

Abstract

Kenya has been slow in adjusting to the external hospitality environment and adopting competitive marketing strategies as evidenced by the higher growth of tourism in competitor countries. Marketing models such as the four P's which were developed for monopolies within the manufacturing industries of developed countries and overlook modern consumer trends such as guests' experiences are however being used by hotels in Kenya which operate in a monopolistic and perfectly competitive service oriented industry. This study therefore examined marketing models for performance among four and five star hotels in Kenya. The specific research objectives were to; examine factors which influence the guests' purchase decisions, establish the hotels' marketing strategies, assess guests' and managers' perceptions on the marketing strategies, develop a marketing model for the hotels, establish the direct effects in the relationship between the new marketing strategies and performance and the mediating roles of customer and market performance in the relationship between the new marketing strategies and financial performance. The study adopted the contingency theory and applied the mixed sequential exploratory research design. The study population comprised of managers and customers in hotels. Hotels in Nairobi and Mombasa were selected using cluster sampling. The guests who were interviewed (n=26) and those who filled in self-administered questionnaires (n=198) were selected using convenience sampling. Managers who preferred to complete self-administered questionnaires (n=102) or talk freely of their marketing activities through semi-structured interviews (n=9) were conveniently sampled. Data was analysed using descriptive, thematic, content, narrative and gap analysis and structural equation modeling. The findings showed that the guests' purchase decisions depended on their perceptions of the marketing strategies; the hotels focused on promotions and their customers and there were gaps in managers' and guests' perceptions of the marketing strategies. A new marketing model which mapped the product, ambience, hospitality, service, destination, value and communication strategies was therefore developed and validated after confirming its validity, reliability and predictive relevance. The R² for cash inflow was .58, profits .78 and return on investment .65. Thus the guests' perceptions of the marketing strategies influenced their purchase decisions although the hotels embraced a narrow range of marketing strategies which could be improved. The study concluded that the factors which influence the guests' purchase decisions are the atmosphere, food, facilities, amenities, hospitality, location, accessibility, price, value, discounts and security; the hotels employ customer relationship management and promotions; the guests and managers have positive and negative perceptions of the marketing strategies; a new marketing model which addresses guests' experiences can be adopted; the new marketing strategies directly, positively and negatively influence performance and that customer performance and market performance partially, indirectly or fully mediate the relationship between the new marketing strategies and financial performance. The hotels should therefore involve guests in developing their products and experiences; embrace a broader range of modern marketing strategies; close the gaps in managers' and guests' perceptions of the marketing strategies; adopt the new marketing model and take advantage of the effects of the marketing strategies on performance.