revenues generated.

Tourism destinations	\$ 50,000 - 149, 000	\$ 150,000 - 299, 000	Over \$300,000	Mean rating*
Mombasa	4.74	4.79	4.71	4.74
Naivasha	4.3	4.42	4.46	4.35
Masai Mara	4.12	3.92	4.31	4.11
Amboseli	3.91	3.92	3.77	3.89
Western Kenya	3.35	3.71	3.17	3.39
Rift valley	3.17	3.42	3.11	3.21
Central Kenya	2.93	3.16	2.94	2.97
Northern Kenya	2.36	2.37	2.11	2.32

*Key: 1=Very low, 2=Low, 3=Moderate, 4=High, 5=Very high

4.12 Annual domestic tourism travel pattern and revenues generated

In this section a cross-tabulation was done to compare the period of year domestic tourists are likely to take holiday and the domestic tourism revenues generated per season. The study findings as presented in figure 4.2 infer that domestic tourists take up their holidays in December. April came in second while August was third. January- March recorded the lowest uptake of domestic tourism. In relation to revenues made, the revenues were clustered into 3 categories (USD 50,000-149,000, USD 150,000-299,000 and over 300,000). The highest revenue generated in December is the highest between USD 150,000-299,000, followed by revenues of over 300,000. April also showed the same trends with revenues between USD 150,000-299,000 being the highest and revenues of over USD 300,000. Although January-March recorded poor performance on the uptake of domestic tourism, their highest revenue was also between USD 150,000- 299,000. These findings show a high confidence on the part of respondents on the importance of the month of travel and revenues generated as an opportunity to promote domestic tourism to tourism stakeholders

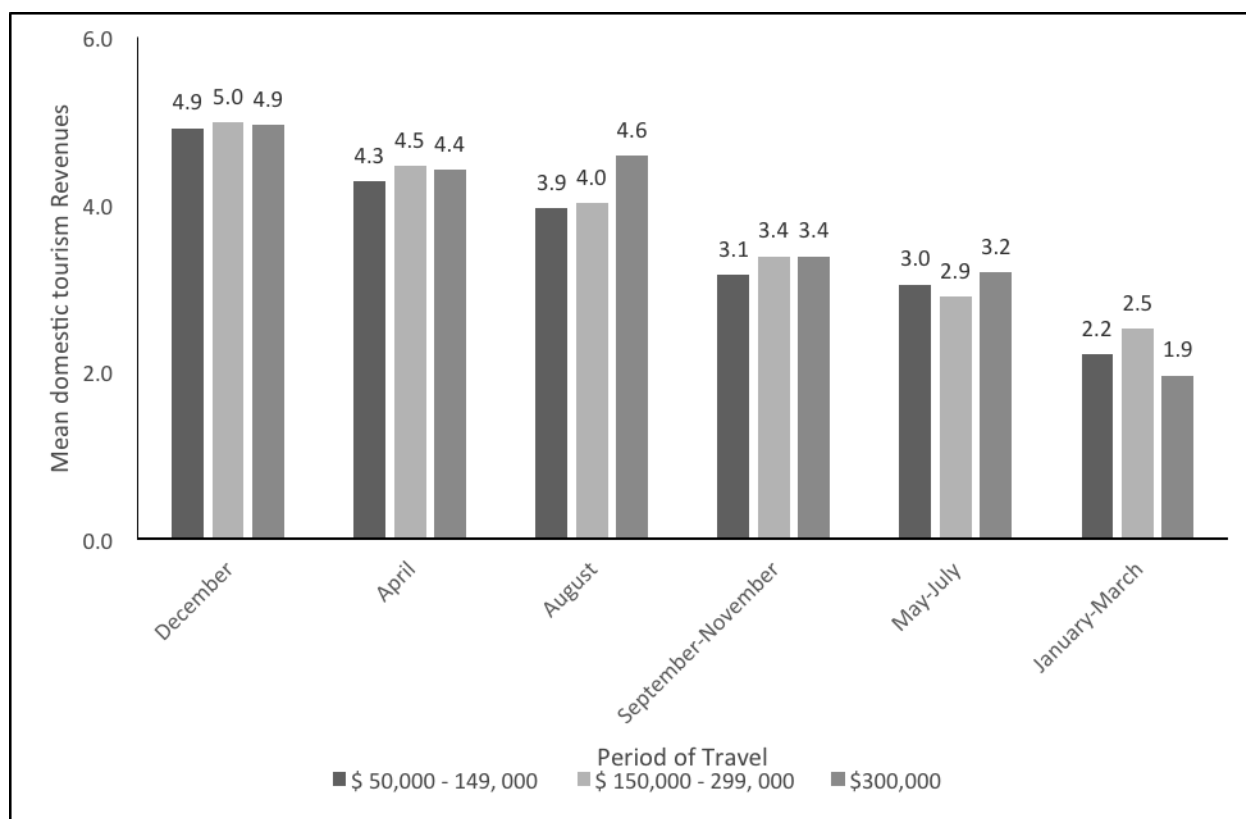


Figure 4.2 Annual pattern of domestic tourism travel and revenues generated.

4.13 Relationship between years of operation and revenues from domestic tourism

A correlation was done between the years of operation and revenues and the results indicated that there is a significant positive relationship between years of operation and domestic tourism ($r=0.505$, $P = 0.001$). The results infer that as years of operation increases, the revenue from tourism also increases for all the three streams of revenues (Table 4.10)

Table 4.10 Correlation between years of operation and revenues made by tourism stakeholders.

Correlations between years of operation and Revenues	Correlation value	P-value
Year of operation and Domestic revenue	.505**	0.001
Year of operation and International revenue	.570**	0.001
Year of operation and Total revenue	.607**	0.001

** Correlation is significant

4.14 Relationship between type of business and domestic tourism revenue

Results presented in Table 4.11 sought to test if there is a relationship between revenue and type of business. The results indicated that 58% of domestic tourism revenues is made by tour operators and 42% by hotels. The test results showed that there is a significant association between the type of business and revenues from domestic tourism with $\chi^2=12.26$ and $P = 0.002$. We infer that tour operators make higher revenues compared to hotels.

Table 4.11 Chi_square test between the type of business and domestic tourism revenue at $\alpha = 0.05$.

Type of Business vs Revenues	χ^2	P_value
Business type vs Domestic Revenue	12.26	0.002
Business type vs International Revenue	8.875	0.012
Business type vs Total Revenue	15.211	0.001



CHAPTER FIVE

DISCUSSION

5.1 Introduction

This chapter discusses the findings presented in chapter four of the study. The main of the study was to assess the economic significance and the opportunities for promoting domestic tourism by tourism stakeholders in Nairobi County and the marketing strategies used by tourism stakeholders in Nairobi to promote domestic tourism

5.2 The economic significance of domestic tourism

From the descriptive analysis done, the tourism establishments catered for both domestic and international tourist markets this is evidenced by the fact that all the respondents had annual revenues from both international and domestic tourism. The study further reveal that tourism establishments had almost equal revenue returns from both domestic and international tourism. The results are an indicator that domestic tourism is on an upward trajectory with potential to surpass revenues from international tourism. The findings are supported by reports from World Travel and Tourism Council (2017), that indicate domestic travel spending generated 60.8 percent of direct travel and tourism GDP compared with 39.2 percent for visitor export.

On jobs supported by gains from domestic tourism, the analysis indicated domestic tourism is a source of employment and that tourism creates jobs. These results are similar to conclusions drawn by Robbins (2017), who found out that in 2014, “1 in 25 individuals work in the tourism sector.” Makhaola and Proches (2017), and Eugenio-Martin and Campos-Soria, (2011) found that domestic tourism allows for the creation of jobs in business such as hotels, tour operators, and many more. Domestic tourism also allowed for local people to gain from both formal and informal employment. The creation of jobs therefore is assumed to be a tool to eliminate poverty and unemployment (Chandralal, 2010).

On the attributes that act as economic impact indicators for promoting domestic tourism, economic returns (source of income) ranked the highest. The target respondents were owners of the tourism establishments in Nairobi. The result is similar to the study done by Makhaola and

Proches (2017) who indicated that domestic tourism gives people an opportunity of starting their own businesses, gaining formal employment in the tourist destinations, and/ or gaining informal jobs all aimed at being a source of income and domestic tourism also helps local entrepreneurs and small business to thrive (Scheyvens, 2007; Zhao, 2009).

Related closely to tourism revenues is tourism volumes. From the analysis, Mombasa recorded the highest number of domestic tourists and also had the highest mean revenue generated as per the respondents. We can therefore infer that higher tourism volumes to destinations lead to higher revenues from the destination. The study findings are supported by assertions from Ndlovu *et al.* (2011) who noted that an increased number of Namibians travelling to a destination has a ripple effect on the growth of the economy and that globally domestic tourism has continued to grow and contributes to 60 percent of the total tourist revenues in developing countries (Ndlovu *et al.*, 2011).

The statistical outcomes from the study findings reveal that there is a significant positive relationship between the type of business and domestic tourism revenues. The study reveals that tour operators generate higher revenues than hotels. This can be attributed to the fact that local tourists prefer tour operators as the best source of information when it comes to choosing domestic tourism destinations. This was also evident in the study where tour operators ranked the highest when it comes to information provided to local tourists. As the study was guided by the AIDA model presented in chapter two, we infer that since tour operators provide information through the first three facets of Attention, Interest and Desire, the result is Action which is purchase by the clients and a source of revenue for the tour operators.

5.3 Opportunities for promoting domestic tourism

Most of the respondents ranked improved transport network as the key factor that is likely to influence domestic tourists to take up domestic tourism. From a tour operator perspective, the better the road network the easier it is for them to access the destinations and also the easier it is to promote the destination. The study findings are supported by Makhaola and Proches (2017) who opine that improved transport networks lead to new buildings being built, facilities being well maintained, overall tourist attraction sites being kept in good condition as well as being a benefit to the communities in those regions. The respondents also indicated that price incentives are likely to influence them to travel to a destination, this is supported by assertions from Ndlovu

et al. (2011) and Dwyer *et al.* (2009) that the best incentive to lure domestic tourists is offering special packages and discounts. Increased disposable income concurs with observations of several authors that increased disposable income is one of the factors that contribute to growth of domestic tourism (Christie *et al.*, 2013; Rogerson & Letsie, 2007; Scheyvens, 2007). Discovering of new tourism destination by domestic tourism ranked fourth corresponding to assertions by Maharaj *et al.* (2006) discovery of unique and iconic structures and attractions act as motivators for the uptake of domestic tourism.

The respondents indicated that social events were not a factor that influenced the desire to travel to a destination, the results do not correspond to findings from Makhaola and Proches (2017) who found that activities such as international games, events and entertainment appealed to domestic tourists. Another attribute of “No frills” airlines had the second lowest mean, does not correspond to findings by Olipra (2011). The standard gauge railway ranked low, this can be attributed to the fact that it only serves two major tourist cities, Nairobi and Mombasa, we hope to see better response once other routes of the standard gauge railway have been opened up.

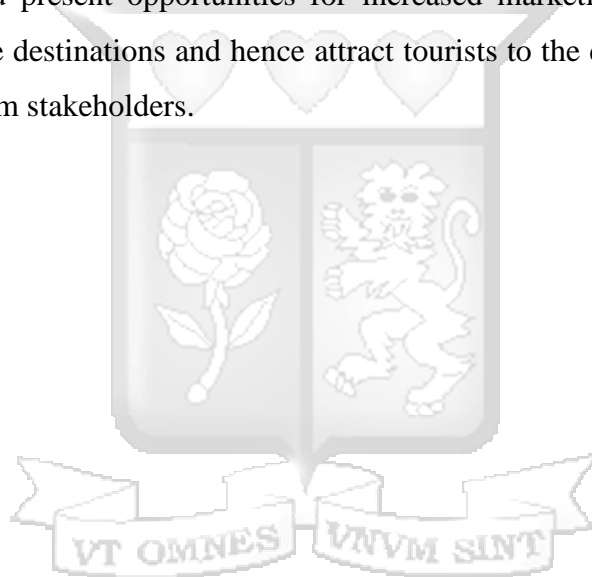
The research findings show that most domestic tourists are likely to travel in December, April and August. These results agree with study findings from Manono and Rotich (2013) that the holiday season in Kenya is in the months of April, August and December, with December having the highest number of tourism activities. Ndlovu *et al.* (2011) also opines Namibia’s holiday seasons include: Christmas period, Easter and school holidays. The results also indicate that the three months mentioned also contribute to high domestic tourism revenues. Months such as January-March, May-July and September-November, present opportunities for tourism stakeholders to develop marketing strategies and offer promotions to entice the locals to take up domestic tourism.

5.4 Marketing strategies to promote domestic tourism

Respondents indicated that tour operators are the best option through which domestic tourists get information on tourism destinations. This shows domestic tourists are still reliant on the traditional commerce brick and mortar (Kotler, 2006) for information and as means to pursue the tourists to take up domestic tourism. Media, both print and electronic, that include organizations websites, online searches, radio and television advertisements, social media and magazines ranked high as means through which domestic tourists get information about tourism

destinations. The findings are supported by Makhaola and Proches (2017) who state that media, television and radio stations, websites and magazines offer effective ways of reaching the domestic market.

Road shows, sales calls, short message system campaigns and tradeshow ranked low indicating that people need to be more educated on the importance of these platforms as mediums through which information about tourism destinations is provided. The study findings on the level of awareness of key tourism destinations indicate that Nairobi National Park, Mombasa, Mt. Kenya National Park, Tsavo National Park, Amboseli National Park, Lake Nakuru National Park and Masai Mara National Park are well known to most by domestic tourist. Destinations such as Lake Turkana, Kakamega, Samburu National Reserve, Aberdares National Park, Malindi National Park and Lamu present opportunities for increased marketing strategies in order to increase awareness of the destinations and hence attract tourists to the destinations that will lead to revenues for the tourism stakeholders.



CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter presents the conclusion, recommendations of the study. The chapter highlights the limitations and recommended areas for further research.

6.2 Conclusion

Domestic tourism is a critical component in the economic growth of a destination as it provides economic returns to tourism stakeholders. Domestic tourism provides a platform through which tourism stakeholders operate the hotels and tour operator businesses, generate revenues from domestic tourism and create jobs for the local communities. Tourism stakeholders must develop tourism products that appeal to the local domestic tourist by so doing, they will turn the opportunities identified in the study into avenues through which they generate revenue. Domestic tourism is therefore a means reduce seasonality by developing all year packages that encourage domestic tourists to take up holidays anytime during the year and not limited to the three months (April, August and December) and curb dependency on international tourism. The marketing strategies currently in use by most tourism stakeholders limit the level of awareness of the tourism product. From the study, beach and safari (Mombasa and Masai Mara) rank high in domestic tourism volumes and revenues, there is therefore need to market other regions like the northern Kenya for scenic safaris or western Kenya for cultural tourism.

6.3 Recommendations

Informed by the findings in the study the researcher recommends:

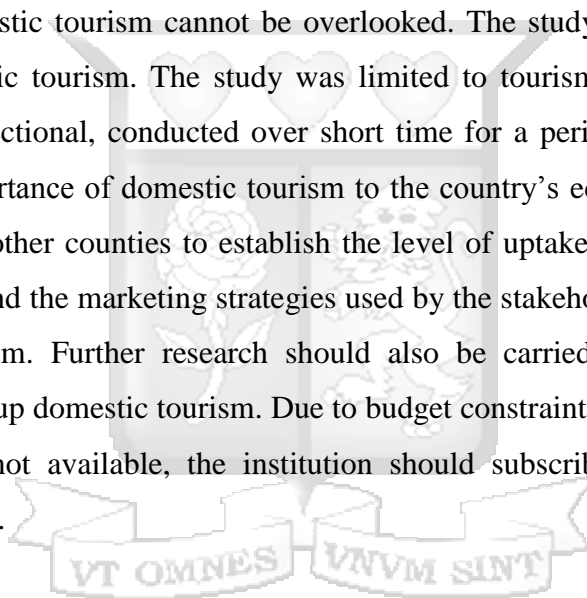
- Tourism stakeholders need to develop promotional packages that will influence domestic tourists to take up holidays for the months of January-March, May-July, and September-November. These months present opportunities for the stakeholders to curb seasonality by having all year-round packages hence improve tourism business resilience and financial sustainability.
- Tourism stakeholders in Nairobi need to take advantage of the devolved system of governance to either open up new branches for their operations in areas such Turkana,

Kakamega and the Rift valley, or open new tourism destinations that will entice domestic tourists to take alternative forms of tourism such as adventure tourism, cultural or sport tourism.

- There is need for the tourism stakeholders to embrace digital marketing to make their organizations websites more interactive and use social media platforms by developing products and services that encourage travel to new tourism destinations like Samburu, Turkana, Aberdares and Kakamega while also creating exciting products to encourage repeat visits to the already popular destinations like Nairobi National Park and Mombasa.

6.4 Limitations and suggestions for further study

The importance of domestic tourism cannot be overlooked. The study established that there is need to promote domestic tourism. The study was limited to tourism stakeholders in Nairobi County and was cross-sectional, conducted over short time for a period of only three months, however, given the importance of domestic tourism to the country's economic growth, research should be conducted in other counties to establish the level of uptake of domestic tourism, the opportunities that exist and the marketing strategies used by the stakeholders in those counties to promote domestic tourism. Further research should also be carried out on what motivates domestic tourists to take up domestic tourism. Due to budget constraints, recent data on domestic tourism volumes were not available, the institution should subscribe to more journals that address domestic tourism.



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APPENDIX I

Questionnaire used for data collection

Dear respondent,

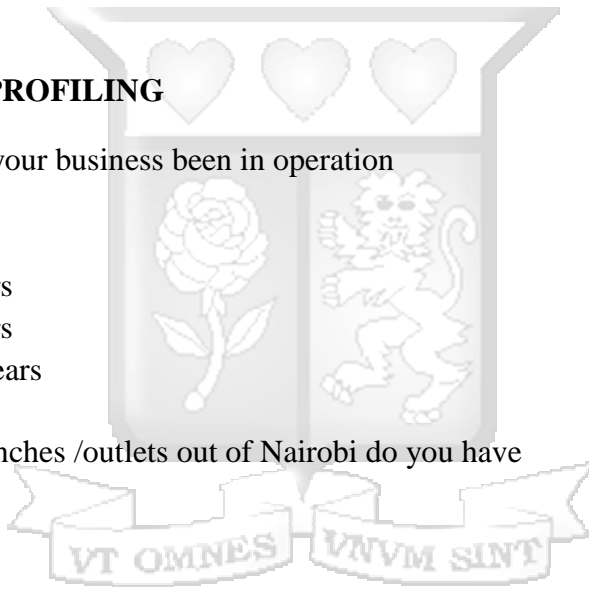
My name is Videar Kwoba, a postgraduate student at Strathmore University, Nairobi Kenya. I am carrying out a research on "PROMOTING DOMESTIC TOURISM IN KENYA: AN ASSESSMENT OF ECONOMIC SIGNIFICANCE AND OPPORTUNITIES FOR TOURISM STAKEHOLDERS IN NAIROBI". This research is a requirement for the award of Master of Business Administration of Strathmore University. The information you provide will remain confidential and used only for academic purposes.

Thank you for your participation

Kind Regards

Videar Kwoba

PART A: COMPANY PROFILING

- 
1. How long has your business been in operation
 - ☐ 0-4 years
 - ☐ 5-9 years
 - ☐ 10-14 years
 - ☐ 15-19 years
 - ☐ Over 20 years
 2. How many branches /outlets out of Nairobi do you have
 - ☐ None
 - ☐ 2
 - ☐ 3
 - ☐ 4
 - ☐ 5
 - ☐ More than 5
 3. Which business are you in
 - ☐ Hotels / Lodges / Campsites
 - ☐ Tour Operator /Travel Agent
 - ☐ Kenya Tourism Board

PART B: THE ECONOMIC SIGNIFICANCE OF DOMESTIC TOURISM

4. Please estimate the revenue from domestic tourism for your organization per year

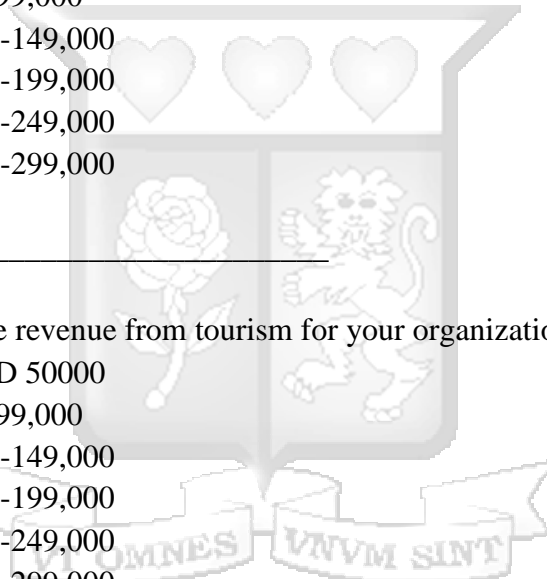
- ☐ Less than USD 50000
- ☐ USD 50,000-99,000
- ☐ USD 100,000-149,000
- ☐ USD 150,000-199,000
- ☐ USD 200,000-249,000
- ☐ USD 250,000-299,000
- ☐ Over 300,000
- ☐ Other_____

5. Please estimate the revenue from International tourism for your organization per year

- ☐ Less than USD 50000
- ☐ USD 50,000-99,000
- ☐ USD 100,000-149,000
- ☐ USD 150,000-199,000
- ☐ USD 200,000-249,000
- ☐ USD 250,000-299,000
- ☐ Over 300,000
- ☐ Other_____

6. Please estimate the revenue from tourism for your organization per year

- ☐ Less than USD 50000
- ☐ USD 50,000-99,000
- ☐ USD 100,000-149,000
- ☐ USD 150,000-199,000
- ☐ USD 200,000-249,000
- ☐ USD 250,000-299,000
- ☐ Over 300,000
- ☐ Other_____



7. Below is a list of the various destinations in Kenya, please rate the following regions in terms of domestic tourism volumes. Kindly use a scale of 1-5 where 1=Very low, 2=Low, 3=Moderate, 4=High, 5=Very high

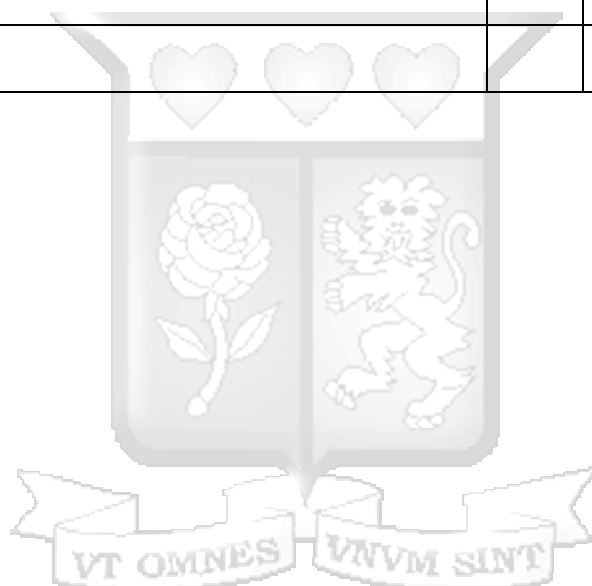
Branch/Outlet	1	2	3	4	5
1) Mombasa					
2) Masai Mara					
3) Amboseli					
4) Naivasha					
5) Northern Kenya					
6) Central Kenya					
7) Rift valley					
8) Western Kenya					

8. How many jobs in your opinion do you think are supported by gains from domestic tourism

- ☐ Less than 10000
- ☐ 10000-19000
- ☐ 20000-29000
- ☐ 30000-39000
- ☐ Over 40000

9. To what extent do the below attributes act as the economic significance of promoting domestic tourism, kindly use a scale of 1-5, where 1=very low, 2=low, 3=average 4=high, 5=very high

	1	2	3	4	5
Economic returns					
Poverty alleviation					
Employment/Job opportunities					
Increased spending in the local community					
Multiplier effect (opens up other industries)					
Diversification (Peak and off-peak)					
Improved Infrastructure					



PART C: OPPORTUNITIES FOR PROMOTING DOMESTIC TOURISM

10. To what extent do the following factors influence the desire to travel to a destination within the country? Kindly use the degree of importance of 1-5, where 1=Not important, 2=Of Little Importance, 3=Moderately important, 4=important, the 5=of great importance

	1	2	3	4	5
1) Importance of Awareness					
2) Importance of Price incentives					
3) Importance of Improved services					
4) Importance of Social events e.g. rhino charge, rugby series, football					
5) Importance of Improved road transport network					
6) Importance of the Standard Gauge Railway					
7) Importance of affordable “No frills “airlines like Jambo jet					
8) Importance of increased airline routes and frequency					
9) Importance of devolved governance system hence more tourist circuits					
10) Importance of increased disposable income among locals					
11) Importance of discovering new tourism destinations					

11. Which period of the year are local tourist most likely to take up their holidays destinations. Kindly use a scale of 1-5, where 1=highly unlikely, 2= very unlikely, 3=likely, 4= very likely, 5=highly likely

	1	2	3	4	5
January-March					
April					
May-July					
August					
September-November					
December					

PART D: MARKETING STRATEGIES FOR PROMOTING DOMESTIC TOURISM

12. Please rate the level of significance of the following options in providing information on local tourism destination? Kindly use the level of significance of 1-5, where 1=very low significance, 2=low significance, 3=significant, 4= high significance 5= very high significance

	1	2	3	4	5
1) Recommended to you by a contact					
2) Online search					
3) Tour operator advice					
4) TV advertisement					
5) Through social media					
6) Magazines and Newspapers					
7) Radio advertisement on					
8) Organization website					
9) Trade Shows such as Sarit Expo					
10) Social Media- i.e. Facebook, Twitter					
11) SMS campaigns					
12) Sales Calls					
13) Roadshows					

13. Please rate the level of importance of the following agencies in promoting domestic tourism. Kindly use the degree of importance of 1-5, where 1=Not important, 2=Of Little Importance, 3=Moderately important, 4=important, the 5=of great importance

	1	2	3	4	5
1) The media (TV, Radio)					
2) Kenya Tourist Board (KTB)					
3) Tour Operators					
4) Hotels, Lodges and Camps					
5) Ministry of Tourism					

14. Below is a list of Kenyan tourist regions. How would you evaluate the level of awareness these tourist destinations to Kenyans? Kindly use the degree of importance of 1-5, where 1=very low of awareness, 2=low level of awareness, 3=moderately aware, 4= high level of awareness, 5= very high level of awareness

Destination	1	2	3	4	5
1) Masai Mara National Reserve					
2) Amboseli National Park					
3) Lake Nakuru National Park					
4) Aberdares National Park					
5) Samburu National Reserve					
6) Tsavo National Park					
7) Nairobi National Park					
8) Mt. Kenya National Park					
9) Lamu					
10) Mombasa					
11) Malindi National Park					
12) Lake Turkana					
13) Kakamega					

APPENDIX 11



Strathmore Business School

Tuesday, 13th February 2018

Wilda Ombongi,
Regional manager,
Tourism Regulatory Authority,
P.O. Box 30027,
Nairobi,
Kenya`

Dear Sir,

RE: FACILITATION OF RESEARCH – VIDEAR KWOPA

This is to introduce Videar Kwopa, who is a Master of Business Administration student at Strathmore Business School, admission number MBA/87888/16. As part of our MBA Program, Videar is expected to do applied research and to undertake a project. This is in partial fulfilment of the requirements of the MBA course. To this effect, she would like to request for appropriate data from your organization.

Videar is undertaking a research paper on: **"Promoting domestic tourism in Kenya. Assessing the economic significance and opportunities for domestic tourism for tourism stakeholders in Nairobi"**. The information obtained from your organization shall be treated confidentially and shall be used for academic purposes only.

Our MBA seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and we shall be willing to provide any further information if required.

Yours sincerely,

Muriithi Njogu
Director – MBA Programs



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