RELATIONSHIP BETWEEN GUEST EXPERIENTIAL VALUE AND BEHAVIORAL INTENTIONS OF BUDGET HOTELS IN MACHAKOS COUNTY, KENYA: THE MODERATING ROLE OF PRICE

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A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy in Hospitality and Tourism Management of Murang'a University of Technology

August, 2026

DECLARATION

Students Declaration

I hereby declare that this thesis is my original work and to the best of my knowledge has never been presented for a degree awarded in this or any other university. I understand what plagiarism is and I am aware of the University's policy in this regard. I understand that any false claim in respect of this claim in respect of this work shall result in disciplinary action in accordance with University Anti-Plagiarism policy.

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DEDICATION

To my God who granted me mercies, to my dear parents, my loving husband, and my daughter.

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First, I thank the Almighty God for walking with me throughout this journey. Secondly, I sincerely thank my supervisors, Prof. Ray Mutinda and Dr. Antoneta Njeri, for their relentless guidance and direction throughout this study. Without their valuable contributions, the study would not have been successfully undertaken. Third, I thank my dear parents the loving memory of my late father, Titus Mwalimu Kilundo whose value of education continue to inspire me, and Joyce Mulewa Mwalimu, your prayers, strength and unwavering support have been a constant source of inspiration throughout this journey. To my loving husband, Prophet Moses Mbosowo, your support has sustained me through the challenges of this doctoral journey. To my daughter Flavia Vata, may this achievement encourage you to pursue your dreams with courage, determination and perseverance. Fourth, I am grateful to the faculty members and the entire staff of Murang'a University of technology for providing a favorable environment and the resources necessary to undertake this study. Fifth, the management of 10 selected budget hotels in Machakos County for the support accorded to me that enabled me to obtain the data. Lastly my treasured friends who provided much needed support, encouragement and motivation. May God bless you all.

ABSTRACT

The growing demand for affordable yet high-quality hospitality experiences has driven the rise of budget hotels in Kenya. However, despite their increasing presence, limited empirical evidence exists on how guest experiential value particularly service quality, guest perception, and satisfaction influences behavioral intentions in this segment. Previous studies in Kenya have predominantly focused on luxury or mid-tier hotels, leaving a contextual and empirical gap regarding how experiential value shapes repeat patronage and positive word-of-mouth in budget hotels. This study, therefore, sought to evaluate the relationship between guest experiential value and behavioral intentions of budget hotels in Machakos County, Kenya, a moderating role of price. The study was guided by the Expectancy Disconfirmation Theory, Theory of Reasoned Action, and Rational Choice Theory. A mixed-method approach employing a convergent parallel research design was adopted. The target population comprised 45 registered budget hotels in Machakos County. Using purposive sampling, 10 hotels were selected, from which 10 managers (one per hotel) and 344 guests were drawn, making a total of 354 respondents. Data were collected using structured questionnaires for guests and semi-structured interview guides for managers. Quantitative data were analyzed using descriptive and inferential statistics, including ordinal logistic regression and Spearman's rho correlation, while qualitative data were analyzed thematically. Findings revealed that service quality ($\beta = 4.294$, $p = 0.000$), guest perception ($\chi^2 = 299.959$, $df = 1$, $p = 0.000$), and guest satisfaction ($\beta = 2.427$, $p = 0.000$) significantly influenced behavioral intentions. Furthermore, price significantly moderated this relationship (Measure = 0.620; $p = 0.015$). Thematic analysis of qualitative data highlighted guests' appreciation for affordability and cleanliness but pointed to the need for improved staff responsiveness and amenities. The study concludes that enhancing service quality, managing guest perceptions, and maintaining fair pricing are critical to strengthening guest loyalty and positive behavioral intentions. It recommends that hotel managers adopt value-based pricing strategies, invest in service quality training, and leverage guest feedback systems for continuous improvement. The study contributes to knowledge by extending the application of behavioral and economic theories in explaining consumer behavior within Kenya's budget hotel sector and provides an empirical basis for policy and managerial decisions promoting sustainable hospitality growth.

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ACRONYMS AND ABBREVIATIONS

ADR:	Average Daily Rates
AI:	Artificial Intelligence
BCG:	Boston Consulting Group
BHWs:	Basic Health Workers
CCM:	Customer Communication Management
CRM:	Customer Relationship Management
COVID-19:	Corona Virus Disease of 2019
EDT:	Expectancy Disconfirmation Theory
eWOM:	Electronic Word of Mouth
GDP:	Gross Domestic Product
GCC:	Gulf Cooperation Council
GCP:	Gross County Product
KPIs:	Key Performance Indicators
MCIDP	Machakos County Integrated Development Plan
OYO:	On Your Own
SERVQUAL:	Service Quality Model
SEM:	Structural Equation Modelling
SME:	Small and Medium Enterprise
SOPs:	Standard Operating Procedures
SPSS:	Statistical Package for the Social Sciences
SS:	Sample Size
USA:	United States of America
Wi-Fi:	Wireless Fidelity
WTTC:	World Travel & Tourism Council

OPERATIONAL DEFINITION OF TERMS

Assurance	The employees' ability to inspire trust and confidence through competence, courtesy, and professionalism
Behavioral Intentions	The likelihood that a guest will engage in future behaviors such as revisiting, recommending, or providing positive word-of-mouth about the hotel
Budget Hotels	These are cheap types of hotels, which offer standard services and facilities to customers who are willing to save money but, at the same time, do not require extreme budget levels and services quality.
Empathy	The personalized attention and care given by hotel employees to make each guest feel valued and understood
Employee Feedback	Internal staff insights regarding guest satisfaction levels and service performance improvements
Customer Experiences	All the encounters a guest has and all that they experience throughout their stay in a facility.
Customer Loyalty	When customers consistently pick a hotel or other hospitality establishment over its rivals. Dedicated clients are more likely to make reservations in advance, spend more money, and refer the company to others.
Customer Retention Rates	The interaction frequency, as a manifestation of customers' satisfaction and commitment.
Customer Satisfaction	The satisfaction obtainable from service provision, associated with customer loyalty and repeat patronage.
Customer Service	Regarding the interpersonal qualities which directly affect interaction with the staff, which is another considerable aspect of satisfaction.

Customers	Customers in the context of hospitality industry are people, either individuals or groups, who seek to acquire and/or consume hospitality products which may include lodging and food and beverage services.
Empathy	The individual attention and devotion paid to customers to increase the satisfaction of their stay.
Employee Feedback	The process of giving employees in the hospitality sector constructive criticism.
Fairness in Pricing	The equation of perceived cost and perceived value of services with the fairness of the costs incurred.
Feedback Mechanism	First-party information gathered from customers' feedback in the form of surveys, customer complaints and suggestion boxes among others.
Guest Experiential Value	This is defined as the total perceived usefulness, pleasure or emotional, cognitive, and social worth, a guest gains while interacting with a hospitality provider, leading to satisfaction & loyalty.
Guest Perception	It is a measure of a specific service experience often described as a guest's comparison to exceptional service, and these opinions only exist after consumption.
Guest Reviews	Scanned articles and remarks made by ordinary citizens through the social media or through any other customer reviewing site that may have an influence on the prospective customers.
Guest Satisfaction.	Guest satisfaction is the extent to which a service provider has attained or provided more than expected by the guests based on the decision-making.

Luxury Hotels	These are institutional accommodation facilities that are established to offer quality services as well as comfort or experiences to various guests. Such outlets commonly include a classy restaurant, luxurious accommodation in addition to providing excellent services that go a notch higher than the client's expectations.
Net Promoter Score	NPS is a straightforward yet effective method of gauging customer loyalty and satisfaction. The question "How likely are you to recommend us to a friend or colleague?" serves as its foundation. On a scale of 0 to 10, with 0 denoting extreme unlikely and 10 denoting extremely likely, the respondents are asked to rate their likelihood.
Price	It involves the use of money to regulate the sale of services provided by hospitality providers.
Reliability	Reliability means delivering promised services with precision and consistency regardless of the time of service provision.
Responsiveness	The eagerness of the workers to attend to the guests' needs and the ability of the workers to attend to guests' needs as soon as possible.
Revisit Intention	Revisit intention, a crucial idea in hospitality, describes a customer's propensity to return to an establishment or location because of their prior experiences.
Service Quality	Service quality is a concept that assesses whether a service has met or exceeded the expectations of customers
Tangibles	It involves the standards and cleanliness of the physical structures, equipment, and people, all of which represent the quality of service being offered.

Value for Money	The relative importance of services' quality to the perceived price which affects the satisfaction of the guest.
Word of Mouth	The communication between customers regarding the quality or the favorable or non-favorable experience received at an establishment

CHAPTER ONE
INTRODUCTION

1.1 Chapter Overview

This chapter presents the foundation of the study by outlining key components that guide its direction and purpose. It begins with the background to the study, providing contextual information and rationale for the research. The problem statement identifies the research gap the study seeks to address, while the objectives of the study, both general and specific, highlight the intended outcomes. The hypothesis for the study presents the propositions to be tested. The scope of the study defines the boundaries within which the research is conducted, whereas the significance of the study explains its value to academia, industry, and policy. The limitations and delimitations outline potential challenges and the study's defined parameters. Finally, the conceptual framework illustrates the relationships among key variables, forming the structural basis for analysis and interpretation.

1.2 Background to the Study

The global hospitality industry has experienced remarkable growth in recent years, underscoring the pivotal role of guest experience in driving customer satisfaction and repeat patronage. Hospitality establishments, characterized by affordability and essential amenities, have become increasingly popular among diverse traveler demographics. However, in an era where customer expectations are continually evolving, budget hotels face the challenge of delivering cost- effective accommodations and memorable guest experiences. Understanding the relationship between guest experiential value and behavioral intentions is crucial for budget hotels aiming to foster customer loyalty and sustain competitive advantage.

In 2023, the global hospitality industry generated approximately $550 billion in revenue, driven by post-pandemic recovery and a renewed emphasis on enhancing guest experiences (Gitnux, 2025). Key performance indicators such as occupancy rates and RevPAR showed strong improvement, with global occupancy averaging 68% and RevPAR rising to $116, nearing pre-pandemic levels (Zoomshift, 2024). The Asia-Pacific region led growth with a 7% CAGR, while the Middle East surpassed 2019 occupancy levels and Africa showed full recovery in major cities like Nairobi

and Kigali (Fitch Ratings, 2023; HVS, 2023). Digital transformation reshaped service delivery, with 70% of hotel bookings made online and loyalty memberships exceeding 1 billion globally, underscoring a shift toward customer-centric strategies (Gitnux, 2025). Guests increasingly prioritize personalized and sustainable experiences, highlighting the industry's evolving focus on value-driven, experience-based hospitality an aspect central to this study's investigation of guest experiential value and behavioral intentions. These preferences underscore the necessity for hotels to integrate technology and sustainable practices to enhance guest satisfaction. Table 1.1 provides a global context for understanding the performance and trends shaping the hospitality sector. It highlights the economic magnitude, digital transformation, and competitive intensity of the global hotel industry, which underpins the need for service differentiation and enhanced guest experiential value key concerns that the current study investigates within the budget hotel segment in Machakos County, Kenya.

Table 1.1: Global Hospitality Index

Metric	Value	Source
Global hotel industry revenue	$550 billion	Gitnux Report 2025
Global hospitality market size	$4.7 trillion	Statista 2024
Average global hotel occupancy rate	68%	Amadeus via ZoomShift 2024
Global RevPAR	$104	CoStar via ZoomShift 2024
Digital booking share in hotel industry	70%	Gitnux Report 2025

Source: Global Hospitality Industry Key Metrics (2023)

These statistics highlight the critical role of guest experiential value in the hospitality industry's success. The emphasis on personalized services, seamless digital experiences, and consistent quality has become paramount in attracting and retaining

customers. In Sub-Saharan Africa, the hospitality industry is experiencing a resurgence, with increased investments and a growing middle class contributing to its expansion. However, challenges such as inconsistent service quality and limited technological adoption persist. Studies indicate that personalized service and seamless experiences are key drivers of regional customer loyalty. Despite these insights, there is a paucity of research focusing on how these factors influence behavioral intentions in budget hotels.

Kenya's tourism sector is a vital component of the economy, contributing significantly to employment and foreign exchange earnings. In 2019, Kenya earned Ksh163.56 billion from tourism, marking a 3.9% increase from the previous year. The country received over 2 million international visitors, underscoring its appeal as a tourist destination (Khusoko, 2020). Domestic tourism has also seen substantial growth, with domestic tourists accounting for 52.9% of total bed occupancy in 2018. This trend highlights the increasing importance of catering to local travelers' needs and preferences. However, budget hotels in Kenya often face challenges related to service quality and customer satisfaction. There is limited empirical data on how guest experiential value in these establishments influence customers' behavioral intentions, such as repeat visits and recommendations (Khusoko, 2020)

Tourism is one of the fastest-growing industries in the world. It accounts for over 11% global GDP (WTTC, 2023). Despite the COVID-19 pandemic tourism has been predicted to grow by about 4% annually with a projection of over 1.5 billion international arrivals. Kenya has an exceptional heritage and throughout the years the tourism and hospitality sector has made the most of marketing locations such as pristine beaches, national parks and diverse landscapes (mountains, moat valleys, deserts and vast savannahs). For most Kenyans, domestic travel and tourism planning is perceived to be for the rich and it is a perception that negatively affects the overall performance of the hospitality sector (Kifworo, et al., 2020). The negative perception that tourist destinations and hotels are for foreigners and wealthy Kenyans is stopping the growth of the hospitality industry. It is a tendency that is partly due to the lack of information by the vast majority of Kenyans about places and places that are designed to offer inclusive services to all based on the customer's budget.

The hospitality industry is rapidly becoming competitive and this has forced a paradigm shift in terms of investment and management (Murage, et al., 2020). The need to create new offers and differentiate services for hoteliers is seen as a tactical marketing activity that seeks to attract potential customers who are looking for more than discounts. According to Peng et al., (2015) the needs and desires of end users are the main drivers and triggers of the current growth and performance of hotels. This is because the hospitality industry is seeing a major shift from the outdated supply-driven to a demand-driven market. There is a new shift that is evident in hotels and customers' products targeting various market segments (Wanjiku &Wikanzo, 2020).

Behavioral intentions in the context of hospitality refer to the extent to which a customer envisions himself or herself performing certain behaviors. These intentions are the general satisfaction of the guests and key definitive markers of future customer behaviors. Behavioral intentions pertain to a guest's planned future actions based on their current experiences, including intentions to revisit, recommend the hotel, or share experiences through word-of-mouth or online reviews. Positive behavioral intentions are often the result of high guest satisfaction and perceived value, leading to increased customer retention and brand advocacy. Conversely, negative experiences can deter repeat business and harm the hotel's reputation (Worsfold et al., 2016). The direct antecedents of behavioral intentions include factors such as perceived service quality, emotional satisfaction, price fairness, and internal benefits realized from the experience (Goh et al., 2022). The more positive behavioral intensions mean that there will be customer retention, word of mouth communication, and an improved image, which are important due to stiff competition in the hospitality industry.

Internationally, behavioral intentions have been found to be the central mediating factor in hospitality industry success. The focus on customers and their ever-increasing sophistication has shifted marketers' focus to understanding the behavioral intentions of consumers for retention (Hudson & Hudson, 2025). The analysis reveals that satisfied customers are likely to exhibit conversion behavior, including patronizing the facilities or recommending it to others, hence boosting profitability and market share (Oliver, 2023). In the increased use of web platforms and review systems, positive behavioral intentions are compounded by the social proof principle which challenges the impression that similar reviews and ratings will be appropriate

for potential guests (Mele, Dubosson, & Schegg, 2024). This is important nowadays when customer experience is a crucial factor during post-purchase evaluation and a primary driver for choosing a hotel in experience economy.

In the global context, particularly in the budget hotel market segment, behavioral intentions are strategic since the market segment is significantly distinctive. Cheap or economy class hotels have very low profit levels, and most of their guests are return clientele and word-of-mouth customers (Anagnostopoulou, et al. 2020)). This is a powerful tool for budget hotels since changes in the outlook of the guests have tremendous financial impact. However, due to their low earnings, they lack more resources, offer limited services, and competition in the sector is strong, so vital to find and improve factors influencing positive behavioral intentions among customers (Rather et al., 2021).

At the regional level, the importance of behavioral intentions can be seen in developing economies where the hospitality industry is relatively new yet rapidly expanding. In West Africa, the low-price hotel segment in Nigeria is now an essential part of the accommodation market and serves as a source of demand for national and regional markets (Adamiak, 2022). Research reveals that travel decision in developing countries is dominated by price sensitivity. Cleanliness, safety, and basic amenities are rated as important factors influencing travelers' behavioral intentions (Singgalen, 2024). In areas like East Africa, where budget hotels offer crucial products for domestic tourism and business travelers, understanding guests' behavioral intent is crucial in improving competitiveness and sustainability.

Today, the hospitality industry in Kenya is rapidly growing as a niche with the growing local tourists, business travelers and budget accommodation. Dependent on positive behavioral intentions are budget hotels that target all kinds of guests' owners of small enterprises, participants of conferences meetings and local tourists. Behavioral intention including repeat patronage and word of mouth plays an important role in developing customer base. The current trend of using online booking and review system in companies being more inclined to manipulating behavioral intentions since customers get to decide where to stay from the online reviews (Agag et al., 2020).

Budget hotels in Kenya have not fully captured opportunities to encourage the right behavior because of challenges such as; variability in service delivery, lack of magnitude, and competition from substandard accommodation such as Airbnb. Few studies explore the budget hotel environment in Kenya, resulting in this knowledge gap through which hotel operators fail to adopt effective approaches that would heighten guest satisfaction and loyalty (Achieng, 2021).

In the context of budget hotels, positive behavioral intentions may manifest as repeat bookings, referrals to friends and family, and favorable online reviews (Akhta et al. 2022). In the context of budget hotels in Machakos County, enhancing guest experiential value is essential to foster positive behavioral intentions. By delivering services that meet or exceed guest expectations, budget hotels can increase satisfaction levels, leading to repeat visits and positive recommendations. This is particularly important in a competitive market where customer loyalty impacts hotel's success.

These behaviors are influenced by perceived value and satisfaction derived from previous stays. For budget hotels in Machakos County, fostering positive behavioral intentions is essential for competitive edges. Through consistent and high-quality experiences, hotels can encourage guests to return and recommend their services. This cycle of satisfaction and loyalty contributes to overall success and sustainability of the hospitality sector within the county.

Guest experiential value refers to the perceived benefits and overall satisfaction a guest derives from their stay, encompassing both tangible and intangible elements of the service encounter. Guest experiential value in the hospitality industry encompasses the overall assessment guests make based on multiple service-related encounters that shape their satisfaction and behavioral intentions. Core aspects influencing this experience include service quality, which reflects the consistency, reliability, and responsiveness of services provided to guests (Ali et al., 2021); guest perceptions of communication feedback practices, which entail how effectively hotels respond to guest inquiries, complaints, and suggestions, shaping perceptions of care and trust (Kim & Lee, 2023); and guest satisfaction, which represents the emotional outcome of comparing expected and actual service performance.

Together, these dimensions form the foundation of experiential value, determining how guests perceive their overall stay, whether they intend to revisit, and how they engage in positive word-of-mouth or loyalty behaviors (Suhartanto et al., 2022). In the context of budget hotels, this includes factors such as room cleanliness, staff responsiveness, ambiance, and the emotional connections formed during the stay. Research indicates that even in budget accommodations, guests seek experiences that resonate on a personal level, contributing to their overall satisfaction and influencing future behavioral intentions (Ren et al., 2018). Guest experiential value encompasses the perceptions and evaluations of customers regarding the quality and satisfaction derived from their hotel experiences (Paulose & Shakeel, 2022).

In the hospitality industry, especially within budget hotels, delivering exceptional experiences can lead to increased customer satisfaction, repeat patronage, and positive word-of-mouth referrals. Factors contributing to experiential value include service quality, staff responsiveness, cleanliness, and the overall ambiance of the establishment. Budget hotels that prioritize customer experiences are more likely to build strong relationships with their clients, leading to sustained business growth. Moreover, satisfied customers are more inclined to provide feedback and recommendations, further promoting the hotel's reputation and attracting new patrons (Smith & Brown, 2022).

Guest experiential value refers to the overall assessment of the service experience, encompassing both functional and emotional aspects. In budget hotels, where resources may be limited, delivering high experiential value becomes crucial for guest satisfaction and loyalty. Key determinants of experiential value in budget hotels include service quality, physical environment, personalization, and emotional engagement. Service quality, characterized by promptness, reliability, and empathy, plays a vital role in shaping guest perceptions. A clean and comfortable physical environment enhances the overall experience, even in budget settings. Personalization, through tailored services and attention to individual guest needs, fosters a sense of recognition and appreciation. Emotional engagement, achieved through memorable interactions and unique experiences, can lead to stronger loyalty and advocacy (Krishna & Ravi, 2016).

Guest experiential value combines the technical and the messenger features to capture the perceptions of hotel guests in a single construct. Tangible factors are those related to price, room, cleanliness and availability of facilities while intangible factors as perceived emotional satisfaction, service personalized and perceived hotel environment. Altogether, these dimensions embody the perceived by the guest value that reflects such dimensions as staying implications for satisfaction and behavioral intention (Smith & Brown, 2022). Higher guest experiential value has been defined by the literature as an essence of customer satisfaction and loyalty in hotel research suggesting customers are inclined to revisit, recommend, and provide positive reviews frequently to hotels or organizations which provide higher value continuously. Kandampully et al. (2018), asserted that the continuous increase of experience tourism within worldwide advancement has also emphasized the role of guest experiential value globally in the hospitality industry. Today people are not interested merely in a place to lay their head or to rest their feet; people today look for purposeful and purposeful experiences congruent with their thoughts and wants. That has brought a change of paradigm in defining the experiences in hospitality, which has shifted the attention towards the personally touching value of the experience (Zha et al., 2024). For budget hotels, this evolution is a double-edged sword; on the one hand, they are well aware of the limited resources they have; on the other hand, they have to satisfy the expectations of the new and transforming travelers.

In the competitive landscape of the hospitality industry, particularly within the budget hotel segment, understanding and enhancing guest experiential value is paramount. Guest experiential value encompasses the perceptions and emotions that guests associate with their stay, influencing satisfaction, loyalty, and behavioral intentions. Several key determinants contribute to experiential value, including service quality, physical environment, personalization, and emotional engagement. By delving into these factors and their implications, budget hotel managers can devise strategies to elevate guest experiences and foster long-term success. Service quality stands as a cornerstone of positive guest experiences. In budget hotels, where resources may be limited, the demeanor and efficiency of staff play a pivotal role in shaping guest perceptions. Prompt and courteous service functional needs and conveys a sense of value and respect to guests.

According to Hellstrand (2010), guests' satisfaction is significantly influenced by the quality of service, with attentive and professional staff interactions enhancing overall perceptions of the hotel. Even in budget settings, where amenities may be basic, the human element of service delivery can differentiate a hotel and leave a lasting impression on guests. The physical environment of a hotel, encompassing cleanliness, comfort, and aesthetic appeal, plays a vital role in shaping guest experiences. In budget hotels, maintaining well-kept and inviting environment can compensate for the absence of luxury features. Worsfold et al. (2016) emphasize that guests' perceptions of value and their intention to return are closely linked to the physical attributes of the hotel. A clean and comfortable environment meets basic expectations and contributes to a sense of well-being and satisfaction. Investing in regular maintenance and thoughtful design, even within budget constraints, can significantly enhance the overall guest experience.

Personalization involves tailoring services to meet individual guest preferences, thereby elevating the perceived value of the stay. In the context of budget hotels, personalization can manifest through simple gestures such as remembering guest names, accommodating specific requests, or providing recommendations based on guest interests. Krishna and Ravi (2016) highlight those personalized experiences foster a sense of recognition and appreciation among guests, leading to increased satisfaction and loyalty. By leveraging available data and encouraging staff to engage with guests on personal levels, budget hotels can create meaningful connections that enhance the overall experience.

Emotional engagement refers to the ability of a hotel to create opportunities for guests to form emotional connections during their stay. This can be achieved through memorable interactions, unique experiences, or a welcoming atmosphere that resonates with guests on a personal level. Adiwijaya and Nurmala (2023) found that emotional engagement significantly influences guest satisfaction, loyalty, and place attachment, particularly among Gen Y and Gen Z travelers. By fostering an environment where guests feel valued and emotionally connected, budget hotels can differentiate themselves and encourage repeat visits.

To capitalize on the relationship between guest experiential value and behavioral intentions, budget hotel managers should consider implementing several strategic

initiatives on empowering employees with the skills to deliver exceptional service to enhance guest satisfaction and encourage repeat business. Training programs should focus on communication skills, problem- solving, and cultural sensitivity to ensure staff can effectively engage with diverse clientele (Hellstrand, 2010). Regular maintenance and thoughtful design of hotel facilities can improve the guest experience without significant financial investment. Simple upgrades such as fresh paint, comfortable bedding, and clean communal areas can make substantial difference in guest perceptions (Worsfold et al., 2016). Implementing digital tools for personalized communication and feedback collection can help tailor services to guest preferences. For instance, utilizing customer relationship management (CRM) systems can enable hotels track guest preferences, deliver customized experiences (Krishna & Ravi, 2016), and create unique experiences or offering local cultural insights can deepen guests' emotional engagement with the hotel. Organizing community events, providing local guides, or incorporating regional decor can contribute to a memorable stay that resonates with guests on an emotional level (Adiwijaya & Nurmala, 2023). Therefore, by focusing on these key determinants and implementing targeted strategies, budget hotels can enhance guest experiential value, leading to increased satisfaction, loyalty, and positive behavioral intentions. In an increasingly competitive market, prioritizing the guest experience is essential for long-term success and differentiation within the budget hotel segment.

Internationally, the competition experiential value as a way of distinguishing itself. Whereas luxury and upscale hotels use plenty of resources to offer customers a finer experience, budget hotels work with limited resources. Even in a BCG setting, experiential value can be created where the focus is on the details, customer, and warm welcome. The research carried out among guests staying at budget hotels reveals that they highly value low cost. However, they do not compromise on cleanliness, safety, ease of access, and quality service that adds worth to travel experience (Gibson, 2022). If such expectations are met, there is a better chance of improving satisfaction and contribution to customer loyalty even where price competition is rife.

Fang (2020) stated that African countries such as Nigeria in West Africa and Rwanda in East Africa have experiential value in the hospitality industry that has attracted more attention as tourism remains a dominating force in the continent’s economic

progression. As there is an increase in people travelling domestically and regionally, low cost accommodation like budget hotels have received a lot of patronage from people who are okay with average facilities at considerably low prices. Several studies suggest that East African travelers, particularly African travelers consider Experiential Value by standards of Culture Sensitivity of the Service, warm necessary and timely interaction with Service Providers (Hinson et al., 2024). This shows why different guests must be engaged in different ways to suit the preferences of their zones.

In the Kenyan case, the hospitality industry has great importance in developing hotels that enhance the tourism business, which contributes greatly to the economic growth of the country. More importantly, budget hotels cater to many customers ranging from the local populace, business people, and other travelers from different parts of the world on their backpacking tours. In this regard, guest experiential value emerges, including affordability, cleanliness, safety, and gaining ease of access. Adventure travelers from Kenya care about fundamental characteristics of experiences, including affordability, cleanliness, safety, and easy physical access. On the same note, others like staff friendliness, responsiveness to guest needs, and atmosphere all greatly contributed to the guest's total experience of value (Resort, 2023). Budget hotels are recognized in Kenya as a small hotel, hostel, motel, resort, hostel, lodge, motor house, inn or guest house with stump room rating (Murage, et al, 2020). The idea of a budget hotel contains at least three possible segments, the explicitly new budget hotel system, the traditional budget hotel and the higher-level hotel, where these segments do not form one identical product cluster. In Kenya, the hospitality industry has achieved remarkable growth and competition from local and international investors has continuously initiated innovations that have increased the country's international recognition as a top tourism, conference, exhibition and exhibition destination (Muia, 2020). The relevance of guest feedback in hospitality management evolves from the recognition that customer opinions are alive when it comes to spending on services provided. Customers have full control over the items and services of their spending therefore, it is possible for visitors to postpone vacations, reduce the frequency of visits or even change their consumption behavior. For hoteliers, the absence of control over guest information is considered a risk factor that significantly impairs hotel performance.

There are many domestic hotels and hospitality companies in Kenya that contribute services that not only come with world-class hospitality services but also serve domestic guests or tourists (Wanjiku et al., 2020). However, according to Gachuru, (2022), the domestic hotel industry in Kenya faces cumulative competition with major international hotel brands that are gradually moving to Kenya, which has created a competitive market in the industry. According to Kibue (2021) argument, the strong competitiveness observed in the hospitality industry has provided opportunities for hotel owners and investors to offer a diverse range of excellent services. With the exception of December, when demand is lower due to the holiday celebrations in December and January, hotel occupancy in Kenya is comparatively stable throughout the year.

According to Duarte et al. (2024) client habits as a means of differentiating brands and thereby avoiding the commoditization trap that emphasizes the value of goods and services. Business owners and shareholders are now considering pursuing hotels that are specifically designed to attract domestic guests (Chia & Muiz, 2021). Sustainability in hospitality in Kenya is a serious point of focus for most hoteliers because of the seasonal culture of the tourism sector which is dependent on foreign tourists. During peak seasons, popular hotels reach more than 75% bed occupancy, while others are fully booked for longer periods. However, during the off-season, hotels are empty, and under certain circumstances, some hotels have to block operations as a major tactic to minimize labor costs. Budget hotels offer customers an exclusive experience and this is possible because there is customer commitment on an emotional, physical, spiritual or intellectual level (Radwan, 2022). For this reason, hoteliers have made a serious effort to pay more attention to all components of the customer experience that have the ability to influence guest perceptions and behavioral intentions.

In the context of this study, price acts as a moderating variable influencing the relationship between guest experiential value and behavioral intentions such as revisiting or recommending a property. In the budget hotel segment, where affordability strongly influences choice, guests often balance their satisfaction with perceived value for money. Even when service quality and digital convenience are high, the overall experience is only deemed positive if the price feels fair and justified.

Recent global trends show that travelers are becoming more price-sensitive, seeking affordable yet quality accommodation options that deliver both comfort and convenience (Lee & Kim, 2023; Teng & Wu, 2022). This makes price not just a determinant of choice but a crucial context variable influencing how experiential value contributes to guest loyalty and retention in competitive hospitality markets.

The absence of a visitor's perspective leads to inconsistencies in the guest experience, making it very difficult for hotels to progress. It is very important to note that focusing on guests and their wishes, by considering all components of the experience, increases the value of the hotel and provides a means of differentiating the hotel. This study seeks to link between guest experiential value and behavioral intentions among budget hotels in Machakos County.

1.3 Problem Statement

In the hospitality industry, ensuring that services rendered meet guests' expectations is critical, as these experiences significantly influence their behavioral intentions such as revisit decisions, positive word-of-mouth, and willingness to pay. Prior research suggests that experiential value comprising elements such as service quality, guest perception, and guest satisfaction plays a pivotal role in shaping how guests evaluate their stay and form future behavioral intentions (Paulose & Shakeel, 2022). However, theoretical perspectives explaining how and why experiential value translates into behavioral intentions remain inconclusive, particularly concerning the mediating influence of perceived price fairness and the moderating role of guest characteristics or digital experience level, which may strengthen or weaken this relationship.

In Machakos County, budget hotels play a vital role in offering affordable accommodation to both domestic and international guests. Despite their importance, these establishments face persistent challenges related to inconsistent service quality, unprofessional staff behavior, inadequate facilities, and limited personalized attention, resulting in guest dissatisfaction and negative online reviews (Hamadziripi, 2023; Emeafor et al., 2025). Such experiences indicate a gap between guests' expected experiential value and the actual value delivered, which in turn affects their behavioral intentions toward these hotels.

While previous studies in Kenya have largely focused on economic dimensions of tourism and service quality in luxury hotels, limited empirical research has examined how experiential value influences guest behavioral intentions in budget hotels, especially in the Machakos County context (Kinyanjui, 2020). Moreover, existing studies have not adequately tested theoretical models that explain the mediating role of price fairness or the moderating role of guest experience level in this relationship. Consequently, this gap limits understanding of how budget hotels can leverage experiential value to enhance customer satisfaction, loyalty, and competitiveness.

Despite the growing recognition of experiential value in shaping guest behavior, price remains a critical yet underexplored factor that can alter how guests perceive and respond to service experiences. Variations in perceived fairness and value-for-money often influence satisfaction levels and revisit intentions, particularly in the price-sensitive budget hotel segment (Han & Hyun, 2023). Therefore, understanding how price moderates the relationship between guest experiential value and behavioral intentions is essential to explain inconsistencies in guest loyalty and satisfaction outcomes across budget hotels.

To address these gaps, the current study investigates the relationship between guest experiential value (service quality, guest perception, and satisfaction) and behavioral intentions in budget hotels within Machakos County, with a focus on the mediating effect of perceived price fairness and the moderating role of guest experience level. The findings provided both theoretical and practical insights for improving service delivery, enhancing customer retention, and strengthening the market position of budget hotels in the region.

1.4 Objectives of the Study

1.4.1 General Objective

To evaluate the relationship between guest experiential value and behavioral intentions, with price as a moderating factor, among budget hotel guests in Machakos County, Kenya.

1.4.2 Specific Objectives

i. To establish the influence of service quality on guest behavioral intentions among budget hotels in Machakos County, Kenya.

ii. To examine the effect of guest perceptions of communication feedback practices on behavioral intentions among budget hotels in Machakos County, Kenya.

iii. To assess the influence of guest satisfaction on behavioral intentions among budget hotels in Machakos County, Kenya.

iv. To investigate the moderating role of price on the relationship between guest experiential value and behavioral intentions among budget hotels in Machakos County, Kenya.

1.5 Research Hypotheses

The following research hypotheses were tested in the study:

H_{01}: Service quality does not influence behavioral intentions among budget hotels in Machakos County, Kenya.

H_{02}: Guest perceptions of communication feedback practices do not affect behavioral intentions among budget hotels in Machakos County, Kenya.

H_{03}: Guest satisfaction does not influence behavioral intentions among budget hotels in Machakos County, Kenya.

H_{04}: Price has no moderating influence on the relationship between guest experiential value and behavioral intentions among budget hotels in Machakos County, Kenya.

1.6 Scope of the Study

This study was conducted within Machakos County, Kenya, between February and March 2025, focusing specifically on budget hotels that provide affordable accommodation to both domestic and international guests. The study examined the relationship between guest experiential value captured through service quality, guest perception, and guest satisfaction and behavioral intentions, such as willingness to revisit, recommend, and pay for services. Additionally, the study considered the

moderating role of price fairness in the relationship between experiential value and behavioral intentions.

Methodologically, the study adopted a mixed-method approach using a convergent parallel design, which allowed for simultaneous collection and analysis of both quantitative and qualitative data. The target population consisted of guests and managers from budget hotels in Machakos County, with 10 budget hotels selected from a total of 45 registered establishments. A simple random sampling technique was used to select the hotels, while purposive sampling was applied to identify guests who had stayed in the hotels and were willing to participate. A census approach was employed for the 10 hotel managers.

Data were collected through structured questionnaires administered to hotel guests and interview guides for hotel managers to capture complementary qualitative insights. Quantitative data were analyzed using descriptive statistics (means, frequencies, and percentages) and inferential statistics, including correlation and regression analyses, to determine the nature and strength of relationships among variables. Qualitative data were analyzed thematically to support and enrich quantitative findings.

The study was delimited to budget hotels within Machakos County and did not include luxury or mid-scale hotels. Its scope was confined to exploring the influence of guest experiential value on behavioral intentions within the context of affordable hospitality, providing insights relevant to hotel managers, policymakers, and hospitality scholars interested in improving service delivery and competitiveness in the budget hotel segment.

1.7 Significance of the Study

This study makes a meaningful contribution to academic literature by addressing a gap in the hospitality and tourism field, particularly in the context of budget hotels within developing economies. While a substantial body of research has examined guest experiences in luxury and upscale hotels, limited scholarly attention has been given to budget accommodations despite their growing role in domestic tourism. By focusing on Machakos County, the study offers context-specific empirical data that enhances theoretical understanding of how guest experiential value influences behavioral intentions. The study further enriches existing frameworks in service quality and

consumer behavior by illustrating how elements such as personalized attention, ambiance, and perceived value affect post-consumption actions like repeat visits and positive word-of-mouth. The results may form a foundation for future research, including comparative studies across counties or regions and methodological extensions using techniques such as Structural Equation Modeling (SEM) or longitudinal analysis.

From an industry standpoint, the study offers practical insights that budget hotel operators can leverage to improve service delivery and customer retention. By identifying the components of experiential value that significantly shape guest behavioral intentions such as staff hospitality, room comfort, and affordability the findings provide actionable recommendations for enhancing guest satisfaction and fostering loyalty. These insights are particularly relevant for budget hotel managers working with limited resources, as they help prioritize service aspects that yield the highest returns in terms of customer loyalty and positive reviews. Additionally, the findings support the development of strategic marketing and operational interventions that align with guest expectations, thus contributing to the long-term competitiveness of budget hotels in Machakos County and similar regions.

At the policy level, the findings of this study hold significance for stakeholders involved in tourism planning, regulation, and development at both county and national levels. The research highlights the critical role of guest experiential value particularly service quality, guest perception, and satisfaction in shaping behavioral intentions that sustain the hospitality sector. It underscores the need for the Ministry of Tourism and Wildlife, the Tourism Regulatory Authority (TRA), and county governments to strengthen the policy framework governing service quality assurance, customer experience management, and price fairness within the budget accommodation segment.

Specifically, the study points to policy gaps in standardizing service quality benchmarks for budget hotels, enforcing transparent pricing structures, and institutionalizing guest feedback mechanisms as part of quality audits. It calls for capacity-building programs and certification policies that enhance professionalism and digital customer engagement among hotel operators. Furthermore, the insights can guide the formulation of county-level tourism development policies that prioritize

quality-based competitiveness, inclusive market participation, and support for affordable accommodation infrastructure in emerging destinations such as Machakos County.

1.8 Limitations and Delimitations of the Study

1.8.1 Limitations of the Study

i. **Time Limitation:** The study was conducted within a limited timeframe, which restricted data collection to a specific period of the year. This limitation may have constrained the ability to capture variations in guest experiences across different tourism seasons. To address this, data were collected from a representative mix of weekdays and weekends, ensuring that both business and leisure guest perspectives were adequately captured to minimize seasonal bias.

ii. **Reliance on Self-Reported Data:** The study relied on self-reported information obtained through structured questionnaires and interviews, which may be affected by response bias, social desirability tendencies, and memory recall inaccuracies. To mitigate this limitation, the research employed multiple data sources guests and hotel managers to enable data triangulation. Additionally, anonymity and confidentiality were assured to encourage honest and accurate responses.

iii. **Limited Geographical Coverage:** The study was confined to budget hotels in Machakos County, which may limit the generalizability of findings to other regions with different demographic, economic, or tourism dynamics. To address this, hotels were randomly selected from diverse sub-counties within Machakos to enhance representativeness. Moreover, the study clearly defined its contextual boundaries to allow future comparative research across other counties or regions.

1.8.2 Delimitations of the Study

i. **Geographic Delimitation**: The study was purposefully limited to budget hotels located within Machakos County to maintain focus and contextual relevance.

ii. **Target Population:** The study focused exclusively on budget hotel guests and hotel managers, excluding other tourism stakeholders such as travel agents or policy makers.

iii. **Scope of Variables:** The research concentrated specifically on guest experiential value and its influence on behavioral intentions, without exploring

other related constructs such as brand loyalty, emotional engagement, or perceived risk.

1.9 Assumptions of the Study

This study was based on several key assumptions that underpinned its methodology and interpretation of findings. It was first assumed that all participants, both hotel guests and managers, responded truthfully and objectively to the questionnaire items. The credibility of the findings was therefore contingent upon the honesty, attentiveness, and personal experience of the respondents.

Secondly, the study assumed that the construct of guest experiential value despite being subjective in nature could be validly and reliably measured through structured survey instruments. It was also presumed that this experiential value significantly influences guests' behavioral intentions, particularly in areas such as repeat visits, positive recommendations, and overall loyalty to the hotel.

The research further assumed that the sampled respondents were representative of the broader population of guests and managers in budget hotels within Machakos County. This representativeness was critical in enabling the generalization of the study findings to similar hospitality settings within the region.

Additionally, it was assumed that the participating hotel managers possessed adequate operational knowledge and insights into their service delivery systems, and were therefore able to provide informed responses that accurately reflected their establishments' practices and performance. The validity and reliability of the research instruments used in data collection were also assumed, with the expectation that they effectively captured the core constructs under investigation without introducing measurement error.

1.10 Contributions of the Thesis

For hotel practitioners, the study contributes that, the budget hotel managers in Machakos County should strengthen service quality dimensions particularly responsiveness, reliability, and empathy to enhance guests' experiential value and foster positive behavioral intentions such as loyalty and repeat visits. Hotels should also improve communication feedback practices through digital and personalized

channels to strengthen guest trust and satisfaction. Furthermore, adopting strategic pricing models that reflect fairness and value-based pricing can enhance guest perceptions and strengthen the experiential, behavioral link, as price was found to significantly moderate this relationship.

From a scholarly perspective, this thesis contributes to knowledge in three key areas. First, it extends the Expectancy Disconfirmation Theory (EDT) and Theory of Reasoned Action (TRA) by integrating price as a moderating variable, offering a nuanced understanding of how perceived value translates into behavioral outcomes in budget hospitality settings. Second, it contributes to empirical literature by providing evidence from a developing country context specifically Kenyan budget hotels where limited studies have examined experiential value from the guest's perspective.

Third, methodologically, the study demonstrates the value of a mixed-method convergent parallel design in exploring both quantitative relationships and qualitative guest insights, thereby enriching the interpretation of experiential value and behavioral intentions in hospitality research.

1.11 Organization of the Thesis

This thesis is organized into five chapters, each structured to address the study's objectives systematically. Chapter One provides an overview of the study by introducing the background, statement of the problem, research objectives, research hypothesis, scope of the study, limitations of the study, assumptions of the study, significance of the study, contribution of the thesis and organization of the thesis. This lays the foundation for understanding the rationale and importance of the research.

Chapter Two presents a comprehensive review of relevant literature, organized into four key sections: theoretical literature, empirical literature, conceptual framework and the research gaps. It concludes by identifying existing research gaps and positioning the current study within appropriate theoretical and empirical contexts.

Chapter Three outlines the research methodology, detailing the research design, research philosophy, study area, target population, sampling method and sample size, data collection, reliability and validity, data analysis and presentation, and ethical considerations that guided the study

Chapter Four presents the findings of the study based on both quantitative and qualitative data. It covers descriptive statistics, inferential analysis including correlation analysis, hypothesis testing and thematic analysis of interview responses assessing guest experiential value on behavioral intentions within budget hotels.

Chapter Five discusses the research findings in relation to existing literature, draws conclusion, outlines implications for practice and policy and offers recommendations for further research. Together, these chapters provide a coherent and rigorous structure through which the research problem is investigated and addressed.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents a comprehensive review of theoretical and empirical literature relevant to the study. It begins with the theoretical review, which outlines and discusses three underpinning theories Expectancy Disconfirmation Theory, Reasoned Action Theory, and Rational Choice Theory that provide the conceptual basis for understanding the relationship between guest experiential value and behavioral intentions. The chapter then reviews empirical studies related to the independent variables of guest experiential value, followed by a summary of the reviewed literature and identification of existing research gaps that the present study seeks to address.

2.2 Theoretical Literature

The study utilized three theories, namely, the Expectancy Disconfirmation Theory, Reasoned Action Theory, and Rational Choice Theory. The three theoretical frameworks provide a comprehensive basis for understanding the relationship between guest experiential value and behavioral intentions. Specifically, they illuminated the cognitive and affective processes that influence guests' decisions to recommend a hotel or to revisit it.

2.2.1 Expectancy Disconfirmation Theory

Oliver proposed the expectancy disconfirmation theory in 1977-80. According to Oliver (1980), the Expectancy Disconfirmation Theory (EDT) posits that consumer satisfaction is determined by the gap between prior expectations and actual perceived performance. When performance exceeds expectations, positive disconfirmation occurs, leading to satisfaction; when it falls short, negative disconfirmation results, causing dissatisfaction (Mwangi et al., 2024). This theory suggests that fulfillment occurs when the apparent performance meets the user's expectations. In hotel management, the main purpose of budget hotels is to attract guests by providing customized experiences and superior services. Visitors will always have pre-given prognostic expectations and this becomes the basis for connecting services and

products. The theory encompasses four primary constructs: expectations, perceived performance, disconfirmation, and satisfaction (Oliver 1980). Expectations are pre-consumption beliefs about the service, influenced by factors such as prior experiences, word-of-mouth, and marketing communications. Perceived performance refers to the consumer's evaluation of the service after consumption. Disconfirmation is the cognitive comparison between expectations and performance, which can be positive, negative, or neutral. Finally, satisfaction is the affective response resulting from this comparison (Bhattacherjee, 2001).

According to Oliver, 1980, customer satisfaction is not solely based on the actual performance of a product or service, but rather on how that performance compares with the customer's prior expectations. After experiencing the service, they compare the perceived performance with their initial expectations. If the performance exceeds expectations, positive disconfirmation occurs, leading to satisfaction. Conversely, if performance falls short, negative disconfirmation results, causing dissatisfaction. When performance matches expectations, simple confirmation leads to neutral satisfaction. At its core, Expectancy Disconfirmation Theory (EDT) is based on the psychological principle that individuals develop certain expectations before engaging with a service or product (Bosiu, 2023). Upon consumption or experience, individuals assess whether a service meets, exceeds, or falls short of their initial expectations. This assessment results in a disconfirmation experience, which may be positive when perceived performance surpasses expectations (Kinyanjui, 2020). Expectancy Disconfirmation Theory (EDT) has been extensively employed to explain guest satisfaction and loyalty, particularly in the hospitality context. Guests typically arrive with preconceived expectations regarding service quality, cleanliness, staff conduct, and available amenities (Park and Cho 2022). Their satisfaction depends on how well the actual experience aligns with these expectations. Studies have shown that when hotels deliver services that exceed guest expectations, it leads to higher satisfaction levels and increased likelihood of repeat visits and positive word-of-mouth (Worsfold et al., 2016).

In Kenya, research has indicated that customer expectations significantly moderate the relationship between service encounter quality and guest satisfaction. A study by Mutinda (2020) focusing on four and five-star hotels in Nairobi found that when

customer expectations were met or exceeded, there was a positive impact on satisfaction levels. This underscores the importance of understanding and managing guest expectations to enhance satisfaction (Ng'ang'a et al., 2020). In this case, the consumer is pleasantly surprised, resulting in a high level of satisfaction and an increased likelihood of repeat patronage or positive word-of-mouth recommendations. Zero disconfirmation occurs when perceived service performance precisely matches customer expectations (Mwangi et al 2024). Although it may not generate excitement, it still results in satisfaction, as the service has fulfilled its promise. In contrast, negative disconfirmation arises when perceived performance falls short of expectations, leading to dissatisfaction, reduced loyalty, and the potential for negative publicity (Kinyanjui, 2020). In the context of the budget hotel sector in Kenya, especially within Machakos County, Expectant Disconfirmation Theory becomes highly relevant.

Budget hotel guests arrive with certain predetermined expectations regarding pricing, cleanliness, comfort, safety, and service quality. These expectations are shaped by previous experiences, marketing messages, word-of-mouth, or industry norms. The guests' satisfaction levels, and consequently their behavioral intentions such as repeat visits, loyalty, and willingness to recommend the hotel depend on how the actual experience aligns with these initial expectations (Chen & Cheng 2020; Rosid et al 2020). For instance, if a guest at a budget hotel finds the room more comfortable than anticipated, the check-in process faster than expected, or the staff more courteous than imagined, they will experience positive disconfirmation, enhancing their likelihood of returning or recommending the hotel (Chen & Cheng 2020; Rosid et al 2020). Conversely, if a guest encounters dirty facilities, delayed service, or poor customer engagement, they may experience negative disconfirmation, leading to dissatisfaction and possibly deterring future visits. Budget hotels in Kenya, therefore, must recognize that managing guest expectations is as critical as delivering service quality. Even if the hotel provides decent services, if those services do not align with what guests anticipated, satisfaction may still be low (Kinyanjui, 2020). On the other hand, exceeding modest expectations can significantly boost guest satisfaction even without luxurious offerings.

Expectant Disconfirmation Theory has been extensively applied in hospitality and tourism research to explain post-consumption behaviors such as loyalty, complaint intentions, and recommendation likelihood. In this study, the theory helps in interpreting the link between guest experiential value dimensions (emotional, functional, and social) and behavioral intentions by acknowledging that perceived experiential outcomes are measured against prior expectations, thus shaping the guests' satisfaction and future intentions.



Figure 2.1: Expectancy Discomfort Theory Source: Zhang et al. (2021)

2.2.2 Reasoned Action Theory

Fishbein and Ajzen (2011) proposed the Theory of Reasoned Action (TRA) to explain the relationship between beliefs, attitudes, intentions, and behavior. There are important changes that affect how persuasion works. The first is deliberate action that pays attention to conduct. The Theory of Reasoned Action (TRA), developed by Martin Fishbein and Icek Ajzen in the 1970s and later refined in 2011, offers a robust framework for understanding how individual behavior is shaped by both personal attitudes and societal norms. Originally developed from information integration theory focused on how individuals process and integrate persuasive messages, TRA shifted emphasis toward intentionality in behavior. It posits that behavior is not random but rather the result of deliberate planning and rational decision-making, based on an individual's attitudes and perceived expectations of others (Fishbein & Ajzen, 2011).

Theory of Reasoned Action (TRA) is anchored in the belief that an individual's intention to perform a specific behavior is the primary determinant of whether or not the behavior will be executed (Fishbein & Ajzen, 2011). This intention, in turn, is influenced by two major factors: attitude toward the behavior and subjective norms. Attitude refers to the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior in question. For example, in a hotel context, a guest's intention to revisit a budget hotel may be shaped by their positive attitude toward the hotel's affordability, cleanliness, or customer service. Subjective norms, on the other hand, relate to perceived social pressures how significant others, such as family, friends, or societal groups, expect one to behave (Acikgoz et al., 2023). The reasoning process begins when an individual is confronted with a potential behavior such as choosing to stay at a particular hotel, using an online dispute resolution platform, or selecting a conflict resolution mechanism (Hagger, 2019). According to the Theory of Reasoned Action (TRA), individuals evaluate a potential behavior based on their past experiences, underlying beliefs, and personal values. When the anticipated outcome aligns with these beliefs and presents perceived benefits such as convenience, affordability, or social approval the intention to engage in the behavior is reinforced. Conversely, if the expected outcome is unfavorable or opposed by influential referent groups, the intention to act is diminished. TRA is grounded in the fundamental assumption that individuals are rational decision-makers who systematically process available information to guide their behavioral choices. This distinguishes it from other behavioral theories that allow for habitual, emotional, or impulsive behavior (LaCaille, 2020). The deliberate and logical nature of TRA makes it particularly useful in structured environments like the justice system or the hospitality industry where choices are often based on balancing perceived benefits and drawbacks (LaCaille, 2020). For example, in the context of dispute resolution, the Theory of Reasoned Action (TRA) can help explain individuals' decision-making when presented with the option of using Artificial Intelligence (AI)-enabled mediation services. A person may develop a favorable attitude toward AI-mediated solutions due to perceived advantages such as efficiency, convenience, and cost- effectiveness compared to conventional mediation approaches. Simultaneously, if their social circle (e.g., legal advisors, community members) endorses this option, the subjective norm strengthens the intention to adopt it. If both attitude and subjective norm align positively, the behavioral intention and ultimately the behavior follows.

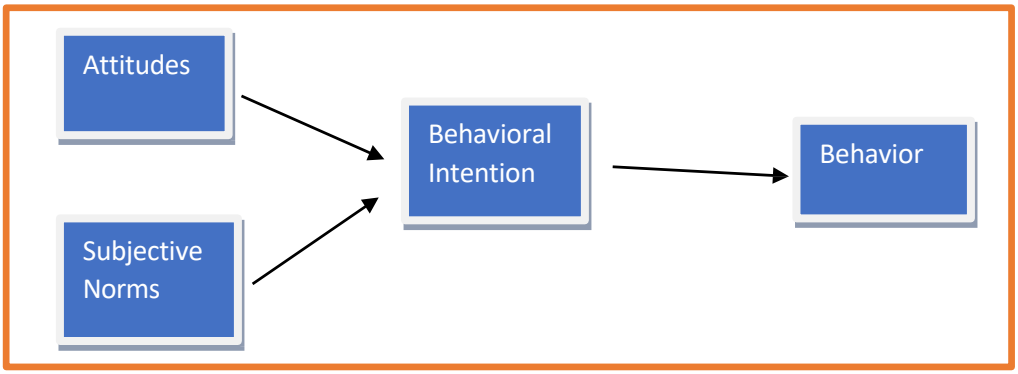


Figure 2.2: Reasoned Action Theory [Source: Rybina, & Garkavenko, (2020)]

According to LaCaille (2020) an essential component of TRA is its capacity to incorporate cultural and environmental dynamics into behavioral prediction. Since subjective norms are shaped by societal expectations, this component of the Theory of Reasoned Action (TRA) enables researchers to account for variations in behavior across different cultural and social contexts. In the Kenyan hospitality sector, for example, guests' decisions such as choosing to stay at a particular hotel may be influenced not only by personal preferences but also by collective norms regarding trust in service providers, community perceptions, or endorsements from local or religious leaders (Msenge & Nzewi, 2021). Moreover, the theory's evolution into the Theory of Planned Behavior (TPB) introduced the concept of perceived behavioral control, recognizing that intention alone may be insufficient if individuals believe they lack the capacity, resources, or opportunity to act. This is especially relevant in contexts where guests may face barriers such as limited digital access, low service awareness, or restricted mobility factors that can significantly influence behavioral intentions among budget hotel guests in rural or underserved areas (Msenge & Nzewi, 2021).

The Theory of Reasoned Action provides a strong conceptual foundation for examining how individuals make rational choices based on attitudes and social influences. Its applicability to sectors such as hospitality, justice, and digital service uptake makes it a valuable lens for research. Therefore, by understanding the interplay between individual beliefs and social norms, researchers can better design interventions, services, or communication strategies that align with target populations' motivations and behavioral intentions. Whether evaluating guest satisfaction in budget

hotels or adoption of AI in dispute resolution, TRA offers a nuanced and adaptable model for predicting behavior in diverse contexts.

2.2.3 Rationale Choice Theory

The term Rationale choice theory alludes to a collection of theories that have been proposed to explain the social and economic actions of consumers (Fumagalli, 2020). The political philosopher and economist Adam Smith credited with developing the theory. According to the rational choice theory, people form deducible conclusions that are consistent with their own goals and preferred goals using rational thought. Consumers generally seek to maximize their personal benefits. Rational Choice Theory (RCT), a foundational concept in economics and the social sciences, provides a framework for understanding decision-making based on utility maximization and reasoned analysis. Often attributed to political economist Adam Smith, the theory posits that individuals act out of self-interest, guided by an "invisible hand" that promotes optimal outcomes through rational behavior (Fumagalli, 2020).

Over time, RCT has been extended beyond economics into disciplines such as sociology, political science, and consumer behavior, providing valuable insights into how individuals make choices across varying contexts. At its core, RCT posits that individuals are rational actors who assess available options and choose the one that provides the highest personal benefit or satisfaction. This decision-making process involves a cost-benefit analysis whereby the individual evaluates the pros and cons of each alternative before selecting the one that maximizes perceived utility (Scott, 2000).

In the hospitality and tourism context, particularly within budget hotel management, Rational Choice Theory provides an appropriate lens for understanding how guests make decisions about hotel stays. Guests often consider several factors such as pricing, cleanliness, convenience, amenities, safety, and service quality. These factors are internalized and compared across competing accommodations in order to determine the best value proposition.

According to RCT, a guest will choose a budget hotel if they believe the perceived experiential value exceeds the costs involved, which may include not only monetary

costs but also emotional, physical, or temporal considerations (Wu & Liang, 2021). For example, in Machakos County, budget hotels often attract guests who are price-sensitive but still expect a minimum standard of service and comfort. Guests rationally compare hotel alternatives based on publicly available information, such as online reviews, location, and personal referrals. Their final decision is guided by which option offers the best combination of value, comfort, and affordability. If the chosen hotel fulfills or exceeds these expectations, the guest is more likely to develop positive behavioral intentions, such as recommending the hotel to others or returning for future stays.

RCT emphasizes three key principles in this decision-making process: self-interest, rational evaluation, and utility maximization. First, self-interest implies that consumers will act in ways that benefit them the most, such as choosing accommodations that meet their specific needs (Fumagalli, 2020). Second, rational evaluation means guests actively analyze options and make informed decisions based on objective criteria, such as pricing and quality. Third, utility maximization reflects the idea that guests will select the option that delivers the highest satisfaction relative to the resources they expend. The theory is particularly relevant to the budget hotel sector, where guests are often low to middle-income earners, business travelers, or domestic tourists. These customer segments are likely to exhibit rational, value-oriented decision-making behaviors.

The rational choice perspective implies that when experiential value is high such as through good service, clean facilities, and fair pricing guests are more likely to express satisfaction and return in the future (Kim et al., 2020). Rational Choice Theory complements other frameworks like the Theory of Reasoned Action and Expectancy Disconfirmation Theory by emphasizing cognitive deliberation and economic reasoning. While these other theories often focus on attitudes, expectations, or subjective norms, RCT centers on logical reasoning and strategic behavior. This makes it especially suitable for analyzing how and why consumers make specific behavioral choices in the hospitality sector.

Empirical evidence supports the application of RCT in hospitality research. For instance, Kim et al. (2020) demonstrated that hotel guests often perform cost-benefit evaluations when selecting hotels, particularly when value for money is a central

concern. Wu and Liang (2021) found that perceptions of fairness in pricing and the consistency of service quality were key predictors of whether guests would recommend or revisit a hotel. These findings underscore the assumption that consumer behavior, especially in-service industries, is largely driven by rational and calculative decision-making.

Rational Choice Theory offers a robust conceptual foundation for understanding the relationship between guest experiential value and behavioral intentions in budget hotels in Machakos County. The theory provides insights into how guests assess value, make informed choices, and develop future behavioral intentions based on the quality of services received. Recognizing that guests act as rational agents seeking to maximize utility, hotel managers can tailor services and marketing strategies to align with customer expectations, thereby enhancing satisfaction, loyalty, and competitiveness in the budget hotel market.

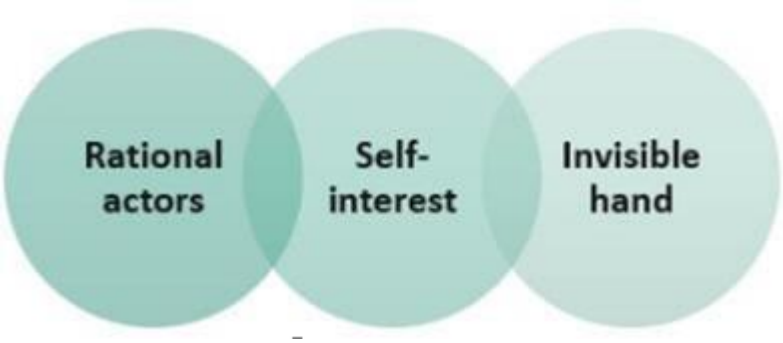


Figure 2.3: Rationale Choice Theory [Source: Fongtanakit, (2022)]

2.3 Empirical Literature

This section presents a review of empirical literature on the four independent variables of guest experiential value used in the study.

2.3.1 Service Quality and Behavioral Intentions

Service quality is a major antecedent of behavioral intention in the hospitality industry. According to Setiono, and Hidayat (2022), the SERVQUAL model that measures the impact of service delivery on customer behavior isolating aspects like tangibles, reliability, responsiveness, assurance, and empathy has been widely used. The evaluation of various service quality dimensions has revealed that quality service has a positive effect on behavioral intentions such as repurchase intentions and word-of-mouth communication intentions (Hussain et al., 2023). For many years, researchers

in hospitality Njau, Mutungi, and Mutinda (2019) have focused on how service quality affects guests' behavior. Most researchers state that guests' views on service quality at budget hotels shape how they behave and think about the provided service in the future.

When looking at service quality in budget hotels, it is common to use the SERVQUAL model, which singles out five main dimensions, things, dependability, quick reaction, confidence, and kindness. They are considered to examine how services affect customer comfort and their decision to stay after using the business. In Texas, the area of Dallas-Fort Worth, Hernandez et al. (2021) analyzed the impact of service quality on the loyalty of customers in the budget hotel industry. The researchers concluded, using the SERVQUAL model, that reliability and responsiveness greatly affected people's attitude to revisit a budget hotel. Those who stay in budget hotels might seek ways to save, but they value good service and quick resolutions to problems, as they make them return to the same brand more often. It was also discovered that cleanliness is, the knowledge of staff, and successful handling of issues helped influence guests' behavioral intentions, proving that service excellence in these areas can make budget accommodation satisfactory for visitors. If a hotel meets or exceeds guests' needs, they are likely to want to come back, as proved by the research's positive tie between service quality and a desire to rebook.

Garcia and Mendoza (2020) explain the effects of service quality on domestic and international tourists' plans to come back to budget hotels in Mexico. Empathy and confidence in the service both strongly impacted the customers' desire to repeat their stay at budget hotels. Therefore, Spanish-speaking tourists appreciate the staff's personal touch and action when resolving issues. It was also found that the model for offering services in budget hotels should be flexible towards the local culture and requirements of visitors from other countries. When the employees are professional and communicate well, with fast service, guests are much happier. As a result, guests recommended the hotel and chose to return, clearly showing that high standards of culturally fit service encourage them to act positively towards the hotel.

In Beijing, the rapid expansion of the hospitality industry has led to increased competition among budget hotels. Studies have shown that service quality dimensions, particularly reliability and responsiveness, significantly influence

customer satisfaction and loyalty. For instance, a study by Tsang and Qu (2000) found that tourists in China's hotel industry place high importance on reliable service delivery and prompt responses to their needs. Fran and Valle (2020) examined how cultural dimensions shape guests' expectations of hotel service quality across 10 Latin American countries. They found that cultural factors particularly collectivism and individualism significantly influenced the weight placed on different service dimensions, such as interpersonal interaction and process quality Singapore's strategic location and robust tourism infrastructure have made it a hub for international travelers. The hotel industry in Singapore is characterized by a diverse range of accommodations, including budget hotels. Research indicates that service quality dimensions, such as assurance and empathy, are critical in influencing customer satisfaction and behavioral intentions. A study by Xin et al. (2020) highlighted the importance of staff competence and personalized service in enhancing customer experiences in Singapore's budget hotels. Furthermore, green practices and sustainability initiatives have been found to positively impact guest satisfaction and loyalty (Lee et al., 2010).

Switzerland's tourism industry is renowned for its high standards of service quality. In the context of budget hotels, studies have emphasized the significance of tangibility and reliability in shaping customer perceptions. For example, research by Blättler et al. (2024) demonstrated that the physical environment and consistent service delivery are crucial in influencing tourists' travel mode choices and overall satisfaction. Additionally, cultural factors, such as indulgence and individualism, play a role in shaping guests' expectations and evaluations of service quality (Zhang et al., 2020). Italy's rich cultural heritage and diverse tourist attractions make it a popular destination for travelers. In the realm of budget hotels, service quality dimensions like assurance and empathy are pivotal in determining customer satisfaction and behavioral intentions. A study by Su et al. (2017) found that corporate social responsibility (CSR) initiatives, including sustainable practices and community engagement, positively influence customer perceptions and loyalty in Italian hotels. Moreover, national culture significantly affects visitors' evaluations of hotel services, with Italian guests placing high value on personalized attention and staff friendliness (Zhang et al., 2020).

A study carried out by Mthembu and Khumalo (2022) investigated how service quality impacts guests' decision to return to budget hotels in Durban, South Africa. Results from the research showed that how pleasant the hotel looks and its cleanliness can affect the customer's intentions regarding their behavior. This was mainly the case for guests of budget hotels, who demand that their rooms are safe and clean, even if this means giving up luxuries to save money. The report highlighted reliability and responsiveness are key to making customers stay. Those who noticed their needs being met right away and the staff were reliable tended to come back and tell others positive stories. In a place where customers find many different places to stay, it is important for hotels to provide great service each time to encourage loyalty.

Nigeria's hospitality industry has witnessed significant growth, with budget hotels catering to a broad spectrum of travelers. Research indicates that service quality dimensions, particularly empathy, responsiveness, and reliability, are critical in influencing customer satisfaction and loyalty. Ezeh (2023) found that these dimensions significantly impact guests' satisfaction and loyalty in low-cost hotels in Nigeria. Furthermore, customer satisfaction mediates the relationship between service quality and behavioral intentions, emphasizing the need for consistent and personalized service delivery.

Tanzania's tourism sector, especially in regions like Dar es Salaam, has seen a surge in budget hotel accommodations. Studies have highlighted the importance of service quality dimensions such as tangibility, reliability, and empathy in shaping customer satisfaction and behavioral intentions. Mwijarubi (2022) emphasized that clean and well-maintained physical environments, along with reliable service delivery, are crucial in enhancing guest experiences in Tanzania's budget hotels. Moreover, cultural factors influence guests' expectations and perceptions, necessitating culturally sensitive service practices.

Rwanda's hospitality industry has been growing steadily, with budget hotels playing a significant role in accommodating tourists. Research indicates that service quality dimensions, including responsiveness, tangibility, reliability, and empathy, significantly influence customer satisfaction. A study by Uwizeye (2024) found that these dimensions collectively contribute to customer satisfaction, which in turn affects behavioral intentions such as repeat patronage and positive word-of-mouth. The study

also highlighted the importance of staff training and infrastructure development in enhancing service quality in Rwandan budget hotels.

Similarly, Al-Kuwari and Hassan (2021) researched how guests' intentions to act in different ways are determined by the quality of service received in budget hotels in Doha, Qatar, involving two- and three-star hotels. The study concluded that being responsive and appreciating customers' emotions were the main quality aspects that make them stay loyal to budget hotels. Since Qatari hospitality is very competitive, guests anticipate being served in a personal way and their needs to be met fast. The research showed that these factors of service quality straightaway influenced both guests' satisfaction and their intentions, including returning and speaking positively about the hotel. How well the staff interacted with the guests was shown to significantly impact the guests' decision to come back. Improving cultural sensitivity and high- quality service in Qatar's many budget hotels helped increase both guest satisfaction and the intention of guests to behave well while in budget hotels.

Continuing apprehensions associated with service quality still underlines global strategies aimed at improving customer satisfaction and loyalty with special reference to the sector of budget hotel chains. For example, Baker and Crompton (2022) examined the factors affecting guest satisfaction in the budget hotels in the USA and established that there are important service product attributes, it is imperative to clean, quick service delivery by staff, and friendly treating of customers. According to their findings, it was evident that although basic at best, compliance with these tenets when done with a strict rundown of the supposed limited budget could create loyalty and guarantee through repeat business.

Study by Lee et al. (2016) found, among other significant findings, that service quality can be enforced by lining up customers' desires with their recognitions of the real benefit involvement. Service quality is fundamentally determined by the gap between customer expectations and their perceptions of the actual service experience (Ali et al., 2021). This discrepancy often referred to as the service quality gap captures the extent to which delivered service aligns with what customers anticipate. Izogo and Ogba (2015) further assert that multiple factors contribute to customer satisfaction and loyalty, with service quality being a central determinant. They specified SERVQUAL as one of the beat ways to gage benefit quality. SERVQUAL may be an instrument utilized to gage different perspectives of benefit quality with the help of this tool,

quality of service is assessed as the distinguishing between client expectations and perceptions on five different fronts: tangibility, dependability, responsiveness, assurance, and empathy. The dimensions used in studies using this tool vary (Dedeolu & Demirer, 2015). However, SERVQUAL is among the highly reliable and qualified modes for assessing quality of service (Gabrow, 2021). When people thought the services at the hotel were high quality, their desire to visit again and tell others about it was increased. This result is in line with the SERVQUAL model (Parasuraman et al., 1988) that suggests elements of service quality, including reliability, assurance, and empathy, straightaway impact guests' satisfaction.

Another study carried out by Abdul-Majeed (2021) looks into the effects of service quality on customer loyalty in the selected budget hotels. The author also discovered that both responsiveness and empathy should be considered as the most important dimensions of service since clients acknowledged the importance of an individual approach regardless of the absence of price limits. The study suggested that improved training of specific staff to deliver further these service dimensions was a cost-effective customer loyalty strategy.

Client retention has been defined as the long-term commitment of a customer to continue engaging with a service provider (Yan & Lim, 2022). While customer satisfaction is a critical determinant, other variables also influence retention outcomes. Hamilton, Rust, and Advancement (2017) describe client retention as a strategic marketing objective aimed at preventing customers from switching to competing providers. Similarly, Hamilton-Ibama and Ogonu (2022) conceptualize retention as the customer's deliberate intention to repurchase services from the same provider. They further argue that customer satisfaction and perceived service value are essential precursors to sustained client retention, which they use as a proxy for measuring the likelihood of continued customer engagement. On the other hand, research carried out in developing countries have pointed out areas of weakness when it comes to services delivery. For instance, Egbide et al. (2022) recognized that one of the crucial challenges affecting cost control in budget hotels in India is operation inefficiency and lack of staff motivation. It was concluded that, by advocating for better training of the human resource within the organization and the application of technology. In another study also carried out with the research participants in Nigeria by Adeola and

Evans (2023) established a poor service quality due to constraint of resource and unmotivated manpower as a predictor to poor guest retention. They suggested that employee development programs should be made as an investment and believed that management of quality should be adopted.

A few past researches have also explored perceived service quality in African countries but with specification on operators of budget hotel chains given emerging context constraints. For example, Moyo and Sibanda (2023) began assessing service quality perceptions in the atmosphere of the budget hotel segment in South Africa. It was stated that though price sensitivity influenced guest decisions, perceived service delivery gaps resulted into guests' dissatisfaction. According to the findings recommended that, changes in hotel toiletries and attitude towards guests can make a significant difference in perceived service quality.

On a similar vein, Ahmed et al. (2023) looked at service quality for stake holders in relation to guest loyalty in low cost accommodation and found that, reliability and assurance were the most influential to guest loyalty. The authors recommended that the government should start the funding of the (budget) hotels' development with the intention of enhancing physical infrastructure and human capital development that would help enhance the standardized service delivery systems.

The Kenyan budget hotel segment is aware of the challenges involved in delivering service quality. Kivuva et al. (2021) focused on service delivery in budget hotels in Kenya and concluded that guests' complaints were on service delivery in and cleanliness, delays and lack of response to guests' needs. The study revealed that these problems were more common among facilities that were situated in rural areas because of resource limitation and inadequate professional training of the staff. The authors recommended that BHWs should consider ascertainable quality improvements such that, what could be acquired for low dollar cost, for example, the adoption of SOPs and staff training.

According to Odhiambo (2019), guests in budget hotels within the Kenyan hospitality sector prioritize service attributes such as cleanliness and staff friendliness when evaluating service quality. However, the study also revealed that most of the budget hotels had inconsistencies which affected guests' confidence and repeat business.

Njoroge and Wambua (2023) revealed that, reliability and responsiveness were the most significant aspects affecting guests' behaviors in Kenya and that guests staying at budget hotels in Machakos County, a popular area for holidaymakers, needed a standard of service at lower prices. According to the study, making sure guests are happy requires trained staff, quick service, and a personal touch. The study noted that, in any cheap motel, guests look for clean rooms, cozy beds, and low charges. When guests believed that the service was always on par and suited them well, they became more willing to stay again and suggest the hotel to friends.

2.3.2 Guests Perception of Communication Feedback Practices and Behavioral Intentions

Guest perceptions comprise a general impression of the hotel encounter that depends on physical characteristics, human contacts, and price (An & Ozturk, 2022). These perceptions are deemed to be central in determining guest satisfaction, trust and behavior intention with regards to patronage and word-of-mouth communication (Goh et al., 2022). Guest reaction is more inclined in budget hotels by the price-quality service relation because, the customers' expectations are dampened due to the difference in budget hotels and luxury hotels.

Studies across various regions have highlighted the importance of guest experiential value in shaping behavioral intentions in budget hotels. For instance, research conducted in Indonesia revealed that experiences encompassing sensory, emotional, cognitive, and relational dimensions significantly impact guest satisfaction and loyalty among Gen Y and Gen Z travelers (Adiwijaya & Nurmala, 2023). A study in Shanghai demonstrated that brand loyalty, awareness, and perceived quality positively influence guests' intentions to revisit budget hotels (Ren et al., 2018). In Indonesia, the proliferation of budget hotels, particularly in tourist hubs like Bali, has been driven by the rise of low-cost carriers and the staycation trend. A study by Permatasari et al. (2025) analyzed over 42,000 TripAdvisor reviews to identify key factors influencing guest satisfaction in Indonesian budget hotels. The findings highlighted cleanliness, staff service and attitude, breakfast offerings, location, value for money, and parking availability as primary considerations for guests. These elements significantly impact guests' perceptions and intentions to revisit or recommend the hotel.

Brand experience plays a pivotal role in shaping customer loyalty, with positive experiences enhancing guests' emotional connections to the hotel brand. In Macao, a study by Li and Qi (2023) examined online reviews to assess the perceived performance of budget hotels. The research identified price and location as the major satisfiers for guests, indicating that affordability and proximity to attractions are critical factors influencing guests' perceptions. The study also emphasized the importance of online reviews in shaping potential guests' expectations and behavioral intentions, as travelers often rely on peer feedback when selecting accommodations.

In Malaysia, a study by Rahman et al. (2018) focusing on guests at budget hotels in Malaysia found that personal interaction had a significant positive effect on guests' behavioral intentions, whereas perceived service excellence did not show a significant relationship with behavioral intention This suggests that in the Malaysian budget hotel context, the quality of interpersonal exchanges between staff and guests can be more influential than generalized perceptions of service excellence when it comes to predicting whether guests will recommend or return to a property. Additional research in Malaysia has identified several determinants that significantly influence domestic tourists' intentions to repurchase accommodation. A study by Ramendran et al. (2023) revealed that pricing, service quality, promotional efforts, and available facilities all have a strong positive effect on repeat purchase intentions among domestic tourists.

In Thailand, research has focused on the emotional aspects of customer experience in the hotel industry. A study by Lertboonsin (2015) proposed an integrated model investigating the relationships among customer emotions (pleasure and arousal), values (hedonic and utilitarian), satisfaction, and behavioral intentions. The findings demonstrated that pleasure directly and indirectly affects behavioral intentions, while arousal influences behavioral intentions through mediators such as utilitarian value and customer satisfaction. The study suggests that creating pleasurable experiences can enhance guests' satisfaction and their intentions to revisit or recommend the hotel.

In India, the hospitality industry has seen a surge in budget hotel offerings, catering to a diverse range of travelers. A study by Dasgupta et al. (2024) analyzed consumer reviews to understand the drivers of hotel ratings. The research utilized natural language processing techniques to extract aspects important for final ratings, revealing

that factors such as cleanliness, staff behavior, location, and value for money significantly influence guests' perceptions and behavioral intentions. The study underscores the importance of maintaining high standards in these areas to enhance guest satisfaction and loyalty.

In Ethiopia, the budget hotel sector is emerging, with limited research available on guests' perceptions on communication feedback practices and behavioral intentions. However, general trends suggest that factors such as service quality, cleanliness, and value for money are critical in shaping guests' experiences. As the industry develops, further studies are needed to understand the specific determinants influencing guests' perceptions and intentions in the Ethiopian context. Croatia's tourism industry has experienced significant growth, with budget hotels playing a vital role in accommodating tourists. While specific studies on guests' perceptions on communication feedback practices and behavioral intentions in Croatian budget hotels are scarce, general insights indicate that factors such as location, affordability, and service quality are essential in influencing guests' decisions. Further research is necessary to explore the unique aspects affecting guest experiences in Croatia's budget hotel sector.

In Nigeria, the budget hotel industry caters to a broad spectrum of travelers. A study by Ezeh (2023) examined the effects of SERVQUAL dimensions on guests' satisfaction and loyalty in low-cost hotels. The findings revealed that empathy, responsiveness, and reliability significantly impact guests' satisfaction and loyalty. The study emphasizes the need for consistent and personalized service delivery to enhance customer satisfaction and foster positive behavioral intentions.

In Japan, cultural factors significantly influence guests' expectations and evaluations of service quality. A study by Alemán Carreón et al. (2021) utilized natural language processing to analyze differences in Chinese and Western tourists' perceptions of Japanese hospitality. The research found that Chinese tourists prioritize room quality, while Western tourists value staff behavior. Additionally, the lack of a Chinese-friendly environment and issues like cigarette smell were identified as factors negatively impacting guests' experiences. The study highlights the importance of understanding cultural nuances to tailor services effectively and enhance customer satisfaction.

In the United States, the budget hotel segment is well-established, with guests' perceptions on communication feedback practices and behavioral intentions influenced by various factors. While specific studies focusing solely on budget hotels are limited, general research indicates that cleanliness, safety, location, and value for money are critical determinants of guest satisfaction. The rise of online reviews and platforms like TripAdvisor have empowered guests to share their experiences, influencing potential customers' perceptions and decisions. Hotels that consistently meet or exceed guest expectations in these areas are more likely to foster repeat patronage and positive word-of-mouth.

In Egypt, the dimensions of guest experience, including entertainment, education, aesthetics, and escapism, were found to significantly affect word-of-mouth and revisit intentions in the hotel industry (El-Said, 2022). These findings underscore the universal relevance of enhancing guest experiences to drive favorable behavioral outcomes, regardless of geographical location. Sari et al. (2021) conducted a study in Bali, Indonesia, looking at how the views of guests on service quality affected their intentions to act in particular ways. The research found that how tangible guests viewed the services, staff attentiveness, and the atmosphere played major roles in making guests satisfied, which in turn affected their future actions. It was found that being positive about the attributes was linked to having stronger intentions about future behavior. Sari et al. (2021) found that those who thought the hotel's surroundings were comfortable and well-designed were more eager to show positive behavior towards the hotel. The research further noted that guests' previous experiences have a strong impact on the way they judge and expect things in the future. The study makes it clear that great service and a nice setting can create repeat guests and loyal customers.

Roberts and Stone (2020) examined how guests' perceptions of experiential value influence their intention to revisit budget hotels. Their study, conducted in London, revealed that the perceived balance between service quality and price fairness significantly affects both guest satisfaction and behavioral intentions. The findings indicated that when guests perceive a hotel as offering good value for money, they are not only more likely to return in the future but also to recommend the hotel to others through positive word-of-mouth. According to Roberts and Stone (2020), guests at

budget hotels tend to notice value more in the cost savings than in other aspects. It was also found that the way a person views service quality plays a moderating role in how they relate value to their intentions. For budget hotels, it's clear that guests who find the service to be positive become more inclined to return when they see value in the prices. Resulting from the research, it was observed that people who were happier with the hotel were more likely to share their thoughts and good experiences. Therefore, the way people view the services and entire value of the hotel is crucial for forming their views and behavior.

In Thailand, Wong and Lee (2021) looked at how guests' loyalty and decisions are affected by their view of a brand. The survey was carried out in Bangkok and Phuket, where it was found that a positive brand perception made guests happy and motivated them to return to the hotel. It was found that guests behaved more positively toward the hotel when they trusted the brand and expected it to live up to their expectations. According to the research, not only the experiences guests have, but also what they read on the internet and social media matter when forming opinions about hotel brand (Wong & Lee, 2021). They noticed that what people heard or read online greatly influences their initial opinion and behavioral intentions. This finding indicates that online ratings and the hotel brand being well-known can guide guest choices in the future. If brand perception combines with high-quality service and pleased guests, it considerably enhances loyalty of the guests. People who thought the hotel's brand matched their values and expectations were more likely to come back and advise others to choose the hotel. The researchers concluded that a guest's image of a brand greatly affects their future plans to use services.

Park and Cho (2022) studied the relationship between travelers' opinions of factors like hospitality staff, room cleanliness, and value for money and their actions. At Seoul, the survey revealed that people's views on cleanliness and condition of their rooms were most key to both satisfaction and recommendations. According to the authors, what guests encounter at the hotel plays a big role in how they view a hotel, especially in a fiercely competitive market such as South Korea. The study also considered the impact of staff skills on guest's view of the service and decision to act. Park and Cho (2022) show that guests, who feel that staff members are friendly and attentive, often exhibit positive behavior. This brings to light the value of human

engagement in creating a positive guest experience. Earlier studies have reported on the link between service quality and loyalty (Cheng et al., 2019). The study indicated that guests were likely to intend to come back and suggest the hotel to others, depending on their satisfaction with the hotel's attributes. Hotel management should therefore focus on both facilities and staff's behavior towards guests to encourage positive feelings and loyalty.

Across the globe, studies have confirmed a centrality of the role of guest perceptions in decisions on behavioral intentions in budget hotels. Jones et al. (2023) found that guest who consider that a budget hotel is providing value for money are likely to post positive reviews online and suggest the hotel to other people. This work has highlighted the role of perceived affordability and basic service quality as crucial to the formation of first-impression with guests. Likewise, Kalanga (2022), examined the mechanisms of guest-perceived traits and repeat visits in budget hotels. The author discovered that neatness, good human relation and reception carried the strongest positive guests' perceptions impressions. These factors affect that customer satisfaction and booking reoccurrence. On the issue of the interior and cleanliness of the hotel, the authors suggested that even the cheapest hotels should ensure that the surfaces are clean in order to ensure repeat business.

Some guest perceptions are harmful to the hotel business and reduce its profitability and reputation. Rahman and Chen (2022) did a study on the main causes of negative comments in cheap hotels in China and found poor hygiene and cleanliness of the hotel amenities and unsympathetic attitude of the hotel staff members. According to the study, the concerns may be solved by appropriate maintenance schedules and staff training, which can positively influence guest attitudes.

This study confirmed that cultural and social factors are central to guest perception of an African context. Mandizvo et al (2023) noted that warm and CCM-friendly services and culture helped boost the guests' perceived value. Budget hotels in Zimbabwe, people appreciated traditional dishes or decoration and the use of local products in the room which resulted in better satisfaction and guests' loyalty.

Adeoye and Akinola (2021) found that, economic factors that affect guests' perceptions in budget hotels in Nigeria context structure in their survey study the

guests showed appreciation of items like power supply and Internet rather than invoke things. These budget hotels are the ones that can meet other above basic needs which are likely to attract guest's repeat business the authors said. This study points that the physical infrastructure, social demography and guests economic situation affects perception of Kenyan guests. According to Tien et al. (2021), there was need to ensure that what the guest expect tally with the marketing communication since it causes unmet expectations. They discovered that while there may be satisfactory services offered by the partners, the dissatisfaction arises from the fact that the expected services do not meet those received.

Effective communication and responsive feedback practices are critical components of guest satisfaction and loyalty in the hospitality industry. According to Kandampully et al. (2018), transparent and timely communication fosters trust and enhances both attitudinal and behavioral loyalty among hotel guests. Wu, Mattila, and Han (2014) emphasize that hotel responsiveness to guest concerns significantly influences guest perceptions and overall experience. Similarly, Nasution and Mavondo (2008) assert that well-structured feedback systems, when visibly acted upon by management, reinforce guest trust and encourage repeat patronage.

Further, the literature on Kenyan low budget hotels established that, the perceived levels of cleanness and orderliness, staff courtesy and hotel security affect the satisfaction. Musembi and Ragui (2021) found that customers were willing to prioritize hygiene and safety measures over price. They suggested that hotel strategies should focus on enhancing these aspects to improve guest perceptions and foster loyalty.

2.3.3 Guests Satisfaction and Behavioral Intentions

Perceived satisfaction in hospitality management is an essential moderator of behavioral patterns, perceived service quality and customer loyalty (Oliver, 2023). Satisfaction reflects the extent to which guest's actual experience aligns with or surpasses their expectations. It plays a critical role in influencing repeat visitations intentions, word-of-mouth communication, and the dissemination positive recommendations. In the context of budget hotel chains, which primarily cater to price-sensitive consumers, existing literature indicates that customer expectations

tend to be moderate (Oliver, 2023). However, customer satisfaction in this segment is not solely driven by the functional aspects of service delivery such as affordability or basic amenities. Instead, it is significantly influenced by the perceived credibility and consistency with which services are delivered (Erdem & Swait, 2004). Credibility defined as the hotel's perceived ability to fulfill its promises reliably plays a vital role in shaping consumer trust, especially when service differentiation is limited. Consistent fulfillment of service expectations not only strengthens consumer confidence but also enhances overall satisfaction and loyalty (Zeithaml, Bitner, & Gremler, 2018). This underscores the strategic importance of delivering on service commitments consistently to build and maintain customer trust in the competitive budget hotel sector.

Numerous studies conducted across various geographical regions have consistently demonstrated a strong and positive relationship between customer satisfaction and critical performance outcomes in the hospitality industry, particularly repeat patronage and brand loyalty. These outcomes are especially vital for budget hotel operators**,** where competitive pricing alone is insufficient to ensure sustained customer engagement. Empirical evidence indicates that customer satisfaction serves as a key driver of loyalty behaviors, with satisfied guests more likely to return and recommend the hotel to others (Anderson & Srinivasan, 2003; Kandampully & Suhartanto, 2000). Moreover, this satisfaction–loyalty relationship is frequently shown to have a multiplier effect on long-term revenue, where even small increases in satisfaction can yield substantial gains in profitability (Reichheld & Sasser, 1990). As such, maintaining high levels of service credibility and consistency becomes a strategic imperative, even in cost-sensitive environments, reinforcing the notion that value perception extends beyond price in shaping guest loyalty.

Widjaja and Iskandar (2021) found that there was a strong positive link between budget hotel customers' satisfaction and intentions to behave a certain way in the future. With a sample of 405 guests, the researchers used SEM to determine that guests happy with their stay were more likely to be loyal and return to the hotel. The quality of service and cleanliness of the room played the largest role in customer satisfaction. Carvalho and Ferreira (2022) looked at the relationship between guest satisfaction and repeat decisions in mid-level hotels in São Paulo, Brazil. It was found

that guests' feelings after their stay were the most important factor in influencing their future intentions. Customers who had higher levels of satisfaction were more likely to book again and suggest staying at the hotel to their family or friends. It has also been noted that both the location of accommodation and the characteristics of one's companions play a significant role in shaping overall customer satisfaction. Notably, substantial contributions to this area of research have emerged from studies conducted within the hospitality industry in China, which have provided valuable insights into the contextual and cultural factors influencing guest experiences.

Zhang et al. (2020) investigated the relationship between guests' attitudes and their propensity to engage in electronic word-of-mouth (eWOM) related to Chinese budget hotels. Their findings indicate that guests who reported higher levels of satisfaction were more likely to share their experiences through online reviews and social media platforms. Moreover, the study revealed that interpersonal factors such as positive interactions with hotel staff and a sense of being valued, had a more substantial impact on guests' willingness to engage in eWOM than did tangible elements such as room amenities. These results underscore the importance of service quality and emotional connection in influencing customer advocacy behaviors in the budget hospitality sector.

In Canada, Barlow and Kline (2022) discovered through a survey in Nova Scotia that guest satisfaction affected online recommendations. Tourists with pleasant experiences with staff and fewer problems with service posted better reviews. The study argued that fulfilled guests help spread the hotel's positive reputation through word of mouth. Studies conducted across diverse cultures have yielded several noteworthy insights. A qualitative study by Permatasari et al. (2025) analyzed online reviews to identify factors affecting guest satisfaction in Indonesian budget hotels. The research revealed that cleanliness, staff service and attitude, breakfast offerings, location, value for money, and parking availability were primary considerations for guests. Cleanliness of rooms and bathrooms emerged as a significant concern, with guests expressing dissatisfaction when standards were not met. The study emphasizes the importance of maintaining high hygiene standards and providing quality service to enhance guest satisfaction and encourage positive behavioral intentions.

In Malaysia, Hamid (2017) examined the role of satisfaction and involvement in the relationship between perceived value and behavioral intentions in green hotels. The findings indicated that both satisfaction and involvement significantly influenced guests' behavioral intentions. Guests who perceived high value in the hotel's environmental efforts were more likely to express positive behavioral intentions, such as revisiting and recommend actions. This underscores the importance of aligning service offerings with guest values to enhance satisfaction and foster loyalty. Supasit (2015) investigated the effects of customer emotions on satisfaction and behavioral intentions in Thai hotels. The study found that emotions like pleasure and arousal positively impacted customer satisfaction, which in turn influenced behavioral intentions. Guests who experienced positive emotions during their stay were more likely to exhibit favorable behavioral intentions, such as revisiting and recommending the hotel to others. This highlights the significance of creating emotionally engaging experiences to enhance guest satisfaction and loyalty.

Okocha et al. (2021) assessed the relationship between service quality, customer satisfaction, and behavioral intentions in budget hotels in southeastern Nigeria. The research revealed that dimensions of service quality, including tangibility, reliability, responsiveness, confidence, and communication, had strong relationships with customer satisfaction. Furthermore, customer satisfaction was found to have a significant relationship with behavioral intentions, such as recommending the hotel, revisiting, and positive word-of-mouth. The study emphasizes the need for budget hotels to focus on service quality to enhance guest satisfaction and encourage positive behavioral intentions.

In Ethiopia, Tadesse and Tsegaye (2020) examined the perceptions of hotel guests regarding service quality, satisfaction, and loyalty. The findings indicated that all dimensions of service quality positively influenced tourist satisfaction, which in turn affected loyalty. The study suggests that hotel managers should regularly assess and monitor their offerings on key attributes of service quality to avoid customer dissatisfaction and enhance repeat business and positive word-of-mouth. This underscores the importance of consistent service quality in fostering guest satisfaction and loyalty.

Markovic and Jankovic (2013) explored the impact of physical evidence on customer satisfaction in Croatian hotels. The study found that the appearance of hotel facilities and equipment significantly affected overall customer satisfaction. Cleanliness and the physical environment were identified as crucial factors in service delivery. The research highlights the importance of maintaining a clean and appealing physical environment to enhance guest satisfaction and encourage positive behavioral intentions.

Sann and Lai (2020) investigated the factors influencing customer satisfaction in budget hotels in India. The research identified cleanliness, room amenities, and staff behavior as significant determinants of guest satisfaction. Guests expressed dissatisfaction when these factors did not meet their expectations. The study emphasizes the need for budget hotels to focus on maintaining cleanliness, providing quality amenities, and ensuring courteous staff behavior to enhance guest satisfaction and loyalty.

In the United States, Manhas and Ramjit (2013) examined the influence of customer experience on satisfaction and behavioral intentions in the hospitality industry. The research found that positive customer experiences led to higher satisfaction levels, which in turn influenced behavioral intentions. Guests who had favorable experiences were more likely to revisit and recommend the hotel. This underscores the importance of delivering exceptional customer experiences to enhance satisfaction and foster loyalty.

According to Adebayo and Okonkwo (2021), guests' experience of hotel value helps mediate how their satisfaction impacts their intentions to come back, and their levels of education, income, or wealth plays a moderating role. The research project built a sample of 312 participants from mid-size hotels in Lagos. The study revealed that more people with a middle income would repeat visit a business if they were satisfied, a pattern that was not applied to high- income groups. It was also found that feeling confident in hotel safety and cleanliness strongly influenced satisfaction and repeat visits.

Thailand presents a compelling context for examining guest satisfaction in the hospitality industry. Phonsuwan and Chumjit (2023) found that in beachside resorts

and budget hotels, the most significant determinant of guest satisfaction was the provision of personal attention and culturally immersive experiences, rather than the level of luxury offered. Their study revealed that guests who perceived their dining experience as authentically Thai were more likely to express satisfaction and demonstrate intentions to return. This suggests that, despite the aesthetic appeal of the property, the primary driver of guest satisfaction lies in the quality of service and the authenticity of cultural engagement. There have been studies that examine the impact of satisfaction on factors connected with behavioral intentions. Müller and Schwarz (2022) examined how satisfaction mediates the link between customers' interpretation of value and loyalty to boutique hotels in Germany. Based on the 450 valid responses, it was found that although perceived value affected behavior directly, satisfaction also improved this outcome.

In Australia, Le and Yuen (2021) investigated guests' satisfaction after recovery and future behavior. They learned that when budget hotels in Melbourne offered insights, apologies, or other forms of service recovery felt were genuine, guests became happier and more likely to come back and suggest the hotel to others. New technologies have also played a role in making people happy with their hotel stays. In South Korea, Han and Ryu (2020) looked into the influence of mobile check-ins and smart-room features on guests' satisfaction and their future behavior. An examination of 520 guests revealed that ease of service and the efficiency of delivery, facilitated by mobile devices, had a significant impact on overall guest satisfaction. Satisfied guests expressed a strong intention to return and frequently shared their positive experiences on social media platforms, thereby enhancing the establishment's visibility and reputation. Tripathi and Singh (2022) found that satisfaction with digital services, like self-service kiosks and contactless payment, made a difference in people's intentions to stay again at budget hotel in India. It was found that using a viable technology helps to create a better experience and has a major impact customer loyalty and referral to friends.

Environmental factors and social aspects have increasingly been studied when it comes to satisfaction. Larsson and Ekström (2021) examined the effects of green policies in hotels on guests' satisfaction and plans. Data revealed that 'green guests' were more content with hotels that used obvious methods to conserve water, group

their waste, and use energy from sources such as wind and solar. The guests were more likely to return and advise friends to visit. Kizito and Nambi (2022) found that CSR played a role in how guests felt and planned to act during their stay in the hotels in Kampala Uganda. People who saw the hotel cared for its community were satisfied and more likely to stay loyal.

Liu et al. (2022) conducted a survey on customer satisfaction in budget hotels in China and found that establishments with higher levels of customer satisfaction experienced approximately 30% more repeat business compared to those with lower satisfaction levels. This finding underscores the critical role of customer satisfaction in driving guest loyalty within the budget hotel segment. The study underlined the fact that cost conscious hotels that managed to provide good quality services by concentrating on basic factors like, room cleanliness, responsive employees, fast registration and check out processes are prominent among customers. Appealing customer needs in the budget hotel sector were considered to be important for repeat business, arguing that increased investment in service quality is necessary to ensure its long-term sustainability.

Similarly, Smith and Brown (2022) investigated the correlation between customer satisfaction and customer advocacy behaviors within the budget hotel sector in the United States. The study revealed that satisfied customers were five times more likely to refer others, compared to those who were dissatisfied with the services received. These findings reinforce the idea that customer satisfaction fosters loyalty and functions as an effective form of sales promotion, particularly in the digital age where online reviews and social media play a pivotal role in influencing consumer decisions. The researchers recommended that small hotels, especially those operating under financial constraints, should prioritize strategies aimed at enhancing customer satisfaction and actively encourage guests to share their positive experiences with others, thereby attracting new clientele through word-of-mouth referrals.

Simangunsong (2021) found that in the context of Indonesian budget hotels, chains with high customer satisfaction scores demonstrated greater customer value. This was attributed to the tendency of satisfied customers to engage in repeat business, thereby reducing the need for continual customer acquisition efforts and associated costs. The findings highlight the economic advantage of investing in customer satisfaction as a

strategy for long-term business sustainability in the budget hotel sector. The authors explained that customer satisfaction is the product of operational variables (`the Offer`) and several perceptual variables (`the Perception`) that include room quality and value ` tangible elements` and staff friendliness and" over the top" service ` intangible elements. It emphasized the need to pay attention to this in the brand's budget segments to deliver the kind of service that meets expectations.

The analysis of customers' satisfaction surveys in Africa reveals the problems that are specific to the developing world, including instability of service quality, deficits of infrastructure, and uneven quality of service delivery on the continent. For example, Amponsah and Opoku (2023) established that, guest satisfaction in budget hotels in Ghana is highly dependent on the availability of utilities such as water and electricity. Such considerations, usually a subject of scant regard in low-cost property businesses, were recognized as essential in creating guest satisfaction. The study took its stand on the fact that solving these fundamental issues of infrastructural development inclusive of adequate power supply and water supply could enhance guest satisfaction and customer loyalty in Ghanaian budget hotels. Okeke and Odoh (2021) revealed that, the customer satisfaction level in the budget hotels in Nigeria was reduced due to the absence of trained workforce, unavailability of quality amenities and poor guest's interface by hotel management. The authors recommended that improved staff training, along with enhancements to basic physical and functional facilities and services, are essential for increasing guest satisfaction among new EU visitors. Such improvements are likely to promote repeat visits and foster positive word-of-mouth behavioral intentions, contributing to the long-term success of hospitality establishments.

In Kenya, a number of studies have looked into customer satisfaction in budget hotels and noted that factors such as cleaner accommodation, cost of hotel and courtesy of staff has impact on guest satisfaction. Mutua et al. (2021) highlighted that guests in budget hotels in Kenya place greater emphasis on cleanliness, affordability, and the friendliness of staff, rather than on luxurious amenities. The study further indicated that when guests' expectations and perceptions are effectively met within the context of a budget hotel, they are more likely to report high levels of satisfaction. This, in turn, increases the likelihood of customer referrals, contributing to the hotel's

reputation and guest acquisition through word-of-mouth. Kivuva et al. (2021), in their study conducted in Nairobi, found a positive correlation between customer satisfaction levels, price perception, and facility cleanliness in budget hotels. While guests generally expressed appreciation for the affordability of budget hotels, dissatisfaction arose when service quality or room conditions failed to meet their expectations. The authors concluded that, within the Kenyan context, efforts to offer value in budget accommodations often come at the expense of cleanliness and standardized service delivery. They recommended that budget hotels prioritize maintaining minimum service and hygiene standards to enhance guest satisfaction and long-term competitiveness. The research showed that high satisfaction does not equal a low price; it is about making sure that what is offered to the guests corresponds to the price they pay.

2.3.4 Effect of Price on The Relationship Between Guest Experiential Value and Behavioral Intentions

Price is a key determinant of guest perceptions and can mediate the relationship between experiential value and behavioral intentions. Research reveals that price perception affect consumers' evaluations, in limited service such as budget hotels memorials. Jones et al. (2023) found that guests staying in budget accommodation facilities exhibited positive behavioral intentions, including the likelihood of repeat patronage and recommending the facility to friends and family, when they perceived the pricing to be fair in relation to the quality of services provided. This highlights the critical role of perceived price fairness in shaping customer satisfaction and promoting advocacy behaviors within the budget hospitality sector. In a study of budget hotels in South Africa, Ragunanan et al. (2024) noted that ticket price escalation increased perceived value of guest experience, thus highlighting the issue of experiential satisfaction and guest loyalty.

In the global market, price fairness has been reported to be the most important factor in determining behavioral responses. Chen et al. (2022) quantitatively showed that, when guests believe that the price is appropriate for the quality of services provided within a hotel, they are likely to react positively by writing positive comments and by sharing the details within their circle. Conversely, Rahman and Chen (2022) found that perceived price unfairness or disproportionate pricing had a detrimental effect on

guests perceived experiential value and service evaluations, ultimately reducing guest loyalty. This underscores the necessity for budget hospitality providers to align pricing with service quality to maintain positive customer perceptions and foster long-term loyalty. This is consistent with the findings of Tuncer et al. (2021), who emphasized that perceived value is determined by the ratio of benefits received to the costs incurred. They identified price as a key attribute influencing customers' behavioral response to the value proposition, highlighting its pivotal role in shaping guest satisfaction, loyalty, and overall decision-making within the hospitality industry.

In India, Matzler et al. (2006) observed that hotel guests' expectations of service quality are directly proportional to the price they pay. This finding suggests that guests conduct a cost- benefit analysis, where higher prices set a benchmark for superior service delivery. For budget hotels, this implies a need to balance affordable pricing with quality service to meet or exceed guest expectations, thereby enhancing satisfaction and encouraging repeat visits.

Shih et al. (2024) in Mongolia highlighted that sustainability perceptions significantly influence perceived value, which in turn affects customer satisfaction. No direct link was observed between sustainability perceptions and customer satisfaction, emphasizing the mediating role of emotional and social values. This suggests that budget hotels in Mongolia should consider integrating sustainable practices into offerings to enhance perceived value and guest satisfaction.

In Malaysia, Ahn and Kwon (2019) examined green hotel brands and found that customers' perceived value and benefits significantly impact attitude and behavioral intentions. This underscores the importance of aligning pricing strategies with the value proposition to influence guest perceptions and encourage positive behavioral intentions.

In Ethiopia, Tadesse and Tsegaye (2020) found that all dimensions of service quality positively influenced tourist satisfaction, which in turn affected loyalty. This suggests that budget hotels in Ethiopia should focus on maintaining consistent service quality to enhance guest satisfaction and encourage repeat business.

In Pakistan, Iqbal et al. (2023) found that customer satisfaction moderates the relationship between perceived value and brand loyalty. This highlights the

importance of balancing price with service quality to enhance perceived value and foster brand loyalty. Budget hotels that offer competitive pricing without compromising on service quality are more likely to cultivate a loyal customer base.

In Zimbabwe, Mutsikiwa et al. (2020) found that hotel ambiance and staff competence significantly influenced guests' intention to continue staying at hotels. This suggests that budget hotels in Zimbabwe should focus on enhancing service quality and creating a positive ambiance to complement their pricing strategies and encourage repeat visits.

To the best of the researcher’s knowledge, few studies have analyzed the Kenyan context in relation to the moderating role of price on guest perceptions in budget hotels. However, Mutua et al. (2021) posts that, the pricing strategy of the local budget accommodations competitively influences guests’ satisfaction and behavioral intentions in areas like Nairobi.

The services provided to customers in the hospitality sectors have evolved to become more sophisticated. More specifically, one of the main concrete indicators used to assess service quality and customer satisfaction in the services sector is perceived pricing fairness (Ali et al., 2016). The impact of emotions as the primary factor on customers' behavioral intentions and satisfaction assessments has also drawn attention. From the perspective of the service providers, perceived pricing fairness can enhance customer feelings and satisfaction, which in turn can increase behavioral intentions (Ali et al., 2016; Lin & Liang, 2011).

The interaction of supply and demand determines price in the market (Kenyon, 2023). A product's price can often be used as a gauge of its quality. When prices are high, customers demand good quality. Solakis et al. (2022) highlight the significance of price perception in comprehending customers' pricing interpretations, particularly concerning their internal price standard or competing prices. In other studies, the relative judgment of price is referred to as "price fairness" (Ofir, 2024; Hoque, 2022; Nikolaidis, 2023). According to price fairness studies, a consumer's perception of a price level is the outcome of both the absolute price and perceived quality. Customers believe a proposed price is fair if it is relatively low, which shows that they believe it to be a favorable perception of cost. On the other hand, if costs rise, some may regard

them as unjust or negatively priced. Nonetheless, as prices rise within a buyer's acceptable price range, perceived quality rises.

Kalyanaram et al. (2022), suggesting that price increases may be a sign of improving quality. Customers' relative appraisal of price is what was meant to be captured by the study's definition of perceived price. It is therefore predicted that perceived quality would be negatively correlated with extremely low perceived price. Consumers typically evaluate value based on the interplay between price and quality, with perceived price consistently emerging as a key determinant in purchasing decisions. When the perceived price is considered fair relative to the quality of the product or service, it often leads to a favorable assessment of overall consumer value. Additionally, people may be more inclined to buy at a price they consider appropriate.

To the best of the scholars' knowledge, no existing study in the literature has concurrently examined price, customer satisfaction, and customer emotions as independent predictors of behavioral intention within a single conceptual model specific to budget hotels in Machakos County. While these variables have been explored individually in previous research to assess their influence on customer behavioral intentions, an integrated approach within this regional context remains unaddressed.

Most hotels implement dynamic pricing strategies, adjusting their rates based on occupancy levels. Prices tend to increase when the hotel is nearing full capacity and decrease during periods of low occupancy, allowing hotels to maximize revenue while responding to fluctuations in demand. Such tactics might change how guests view the fairness of prices. Charuvatana (2020) carried out research in Thailand to see if dynamic pricing affects a customer’s satisfaction and intention to act. When travelers notice that they were charged different prices for similar services, this can cause them to feel it’s unfair. If customers think something is not fair, their satisfaction may decrease and their likelihood to buy a product again or talk poorly about it increases. To many people, the price of something helps them decide its quality and value.

Ye et al. (2014) in China looked at how high prices in hotels can lower travelers’ perception of the service and value using online reviews. This study uncovered that higher price results in people rating the service higher but not feeling like they are

getting good value. Therefore, it’s possible for guests to feel that higher fees do not justify the service they get, so they may change their future intentions. Certain strategies in pricing, for example if something is sold as 99.99 instead of 100, can impact the way a consumer thinks and acts. It has been proven by research in the United States that these pricing tricks can still make consumers think the product is more strongly valued, even if the actual costs are not very different. When a business has this good reputation, patrons are usually happy to come back and share their good feedback with others. Price sensitivity and booking patterns are influenced by a range of individual and contextual factors, resulting in diverse consumer responses to price fluctuations. Variables such as income level, perceived value, travel urgency, and the purpose of the trip all contribute to how guests react to changes in pricing.

Consequently, there is no singular or uniform pattern in booking behavior, underscoring the nuanced and heterogeneous nature of consumer decision-making in the hospitality industry. This study examined the effect of issues such as how willing people are to pay different prices, how far in advance they book, and the use of discounts on people's hotel- booking choices. Price-sensitive guests were much more interested in discounts and online booking services, whereas the less price-sensitive ones favored direct bookings and returned more often as repeat customers. Grasping these trends enables hotels to set prices that satisfy guests in specific customer groups and motivates them to be loyal and positive in their behavior. It is not always simple to see how guests respond after they pay more or less for their stay. The study tried to find out how the price of a hotel room is linked to its online review ratings in various European countries. Evidence showed that if the service did not rise to the level expected from a higher price, the customers might leave a worse review, which is consistent with what the expectancy-disconfirmation theory predicts.

The point is to combine prices and services to ensure guests see their stay as valuable and, therefore, act positively (Science Direct, 2021). Customers feel that they receive good value when they see multiple services are bundled together and available at a lower rate. This helps guests and at the same time, improves income per occupancy. The way bundled offers are packaged must be considered, so that the added features match the needs of the target buyers.

Creating and promoting combined deals allows hotels to be set apart from others on the market, attracting guests and earning more money (Chekin, 2023). When people learn about extra fees as their booking nears, they may lose trust and be more unwilling to buy the same products. This practice has come under scrutiny in different European countries due to its ability to mislead people.

Directive 2011/83/EU of the European Parliament and Council mandates that consumers must be informed of the total price of goods or services**,** inclusive of all taxes and mandatory charges**,** prior to the conclusion of a transaction. In the hospitality sector, failure to disclose additional costs such as resort fees or local taxes at the point of booking may be perceived as a form of drip pricing, a practice that undermines pricing transparency and violates consumer protection principles (European Commission, 2011). Such practices can lead guests to feel misled, thereby diminishing their trust in the service provider. This perceived lack of transparency has been shown to negatively influence post-purchase behavior, including a reduced likelihood of repeat patronage and negative word-of-mouth (Xia, Monroe, & Cox, 2004; Wilkie, 2017). Consequently, full price disclosure is not only a legal requirement but also a strategic imperative for sustaining customer loyalty in the hospitality industry. Cross-Cultural Differences in Price Perception People's culture may shape their views on price and value. It was found that Chinese tourists are more focused on cleanliness and facilities in hotel rooms, but Western tourists prefer hotels with nicer and more helpful staff members. Given these variations, it is essential for hotels to consider cultural factors when setting prices and designing services, as doing so can enhance guests' perceptions of value and encourage positive behavioral intentions (arXiv, 2021). Accounting for cultural differences allows hospitality providers to tailor their offerings more effectively, thereby increasing customer satisfaction and loyalty.

2.4 Behavioral Intentions

A central theme in hospitality literature is the examination of behavioral intention, particularly in relation to customer satisfaction and service quality. This emphasis reflects the industry's commitment to understanding how guests' perceptions shape their future actions, including repeat visits, recommendations, and overall brand loyalty, which are critical to long-term business success. Researchers and management agree that behavioral intention makes up the feedback loop between the quality of

services provided and happiness of the consumer. Businesses can ascertain if their strategic actions to raise customer satisfaction and service quality levels lead to positive behavioral intention among customers by conducting behavioral intention research. Businesses need to strategically consider behavioral intention in order to reach customers and grow market share.

Various definitions of behavioral intention have been proposed by researchers. Zeithaml et al. (2020) define behavioral intention as including factors such as price sensitivity, loyalty, repurchase, and recommendation to others. Behavioral intention, according to Tavitiyaman, Qu, Tsang and Lam (2021), is the entirety of actions that suggest whether a customer will buy the same good or service again. Behavioral intention has been considered a preliminary indicator of actual conduct, despite its unpredictable nature and temporal variability (Yu et al., 2020). Behavioral intention can be thought of as the customer's behavioral input to the business regarding the quality of a product or service. Positive behavioral intention is defined by researchers as a customer's willingness to refer others to the business for services they have received (Mafojane, 2022) tell others about the business in a positive light (Koc et al., 2022), remain loyal to the business, and agree to pay more for the services they receive (Ahmed, Fan & Billah, 2022). According to Zeithaml et al. (1996), positive behavioral intentions are closely associated with a service provider's ability to influence customers to; engage in positive word-of-mouth communication, recommend the service to others, remain loyal by making repeat purchases, increase their spending, and exhibit a willingness to pay premium prices. These behaviors are indicative of strong customer relationships and are critical for sustained business growth and competitive advantage in the hospitality industry.

A customer's willingness to pay a premium signifies their perceived value of the benefits received from a service provider, even when the price exceeds that of competing offerings (Abrate, Quinton, & Pera, 2021). Similarly, Akbari and Wagner (2021) found that hotel guests who experienced positive emotions such as a sense of security, comfort, and feeling welcomed were more likely to spend more than they had on previous stays. These findings highlight the significant role of emotional experiences in shaping price sensitivity and influencing spending behavior within the hospitality sector. Extensive research in the hospitality industry has established that

perceived value is a key determinant of behavioral intention. Ibrahim and Borhan (2020) demonstrated a direct influence of perceived value on guests' behavioral intentions, while Kwon, Lee, and Back (2020) reported a statistically significant relationship between the two constructs. Similarly, Yu (2020) found that behavioral intentions can be reliably predicted by service quality, perceived value, and customer satisfaction. This study focuses on two widely recognized dimensions of behavioral intention that is, revisit intention and word-of-mouth communication which are essential indicators of customer loyalty and long-term organizational performance in the hospitality sector.

2.4.1 Revisit Intentions (Customer Retention Rate)

Perceived value may be linked benefits like enhanced corporate image, improved business performance, positive word-of-mouth, customer satisfaction, drawing in new business, and revisit intentions (Chen & Cheng, 2020; Rosid et al., 2020). Perceived value was found to have a favorable and significant impact on the repurchase intentions of eatery clients (Rosid, et al., 2020). Baykal et al. (2024) found that value was a more accurate indicator of repurchase intentions than other factors in a study on the pre- and post-eating experiences of customers at fine dining establishments.

Previous studies in the hospitality literature indicate a strong correlation between positive word of mouth, perceived value, and intention to return (Beeho & Prentice, 1997; Hallowell, 1996; Hutchinson et al., 2009). If customers planned to return, they were more likely refer others. However, guests who have a good experience and may return if hotel personnel are able to provide proper service (Ali et al., 2021).

2.4.2 Brand Loyalty

Brand loyalty is a critical construct in the hospitality industry, reflecting a guest's sustained preference for a specific hotel brand over competing alternatives. It is often manifested through repeat patronage, positive word-of-mouth, and a willingness to recommend the brand to others, all of which contribute significantly to long-term business success and competitive advantage. Loyalty is manifested through repeat patronage, positive word-of-mouth referrals, and willingness to pay premium prices. In the context of budget hotels, especially in regions like Machakos County, Kenya,

fostering customer loyalty is essential for sustaining business growth and competitiveness.

Brand loyalty is a key driver of behavioral intention in the hospitality industry since customers who are loyal are guaranteed to return, recommend and stay committed to the brand or services. Studies done outside Kenya assert to the inevitability of the relationships between service quality, satisfaction and value on loyalty. Zeithaml et al. (2020) defined loyalty as the extent to which a customer is committed to a service provider and is determined by a series of positive interaction experiences. The analyses of the study indicate that repeat patronage and positive word of mouth are part of behavioral intentions and correlate with customer loyalty (Hapsari et al., 2022).

Recent studies have underscored the multifaceted nature of brand loyalty. Nobar and Rostamzadeh (2023) highlight the significant impact of customer satisfaction, experience, and loyalty on brand strength within the hotel industry. Their findings suggest that enhancing customer satisfaction and experience can lead to brand power and loyalty. Service quality continues to be a critical determinant of customer loyalty. Musaddag Elrayah (2023) emphasizes that factors such as reliability, responsiveness, assurance, empathy, and tangibles are vital in shaping guests' perceptions and loyalty. These dimensions of service quality directly influence customer satisfaction, which affects loyalty intentions.

Perceived value, defined as the customer's evaluation of the benefits and costs of a service, also plays a significant role in determining loyalty. When guests believe they receive good value for their money, their commitment to the hotel increases. This perception of value is particularly crucial in the budget hotel segment, where price sensitivity is higher. Jiao and Zhao (2023) indicate that customers' cultural backgrounds influence their perception of value, which in turn affects loyalty. Trust in the hotel brand, built through consistent service delivery and positive experiences, strengthens loyalty by reducing perceived risks associated with future stays. A study conducted by Tania, Rahmanita, Ingkadijaya & Karo (2024) in Palembang City found that trust and satisfaction are important factors influencing customer loyalty in three-star hotels. The research highlighted that trust has a significant influence on satisfaction, and both trust and satisfaction positively impact customer loyalty. In the budget hotel segment, where price competition is intense, loyalty programs

have emerged as effective tools for retaining customers. These programs offer rewards, discounts, or exclusive services to repeat guests, incentivizing continued patronage.

A study by Gomes (2023) analyzed the loyalty programs of five major U.S. public hotel companies and found that loyalty members' overall contribution to occupancy increased, despite a slowdown in growth metrics. This indicates the effectiveness of loyalty programs in maintaining customer engagement and retention. Personalized experiences, such as tailored communication and services that cater to individual preferences, enhance guests' emotional connection to the hotel, fostering deeper loyalty. Iyengar and Venkatesh (2023) emphasize the importance of personalizing and anticipating visitor demands to build consumer loyalty. The research suggests that exceptional experiences that keep people returning are the cornerstone of loyalty.

The SERVQUAL model has been applied in various studies in an attempt to measure the relationship between tangibles, reliability and empathy and loyalty budget hotels. Serving value- for-money propositions that promote customers' retention and loyalty are evident in the Europe Asia budget hotels, in the contexts of markets with price-sensitive competition (Ladhari et al., 2021).

Brand loyalty is becoming popular in Kenyan hospitality industry given that budget hotels are out to challenge mid-scale and luxury hotels. Research has revealed that technical dimensions of service quality like, tangibles, reliability, responsiveness, assurance and empathy are significant influential factors impacting Kenyan hotels' customers' loyalty (Kagure & Njuguna, 2021). Mwangi and Kiarie (2023), in their study on budget hotels in Nairobi, established that both pricing and service customization have a significant impact on guests' behavioral intentions, particularly in terms of brand loyalty and the likelihood of making recommendations. The growing reliance on digital platforms for customer reviews and feedback in Kenya further underscores the importance of using customer loyalty as a key performance indicator in the hospitality industry. This highlights the need for budget hotels to prioritize personalized service and value-based pricing strategies to enhance guest retention and advocacy.

2.4.3 Positive Word-of-Mouth

Positive Word-of-mouth (PWOM) is a pivotal construct in understanding behavioral intentions within the hospitality sector, particularly in budget hotels. It encompasses the informal exchange of information between consumers about products or services, significantly influencing purchase decisions. In the context of budget hotels, PWOM serves as a critical determinant in shaping potential guests' perceptions and intentions. Existing literature demonstrates a strong and significant relationship between customer satisfaction, revisit intentions, and positive word-of- mouth behavior (Rosid, Pratikto, & Syihabudhin, 2020; Foroudi et al., 2021). These studies underscore the critical role of guest satisfaction in driving repeat patronage and generating favorable referrals, both of which are essential for enhancing brand reputation and achieving long-term success in the hospitality industry. Visitors' likelihood of returning and recommending the location to others increased satisfaction with their levels travels to Mallorca, Spain (Dupont and Finkelstein, 2021). Word-of-mouth is directly influenced by perceived value (Rosid, et al., 2020). Positive word-of-mouth increases the likelihood of customers recommending a purchase (Chen et al., 2020).

Previous studies in the hospitality literature point to a strong correlation between perceived value and inclination to return. The significance of PWOM lies in its perceived credibility and trustworthiness. Unlike traditional advertising, PWOM is considered more reliable as it originates from fellow consumers rather than commercial entities (Litvin et al., 2008). This credibility is especially crucial in the hospitality industry, where services are intangible and experiential and making firsthand accounts from previous guests invaluable.

Positive WOM can lead to increased patronage, as satisfied customers share their favorable experiences with others, thereby enhancing the hotel's reputation and attracting new guests (Han & Ryu, 2012). Conversely, negative WOM can deter potential customers, highlighting the importance for hotels to consistently deliver quality service to foster positive discussions. The advent of electronic word-of-mouth (eWOM) has amplified the reach and impact of customer opinions. Online platforms and social media allow guests to share their experiences with a broader audience, making eWOM a powerful tool in influencing consumer behavior. Studies have shown

that eWOM significantly affects consumers' purchase intentions, with online reviews and ratings playing a crucial role in the decision-making process (Barreda et al., 2015).

In the context of budget hotels in Machakos County, Kenya, understanding the dynamics of WOM is essential. Local cultural factors, community ties, and the increasing use of digital platforms contribute to the influence of WOM on behavioral intentions. Hotels can leverage this by encouraging satisfied guests to share their experiences online and within their communities, thereby enhancing market presence and attracting new customers.

2.5 Conceptual Framework

Figure 2.4 shows a conceptual framework that illustrates the hypothesized relationships among the study variables. It provides a visual and theoretical basis for understanding how experiential value guest influences guest satisfaction and behavioral intentions, with price acting as a moderating variable in the context of budget hotels in Machakos County, Kenya.

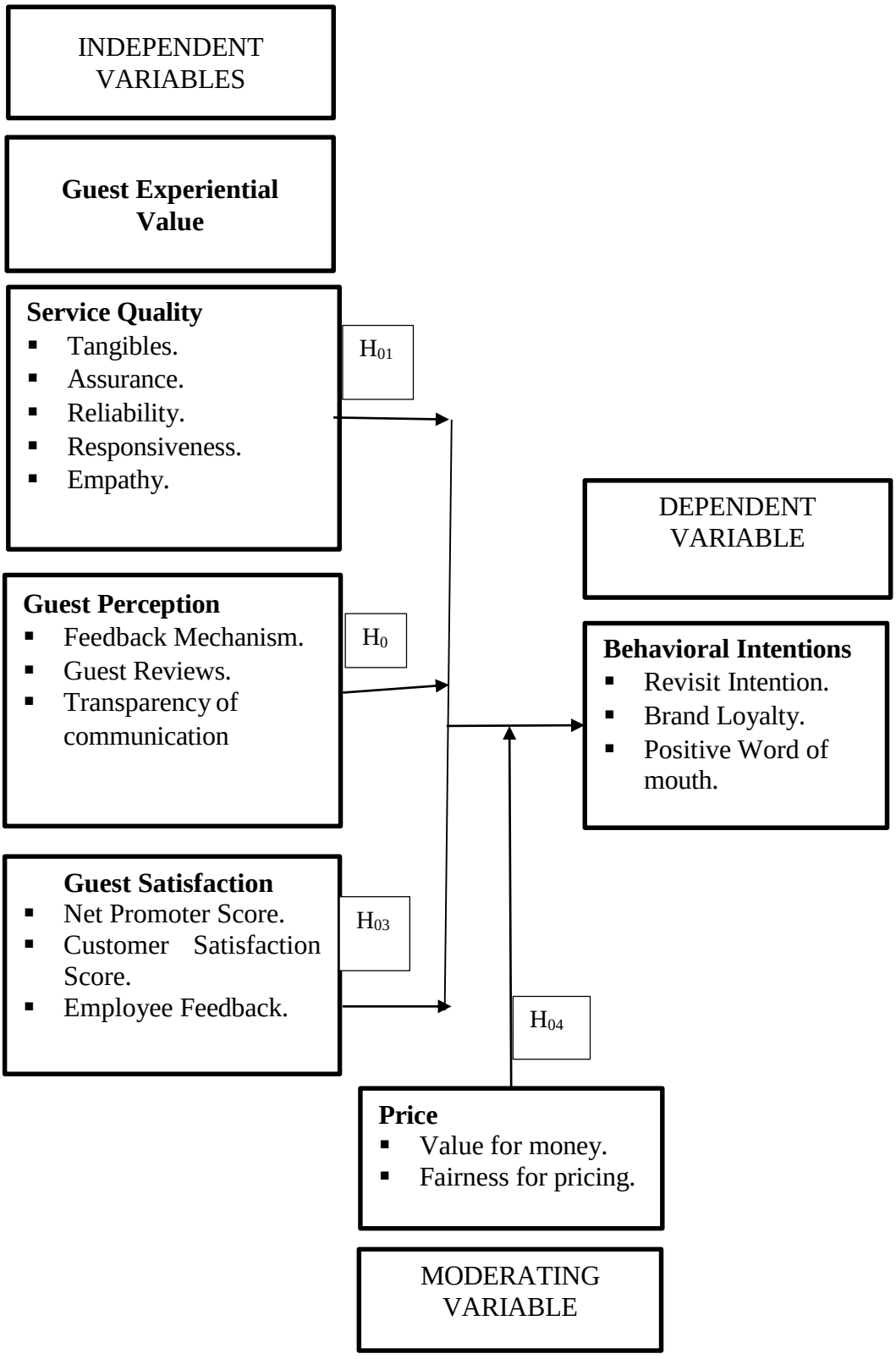


Figure 2.4: Conceptual Framework

The conceptual framework for this study was adapted and modified from Purnama (2025), who examined experiential value as a multidimensional construct influencing customer behavioral outcomes in the hospitality sector. While the general structure of relationships between experiential value and behavioral intentions was drawn from Purnama's model, this study contextualized and extended the framework by introducing guest satisfaction as the dependent variable, and price as a moderating variable, to better reflect the operational and economic realities of budget hotels in Machakos County, Kenya.

The framework is grounded on the premise that guest experiential value, composed of service quality and guest perception, directly influences guest satisfaction, which in turn shapes behavioral intentions such as repeat visits, positive word-of-mouth, and willingness to pay. Price moderates this relationship by either strengthening or weakening the effect of experiential value on satisfaction and subsequent behavioral intentions guests are more likely to exhibit positive behavioral outcomes when they perceive the price as fair relative to the quality of service received. The choice of price as the moderating variable stems from its centrality in guest decision-making and its theoretical relevance in explaining value-for-money perceptions, particularly in budget hotel contexts.

The Expectancy Disconfirmation Theory (EDT) informed the framework by explaining how guests compare expected and actual service performance to form satisfaction judgments. The Theory of Reasoned Action (TRA) provided the behavioral foundation, linking attitudes formed through experiential value to intentions and actual behavior. The Rational Choice Theory (RCT) complemented these by emphasizing price fairness and rational evaluation of value as key determinants of customer decision-making in hospitality settings.

Qualitative data were integrated into the conceptual framework through manager interviews, which provided contextual explanations for the observed quantitative relationships. Insights from these interviews were used to validate and interpret the strength and nature of the relationships among variables, offering deeper understanding of how service quality, perceptions, and pricing practices jointly influence guest satisfaction and behavior in real-world hotel operations.

2.5 Research Gaps

Table 2.1: Research Gaps: Objective 1: Influence of Service Quality on Guest Behavioral Intentions

Author/Region/ Year	Focus of the Study	Study Methodology	Key Finding	Knowledge Gaps	Current Study Focus
Setiono & Hidayat (2022)	Impact of service quality on customer behavior in hospitality industry	Quantitative survey using SERVQUAL model	Service quality positively affects behavioral intentions	Limited focus on budget hotels in developing countries	Examine service quality's influence on guest behavioral intentions in budget hotels in Machakos County

Hussain et al. (2023)	Evaluation of service quality dimensions on customer loyalty	Quantitative analysis	Quality service enhances repurchase intentions and word-of-mouth	Lack of context-specific studies in Kenyan budget hotels	Assess how service quality influences guest behavioral intentions in
Kivuva et al. (2021)	Factors affecting guest satisfaction in budget hotels in the USA	Survey research	Cleanliness and quick service delivery are crucial	Differences in cultural expectations not addressed	local budget hotel settings Investigate culturally relevant service

					quality factors affecting guest intentions in Machakos
Kivuva et al. (2021)	Service delivery challenges in Kenyan budget hotels	Qualitative interviews	Issues with cleanliness and staff responsiveness	Need for quantitative analysis linking service quality to behavioral intentions	Quantify the impact of service quality dimensions on guest behavioral intentio

					ns in Machakos

Objective 2: Effect of Guest Perceptions on Behavioral Intentions

Author/ Region/ Year	Focus of the Study	Study Methodology	Key Finding	Knowledge Gaps	Current Study Focus
An & Ozturk (2022)	Role of guest perceptions in hotel experiences	Literature review	Guest perceptions influence satisfaction and trust	Lack of empirical data in African budget hotel context	Examine guest perceptions and their effect on behavioral intentions in Machakos budget hotels
Jones et al. (2023)	Guest perceptions in UK budget hotels	Survey research	Perceived value for money leads to positive reviews	Cultural differences in perception not explored	Investigate how local guest perceptions influence behavioral intentions in Kenyan budget hotels
Moyo & Sibanda (2023)	Cultural factors in guest	Qualitative study	Traditional elements enhance	Need for quantitative	Assess cultural influences on Guest

				validation in	
	perceptions in South African budget hotels		perceived value	Kenyan context	perceptions and behavioral intentions in Machakos
Musembi & Ragui (2021)	Guest perceptions in Nairobi's budget hotels	Survey research	Cleanliness and safety are prioritized over price	Limited focus on Machakos County	Explore guest perception factors influencing behavioral intentions in Machakos budget hotels
Objective 3: Influence of Guest Satisfaction on Behavioral Intentions					
Author/Region/Year	**Focus of the Study**	**Study Methodology**	**Key Finding**	**Knowledge Gaps**	**Current Study Focus**
Liu et al. (2022)	Customer satisfaction in Chinese budget hotels	Quantitative survey	High satisfaction leads to increased repeat business	Applicability to Kenyan	Determine how guest satisfaction influences behavioral

				context uncertain	intentions in Machakos budget hotels
Smith & Brown (2022)	Customer satisfaction and advocacy in US budget hotels	Survey research	Satisfied customers more likely to refer others	Cultural differences in advocacy behavior not addressed	Assess the link between guest satisfaction and word-of-mouth intentions in Machakos
Amponsah & Opoku (2023)	Guest satisfaction in Ghanaian budget hotels	Survey research	Utilities availability crucial for satisfaction	Need for exploration of other satisfaction factors	Identify key satisfaction determinants affecting behav

					ioral intentions in Machakos budget hotels
Mutua et al. (2021)	Customer satisfaction in Kenyan budget hotels	Survey research	Cleanliness, cost, and staff cordiality are key	Specific impact on behavioral intentions not quantified	Quantify the effect of guest satisfaction on behavioral intentions in Machakos budget hotels
Objective 4: The moderating role of price on the relationship between guest experiential value and behavioral intentions					
Author(s)/Region/Year	**Focus of the Study**	**Study Methodology**	**Key Findings**	**Knowledge Gaps**	**Current Study Focus**

Githiri (Kenya, 2018)	Examined the relationship between perceived price fairness, customer satisfaction, and loyalty in Kenyan star- rated restaurants.	Cross-sectional survey of 345 customers in Nairobi and Coastal regions.	Found a significant positive relationship between perceived price fairness and both customer satisfaction and loyalty.	Limited to star- rated restaurants; does not address budget hotel sector.	Investigating how perceived price fairness influences guest satisfaction and behavioral intentions in budget hotels in Machakos County.
Ali et al. (Malaysia, 2018)	Investigated the impact of price fairness on guest emotions, satisfaction, and behavioral intentions in the peer-to-peer accommodation sector.	Conceptual framework based on Stimulus-Organism-Response (S-O-R) theory; proposed structural equation	Suggested that perceived price fairness positively affects guest emotions, which in turn influence satisfaction and behavioral intentions.	Focused on peer-to-peer accommodations; lacks empirical data specific to budget hotels.	Exploring the mediating role of guest emotions in the relationship between price fairness and behavioral intentions in

		modelin g.			budget hotels.

Mutua et al. (Kenya, 2021)	Studied the influence of pricing strategies on guest satisfaction and behavioral intentions in local budget accommodations.	Survey-based research in Nairobi's budget hotel sector.	Identified that competitive pricing strategies significantly affect guest satisfaction and the likelihood of repeat patronage.	Does not examine the moderating effect of price on the relationship between experiential value and behavioral intentions.	Assessing how price moderates the relationship between guest experiential value and behavioral intentions in budget hotels in Machakos County.

2.6 Chapter Summary

The reviewed literature presents detailed knowledge about the link between guest experiential value and behavioral intentions for budget hotels particularly in Machakos County, Kenya. Three theoretical frameworks underpinned this relationship: Expectancy Disconfirmation Theory, which posits that customer satisfaction arises when service performance aligns with or exceeds expectations, leading to positive behavioral intentions such as repeat patronage and positive word-of-mouth; Reasoned Action Theory, suggesting that individuals' behavioral intentions are influenced by their attitudes toward the behavior and subjective norms, implying that guests' intentions to revisit or recommend a hotel are shaped by their evaluations and perceived social pressures; and Rational Choice Theory, asserting that individuals make decisions by weighing costs and benefits to maximize personal advantage, indicating that guests choose budget hotels based on a rational assessment of value for money, service quality, and overall experience.

Research evidence shows that service quality has a powerful relationship with customer behavioral decisions in hospitality organizations. The SERVQUAL model uses five dimensions spanning from tangibles to reliability and responsiveness and assurance and empathy to evaluate service quality effects on customer loyalty and word-of-mouth and purchase intent. The SERVQUAL framework structures service quality assessments yet researchers have pointed out two main issues which include cultural-based evaluation biases and its generalized nature of service quality dimensions. A budget hotel program that focuses on maintaining cleanliness and delivering prompt service and cordial staff treatment shows a strong capability to enhance guest satisfaction while creating guest loyalty. The level to which guests experience satisfaction with hotel services determines their future behavioral plans because it demonstrates how well their actual stay matches what they expected. Clean rooms along with attentive staff members combined with quick check-in and check-out procedures deliver satisfaction to clients. Guest perceptions of prices define their overall experiential value while determining their future hospitality conduct. The relationship between service quality and pricing creates conditions for satisfied guests who will choose to return and spread positive word-of-mouth about the hotel. Customers tend to develop negative evaluations and reduce their hotel loyalty when they feel prices are unfair. Tourists in Kenya view affordable hotel prices positively when they stay at budget accommodations yet their satisfaction depends on receiving service at a level that meets the price they paid.

Hotel and tourism behavioral intentions consist of guest future behavior which ranges from hotel return visits to recommending the establishment to others or spending more money at the hotel. The intentions of customers form based on their experience of service quality along with their level of satisfaction and perceived value. Research demonstrates that satisfied hotel customers maintain more powerful intentions of returning because providing excellent service remains a critical factor for securing repeat bookings. The combination of reliable service quality, satisfied customers, and reasonable perception of worth creates deep hotel brand commitment known as customer loyalty. A positive word-of-mouth experience occurs when guests describe their favorable encounters to individuals, who become potential new customers.

Therefore, extensive research shows how the diverse components of guest experiential value strongly influence the intended actions of budget hotel visitors. Research models have revealed practical knowledge, but evidence shows that a comprehensive framework should merge rational judgments alongside emotional and social components. The integrated understanding matters significantly when studying budget hotel service quality and satisfaction and behavioral intentions in Machakos County because it unlocks vital knowledge about their complex interaction.

The above-mentioned studies have shown that service quality is a major factor in shaping how guests intend to behave. Among all, tangibles, reliability, responsiveness, assurance, and empathy are important aspects that affect customers' satisfaction, continued loyalty, and willingness to recommend a hotel. Tangibles are the buildings, various equipment, and the way employees look or are dressed. Past studies conducted by Mthembu and Khumalo (2022) and Hernandez et al. (2021) proved that how clean and safe a hotel is, as well as well-maintained amenities, play an important role in pleasing guests. While budget hotels are mostly valued for being low-cost, the way a hotel looks and is maintained can affect guests' views and decisions. Providing the promised service dependably and correctly is included in what makes a hotel reliable. Where budget hotels are concerned, both their guests' expectations and the need for reliability usually drive a sense of satisfaction and loyalty. The findings of various studies in Kenya and South Africa showed that good service made guests more likely to come back and speak positively about the hotel. Responsiveness means the hotel staff works quickly and attends to its guests. Studies led by people such as Al-Kuwari and Hassan (2021) and Garcia and Mendoza (2020) agree that being responsive straightaway significantly improves customer satisfaction and increases their intention to behave in a certain way. When customers book entry-level hotels and want things to be done quickly, being responsive is seen as a major way to promote loyalty.

The term assurance reflects the manners and proficiency of staff and their ability to reassure guests. Research in Qatar and South Africa showed that confidence in the service contributed significantly to guests' understanding of the quality. Hotel guests typically behave well if the staff members treat them professionally, making them feel comfortable and confident while staying. Budget hotels should ensure that guests

feel cared for and noticed when staying. Garcia and Mendoza's study showed the significance of empathy in fostering a good guest-hotel connection in Mexico, while Njoroge and Wambua upheld this in Kenya as well. If hotel staff are empathetic, guests often feel appreciated and become more inclined to book there again and share their positive experiences with those around them.

In the research reviewed, it becomes clear that a certain theme comes up. People's thoughts about a hotel, formed by service, value for their money, the brand, or tangible matters like cleanliness and how polite the staff are, affect whether they want to go back or recommend the hotel to someone else. This study explains why it is important to learn about guests' general experience and how it translates into behaviors such as staying loyal, returning again, and recommending the brand to others. Roberts and Stone, 2020). In addition, several researchers note that guest's views and actions are often influenced by online reviews and what others say about a hotel. Nowadays, what people say online and on social media can shape guests' views greatly and affect the choices they make (Wong & Lee, 2021). Thus, hotels should keep their online reputation high to help guests see them in a good way and want to do business with them.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

The methods utilized for data collection and examination are outlined in this chapter. This chapter covers the research design, philosophy, study location, target population, sample size, tools utilized for data collection, data analysis and ethical considerations.

3.2 Research Design

This study adopted a mixed-method approach and convergent parallel research design accommodating both qualitative and quantitative data (Creswell & Clark, 2018). The data collection for hotel guests used semi-structured questionnaires to obtain results about their experiential value and intended behaviors. Hypothesis testing was done through the use of inferential statistics. The research incorporated a qualitative design that used structured and semi-structured questions to obtain extensive information from hotel general managers. The qualitative data from hotel managers helped explain the quantitative survey results regarding budget hotel implementations of guest experiences and managerial perceptions. Through this mixed method approach, the qualitative insights data obtained from deeper managerial insights resulted in more wholesome conclusions (Mikalef et al., 2019).

A convergent parallel design was utilized. This design involved collecting qualitative and quantitative data simultaneously, analyzing them separately using their respective methodologies and integrating the findings to derive meaningful insights (Creswell & Clark, 2018). The convergent design allowed for the identification of similarities and differences across multiple cases, ensuring a well- rounded investigation of research problem (Creswell & Clark, 2018).

3.3 Research Philosophy

The study utilized a pragmatic research philosophy because it remains the most appropriate approach for studying real-life problems by focusing on adaptable outcomes. Simpson (2018), suggests that a combination of qualitative and quantitative methods through pragmatist research makes it an optimal approach for

behavioral studies like understanding guest value perceptions and their hotel behavioral choices in budget accommodations. According to Simpson (2018) a pragmatism both actual facts and personal experiences create substantial value to academic understanding. The research investigated guest understanding of experiential value elements (service quality combined with ambiance and staff interaction) plus their behavioral response assessments (repeat visits followed by recommendations) through questionnaire analysis. The primarily quantitative data collection method measures socially constructed constructs including satisfaction and loyalty and perceived value thus a pure positivist research approach becomes inappropriate. The study utilized pragmatism to determine the most effective approach in answering the research questions through the utilization of "what works" principles. Researchers chose appropriate tools such as SERVQUAL model along with inferential statistics for analyzing variable relationships yet maintained awareness about human participant experiences during data collection.

3.4 Study Area

This study was carried out in Machakos County**,** which covers an area of approximately 5,953 square kilometers**.** The county is strategically located in Kenya's Eastern region and shares boundaries with several counties: Nairobi and Kiambu to the north**,** Kajiado to the southwest**,** Makueni to the south**,** Kitui to the east, and Murang'a and Kirinyaga to the northwest. Geographically, it lies between latitudes 1°31′ and 0°31′ south, and longitudes 36°45′ and 37°45′ east**.**

Machakos County falls within the arid and semi-arid lands (ASALs) and is characterized by a hot and dry climate**,** with average temperatures ranging between 21°C and 35°C**.** Rainfall is generally low, erratic, and unpredictable**,** averaging less than 800 mm annually. The long rains typically occur from March to May**,** while the short rains fall between October and December**.**

The county's landscape is predominantly hilly**,** with elevations ranging from 1,237 to 2,300 meters above sea level**.** According to Kenya population and Housing Census (2019), the Countys' population is estimated at approximately 1,421,932**,** with 52% residing in urban centers a figure significantly higher than the national urbanization average of 29.9%**.**

According to the Kenya Integrated Household Budget Survey (KIHBS) 2023**,** 23.1% of the population in Machakos County lives in monetary poverty**,** amounting to approximately 328,300 individuals. This figure is significantly lower than the national average of 35.7%**,** indicating relatively better income-based living conditions within the county. However, a broader view reveals that 39.4% of residents about 560,300 people experience multidimensional poverty**,** which considers deprivations in areas such as education, health, housing, access to water, and economic opportunity.

Machakos County is located approximately 63 kilometers southeast of Nairobi**.** Machakos County is readily accessible and serves as a key transit and service hub, this made it suitable and strategic location for the research.

The region has adopted an urban-rural status as it attracts an increasing number of budget hotel visitors from domestic and transit markets. This study used Machakos County as its research area because it provided a practical circumstance resulting from its position near main highways in addition to its expanding commercial landscape and increasing number of budget-friendly hotels. The research analyzed budget hotels holding licenses that received both new and returning customers in the county.

Budget Hotels

Budget hotels play a significant role in the current and future global hotel industry to meet the requirements of the new age traveler in the rapidly expanding lower and mid-market segments. These facilities are, therefore, set to attract cost-conscious visitors, domestic tourists, international budget tourists, backpackers and SME seeking cheap essentials without having to compromise their quality (WTTC, 2023). Budget hotels have responded to the shift to experiential travel by providing modern necessities and simple but satisfactory accommodation found in affordable free Wi-Fi, location and good quality basic housing at cheap prices to cater for the changing more prudent travel demographics.

Universally, budget hotel operates an important function of spearheading the development of tourism in most emergent economies. For instance, the OYO Rooms the budget hotel chains work in India which has brought standardization to different regions making quality very affordable for travelers (Guruprasad et al, 2019). In the

same way, companies like Premier Inn and ibis firms have also targeted the business and leisure clients with low priced products at right locations along with offering basic yet efficient services. Despite this though, these hotels are generally low margin and present with key issues including customer rotation, competition against the growing online short-term rental marketplace like Airbnb, and the balance of cost and quality.

In Africa, the budget hotels are an essential driver of the tourism business since various governments within the region promote domestic and regional tourism. In Tanzania for example, and South Africa, there has been an emergence of accommodations in the budget segment enabled by the increase in a middle class as well as inbound travelers. But the industry still has a number of challenges including poor infrastructures, lack of adequate money to market the industry and competition from other substandard accommodation facilities. These voids have nonetheless been filled by regional players such as City Blue Hotels through the deployment of a reliable service delivery and linkages with the Tourism boards in order to market and facilitate guest acquisition (John, 2024)

According to Agayi and & Gündüz (2020), Kenya being a strategic tourism destination in Africa has experienced rapid expansion of the number of hotels due to many attractions including wildlife, cultural, and business. Low-cost hotels in Kenya have a crucial role of catering for numerous guests ranging from local tourists, international budget travelers, and business people conducting small scale businesses. These establishments are mostly situated near highly chosen transport interfaces, metropolitan areas and tourism-related sites in order to be easily accessed by the target clientele. For instance, Mombasa and Kisumu are some of the cities that have cheap hotels for tourists whether they are there for business or tourism.

Nonetheless, Kenyan budget hotels have a number of problems such as fluctuating levels of service quality, low levels of staff training, and increasing competition from other forms of rental accommodation (Murage, 2020). These cheaper accommodations need to rise to the challenge brought by Airbnb among others by offering better experiences, cleanliness and adaptability. However, scarcity of capital to undertake marketing and upgrade to technological solutions that fight larger integrated chains and global brands targeting younger, tech-savvy travelers restrain

their growth (Roy & Jasrotia, 2024). For instance, Machakos County, which neighbors Nairobi, is characterized by a rising role of the budget hotels in developing regional tourism and business activities. It is located close to the Kenyan capital city and hence serves as the best option for tourists and business people. These business people wish to enjoy affordable hotels compared to what is offered in Nairobi. Some of the facilities in the entire southern part of the county include Machakos People's Park, Ol Donyo Sabuk National Park, and cultural performances that different type of people visits the county. This is also due to the ability of the budget hotels in the area to provide the necessities required by their clientele, for instance, cheap prices for their rooms, strategic accessibility to areas of interest, and availability of basic facilities (Goga, 2023).

Budget hotels in Machakos County play a crucial role in accommodating a wide range of travelers, including domestic tourists, business professionals, and participants in various county events (Kibiro, 2018). These establishments offer affordable lodging options, making travel accessible to a broader demographic. The presence of budget hotels supports the county's tourism objectives by providing necessary infrastructure to host visitors attending conferences, cultural festivals, and sporting events. Machakos County boasts a robust economy, ranking sixth among Kenya's counties in terms of Gross County Product (GCP). According to the Kenya National Bureau of Statistics (KNBS) (2021), the county's GCP stands at approximately KES 378.4 billion, translating to about USD 3.2 billion. This economic strength is attributed to various sectors, including agriculture, manufacturing, and services. The county's proximity to Nairobi and its integration into major transport corridors enhance its economic activities, making it a hub for trade and investment (Khusoko, 2020)

Machakos County's tourism sector is characterized by rich cultural heritage, scenic landscapes, and strategic initiatives aimed at boosting visitor numbers. The county's semi-arid climate and hilly terrains offer ideal settings for activities such as camping, hiking, safaris, ecotourism, and cultural festivals. These attractions not only cater to leisure travelers but also promote sustainable tourism practices that benefit local communities (Ministry of Tourism, 2023). Furthermore, the county has identified key areas for tourism investment, including conference, medical and sports tourism. The development of facilities for conferences and sports events, coupled with plans for

world-class medical centers, underscores the county's commitment to diversifying its tourism offerings (Ministry of Tourism, 2023). These initiatives aim to attract a broader range of visitors, from business travelers to health tourists.

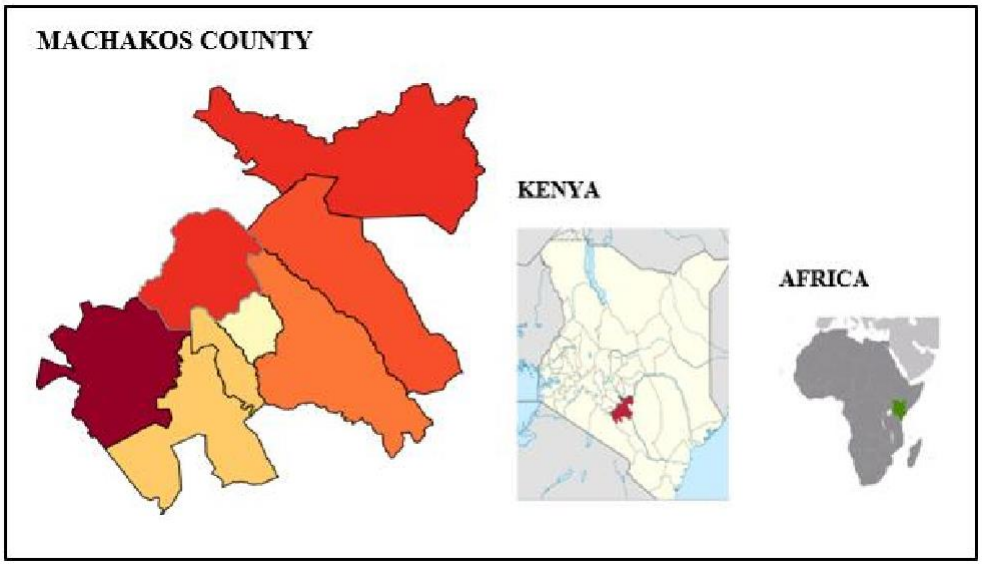


Figure 3.1: Map of Machakos County [Source: Kenya Google Maps

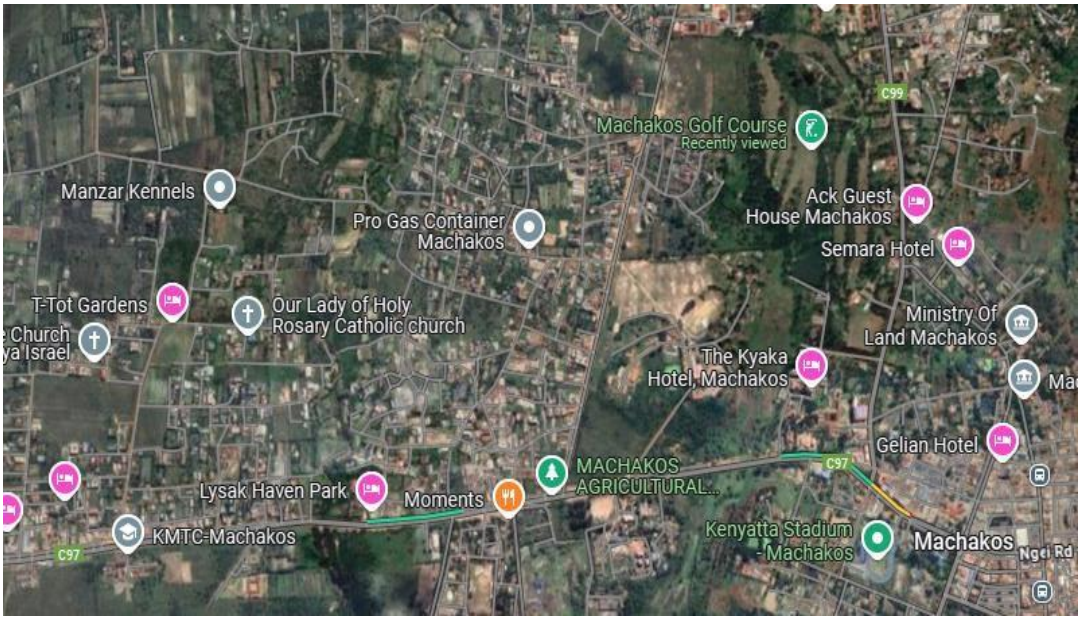


Figure 3.2: Satellite Map of 10 Budget Hotels (Machakos County, Kenya)

[Source: Adapted from Google Maps (2025)]

3.5 Target Population

The target population comprises every element, individual, or entity that has common traits about a particular study that is to be used for picking a sample (Ngechu, 2017). The target population in this research was 1,045 among them were budget hotel guests and hotel managers in Machakos County, Kenya.

3.5.1 Hotel Guests

According to the TRI Annual Performance Report (2024)**,** Kenya received approximately 2.4 million international tourists**,** with total tourism numbers (including domestic travel) exceeding 7.5 million visitors**,** while Machakos County received 1,000 hotel guests (MCIDP 2024). The main audience group was made up of the recent budget hotels' guests who were exiting from the county. It is because they had first-hand experiences with services, environments, and interactions at the hotels. Their feedback was critical in assessing the effect of various aspects of experiential worth on their behavioral intentions of returning to the hotel or recommending it to others.

3.5.2 Hotel Managers

The study area comprised 45 registered budget hotels, as documented by the Department of Tourism, Machakos County Government (2023). To complement guest perspectives, hotel managers from the sampled establishments were interviewed, offering internal insights into service planning, management, and delivery processes.

3.6 Sampling Method and Sample Size

Sample size is the process of choosing a predetermined number of people to be studied, where the individual represents an example of the large group from which it was selected (Asenahabi, 2019). The study employed purposive sampling to select hotel managers, while simple random sampling was used to select hotel guests from each participating hotel. This approach ensured representativeness and allowed for inferential analysis of the quantitative data. The study targeted 45 budget hotels but data were collected from 10, selected using purposive sampling, hence the study was not a census. This sampling approach was justified because hotel managers possess

specialized knowledge and decision-making experience relevant to operational and experiential management, warranting their purposive selection (Etikan & Bala, 2017). Conversely, hotel guests were selected through simple random sampling to minimize selection bias, ensure equal participation opportunities, and enhance the validity of inferential statistical analysis (Creswell & Creswell, 2018).

Sampling Research Participants

The Guests

According to the TRI Annual Performance Report (2024), Kenya received approximately 2.4 million international tourists, with total tourism numbers (including domestic travel) exceeding 7.5 million visitors, while Machakos County received 1,000 (MCIDP 2024). This informed the basis for the study. According to Mugenda and Mugenda (2013) and Kothari and Garg (2014), when the target population is less than 10,000, a sample size ranging between 10% and 30% of the population is considered adequate and representative for research purposes. The sample size for the guests was derived from Taro Yamane (1967), which is usually used to compute the sample sizes where the population size is known, and a specific level of precision is needed (Ahmed, 2024). This formula was used for the determination of sample size from the study population of 1000 (MCIDP, 2023) guests in the study area;

SS = Sample Size is given by;

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

Where:

- n = sample size
- N = total population (assumed as 1,000)
- e = level of precision (0.05)

$$n = \frac{1000}{1 + 1000(0.05)^2} = \frac{1000}{1 + 2.5} = \frac{1000}{3.5} \approx 286$$

Additional participants=286×0.202≈57.772 Total Sample Size thus;

Total sample size = 286 + 57.772≈343.772

Rounding down, the final sample size was set at 344 guests.

Therefore, the number of the initial sample for the guests was 286. To be able to prevent bias, to consider possible non-responses and incomplete questionnaires, as well as increase the reliability of the data, the sample size was increased by 20.2%, and there were a final number of 344 guests for the research. This increase made the data complete and enhanced the statistical validity of the results.

Hotel Managers

The study area comprised 45 registered budget hotels, as documented by the Department of Tourism, Machakos County Government (2023). Out of the 45 budget hotels 10 budget hotels were sampled using purposive sampling and this minimized selection bias as each hotel had an equal chance of being chosen. The secondary target group included hotel managers, especially those who are in this line of work; customer service, operations, or guest experience management. Such individuals were chosen because of their comprehensive knowledge about the operations of hotels, guest experience initiatives, and the deployment of service delivery systems. The study targeted 45 budget hotels but data were collected from 10, selected using purposive sampling, a manager from each of them was chosen, hence totaling to 10 managers. Such an approach was possible with a small number of hotels within the subject of the study, and considering the managerial part of the guest experience being of significant importance. This group completed the guest views by providing an internal view of service planning and delivery.

3.7 Data Collection

This study utilized semi-structured questionnaires consisting of open-ended and closed-ended questions and interviews to collect data from the selected sample including guests and budget hotel managers. Prior to conducting fieldwork, the researcher provided training to the research assistants on proper data collection procedures and data recording techniques. Additionally, the researcher applied for

and obtained a research permit from the National Commission for Science, Technology and Innovation (NACOSTI)**.** Data was collected from January to April 2025. Data were collected from the identified participants in the 10 budget hotels with the help of the research assistants.

The guests and hotel managers data were collected concurrently. Qualitative data were collected using semi-structured interview schedules administered to hotel managers. Responses were recorded through written notes and audio recordings (with consent) for accuracy and completeness. Thee closed-ended questions were generated on a 5-point Likert scale (1 – Strongly Disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly Agree). The questionnaires were chosen since they are low cost, quick to collect data, and convenient for reaching respondents, especially the electronic questionnaires administered to guests and hotel managers. The purpose of the inquiry was to ascertain the respondents' opinions regarding the assessment of guest experiential value and behavioral intentions among budget hotels in Machakos County.

3.8 Data Collection Procedure

3.8.1 Training of Local Field Assistants

To enhance participation and data quality, two research assistants were recruited from the study area based on their prior experience in research, relevant qualifications, and proficiency in communication within the hospitality industry. A one-week training session was conducted to acquaint them with the study’s objectives, data collection methods, and instruments. The training emphasized the importance of high-quality data collection, professional appearance, and appropriate communication language during fieldwork.

3.8.2 Questionnaire Pretesting

A one-week pre-test of the questionnaire was conducted. A pre- test questionnaire was done on 34 hotel guests and 1 manager. The respondents used in the questionnaire pre-test were excluded from the final survey. A pre-test was carried out to evaluate the validity and dependability of the survey instrument. The pilot allowed the

researcher to find out what amount of time was necessary to answer the questions, how clear the main principle was, whether there were any indistinguishable questions, and whether the format was clear and attractive as recommended by Rehman, Sultan & Shakir (2022).

3.9 Instruments for Data Collection

Questionnaires used to collect data from guests consisted of sections on demographic information on gender, age group, level of education, occupation, monthly earning, and reasons for selecting budget hotel, purpose of visit and the number of times they have visited the hotel. The interview guides used to obtain data from the managers.

3.9.1 Questionnaires

According to Saunders et al. (2021), a questionnaire is broadly defined as a data collection instrument comprising a series of predetermined questions to which participants are required to respond. In this study, data from guests were collected using structured questionnaires (Appendix 1). Questionnaires were administered in person by trained research assistants who visited each of the ten sampled hotels. Participants filled them on-site after consent. Additionally, a questionnaire was made available to respondents online via Google Forms who were not able to fill the hardcopy questionnaires. Questionnaires were administered to 344 respondents in 10 budget hotels in Machakos County. The questionnaires were semi-structured, consisting of both open and close-ended questions. This was to ensure the collecting of qualitative and quantitative data. The open ended questionnaires allowed the respondents to provide qualitative feedback whereas the closed ended questionnaires were measured using a Likert scale (for example1= strongly disagree to 5= strongly agree).

The questionnaires were administered to be completed and answered by the respondents. The respondents were given a time frame within which they were required to respond to all the questions. Upon completion, the research assistants collected the questionnaires and ensured a high completion rate and return of the completed questionnaires. Furthermore, the online questionnaires were completed on time by respondents who could not fill in the hard copy.

3.9.2 Interview Guide for Managers

An interview guide was systematically developed based on the study's research objectives and theoretical constructs to collect qualitative data from hotel managers. The guide consisted of semi-structured, open-ended questions designed to explore management perspectives on service quality, guest perception, guest satisfaction, and pricing strategies.

A total of 10 interviews were conducted with managers of the sampled budget hotels. The interviews were held in person at the respective hotel premises in a quiet, private setting to ensure confidentiality and encourage candid responses. Each interview lasted approximately 30 to 45 minutes and was conducted by the researcher. With participants' consent, responses were audio-recorded and supplemented with detailed field notes to ensure data completeness and reliability.

The interview data were later transcribed and organized thematically to facilitate integration with quantitative findings. This approach ensured that qualitative insights complemented and enriched the interpretation of survey results, thereby strengthening the overall validity of the study's conclusions.

3.10 Reliability Test(s) for Data Collection Instruments

Instrument reliability in research refers to the degree to which a measurement tool consistently and accurately captures a specific construct across different times, contexts, and participant groups (Cohen et al., 2017). A reliable instrument produces stable and repeatable results, minimizing the influence of random error and external factors. This consistency is essential for ensuring the credibility, dependability, and replicability of research findings. A reliability check of the data collection instrument required a pilot study through sampling from the study population. The assessment focused on validating how items under each study variable, guest experiential value, and behavioral intentions related to one another within the same questionnaire. The multiple survey items tested proved their ability to produce consistent responses when measuring each research construct throughout the survey process.

To be credible the qualitative analog of internal validity, participants were approached to check on draft findings to determine that his or her views were properly reported. This type of member checking enabled respondents to set straight any of their misinterpretations, which adds credibility to the analysis (Lindheim, 2022). The researcher additionally engaged such double- checking strategies as peer debriefing and triangulation where the information provided in the interviews, attained as a part of the survey, and described in the documentation could be aligned to support the emergence of common themes and decrease bias (Simon et al, 2019). These approaches assist in making sure that results are based on the reality of the subjects instead of suppositions of the researcher. External validity (transferability) was justified through adequate contextual explanations of the budget hotels sector in Machakos County, Kenya. This kind of thick description enables other researchers to find out whether the results can be used in similar settings (Nzomo, & Muathe, 2024). Dependability (consistency) was discussed through the involvement of an external auditor reviewing the research procedures such as transcriptions of the interviews, coding journals, and thematic development to make sure that the process of data collection and analysis outlines can be followed and, therefore, replicated. Finally, confirmability involved neutrality during analysis. The researcher developed and followed the strategies of reflexivity describing assumptions made in the study to reduce the biases during interpretation and created an audit trail that captures the decision about the crypting and memos (Carcary, 2020).

Table 3.1: Pretest Summary

Component	**Description**
Target Population	Budget hotel guests and hotel managers in Machakos County
Pilot Location	One budget hotel in Machakos County (not part of main study sample)
Total Estimated Sample Size	354 (344 guests + 10 managers)
Pre-test Sample Size	35 respondents (10% of total sample)
Pre-test Composition	34 hotel guests, 1 hotel manager

Sampling Method for Pre-test	Purposive sampling (based on availability and relevance to target population)
Questionnaire Items Tested	18 items for guests, 5 items for managers
Reliability Test Applied	Cronbach's Alpha (for guest responses)
Cronbach's Alpha Result	Overall = 0.86 (indicating high internal consistency)
Action After Pre-test	Minor revisions made to language and item clarity based on feedback

Both the guest questionnaire and the interview guide were pretested in one budget hotel within Machakos Town. Feedback from 34 guests and one manager was used to refine question wording, enhance clarity, and ensure alignment with study objectives before the main data collection.

The questionnaire assessment relied on Cronbach's Alpha coefficient as the standard measure to determine how well multiple survey items represent a single unidimensional latent construct. Researchers commonly accept Cronbach's Alpha values bigger than 0.70 as an indicator of reliable measurement for conceptual variables (Izah et al., 2023). Conceptual test-retest reliability principles allowed for predictions about response stability when using the instrument on two similar testing occasions. The investigators put emphasis on achieving clear instrumentation with unambiguous language and neutral word choices since these elements directly impact reliability.

Table 3.2: Reliability Statistics

Scale	**N of Items**	**Cronbach's α**	**Item-Total Correlation Range**	**α if Item Deleted (Range)**
18 Guest Items	18	0.86	0.32 – 0.74	0.82 – 0.88
5 Manager Items	5	0.78	0.41 – 0.69	0.75 – 0.80

The 18 items guest questionnaire in Table 3.2 showed that it was internally coherent based on the Cronbach alpha of 0.86. This degree of reliability is in a good range by the basic psychometric standards in which an alpha of 0.80 and 0.89 represents good reliabilities (Forero, 2024). The correlations between individual guest items and the total score ranged from 0.32 to 0.74, exceeding the recommended threshold of 0.20 (Nguyen et al., 2020). These relatively high item-total correlation values indicate that each item made a meaningful contribution to the overall construct of guest experiential value, thereby supporting the internal consistency and construct validity of the questionnaire.

Analysis of the alpha-item deleted measure also confirmed the soundness of the scale. Should any of the guest items be eliminated, overall alpha would remain in the range of 0.82 and 0.88 indicating that no item disproportionately contributed to the internal consistency of the scale (Njeri, et al., 2024). Alpha of the manager questionnaire comprising five items was 0.78, which is displayed as acceptable (0.70) (Robinson, 2018). There was the item- total correlation of 0.41 to 0.69 which is again above the 0.20 limit, which indicated that all the questions worked well. Alpha values for this instrument (0.75075 0.80) indicate that the internal control, parameter is assured with the deletion of items.

Cronbach's Alpha served as the statistical tool to measure the scale reliability through internal consistency analysis of its items. The measurement scale demonstrates high reliability based on a Cronbach's Alpha result of 0.840. Each item in the scale shows strong connectivity because it generates results that are consistent with one another. The Cronbach's Alpha based on standardized items reached 0.838 demonstrating a similar measurement level to the unstandardized value. Standardization of data does not affect the scale reliability because its values demonstrate consistency. The examination reveals that the scale exists of four components which effectively measure its defined concept. The instrument demonstrates reliability for statistical analysis after the findings confirmed its usefulness because the Cronbach's Alpha value exceeds 0.80 which signifies excellent reliability thresholds. The reliability of this data collection becomes stronger because participant responses demonstrate stable consistency levels.

3.11 Validity Test(s) for Data Collection Instruments

According to Cohen et al. (2017), validity measures how well an instrument determines the concepts it needs to measure. The values obtained from data collection become meaningful and credible to the extent that researchers establish validity. Several methods were implemented throughout this research to build and strengthen the validity aspect of the instruments.

The observable effectiveness of a test concerning its specific objectives defines its face validity. Subjective evaluation demonstrates that the assessment tool appears to measure the target elements effectively according to its stated objectives (Clark & Watson, 2019).

Content validity is a situation in whereby all important aspects of a given concept are covered in the instrument. This was done through the foundation of the questionnaire on an extensive review of current literature on guest experiential value and behavioral intentions as it applies to the hospitality industry.

Validity of the instrument is very important as a way of testing to confirm that the intended concepts for instance guest experiential values and behavioral intentions are reflected in the survey items. In order to determine face validity, the researcher sought the views of supervisors and experts who scrutinized the draft questionnaire and amended the elements with better and easier to understand language, related to the study constructs. Besides, the validation of the interview guide was conducted as per pretesting with the respondents belonging to the same cohort. This enabled the researcher to trim questions, fix unclear stimuli and guarantee that the guide generated detailed and meaningful answers (Yeong et al., 2018). To support the trustworthiness, Prior (2018) states that one emphasis the author makes is to maintain the privacy of the participants and conduct the principle of empathetic interviewing taken up in this research by anonymizing participants and involving active and non-judgmental listening. The instrument refinement, ethical interview practice and rigorous assessments of the instrument validity helps the study to be sure that data collection instruments would be robust and fit purpose, and would bring forth credible insights that are situated within rich contexts.

3.12 Assumptions for Correlation Analysis

In this study, Spearman's rank-order correlation was employed to assess the relationships among behavioral intentions, service quality, guest perception, guest satisfaction, and price within budget hotels in Machakos County, Kenya. The choice of Spearman's correlation was suitable since data did not meet the assumptions required for parametric tests like Pearson's correlation. Specifically, Spearman's correlation was appropriate since the data were ordinal, and the relationship between variables was found to be monotonic, meaning that as one variable increased, the other variable tended to increase or decrease consistently, though not necessarily at a constant rate. This method was also robust against outliers and did not assume a normal distribution of the variables, making it ideal for the types of data collected. The application of Spearman's correlation in this context allowed for the identification of significant associations between variables, even when the data do not meet the stringent requirements of parametric tests.

3.13 Data Analysis and Presentation

According to Taherdoost (2021), different researchers have different perspectives on data analysis. Analyzing data involves reducing the size of the gathered data, summarizing it, searching for patterns, and using statistical methods. The qualitative and quantitative data obtained were then cleaned, coded, and analyzed as below.

The data received summary treatment through descriptive statistics, where frequencies, means and standard deviations provided information about guest comments regarding experiential value and behavioral intentions. The hypotheses of this study were tested using inferential statistical techniques and variable analysis. The research used the Spearman correlation to examine the relationship between guest experiential value and their subsequent behavioral intentions. The research used ordinal regression to measure how different experiential value factors influence guest behavioral intentions. Ordinal Logistic Regression was applied because the dependent variable, behavioral intentions, was measured on an ordinal scale (strongly disagree to strongly agree). Assumptions such as proportional odds, absence of multicollinearity, and independence of errors were tested before analysis. The data were derived from Likert-scale responses to guest questionnaires. The research conducted hypothesis tests through examining statistically important relationships

between variables while maintaining a $p < 0.05$ threshold for significance. The research analytic design presented a complete framework that explained the different guest perceptual value components that affect budget hotel behavior in Machakos County.

3.13.1 Qualitative Data Analysis

Table 3.3: Qualitative Data Coding for Budget Hotel Managers

Nature of Hotel	Interview Schedule	Interviewee Code
Budget Hotel 1	1st	M1
Budget Hotel 2	2nd	M2
Budget Hotel 3	3rd	M3
Budget Hotel 4	4th	M4
Budget Hotel 5	5th	M5
Budget Hotel 6	6th	M6
Budget Hotel 7	7th	M7
Budget Hotel 8	8th	M8
Budget Hotel 9	9th	M9
Budget Hotel 10	10th	M10

Qualitative data were collected from budget hotel managers in the study area. The obtained data were cleaned and coded by identifying similar themes in Table 3.3. The responses gathered in the field were manually transcribed by the research assistants according to the research objectives, and the researcher assessed the completeness of the data. Thematic analysis serves as a theoretical research tool to identify, analyze, and interpret patterns of meaning (themes) in qualitative data (Christou, 2022).

3.13.2 Quantitative Data Analysis

The quantitative data was analyzed using the SPSS version 20, which provided extensive data analysis capabilities and a wide range of statistical routines that examined measures to large statistical information and was used to apply both descriptive and inferential statistics to examine quantifiable data from questionnaires. Specifically, descriptive statistics including frequencies (means, standard deviations, and percentages), were used. Additionally, inferential statistics with the use of the ordinal regression was used since the responses in the questionnaires were derived for examination considering a 5-point Likert scale where; 5-Strongly Agree, 4- Agree, 3-Neutral, 2-Disagree, and 1- Strongly Disagree.

The ordinal regression explained the connection between the independent and dependent variables, which the study aimed to establish; therefore, the model best fitted the investigation. This model was verified by performing normality tests using both descriptive and inferential statistics methods. The study's hypotheses were tested at the 95 percent significance level, and the null hypothesis was only rejected when $p < 0.05$. The impact of Guest experiential value variables on the dependent variable, behavioral intentions, was assessed through ordinal regression coefficients. The relationships between Guest Experiential Value and Behavioral Intentions were analyzed using ordinal regression, and hypothesis tests were conducted. The chi-square test results were applied to evaluate how well the research model fit. Table 3.4 presents this information.

Table 3.4: Summary of Quantitative Data Analysis

Objective	**Hypotheses**	**Analysis Method**	**Statistical Tool**	**Decision Rule**
To establish the influence of service quality on guest behavioral intentions among budget hotels in	**H_{01}** Service quality does not influence behavioral intentions among budget	Ordinal logistic regression	Regression coefficient (β), Wald χ^2 test	Reject **H_{01}** if β is significant and $p < 0.05$

Machakos County, Kenya.	hotels in Machakos County, Kenya.			
To examine the effect of guest perceptions on behavioral intentions among budget hotels in Machakos County, Kenya.	**H_{02}** Guest perceptions do not affect behavioral intentions among budget hotels in Machakos County, Kenya.	Ordinal logistic regression	Regression coefficient (β), Wald χ^2 test	Reject **H_{02}** if β is significant and $p < 0.05$
To assess the influence of guest satisfaction on behavioral intentions among budget hotels in Machakos County, Kenya.	**H_{03}** Guest satisfaction does not influence behavioral intentions among budget hotels in Machakos County, Kenya.	Ordinal logistic regression	Regression coefficient (β), Wald χ^2 test	Reject **H_{03}** if β is significant and $p < 0.05$
To investigate the moderating role of price on the relationship between guest experiential value and	**H_{04}** Price has no moderating influence on the relationship between	Ordinal logistic regression with	Interaction term β, Wald χ^2 test,	Reject **H_{04}** if interaction term β is significant

behavioral intentions among budget hotels in Machakos County, Kenya.	guest experiential value and behavioral intentions among budget hotels in Machakos	interaction term	Likelihood- ratio χ^2 (model fit)	($p < 0.05$) and model fit improves

3.14 Response Rate

A high response rate is necessary if validity and reliability are to be guaranteed because it minimizes the possibility of having non-response bias. In this study, questionnaires were distributed to managers and guests of budget hotels within the Machakos County. Table 3.5 shows the response rate.

Table 3.5: Respondents

Respondents	**No. administered**	**No. of respondents received**	**Percentage**
Managers	10	10	100%
Customers	344	332	96.5%
Total	354	342	96.6%

As Table 3.5 indicates, the study managed to retain an overall response rate of 96.6%, which is excellent and satisfactory for statistical purposes (Lund, 2023). All the managers participated in the study, yielding a 100% response rate, while 96.5% of the guest questionnaires were fully completed and returned. The high response rate among guests can be attributed to the direct distribution of the questionnaires and their immediate collection, which minimized the likelihood of non-responses and enhanced the completeness of the data. The research obtained high participatory levels from hotel managers and customers through effective responses. All managers from the 10 budget hotels in Machakos County who received questionnaires responded to them without exception (100%). Research in social sciences uses a

response level exceeding 90% as excellent because it both decreases non-response bias and strengthens the generalization of findings (Baruch & Holtom, 2021).

Dillman et al. (2020) explain that highly successful survey research depends on elevated response rates to diminish data distortion. The managers completely complied thus showing their dedication and commitment with sharing details about hotel operations and service quality. The study yielded a high response rate of 96.5% as 332 customer questionnaires were successfully completed out of 344 distributed responses. The hospitality research conducted by Kim & Park (2023) established that data analysis becomes stronger when more than 80% of participants respond to surveys, strengthening the study's evidence. The high response rate shows that customers displayed strong interest in expressing their views about services and experiences.

The survey obtained 344 questionnaires for distribution, leading to 342 respondents completing the survey and returning it for an overall response rate of 96.6%. Such a rate of participation supports the reliability and generalizability of the findings while being consistent with suggestions of methodology literature which regards 70% and above response rate as satisfactory for behavioral and social sciences (Baruch & Holtom, 2008). The satisfactory administration for the survey further confirms the applicability and clarity of research instruments which had been pre- tested during the pilot study thus reflecting on the content validity and reliability instrument as discussed in section 3.9.

3.15 Thematic Analysis

Qualitative data obtained from open-ended questionnaire responses and manager interviews were analyzed thematically to identify recurring patterns and insights. The process followed Braun and Clarke's (2019) six-step framework, which involved data familiarization, coding, theme generation, theme review, theme definition, and reporting. Guest responses (n = 332) were examined to extract themes related to service quality, amenities, and guest satisfaction, as summarized in Table 4.30. This approach provided deeper understanding of guests' perceptions, highlighting both strengths and areas for improvement within budget hotels.

3.16 Ethical Considerations

Ethics constitutes a fundamental aspect of sound research practice, with the ethical conduct of researchers subject to continuous evaluation and scrutiny (Eynon, Fry & Schroeder, 2017). Adherence to ethical principles ensures the integrity of the research process, the protection of participants, and the credibility of the findings. From a legal stand point, the respondents were advised that participation in the study was voluntary without financial benefit or liability.

Ethical approval was obtained from the university's research ethics committee prior to data collection. All participants were informed of the study's purpose and voluntarily consented to participate. Confidentiality and anonymity were maintained throughout, and no identifying information was recorded. The study adhered to ethical principles of beneficence, respect for persons, and justice as recommended by Creswell & Creswell (2018).

Moreover, the research adhered to formal procedural requirements, including obtaining ethical and regulatory approval. A research permit was secured from the National Commission for Science, Technology and Innovation (NACOSTI) following the approval of the research proposal by the Board of Postgraduate Studies. Additionally, the researcher made sure that participants were completely aware of the goals and methods of the study acquiring their free and informed consent before using them in the study.

Data security in the study was upheld through the implementation of secure data transfer and storage protocols to protect participants' personal information, in compliance with relevant data protection laws and institutional policies on confidentiality, transparency, and ethical research conduct. Participants were provided with a clear and comprehensive explanation of the study's objectives, procedures, and any potential implications, thereby ensuring informed consent and fostering trust in the research process. Throughout the research process, there was transparency and adherence to regulations and respect for the rules and principles for ethics set forth by the appropriate authorities, such as ethics committees or institutional review boards (Denzin & Lincoln, 2022). Therefore, the data obtained in the field was handled confidentially and used only for academic purposes during this study.

3.17 Chapter Summary

This chapter presented the description of the study area and the research design. The research design encompassed the sampling frame, sampling procedures, data collection methods, and data analysis techniques. The study adopted a convergent parallel mixed methods design**,** which entailed the simultaneous collection of both quantitative and qualitative data. This approach aligns with the pragmatist research philosophy**,** which supports the integration of multiple methods to enhance the breadth and depth of understanding. Quantitative data were analyzed using the Statistical Package for the Social Sciences (SPSS)**,** while qualitative data were subjected to thematic content analysis to identify patterns and key themes.

CHAPTER FOUR
RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study whose main purpose was to examine the relationship between guest experiential value and behavioral intentions in budget hotels in Machakos County. Specifically, the study tested the hypotheses derived from the conceptual framework to establish whether service quality, guest perception, and guest satisfaction significantly influence behavioral intentions. The study aimed to establish the influence of service quality on guest behavioral intentions in budget hotels in Machakos County, Kenya; examine the effect of guest perception of communication feedback practices on behavioral intentions; assess the influence of guest satisfaction on behavioral intentions; and investigate the moderating effect of price on the relationship between guest experiential value and behavioral intentions. To address these objectives, data were collected directly from respondents using structured questionnaires and interviews.

4.2 Demographic Characteristics of the Respondents

4.2.1 Hotel Guests' Demographic Characteristics Gender of Guests

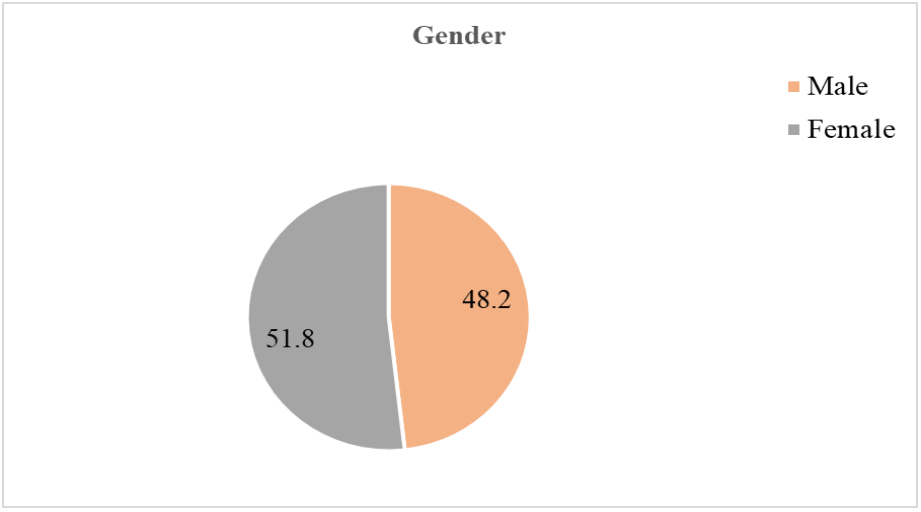


Figure 4.1: Gender of Guests

The study sample comprised a nearly equal distribution of male and female respondents, as illustrated in Figure 4.1. Female guests accounted for 172 participants (51.8%), while male guests represented 160 participants (48.2%). This indicates a relatively balanced gender representation among guests in budget hotels within

Machakos County. The slightly higher proportion of female respondents suggests a marginally greater level of engagement by women in the utilization of budget hotel services in the region.

The study reveals a near-equal gender distribution among hotel guests, with females slightly outnumbering males at 51.8% and 48.2%, respectively. This balance indicates that budget hotels in Machakos County appeal equally to both genders, suggesting that marketing and service delivery should be gender-neutral to cater to this diverse clientele. In contrast, the managerial positions within these hotels are predominantly held by males. This disparity aligns with broader trends in the hospitality industry, where women are underrepresented in leadership roles despite their significant presence in the workforce. Addressing this imbalance requires deliberate policies promoting gender equality in managerial appointments.

Table 4.1: Age Group of guests

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
	18-25 years	53	16.0	16.0	16.0
	26-35 years	98	29.5	29.5	45.5
Valid	36-45 years	96	28.9	28.9	74.4
	46-55 years	66	19.9	19.9	94.3
	Above 55 years	19	5.7	5.7	100.0
	Total	332	100.0	100.0	

From Table 4.1, the age distribution of the study participants reveals that the majority fell within the 26–35-year age bracket, accounting for 29.5% of the total respondents. This was closely followed by the 36–45-year age group, which represented 28.9% of

participants. Respondents aged 46–55 comprised 19.9% of the sample, while those in the 18–25 age group constituted 16.0%. The smallest proportion, 5.7%, was made up of individuals aged above 55 years. These findings suggest that budget hotels in Machakos County predominantly attract guests in their peak professional and family development stages specifically those aged between 26 and 45 years who often blend business travel with leisure activities.

The majority of hotel guests fall within the 26-35 (29.5%) and 36-45 (28.9%) age brackets, indicating that budget hotels primarily attract young to middle-aged adults. This demographic is likely to be active in the workforce, seeking affordable accommodation for business or leisure purposes. Hotel managers, on the other hand, are predominantly older, with 70% having over six years of experience in the industry. This suggests that managerial roles are occupied by individuals with substantial industry experience, which is beneficial for operational stability and service quality.

Education Level

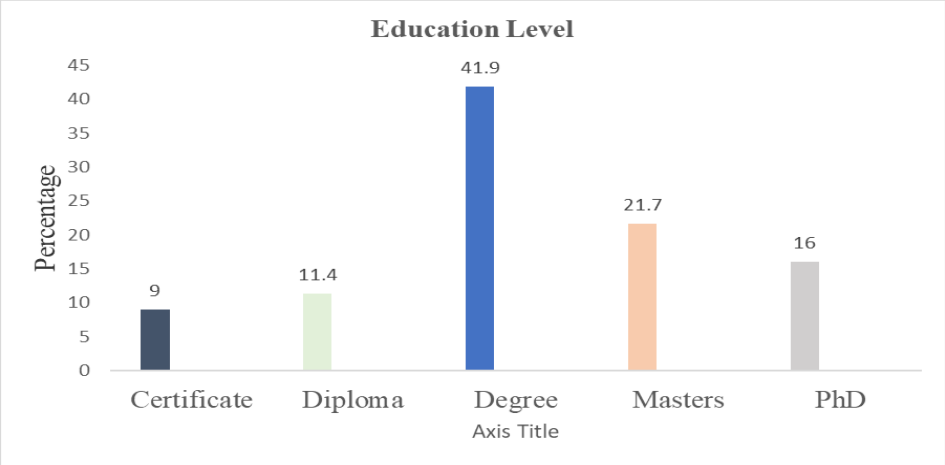


Figure 4.2: **Education Level**

The primary segment of budget hotel guests in Machakos County, Kenya as depicted in Figure 4.2, consists of those who earned undergraduate (41.9%) and master's degrees (21.7%) with the rest split between PhDs (16.0%), diplomas (11.4%), and certificates (9.0%). Among the guest participants, 16.0% had attained a PhD, 11.4% held diplomas, and 9.0% possessed certificates. The data reveals that budget hotel guest in Machakos County possess advanced levels of education that probably defines their standards regarding both hotel service quality and hospitality experiences.

A significant proportion of hotel guests possess higher education qualifications, with 41.9% holding degrees and 21.7% having master's degrees. This high level of education among guests implies that they may have higher expectations regarding service quality and amenities. Similarly, hotel managers exhibit considerable educational attainment, with many holding diplomas and degrees in hospitality or related fields. This educational background equips them with the necessary skills to meet the sophisticated demands of their clientele. The occupational distribution among guests shows that 56% are employed, 25.9% are business owners, and 11.4% are students. This diversity indicates that budget hotels cater to a wide range of clients, from professionals and entrepreneurs to students, necessitating flexible service offerings to meet varied needs.

Occupation of guests

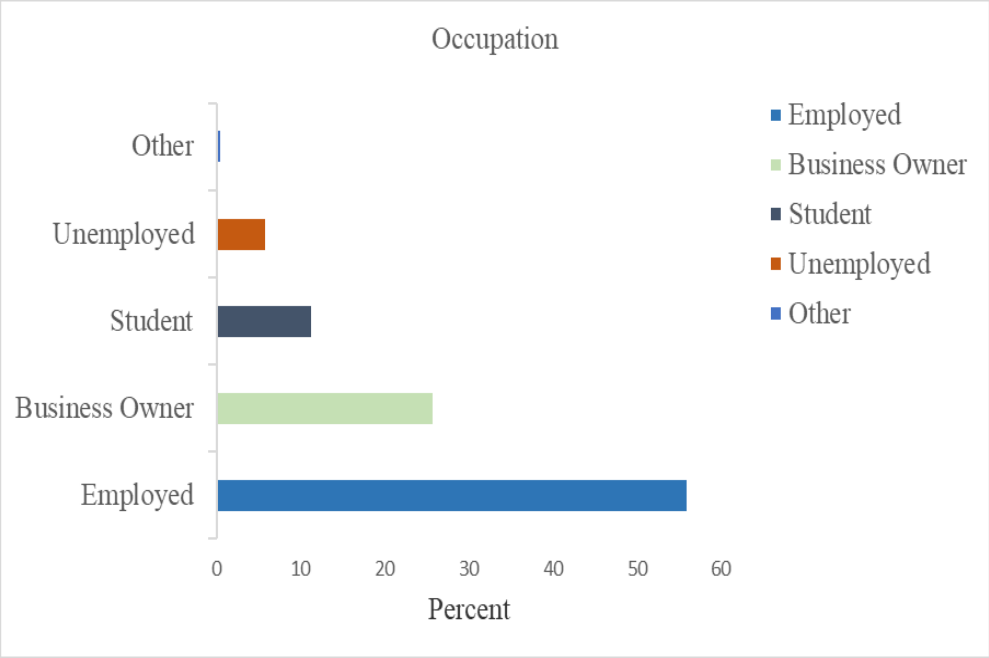


Figure 4.3: Occupation of guests

From Figure 4.3, employment stood as the primary occupation of respondents (56.0%), while business owners made up 25.9% of respondents. The study included 11.4% of students, along with 6.0% of unemployed persons who participated in the survey. Only 0.6 percent of the respondents selected an unknown occupation category.

The research demonstrates that budget hotels exist to serve business and working professionals and students and individuals.

Monthly Income of guests

Table 4.3: Monthly Income

		Frequency	Percent	Valid Percent	Cumulative Percent
	<30,000	61	18.4	18.4	18.4
	30,001-50,000	39	11.7	11.7	30.1
	50,001-80,000	80	24.1	24.1	54.2
Valid	80,001-100,000	51	15.4	15.4	69.6
	100,001- 150,000	45	13.6	13.6	83.1
	>150,000	56	16.9	16.9	100.0
	Total	332	100.0	100.0	

This study analyzed guest incomes at the budget hotel. Table 4.3 shows income bracket of Ksh 50,001-80,000 represented the most common group with 24.1%. Earnings below Ksh 30,000 constituted 18.4% and exceeding Ksh 150,000 constituted 16.9% of the total guests surveyed. Other income brackets included 30,001-50,000 (11.7%), 80,001-100,000 (15.4%), and 100,001- 150,000 (13.6%). Budget hotels can draw customers of different income levels but the middle- income category between Ksh 50,001-80,000 demonstrate the strongest preference. The presence of budget hotel customers with monthly incomes exceeding Ksh 150,000 suggests that price-conscious travelers opt for budget accommodations irrespective of their financial capacity.

Guests' income levels vary, with the largest group (24.1%) earning between Ksh 50,001-80,000. Notably, 16.9% of guests earn over Ksh 150,000, indicating that budget hotels are not exclusively patronized by low-income individuals. This trend suggests that affordability, rather than income level, is a significant factor influencing hotel choice. While specific income data for hotel managers is not provided, their roles

likely offer competitive remuneration commensurate with their experience and responsibilities.

Reason for Selecting Budget Hotel

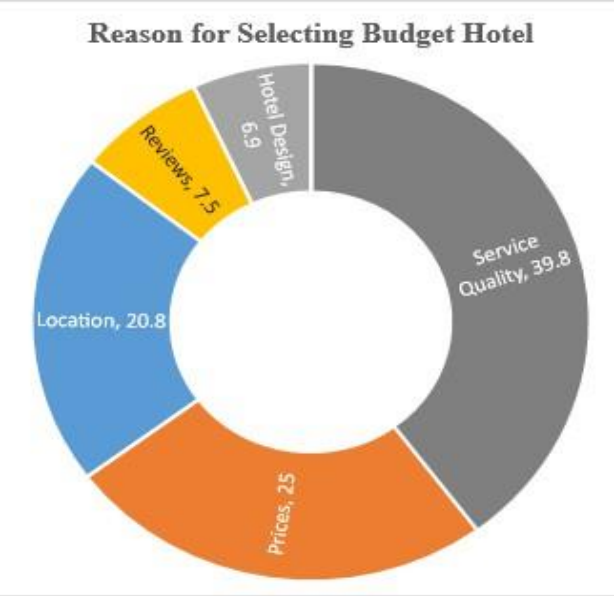


Figure 4.4: Reason for Selecting Budget Hotel

Figure 4.4 presents the findings on the reason for selecting the budget hotel. Budget hotel selections primarily depend on service quality, which accounted for 39.8% of responses to demonstrating hotel guest experience significance. Affordability proved to be the second essential decision driver (25.0%). Location proved important for selecting budget hotels, with reviews and hotel design demonstrating somewhat smaller effects. The research demonstrates that budget travelers care about prices but still want high-quality services with convenient locations.

Service quality emerges as the primary reason for selecting budget hotels (39.8%), followed by affordability (25.0%) and location. This finding highlights the importance of maintaining high service standards and strategic locations to attract and retain guests. Hotel managers must, therefore, focus on continuous service improvement and leveraging their hotel's location advantages to meet guest expectations and enhance competitiveness.

Purpose of Visit

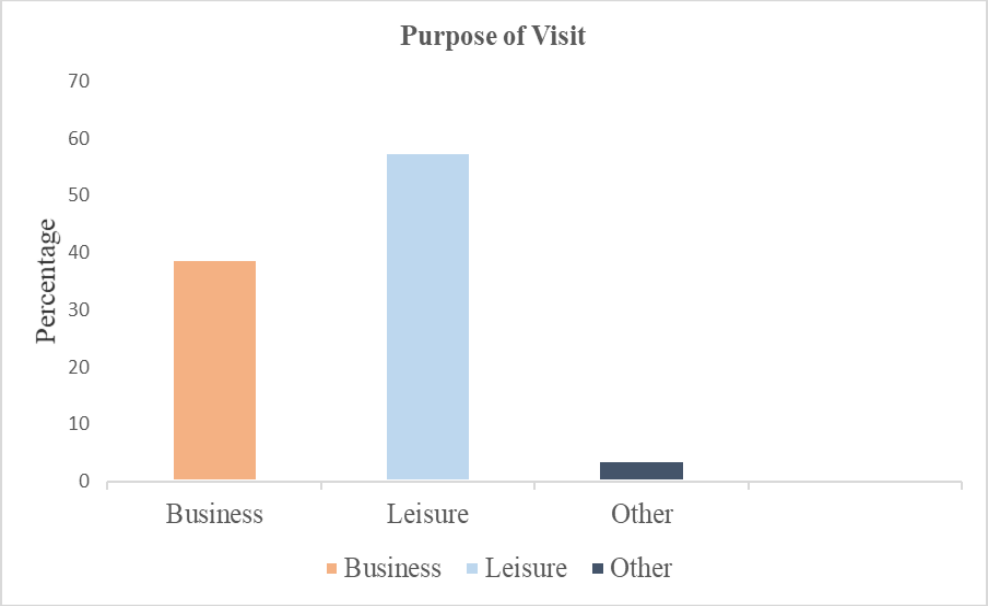


Figure 4.5: Purpose of Visit

The findings as per Figure 4.5 on the purpose of visits show that guests who chose leisure were 57.5%, while business travelers (38.9%). A minority group (3.6%) selected different reasons than leisure or business to explain their hotel stay. Tourists and individuals searching for cost- effective yet non-business lodging use budget hotels as their preferred accommodation choice throughout Machakos County.

Leisure is the predominant purpose for hotel stays (57.5%), with business accounting for 38.9%. This indicates that budget hotels serve both tourists and business travelers, necessitating a balance in service offerings to cater to both segments.

Frequency of Visit

Table 4.4: Frequency of Visit

		Frequency	Percent	Valid Percent	Cumulative Percent
	First time	111	33.4	33.4	33.4
	2-3 times	90	27.1	27.1	60.5
Valid	4-5 times	40	12.0	12.0	72.6
	More than 5 times	91	27.4	27.4	100.0
	Total	332	100.0	100.0	

Table 4.4 shows that among the visited budget hotels in Machakos County, Kenya, first-time visitors made up 33.4% of the respondents, and those who visited 2-3 times accounted for 27.1%. Repeat customers form a significant group at 27.4% because they selected multiple visits beyond five occasions. The number of guests who had visited 4 to 5 times were 12.0%. Budget hotels in Machakos County maintain strong guest loyalty benefits because around 27.4% of visitors have visited more than five times.

Regarding visit frequency, 33.4% of guests are first-time visitors, while 27.4% have stayed more than five times. This repeat patronage underscores the importance of customer satisfaction and loyalty programs in sustaining business.

4.2.2 Hotel Managers' Demographic Characteristics Number of Rooms in the Hotel

Table 4.5: Number of Rooms in the Hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
	10–50	5	50.0	50.0	50.0

Valid	51–100	4	40.0	40.0	90.0
	Over 100	1	10.0	10.0	100.0
	Total	10	100.0	100.0	

The results presented in Table 4.5 indicate that 50% of budget hotels in Machakos County, Kenya, have between 10 and 50 rooms, suggesting that the majority of these establishments fall within the small-sized hotel category. The data shows that hotels fitted in the 51–100 room category represent 40% of the total hotels in the area, hotels with over 100 rooms compose 10%, while hotels having between 10 and 50 rooms form 50% of the budget hotel sector in Machakos County. The budget hotel sector of Machakos County contains mainly small to mid-sized facilities that match the essential hospitality services and affordability. Half of the budget hotels in Machakos County have between 10 and 50 rooms, classifying them as small-scale establishments. Additionally, 70% have been operational for over six years, indicating stability and experience in the market. These factors contribute to consistent service delivery and customer trust.

Length of Hotel Operation

Table 4.6: Length of Hotel Operation

		Frequency	Percent	Valid Percent	Cumulative Percent
	1–3 years	2	20.0	20.0	20.0
Valid	4–6 years	1	10.0	10.0	30.0
	Over 6 years	7	70.0	70.0	100.0
	Total	10	100.0	100.0	

Budget hotel industry stability in the market is indicated by the results in Table 4.6, which reveal that 70% of hotels have maintained operations for more than six years. A majority of these hotels have obtained enough operational time to develop services and brand identity. 20% of the hotels began operation age 1–3 years, which indicated the increasing number of businesses entering this market. 10% of the hotels exist in the 4–6-year time range, thus constituting a minor segment of businesses with mid-term operational spans. The majority of budget hotels in Machakos County possess extended operational histories, but new hotel establishments show continuing investment and expansion.

Hotel managers typically have extensive experience in the hospitality sector, often progressing through various roles before attaining managerial positions. This career progression underscores the importance of industry experience in effective hotel management. The demographic analysis reveals that budget hotels in Machakos County attract a diverse clientele, characterized by balanced gender representation, a concentration of young to middle-aged adults, and high educational attainment. These guests prioritize service quality and affordability, with a significant proportion demonstrating loyalty through repeat visits.

Hotel managers, predominantly male and experienced, play a crucial role in meeting the expectations of this discerning clientele. Their educational backgrounds and industry experience are assets in delivering quality service. However, addressing gender disparities in management positions could further enhance organizational inclusivity and performance

4.3 Descriptive Statistics

The general objective of the study was to evaluate the relationship between guest experiential value and behavioral intentions among budget hotels in Machakos County. Service quality, guest perception, and guest satisfaction were independent variables and behavioral intentions was the dependent variable.

4.3.1 Service Quality and Behavioral Intentions of Budget Hotels in Machakos County, Kenya

The first objective of this study was to establish the influence of service quality on guest behavioral intentions among budget hotels in Machakos County. Service quality was evaluated based on four key dimensions**:** tangibles, assurance, reliability, responsiveness, and empathy**.**

Respondents rated their experiences using a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree)**.** The mean and standard deviation are shown in Table 4.7.

Table 4.7: Mean and Standard Deviation for Service Quality

	N	**Mean**	**Std. Deviation**
The hotel facilities meet my Expectations	332	**4.30**	.721
Hotel amenities are of high quality	332	**4.21**	.776
Staff consistently provide accurate Service	332	**4.37**	.768
The hotel delivers services as promised	332	**4.43**	.707

Staff respond promptly to my requests	332	**4.46**	.700
Staff resolve issues quickly	332	**4.32**	.761
Staff demonstrate care and attention	332	**4.49**	.739
Hotel accommodates special requests	332	**4.30**	.862
Valid N (listwise)	332		

Guests expressed strong satisfaction with service quality which includes all the aspects. Hotel facility expectations received average Mean (= 4.30) with low standard deviation (= 0.721) while guests showed similar levels of satisfaction with quality of amenities (= 4.21) with a moderate standard deviation (= 0.776). The standard deviation value for amenities shows that guests have slightly varied views about hotel amenities.

Guests publicly endorsed hotel staff for providing precise services (Mean = 4.37 with SD = 0.768) and maintaining consistent service delivery to match their promises (Mean = 4.43 with SD = 0.707). Guests commonly perceived hotels as dependable organizations that kept their service promises. The study showed that guests perceived hotel staff as prompt in service (Mean = 4.46, SD = 0.700) and efficient in addressing issues (Mean = 4.32, SD = 0.761). Guests reported similar experiences with low standard deviation. Guests confirmed that staff members provided thorough care and attention (Mean = 4.49, SD = 0.739) and the hotels successfully handled specific person-centered requests (Mean = 4.30, SD = 0.862).

Guest experiences on special accommodation showed a marginally elevated standard deviation that may stem from hotel-specific policies or wait times of staff in meeting guest requests. Budget hotel guests demonstrate positive perceptions of service quality by rating staff attentiveness as well as responsiveness and reliability as very favorably. Guest perceptions suggest room for enhancement through improved consistency and higher amenities.

4.3.2 Guest Perception of Communication Feedback Practices and Behavioral Intentions in Budget Hotels in Machakos County, Kenya.

The second objective of this study was to examine the effect of guest perceptions on behavioral intentions among budget hotels in Machakos County. The Likert scale was used on a scale of 1-5 where 5 means Strongly Agree, 4- Agree, 3-Neutral, 2-Disagree, 1- Strongly Disagree. The variables that were used in measuring guest perception are: Feedback mechanism, guest reviews, and revisit intentions. The results in Table 4.7 demonstrated favorable attitudes towards budget hotels in Machakos County. Channels at the hotels allow guests to provide feedback (Mean = 4.41, SD = 0.742). Participants showed varying opinions based on the standard deviation.

Table 4.8: Mean and Standard Deviation of Guest Perception

	N	Mean	Std. Deviation
The hotel provides an easy way to give feedback.	332	**4.41**	.742
My concerns or complaints are addressed effectively.	332	**4.25**	.827
I rely on guest reviews to form opinions about this hotel.	332	**4.39**	.701
Based on my experience, I intend to revisit this hotel.	332	**4.33**	.752
Valid N (listwise)	332		

All guests reported complaints were successfully resolved by the hotels (Mean = 4.25, SD = 0.827). Some guests encountered inconsistent address of concerns even though the standard deviation was high. This finding reveals how strongly guest reviews influence perceptions because people commonly use them to develop hotel opinions (Mean = 4.39, SD = 0.701). Guests demonstrated a strong desire to revisit the hotel according to their reported experiences as shown by the high mean score (Mean = 4.33, SD = 0.752).

Most guests intended to revisit however, a few encountered fewer positive experiences based on the moderate standard deviation. Findings demonstrate a positive impact of guest perceptions on behavioral intentions as efficient feedback processes and guest reviews influence intentions to return. Guest satisfaction and intent to book again

become stronger through resolving inconsistency issues related to complaint management.

4.3.3 Guest Satisfaction and Behavioral Intentions among Budget Hotels in Machakos County, Kenya

The third objective of the study was to assess the influence of guest satisfaction on behavioral intentions among budget hotels in Machakos County. The measurement indicators were Net promoter score, customer satisfaction score, and employee feedback. The Net Promoter Score (NPS) was used to determine how one could recommend the budget hotel to a friend or colleague and represented as follows; 1 – Not Likely at All, 2 – Very Unlikely, 3 – Unlikely, 4 – Somewhat Unlikely, 5 – Neutral, 6 – Slightly Unlikely, 7 – Somewhat Likely, 8 – Likely, 9 – Very Likely, 10 – Extremely Likely. Additionally, a 5-point Likert scale was used on the remaining two statements (I am satisfied with my overall experience at this hotel and the hotel staff appear motivated and engaged in their roles) where: 1 represented Strongly Disagree, 2-Disagree, 3- Neutral, 4- Agree, and 5-Strongly Agree.

According to Table 4.8 the Net Promoter Score (NPS) for guest referrals was 8.30 points above mean with a standard deviation of 1.580.

Table 4.9: Mean and Standard Deviation of Guest Satisfaction

	N	Mean	Std. Deviation
How likely are you to recommend this hotel to a friend or colleague	332	**8.30 (1-10)**	1.580
I am satisfied with my overall experience at this hotel.	332	**4.42 (1-5)**	.697
The hotel staff appear motivated and engaged in their roles.	332	**4.40**	.753
Valid N (listwise)	332		

Most guests show strong propensity to recommend the hotel while the wide standard deviation showed some divergence in ratings. Minority of guests showed moderate disinterest toward the hotel despite the overall positive reception. The participants

displayed intense agreement with satisfaction with hotel stay resulting in Mean = 4.42 and SD = 0.697. This low standard deviation can support the uniformity of guest feedback since it indicates that all visitors reported positive hotel experiences. Hotel staff motivation and engagement received high scores from clients who rated it at 4.40 with a standard deviation of 0.753.

The majority of guests observed staff members displayed energetic approaches towards their operational duties. Although the standard deviation was elevated above other scales it indicated that some guests experienced varying engagement perceptions. The research demonstrates that hotel guest satisfaction boosts behavioral intentions because NPS scores are high and clientele report positive satisfaction ratings and endorse motivated hotel staff behavior. Slight improvements in guest experience consistency would produce additional enhancements in guest satisfaction.

4.3.4 Effect of Price on The Relationship Between Guest Experiential Value and Behavioral Intentions

The last objective of the study was to investigate the moderating role of price on the relationship between guest experiential value and behavioral intentions among budget hotels in Machakos County. A 5-point Likert scale was used where 1- Strongly Disagree, 2-Disagree, 3-Neutral, 4- Agree, and 5-Strongly Agree. The measurement variables were value for money and fair pricing. Guests observe budget hotel prices in Machakos County as proportionate to the services they receive (Table 4.9).

Table 4.10: Mean and Standard Deviation of Price as a Moderator

	N	**Mean**	**Std. Deviation**
Value for Money	332	**4.44**	.677
Fairness for pricing.	332	**4.36**	.746
Valid N (listwise)	332		

Most participants either agreed or strongly agreed that the quality-measured value for money was high as revealed by a mean score of 4.44 and standard deviation of 0.677. Guests believe their money provides an acceptable level of service quality according to the findings in Table 4.9. Similarly, price fairness recorded a mean score of 4.36 and standard deviation of 0.746.

The pricing structures of hotels prove acceptable to guests because they match the service quality levels. Guests consistently agreed about price fairness and value since the standard deviations remained low.

4.3.5 Guest Behavioral Intentions in Budget Hotels

Guest behavioral intentions were assessed using three statements measured on a five-point Likert scale, where 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree. The respondents were required to indicate the extent to which they agreed with the statements relating to their future intentions after experiencing services in the selected budget hotels. The results are presented in Table 4.10.

Table 4.11: Mean and Standard Deviation of Guest Behavioral Intentions

	N	**Mean**	**Std. Deviation**
I am likely to return to this hotel in the future.	332	4.37	.698
I would recommend this hotel to others based on my experience.	332	4.48	.634
I share my experiences (positive or negative) about this hotel with others.	332	4.30	.741
Valid N (listwise)	332		

The findings in Table 4.11 indicate that respondents generally exhibited positive behavioral intentions toward the budget hotels, as evidenced by mean scores above 4.0 for all the statements. The statement, “I would recommend this hotel to others

based on my experience," recorded the highest mean score (M = 4.48, SD = 0.634), suggesting that most guests were highly satisfied with their experiences and were willing to engage in positive word-of-mouth communication. The relatively low standard deviation further indicates consistency in the respondents' opinions.

Similarly, the statement, "I am likely to return to this hotel in the future," recorded a high mean score of 4.37 with a standard deviation of 0.698. This implies that the majority of guests expressed strong intentions to revisit the hotels in the future, reflecting customer loyalty and satisfaction with the services offered. Additionally, respondents agreed that they shared their experiences, whether positive or negative, about the hotels with others, as shown by a mean score of 4.30 and a standard deviation of 0.741. This finding demonstrates that guest experiences significantly influence interpersonal communication and online or offline reviews regarding hotel services.

Therefore, the results suggest that guests in the selected budget hotels in Machakos County had favorable behavioral intentions characterized by intentions to revisit, recommend the hotels to others, and share their experiences. The relatively low standard deviation values across all items indicate minimal variation in responses, implying a high level of agreement among the respondents.

4.4 Inferential Statistics

Inferential analysis was conducted using Spearman's rank-order correlation to assess the relationships among study variables, while ordinal logistic regression tested the influence of experiential value dimensions on behavioral intentions. In this study, inferential analyses such as correlation and regression were done to assess the relationship between guest experiential value and behavioral intentions among budget hotels in Machakos County, Kenya. Before conducting these analyses, it was imperative to verify that the data met certain assumptions to ensure validity.

Assumption Tests

Before performing parametric tests, it was essential to assess whether the data satisfy key assumptions, including normality, linearity, homoscedasticity, and independence. This section focused on the normality assumption, which was critical for the reliability of subsequent inferential analyses.

Normality Test

The normality test determined whether the data distribution approximated a normal distribution, a prerequisite for many parametric statistical tests. The methods employed were; Shapiro-Wilk Test to observe if it was suitable for small to medium sample sizes and assesses the null hypothesis that the data are normally distributed. A p-value greater than 0.05 indicated normality.

Kolmogorov-Smirnov Test was performed to observe if applicable to larger samples, this test compared the sample distribution with a normal distribution. A p-value greater than 0.05 suggested the data do not significantly deviated from normality. Thus, The Shapiro-Wilk test yielded p-values less than 0.05 for both guest experiential value and behavioral intentions, suggesting that the data were not normally distributed.

The determination of data normal distribution takes place through Normality testing because it becomes essential for statistical analysis. The distribution of data needs to be assessed for selecting proper analytical techniques since parametric tests like regression and t-tests require normal data. The two commonly employed tests for normality assessment in this study as shown in Table 4.11, were Kolmogorov-Smirnov (K-S) alongside Shapiro-Wilk (S-W). Every statistical analysis requires data normality assessment for parametric tests which depend on variable normal distribution.

The Kolmogorov-Smirnov (K-S) test serves as an appropriate tool for checking normality when sample sizes surpass 100. The K-S test proved suitable to check the normal distribution of the dataset containing 332 responses. The Kolmogorov-Smirnov (K-S) test was applied to check if the observed data fit a normal distribution pattern. The test results show non-normal data distribution when the p-value (Sig.) remains below 0.05. The research data in Table 4.11, showed significant deviations from normality patterns for behavioral intentions (K-S statistic = 0.183, p = .000), service quality (K-S statistic = 0.191, p = .000), guest perceptions (K-S statistic = 0.163, p = .000) and guest satisfaction (K-S statistic = 0.171, p = .000). All p-values obtained in the analysis came out at .000 which shows the dataset fails normality tests below the standard .05 threshold thus requiring alternative statistical methods or data transformation approaches.

Table 4.12: Normality Test

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	**Df**	**Sig.**	**Statistic**	**df**	**Sig.**
Behavioral Intentions	.183	332	.000	.883	332	.000
Service Quality	.191	332	.000	.861	332	.000
Guest Perceptions	.163	332	.000	.886	332	.000
Guest Satisfaction	.171	332	.000	.876	332	.000
a. Lilliefors Significance Correction						

4.5 Correlation Analysis

This study was conducted to investigate the connection between budget hotel guest experiential value and behavioral intentions throughout Machakos County. The analysis checked how satisfaction, guest perception of service quality guest and price affects customer retention behavior through operational metrics of price alongside guest satisfaction and service quality perceptions. Spearman's rho as presented in Table 4.12 was used because the data were ordinal and did not meet parametric assumptions. A significant correlation ($p < 0.05$) indicated a meaningful relationship between

variables. For example, p = 0.000 implies a strong positive association, while p = 0.775 shows no significant relationship.

Table 4.13: Correlation Analysis

			Behavioral Intentions	**Service Quality**	**Guest Perception**	**Guest Satisfaction**	**Price**
	Behavioral Intentions	Correlation Coefficient	1.000	.775**	.759**	.717**	.591**
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	332	332	332	332	332
	Service Quality	Correlation Coefficient	.775**	1.000	.800**	.740**	.657**
		Sig. (2-tailed)	.000	.	.000	.000	.000
		N	332	332	332	332	332
Spearman's rho	**Guest Perception**	Correlation Coefficient	.759**	.800**	1.000	.811**	.623**
		Sig. (2-tailed)	.000	.000	.	.000	.000
		N	332	332	332	332	332
	Guest Satisfaction	Correlation Coefficient	.717**	.740**	.811**	1.000	.663**
		Sig. (2-tailed)	.000	.000	.000	.	.000

		N	332	332	332	332	332
		Correlation Coefficient	.591**	.657**	.623**	.663**	1.000
	Price						
		Sig. (2-tailed)	.000	.000	.000	.000	.
		N	332	332	332	332	332
Note: **. Correlation is significant at the 0.01 level (2-tailed).							

The results from Table 4.13, demonstrating relationship between variables used Spearman's correlation coefficient (ρ) which showed all pairs reached statistical significance at $p < 0.01$. Service quality shows an extremely positive connection with behavioral intentions ($\rho = 0.775$, $p = 0.000$). Guests who experience high-quality services show increased probabilities for hotel rebooking, maintaining loyalty and spreading good word about their hotel stay. The three key attributes of reliability, responsiveness and empathy influence the way guests behave during their stay.

Results show that guest perceptions affect behavioral intentions because of their positive correlations ($\rho = 0.759$, $p = 0.000$). People who give positive assessments about the hotel through guest feedback, review systems and strong revisit plans tend to develop favorable behavioral intentions.

Guest satisfaction shows a positive relationship toward behavioral intentions with a value of $\rho = 0.717$ and statistical significance $p = 0.000$. The overall satisfaction of hotel guests leads them to become loyal customers and lead them to both repeat visits and tell others about their positive experiences.

Price demonstrates a significant moderate correlation with behavioral intentions at a statistical level of $\rho = 0.591$ and $p = 0.000$. Price fairness together with value for money minimally impacts guest retention and loyalty however, service quality and guest satisfaction and perception remain stronger determinants.

Each independent variable shows considerable connections with others even though they directly influence behavioral intentions. The correlations between service quality and guest perception reach a statistically significant level of $\rho = 0.800$ with $p = 0.000$. Positive perceptions of service quality contribute to the development of favorable impressions of the hotel, fostering greater trust in user-generated feedback and promoting its effective use in guest decision-making processes. The relationship between service quality and guest satisfaction reaches a maximum value of 0.740 ($p = 0.000$) which confirms that high-quality service produces better overall guest satisfaction. Guest perceptions directly translate to guest satisfaction levels based on the critical relationship between these variables of 0.811, ($p = 0.000$). The data confirms that price behaves as a regulatory variable but has sustained relationships with the independent variables. Guests who experience superior service quality tend to view prices as reasonable ($\rho = 0.657$, $p = 0.000$) at a moderate to strong level. Positive guest experiences lead to perceptions of fair prices in both cases of guest perception and price ($\rho = 0.623$, $p = 0.000$) and guest satisfaction and price ($\rho = 0.663$, $p = 0.000$).

4.6 Hypothesis Testing

Hypothesis testing is a fundamental statistical method used to determine whether there is sufficient evidence in a sample of data to infer that a certain condition held true for the entire population. In this study, hypothesis testing was employed to assess the relationships between guest experiential value and behavioral intentions in budget hotels within Machakos County, Kenya. The process involved formulating a null hypothesis (H_0), which posits no relationship between the variables, and an alternative hypothesis (H_1), which suggested a significant relationship exists. Statistical tests, such as Spearman's correlation and ordinal logistic regression analyses, were conducted to evaluate these hypotheses. The outcomes of these tests informed whether to reject the null hypothesis in favor of the alternative, thereby providing insights into the dynamics between guest experiences and behavioral intentions.

4.6.1 Service Quality and Behavioral Intentions

The first hypothesis of the study was: H_{01}: Service quality does not influence behavioral intentions among budget hotel guests in Machakos County. Additionally,

the objective was to establish the influence of service quality on guest behavioral intentions among budget hotels in Machakos County.

An ordinal logistic regression analysis (Table 4.13) was used to evaluate the relationship between service quality and behavioral intentions. The upgrade from the intercept-only model to the final model resulted in a decrease of -2 Log Likelihood values from 577.425 down to 256.463.

Table 4.14: Model Fitting

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	577.425			
Final	256.463	320.962	1	.000
Link function: Logit.				

The statistical analysis demonstrated significant enhancement in behavioral intent explanation through service quality inclusion because the Chi-Square value reached 320.962 ($df = 1$, $p = 0.000$). Service quality stands as a highly significant factor which determines behavioral intentions according to the p-value results.

From Table 4.14, Goodness-of Fit, Pearson Chi-Square test result of 1854.352 together with a p- value of 0.000 suggested that the model displays over-dispersed data. The model showed a good fit with observed data because the Deviance Chi-Square value of 132.545 possessed a p-value of 0.638. The model approval for analysis came from its non-significant p-value in the Deviance test.

Table 4.15: Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	1854.352	139	.000
Deviance	132.545	139	.638

Link function: Logit.		

In Table 4.15, the model explains 63.9% of behavioral intention variance based on the Cox and Snell R^2 value of 0.620, Nagelkerke R^2 value of 0.639 and McFadden R^2 value of 0.275. Service quality predictions show an explanation power of 63.9% in the formation of behavioral intentions.

Table 4.16: Pseudo R-Square

	Pseudo R-Square
Cox and Snell	.620
Nagelkerke	.639
McFadden	.275
Link function: Logit.	

The results in Table 4.16 demonstrate that service quality produces a significant positive influence on behavioral intentions because the Estimate value equaled 4.294 Standard Error equals 0.302 and Wald value was 202.763 with p = 0.000. The confidence interval between 3.703 and 4.885 showed that zero is excluded from prediction and service quality is a significant factor of behavioral intentions.

Table 4.17: Parameter Estimates

		Estimate	**Std. Error**	**Wald**	**df**	**Sig.**	**95% Confidence Interval**	
							Lower Bound	Upper Bound

	[BI 2.67]	=	9.855	1.083	82.753	1	.000	7.732	11.978
	[BI 3.00]	=	11.509	1.001	132.065	1	.000	9.546	13.472
	[BI 3.33]	=	13.721	1.079	161.836	1	.000	11.607	15.835
Threshold	[BI 3.67]	=	16.389	1.252	171.484	1	.000	13.936	18.842
	[BI 4.00]	=	17.942	1.323	184.038	1	.000	15.350	20.534
	[BI 4.33]	=	19.249	1.367	198.131	1	.000	16.568	21.929
	[BI 4.67]	=	20.332	1.399	211.354	1	.000	17.591	23.074
Location	SQ		4.294	.302	202.763	1	.000	3.703	4.885
Link function: Logit.									

Note: (BI-Behavioral Intentions and SQ-Service Quality)

The quality of service delivered by a hotel leads to substantial growth in the probability that guests will display positive behavioral intentions toward the hotel establishment. The results show that, the assessment method 'Test of Parallel Lines' on Table 4.17 verifies the validity of proportional odds assumption which confirms that service quality affects behavioral intentions. The Chi-Square value of 18.038 with a degree of freedom at 6 and p-value at 0.006 rejects the proportional odds assumption.

Table 4.18: Test of Parallel Lines[a]

Model	**-2 Log Likelihood**	**Chi-Square**	**df**	**Sig.**
Null Hypothesis	256.463			
General	238.425	18.038	6	.006
The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.				
a. Link function: Logit.				

The test shows that, service quality effects differ by behavioral intentions. The complete model maintains its meaningful status. Service quality produces a statistically significant and affirmative impact (p = 0.000) on behavioral intentions, which is less than (0.05) and thus justifies rejecting hypothesis H_{01}: Service quality does not influence behavioral intentions among budget hotels in Machakos County.

Research findings from past studies confirm that service quality positively effects customer behavior in hospitality establishments. The results from this study support Hussain et al. (2023) because service quality proves to substantially impact behavioral intentions. According to Setiono and Hidayat (2022), who used SERVQUAL model, the key service quality dimensions including tangibles, reliability, responsiveness, assurance, and empathy strongly shape customer behavior. The findings in this analysis validate the SERVQUAL framework because service quality improvements create more robust behavioral intentions (Estimate = 4.294, p = 0.000) results. Research by Baker and Crompton (2022) about budget hotel guest satisfaction in the

USA revealed that cleanliness, quick service delivery and helpful staff strongly effect guest retention and repeated visits. Research by Kivuva et al. (2021) on service delivery in Kenyan budget hotels showed that guests expressed complaints about hotel maintenance and staff communication skills because these factors influenced their return choices.

This research proves that service quality results in more/ higher growth of behavioral intentions. Research by Izogo and Ogba (2015) showed that excellent service quality creates satisfied and loyal customers because individual hospitality experiences develop extended guest relationships. Customer retention describes the long-term commitment of guests to a service provider (Yan & Lim (2022). The researchers believe satisfaction and perceived value dictate retention. Behavioral intentions in the present study are significantly explained by service quality through its strong pseudo R-square values (Nagelkerke $R^2 = 0.639$) in line with previous studies.

Service quality positively impacts behavioral intentions according to most studies but additional research identifies possible moderation factors. Ahmed et al. (2023) showed that reliability and assurance function as primary elements which drive guest loyalty in low-cost accommodations. The current study validates service quality's importance however, fails to determine which specific service characteristics drive greatest behavioral intent development. Detailed research on the separate dimensions of service quality specifically responsiveness and assurance should be conducted to fully understand which hotel service characteristics drive guest loyalty in Machakos budget hotels.

According to Abdul-Majeed (2021), personal service is essential for guest loyalty especially when operating in budget hotels despite price limitations. This current study demonstrates that service quality and behavioral intentions fails to discern the distinctive roles of basic service quality and personalized hospitality. Additional investigation should analyze if customizing service delivery methods creates superior behavioral intentions above basic service quality enhancements.

The current study demonstrates through the Test of Parallel Lines ($p = 0.006$) that service quality differs between different behavioral intention segments. The results indicate how complicated it is for service quality to affect guest decisions thus

confirming previous findings by Lee et al. (2016) about aligning expectations with delivery experiences for guest satisfaction. Different guests may view and react differently to enhanced service quality according to the violation of proportional odds assumption which Moyo & Sibanda (2023) discovered in their research about budget hotels in South Africa.

4.6.2 Guests Perception and Behavioral Intentions

The second hypothesis of the study was H_{02}**:** Guest perceptions do not affect behavioral intentions among budget hotel guests in Machakos County. Also, the objective was to examine the effect of guest perceptions on behavioral intentions among budget hotels in Machakos County

Table 4.19: **Model Fitting Information**

Model	**-2 Log Likelihood**	**Chi-Square**	**df**	**Sig.**
Intercept Only	472.336			
Final	172.377	299.959	1	.000
Link function: Logit.				

The Model Fitting Information on Table 4.18, demonstrates that the Intercept-Only model had a - 2 Log Likelihood value of 472.336 but the Final model displayed 172.377. The inclusion of guest perceptions elevates the variability explanation ability of the model through the significant Chi-Square value of 299.959 Table 4.19 confirms that the model shows proper fit with its results.

Table 4.20: Goodness-of-Fit

	Chi-Square	**Df**	**Sig.**
Pearson	141.650	69	.000
Deviance	67.917	69	.514
Link function: Logit.			

A Chi-Square value of 141.650 (p = 0.000) indicates possible over-dispersion that does not adhere fully to the model assumptions. The Deviance Chi-Square value (67.917) supports the model accuracy because the corresponding p-value (0.514) exceeds 0.05 during the comparison between measured and predicted values. A good fit exists between guest perceptions and behavioral intentions because the Deviance test displays an insignificant value (p = 0.514).

Table 4.21: Pseudo R-Square

Pseudo R-Square	
Cox and Snell	.595
Nagelkerke	.613
McFadden	.257
Link function: Logit.	

Pseudo R-Square statistical measures in Table 4.21 evaluate the percentage of behavioral intentions variance that guest perceptions predict. Cox and Snell R^2 = 0.595, Nagelkerke R^2 = 0.613, and McFadden R^2 = 0.257. Guest perceptions serve as an explanation for 61.3% (Nagelkerke R^2) of the observed behavioral intentions variations. A significant portion of this rate verifies that hotel guest perceptions are powerful indicators of behavioral intentions in budget hotels.

As established in Table 4.21, guest perceptions produced a statistically significant effect on behavioral intentions according to the Parameter Estimates table. The estimated value for guest perceptions (GP) amounts to 3.818 with a standard error measurement of 0.262. Guest perceptions show positive correlation with behavioral intentions based on the Wald statistic of 211.744 and p = 0.000. Statistical reliability exists for this effect because the 95% confidence interval (3.304 to 4.333) does not contain zero.

Table 4.22: Parameter Estimates

			Estimate	Std. Error	Wald	Df	Sig.	95% Confidence Interval	
								Lower Bound	Upper Bound
	[BI 2.67]	=	8.325	1.021	66.492	1	.000	6.324	10.326
	[BI 3.00]	=	10.071	.926	118.299	1	.000	8.257	11.886
	[BI 3.33]	=	12.075	.965	156.690	1	.000	10.185	13.966
Threshold	[BI 3.67]	=	14.259	1.070	177.755	1	.000	12.163	16.356
	[BI 4.00]	=	15.684	1.129	193.087	1	.000	13.472	17.897
	[BI 4.33]	=	17.054	1.183	207.891	1	.000	14.735	19.372
	[BI	=	18.134	1.219	221.419	1	.000	15.745	20.522

	4.67]								
Location	GP		3.818	.262	211.744	1	.000	3.304	4.333
Link function: Logit.									

Note: (BI-Behavioral Intentions and GP- Guest Perceptions)

When hotel guests report better perceptions of their experience, their intentions to return and recommend the hotel intensify. The Test of Parallel Lines in Table 4.22 served to verify that guest perceptions affect behavioral intentions. The model did not reach convergence so it was unable to perform the required test reliably.

Table 4.23: Test of Parallel Lines[a]

Model	**-2 Log Likelihood**	**Chi-Square**	**df**	**Sig.**
Null Hypothesis	172.377			
General	187.764[b]	.[c]	6	.
The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.				
a. Link function: Logit.				
b. The log-likelihood value cannot be further increased after maximum number of step-halving.				
c. The log-likelihood value of the general model is smaller than that of the null model. This is because convergence cannot be attained or ascertained in estimating the general model. Therefore, the test of parallel lines cannot be performed.				

According to these results in Table 4.23, the influence of guest perceptions shows differences between distinct behavioral intention levels since some hotel guests might exhibit contrasting reactions toward service quality. The study still shows compelling evidence about how guest perceptions impact behavioral intentions even though it contains limitations for evaluating the specific relationships between perception factors and behavioral intentions.

The finding (df = 1, p = 0.000) among a sample of budget hotel guests shows there is a statistically significant relationship between guest perceptions and behavioral intentions because the p-value of 0.000 remains below 0.05. This confirms that hotel guests depend heavily on their perceptions to determine their decisions about returning to a budget hotel and recommending it to others. The statistical significance of the model supports the strong evidence for rejecting H02**:** Guest perceptions do not affect behavioral intentions among budget hotels in Machakos County The research demonstrates that guest perceptions serve as a key factor influencing behavioral intentions because adding them as a predictor resulted in a statistically significant improvement of model fit (χ^2 = 299.959, df = 1, p = 0.000). Bias in guest perceptions stems from the combination of physical characteristics with human interaction and pricing factors.

(An and Ozturk, 2022) Budget hotel guests rely heavily on their assessments of price fairness, (Goh et al. (2022) The findings further demonstrate that guest perceptions account for 61.3% of all behavioral intentions variance based on the Pseudo R-Square values (Nagelkerke R^2 = 0.613). Besides the UK study by Jones et al. (2023) researchers discovered that hotel guests perceiving excellent budget hotel value created higher odds of writing favorable reviews and recommending the facility. The study discovered that improved guest perceptions directly influence behavioral intentions (Wald = 211.744, p = 0.000) because better hotel perceptions strengthen guest return behaviors and referral practices. Kalanga (2022) demonstrated that budget hotel guests repeatedly visit establishments primarily because of cleanliness, friendly human connections and excellent reception services. Budget hotels should demonstrate high standards of hygiene and excellent customer service to foster repeated visits according to the study findings. Moyo and Sibanda's (2023) study on

budget hotels in South Africa emphasizes the importance of providing service delivery that matches guests' cultural and social backgrounds and established that local characteristic like typical food and cultural design elements help guests feel more content while being more likely to use the same hotel in the future. Budget hotels in Machakos County should consider adopting strategies to integrate local culture since this approach would boost guest satisfaction and loyalty. Positive guest perceptions drive better behavioral intentions negative perceptions create negative effects. The results match the findings of Rahman and Chen (2022) who found that budget hotels in China primarily encounter negativity because of maintenance issues and staff behavior problems. Guests developed negative opinions about restaurant services following these poor experiences causing customers to leave negative feedback and walk away. Budget hotels operating in Machakos County may implement the suggestion of enhanced maintenance schedules and employee training as a way to improve service delivery. According to Tien et al. (2021) guests become dissatisfied because their marketing viewpoints contradict the practices carried out in the service delivery process. External operations must combine realistic promotion with full disclosure guests can expect from their accommodations in budget hotels. Guest perceptions are strongly affected by economic conditions and infrastructure-related elements. According to Adeoye and Akinola (2021), visitors to budget hotels in Nigeria prioritized essential amenities such as dependable electricity and reliable internet access over luxury facilities typically associated with higher-end accommodations. The results confirm that people who choose budget-friendly lodgings accept basic facilities but require dependable operation of essential amenities.

4.6.3 Guest Satisfaction and Behavioral Intentions

The third hypothesis of the study was H_{03}: Guest satisfaction does not influence behavioral intentions among budget hotel guests in Machakos County. The objective was to assess the influence of guest satisfaction on behavioral intentions among budget hotels in Machakos County.

The Model Fitting Information Table 4.23 displays results from intercept-only and final model testing guest satisfaction to predict behavioral intentions. Analysis shows the -2 Log Likelihood value for the intercept-only model stands at 450.804 and it

decreases to 170.267 in the final model. When guest satisfaction variables were added to the model the Chi-Square statistic rose to 280.537 (df = 1, p = 0.000) which established their essential contribution to model explanation.

Table 4.24: Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	450.804			
Final	170.267	280.537	1	.000
Link function: Logit.				

Findings in Table 4.24 reveal the extent to which the model describes the link between guest satisfaction and behavioral intentions.

Table 4.25: Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	111.177	83	.021
Deviance	59.302	83	.977
Link function: Logit.			

A significant Pearson Chi-Square value of 111.177 (df = 83, p = 0.021) exists along with unexplained variability in the model. Study findings showed in Table 4.25 revealed that the Deviance Chi-Square value at 59.302 (df = 83, p = 0.977) which proves the model matches the data effectively. The Deviance test applied to logistic regression models yields reliable results that validate the appropriateness of the model interpretation due to its non-significant outcome. The analysis demonstrates that budget hotel guest satisfaction actively determines behavioral intentions.

Table 4.25 shows the Pseudo R-Square methods researchers used to estimate which portion of behavioral intentions things are explained by guest satisfaction. Cox and Snell $R^2 = 0.570$, Nagelkerke $R^2 = 0.588$, and McFadden $R^2 = 0.240$. Guest satisfaction serves as the most credible measure regarding Pseudo R-Square values because it accounts for 58.8% variation in behavioral intentions. This large percentage

demonstrates how crucial guest satisfaction is for forming guest's future hotel choice decisions and recommendation practices.

Table 4.26: Pseudo R-Square

Pseudo R-Square	
Cox and Snell	.570
Nagelkerke	.588
McFadden	.240
Link function: Logit.	

Table 4.26 shows the impact of guest satisfaction on behavioral intentions at different levels. The value of the guest satisfaction variable equals 2.427 with a standard error measurement of 0.170. A Wald statistic value of 202.804 along with its p = 0.000 determines guest satisfaction as a robust predictor of hotel behavior. The 95% confidence interval range of 2.093 to 2.761 for guest satisfaction excludes zero which proves the statistical reliability of this effect.

Table 4.27: Parameter Estimates

			Estimate	**Std. Error**	**Wald**	**df**	**Sig.**	**95% Confidence Interval**	
								Lower Bound	Upper Bound
	[BI 2.67]	=	5.616	.989	32.232	1	.000	3.677	7.555
	[BI	=	7.439	.794	87.862	1	.000	5.884	8.995

	3.00]								
	[BI 3.33]	=	9.495	.806	138.881	1	.000	7.916	11.074
Threshold	[BI 3.67]	=	11.600	.909	162.786	1	.000	9.818	13.381
	[BI 4.00]	=	12.961	.964	180.792	1	.000	11.072	14.851
	[BI 4.33]	=	14.296	1.017	197.426	1	.000	12.302	16.290
	[BI 4.67]	=	15.337	1.051	212.984	1	.000	13.277	17.397
Location	GS		2.427	.170	202.804	1	.000	2.093	2.761
Link function: Logit.									

Note: (BI- Behavioral Intentions, and GS- Guest Satisfaction).

Hotel guest satisfaction rates play a substantial role in enhancing the probability of returning to the hotel and recommending it to others. Budget hotels should prioritize

maintaining guest satisfaction because satisfied customers show a higher likelihood of favorable actions, which enhances the hotel's reputation. The results show that,

Guest satisfaction metrics in Table 4.27 show a constant effect pattern when evaluated at different levels of behavioral intentions during the Test of Parallel Lines assessment. The Chi- Square statistic equals 1.955 with a df value of 6 and p value of 0.924, which supports keeping the null hypothesis of parallel lines intact.

Table 4.28: Test of Parallel Lines[a]

Model	**-2 Log Likelihood**	**Chi-Square**	**df**	**Sig.**
Null Hypothesis	170.267			
General	168.312[b]	1.955[c]	6	.924
The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.				
a. Link function: Logit.				
b. The log-likelihood value cannot be further increased after maximum number of step-halving.				
c. The Chi-Square statistic is computed based on the log-likelihood value of the last iteration of the general model. Validity of the test is uncertain.				

Results from Table 4.27 show that the test of parallel lines indicate relationship stability between guest satisfaction and behavioral intentions at all levels since the p-value exceeds 0.05. Reliability is strengthened by the result of consistent guest satisfaction across all levels of behavioral intentions. The significance level $p = 0.000 < 0.05$ proves the final model's validity because it demonstrates that guest satisfaction stands as an essential factor predicting behavioral intentions. Guests display higher demands to rebook budget hotel stays and sharing positive recommendations with others. Results confirm direct and major effects of guest satisfaction on behavioral intentions. Thus H_{03}: Guest satisfaction does not influence behavioral intentions among budget hotels in Machakos County is rejected.

The research examined how budget hotels in Machakos County react to satisfaction levels of guests. Statistical testing demonstrated that guest satisfaction holds great power to drive behavioral intentions based on the model's fitting. A Chi-Square test value reached 280.537 ($p = 0.000$) and resulted in a decrease in the -2 Log Likelihood value from 450.804 to 170.267 when the model progressed from intercept-only to the final version. This supports crucial role of guest satisfaction in influencing behavioral intentions. In the hospitality industry, satisfaction functions as the vital element which determines customer loyalty and word-of-mouth communication (Oliver, 2023). Budget hotels in China with better customer satisfaction achieved 30% increase in repeat bookings. Liu et al. (2022). The findings support the conclusion that satisfied visitors tend to generate repeat business. The results data demonstrate that satisfied guests in budget accommodations of Machakos County will not only return they also share positive reviews with others.

The model demonstrates exceptional robustness because of the results obtained from the goodness-of-fit tests. The Deviance test produces a Chi-Square value of 59.302 with 83 degrees of freedom at a p value of 0.977 which indicates proper fit of the model to the observed data. The behavioral intentions of guests can be explained by guest satisfaction at 58.8% when evaluated using the Nagelkerke R^2 value.

Business success depends heavily on high guest satisfaction because it translates into both customer loyalty and favorable word of mouth. According to Dupont and Finkelstein (2021), budget hotel chains in Spain achieve better customer value and less acquisition costs as their satisfied customers return regularly. The analysis reveals a significant correlation between guest satisfaction and behavioral intentions ($\beta = 2.427$, $p = 0.000$). The results match those of Smith and Brown (2022) who established that satisfied customers become five times more likely to promote budget hotels in the United States. Results from the current study validate this relationship in the Machakos County budget hotel sector by demonstrating that contented hotel guests strongly pursue positive word-of-mouth. The Chi-Square test with 1.955 results and 6 degrees of freedom at $p = 0.924$ demonstrates that guest satisfaction maintains equivalent impacts throughout different respondent behavioral intent levels. Research indicates that guest satisfaction exerts a consistent influence across all visitors, irrespective of whether their behavioral intentions are moderate or high. Research by

Mutua et al. (2021) confirmed that budget hotels in Kenyan market their success through service quality, pricing and staff behavior performance. Guests demonstrate powerful behavioral intentions towards repeat visits and referral activities when their expectations are satisfied. Budget hotels throughout Nairobi lower their prices however, Kivuva et al. (2021) notes that guest satisfaction depends on superior service, cleanliness and budget pricing. The study confirms previous findings because it demonstrates satisfaction factors' strongly influence behavioral intentions which extend past pricing strategies.

4.6.4 Price as a Moderator in the Relationship between Guest Experiential Value and Behavioral Intentions

The fourth objective was to investigate the moderating role of price on the relationship between guest experiential value and behavioral intentions among budget hotel guests in Machakos County. The fourth hypothesis of the study was H_{04}: Price has no moderating influence on the relationship between guest experiential value and behavioral intentions among budget hotels in Machakos County.

The final model in Table 4.28 demonstrated better fit than the intercept-only model according to model fitting information because its -2 Log Likelihood value stood at 671.543 while the Chi- Square value amounted to 359.209 with degrees of freedom at 3 and p value below 0.001.

Table 4.29: Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	1030.752			
Final	671.543	359.209	3	.000
Link function: Logit.				

The overall model performance shows improvement because of the guest experiential value measurements in addition to price and their interaction effect (price * guest experiential value).

Table 4.29 presents a positive but statistically non-significant correlation between guest experiential value and behavioral intentions (β = 1.406, p = 0.189), indicating that while experiential value appears to influence behavioral intentions, the effect is not statistically supported. Conversely, price demonstrates a statistically significant negative effect on behavioral intentions, as evidenced by a coefficient of -2.711 (p = 0.028). Increasing the price level decreases behavioral intentions among prospective guests. The value of 0.620 from the Guest Experiential Value * Price interaction term is significant at p = 0.015 in statistical testing at the 5% level.

Table 4.30: Parameter Estimates

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
	[Behavioral Intentions = 2.67]	-1.148	4.925	.054	1	.816	-10.800	8.504

	[Behavioral Intentions = 3.00]	.724	4.868	.022	1	.882	-8.818	10.266
	[Behavioral Intentions = 3.33]	2.956	4.890	.365	1	.546	-6.627	12.539
Threshold	[Behavioral Intentions = 3.67]	5.511	5.012	1.209	1	.271	-4.311	15.334
	[Behavioral Intentions = 4.00]	7.120	5.038	1.997	1	.158	-2.756	16.995
	[Behavioral Intentions = 4.33]	8.626	5.039	2.930	1	.087	-1.251	18.503
	[Behavioral Intentions = 4.67]	9.847	5.028	3.834	1	.050	-.009	19.702
Location	Guest Experiential	1.406	1.070	1.725	1	.189	-.692	3.503

	Value							
	Price	-2.711	1.231	4.849	1	.028	-5.124	-.298
	Interaction term	.620	.255	5.922	1	.015	.121	1.120
Link function: Logit.								

The study finds that price acts as an important factor which impacts experiential value and here behavioral intentions.

In Table 4.30, the test results at $\chi^2 = 235.217$ with degrees of freedom at df = 18 produce a p- value below 0.001 thus demonstrating the proportional odds assumption does not apply across the dependent variable.

Table 4.31: Test of Parallel Lines[a]

Model	**-2 Log Likelihood**	**Chi-Square**	**Df**	**Sig.**
Null Hypothesis	671.543			
General	436.325[b]	235.217[c]	18	.000
The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.				
a. Link function: Logit.				
b. The log-likelihood value cannot be further increased after maximum number of step-halving.				
c. The Chi-Square statistic is computed based on the log-likelihood value of the last iteration of the general model. Validity of the test is uncertain.				

Analysis from Table 4.30 demonstrated that price acted as a significant moderator between guest experiential value and behavioral intentions because the interaction term achieves a statistical significance level of p = 0.015. The relationship between guest experiential value and behavioral intentions depends on various prices within

the study area. This research demonstrates that price serves as a key factor that controls the connection between guest experiential value and behavioral intentions when choosing budget hotels in Machakos County. The findings verify earlier research showing that customer perception, satisfaction and future behavioral preferences heavily depend on price attributes. Scientific studies demonstrate that customers use price fairness assessments and perceptions to make evaluative judgments.

According to Jones et al. (2023), budget hotel guests displayed positive future-choice behaviors by returning to the facility and promoting services when they felt the prices corresponded appropriately to service quality.

The current investigation shows that price has a negative relationship with behavioral intentions because the estimated value is -2.711 while the p-value reaches 0.028. Rahman & Chen (2022) established that pricing greater than market value adversely impacts guest loyalty and experiential value. The findings indicate that price is an essential factor which affects guest experiential value and behavioral intentions (Estimate = 0.620, p = 0.015).

Experiential value has different effects on behavioral intention based on the price levels. Budget hotels in South Africa according to Moyo & Sibanda (2023), experienced that higher ticket prices led to higher perceived value, better guest satisfaction and stronger customer loyalty. The research shows that elevated prices serve to limit guest presence and that when guests accept the rates as legitimate or reflective of quality standards, they become likely to express positive intentions toward the business. Guests demonstrate positive engagement when they believe that price matches service quality thus creating positive reviews and word-of-mouth promotion (Chen et al., 2022). Kalyanaram et al. (2022) demonstrate that customers evaluate total value by comparing price and quality. The results confirm the importance of price and experiential value since experiential value alone has no substantial effect on behavioral intentions (Estimate = 1.406, p = 0.189). The findings demonstrate inconsistencies with previous studies focusing on budget accommodations price sensitivity in Mutua et al. (2021) confirmed how regional budget hotels in Nairobi respond to their pricing structures to create satisfied customers who demonstrate positive behavioral intentions. The study indicates that

outcomes on budget hotel seem less accepting of price increases since the price variable shows a negative relationship. The study indicates that excessive price rates offset positive effects of price fairness on guest experiential value.

Theoretical research on price fairness through Ofir (2024) and Hoque (2022) validate the findings. Research shows that perceived fairness develops when guests analyze absolute price compared to perceived quality. Guests who believe a hotel price to be fair tend to show beneficial actions. This reflects the findings about price acting as a critical factor influencing behavioral intentions from experiential value.

4.7 Thematic Analysis

4.7.1 Thematic Analysis of Results from Guests' Qualitative Responses

The summarized Table 4.31 represents content analysis derived from Appendix 5 for 332 guests from 10 selected budget hotels. The qualitative data were analyzed thematically based on responses to the open-ended questions, providing insights into the strengths and areas in need of improvement within budget hotels. The analysis followed Braun and Clarke's (2006) six-step thematic approach, which involved familiarization with the data, coding, theme identification, review, and interpretation. Responses were read repeatedly to identify recurring patterns and sentiments, which were then grouped into major themes such as service quality, amenities, and guest satisfaction. Illustrative quotes from respondents were also used to substantiate each theme, enhancing the validity and richness of the qualitative findings.

Table 4.32: Key Themes from Qualitative Data

Theme	**Guest Feedback Highlights**
Service Quality	• Desire for improved staff responsiveness and cleanliness • Need for enhanced entertainment options • Suggestions for reducing waiting times at reception

Amenities	• Requests for better quality toiletries • Calls for expanded parking areas • Suggestions for more variety in breakfast options
Guest Satisfaction	• Appreciation for personalized customer service • Positive remarks on affordable rates and good hygiene • Suggestions for loyalty programs

(Note: For a comprehensive list of guest responses, refer to Appendix 5.)

Guest experiential value analysis within budget hotels of Machakos County, Kenya through qualitative research showed three main aspects service quality, guest perception and guest satisfaction. The identified themes deliver essential findings about elements that shape guest evaluations and determine their behavioral choices. Service quality stood out as the main element which influences guest experiential value because customers identified multiple points where improvement could happen. Numerous hotel guests perceived insufficient staff response unclean rooms and extended service timings as critical points of concern. The check-in process received many comments about efficiency since guests wanted faster reception service. Long waits in room service troubled guests especially during high-demand time's thus recommending faster delivery of meals. The hotel had complaints regarding Wi-Fi service, air conditioner performance, sound insulation and bathroom cleanliness. These improved facilities will create substantial value to the guests' complete hospitality experience.

The hotels faced recurring issues relating to food assortment and culinary standards at the dining facilities. Multiple hotel guests recommended the hotel management to add local specialties and inexpensive meals to the breakfast buffet area. The guests requested extra conference facilities and improved entertainment options and expanded seating within public spaces for enhanced comfortable experience. Budget hotels should make improvements in service delivery across responsiveness, facilities and comfort because these enhancements increase guest satisfaction and customer loyalty.

Another vital theme was the satisfaction levels of guests. Guests who visited budget hotels for honeymoon highlighted friendly personnel and welcoming reception as important factors for their overall satisfaction along with clean facilities, affordable costs and comfortable well-built accommodations. The budget hotel's advantageous position made its guests satisfied while conference facilities and protective measures and tranquil surroundings pleased additional clients. The qualitative content analysis supports existing empirical research regarding budget hotel guest experiential value. Prior research backs up the three major themes of service quality together with guest perception and guest satisfaction because these elements actively determine behavioral intentions. Guest experiential value heavily depends on service quality because hotel guests believe staff need to be more responsive keep establishments clean and expedite services. Research by Baker and Crompton (2022) verifies how clean environments and genial staff create higher guest satisfaction levels and loyalty. As Abdul-Majeed (2021) explains, customer maintenance depends on staff empathy and responsiveness to guests**.** Results from the study Kivuva et al. (2021) and Odhiambo (2019) demonstrate that prolonged check-in times and delayed room service correspond to guest dissatisfaction. Moyo and Sibanda's (2023) verify the necessity for budget hotels to maintain high service quality even though the organizations face financial limitations in terms of food variety and quality. Guests who receive great value for money according to Jones et al. (2023) are likely to provide positive reviews and hotel recommendations. The results emphasize the significance of hotel amenities such as Wi-Fi, air conditioning and entertainment. These supports Adeoye and Akinola (2021) who demonstrated that reliable power supply and internet connectivity influence guest perception levels and business retention. Rahman and Chen (2022) showed that unsatisfactory cleaning conditions and unhelpful staff service diminish hotel income leading to negative reviews. The results indicate that prioritizing guest problems by enhancing services enhances hotel reputation which drives market competitiveness. The key determinants that influenced guest satisfaction included friendly employees, clean spaces, reasonable rates and well-maintained accommodations. Liu et al. (2022) demonstrated that satisfied budget hotels generate 30% higher customer loyalty. Mutua et al. (2021) also shows that Kenyan budget hotel guests prioritize cleanliness, cost and staff courtesy services for satisfaction. The study confirms the importance of loyalty programs and personalized

service since satisfied customers according to Smith and Brown (2022) show five times greater intent to recommend a hotel.

4.7.2 Thematic Analysis of Results from Managers' Interviews

This section presents findings from interviews conducted with ten managers of budget hotels in Machakos County, Kenya (see Appendix 6). The interviews aimed to elicit in-depth insights into the managers' perceptions of the factors influencing guest experiential value and behavioral intentions. The qualitative data were transcribed and analyzed thematically, resulting in the identification of seven major themes: Service Quality, Guest Perceptions, Guest Satisfaction, Guest Feedback and Continuous Improvement, Guest Behavioral Intentions, Personalized Gestures and Extras, and Price Moderation and Cost–Experience Trade-Offs.

These themes encapsulate the key determinants of experiential value from the managerial perspective and highlight the mechanisms through which managerial actions potentially shape guest behavioral responses. The themes also provide a conceptual linkage between internal operational practices and external guest outcomes within the budget hotel context.

In the following subsections, each theme is discussed in detail, supported by illustrative excerpts from the interviews, to demonstrate how managers perceive, prioritize, and implement these elements to enhance guest experiences and encourage positive behavioral intentions.

Theme 1: Service Quality

All ten managers (100%) interviewed consistently emphasized that service quality constitutes the cornerstone of guest satisfaction and is a key determinant in fostering guest retention within budget hotels in Machakos County, Kenya. Thematic analysis of the interview data revealed several sub-dimensions that collectively shape the guest experience. These include staff friendliness, cleanliness, responsiveness, welcoming features upon arrival, ambient tranquility, and consistency in service delivery.

Notably, 40% of the managers highlighted that warm, personal, and friendly service plays a significant role in cultivating guest loyalty. One manager (M7) noted that guests appreciated a "*comfortable atmosphere of a home, welcoming employees, and*

the ambiance of the yard," suggesting that the emotional environment created by staff and surroundings was as important as the physical comfort provided. Similarly, M6 reinforced this perspective by stating, "*guests love the homey feel, friendly staff, and yard ambiance*," and further illustrated this through the practice of offering club-sandwich vouchers as tokens of appreciation for returning guests a seemingly modest gesture that contributed substantial value.

Other personalized practices were also cited, such as the use of handwritten thank-you notes, which M8 described as a "*small gesture, big impact*." These examples collectively underscore the importance of attention to detail and consistent personal engagement in enhancing guest perceptions and reinforcing loyalty.

In summary, the managers' narratives reflect a shared belief that service quality expressed through consistent, personalized, and emotionally resonant interactions is essential in shaping positive guest experiences and encouraging repeat visitation within the budget hotel context. Beyond interpersonal warmth, cleanliness and property maintenance also emerged as central service quality expectations, with 30% of the managers specifically emphasizing their importance to overall guest satisfaction. These aspects were seen as critical not only in enhancing immediate comfort but also in shaping the guests' lasting impressions of the facility.

Manager M2 remarked that "*cleanliness and quick service get excellent reviews*," indicating that the combination of hygienic conditions and responsive service delivery significantly contributes to positive guest evaluations. Similarly, M6 highlighted that guest "*consistently mention quiet stays and neat rooms*," while also praising the availability of "big rooms and clean bathrooms." These recurring themes suggest that tangible aspects of the service environment such as room hygiene, spaciousness, and a peaceful atmosphere are fundamental to the guest experience in budget hotels.

These findings align with prior empirical research, including studies by Odhiambo (2019) and Njoroge and Wambua (2023), which identified cleanliness, staff responsiveness, and overall physical upkeep as key drivers of guest satisfaction and loyalty in the hospitality sector. The convergence of these current findings with existing literature reinforces the argument that service quality, particularly through

interpersonal engagement and environmental standards, plays a decisive role in determining guest perceptions and repeat intentions in the budget hotel segment.

Theme 2: Guest Perceptions

The second theme, Guest Perceptions, captures how guests interpret and internalize their stay, and how these perceptions influence their behavioral intentions particularly loyalty and word-of- mouth advocacy. Across all ten interviews, managers consistently emphasized that beyond the provision of tangible services, it is the subjective and emotional significance that guests attach to their experience that ultimately determines their intention to return or recommend the hotel to others.

A majority of the managers (60%) highlighted the importance of making guests feel valued and understood. This emotional resonance was considered essential in fostering lasting relationships. Manager M3 illustrated this by referencing a strategy targeting university-family visits, stating: "*We try to create a familiar environment. Guests sometimes say they feel like family, and they come back and bring friends*." Similarly, M5 noted: "*Our personal touch matters. We're not competing on price alone, but on relationships. That keeps guests returning year after year*."

These reflections suggest that emotional engagement with guests plays a more influential role in driving loyalty than purely transactional or cost-based factors. The ability to cultivate a sense of belonging, familiarity, and personalized attention contributes significantly to favorable guest perceptions.

In essence, guest perceptions are shaped not only by what is delivered, but by how it is delivered and how it makes the guest feel. This insight reinforces the understanding that in the budget hotel context, perceived relational value rooted in warmth, attentiveness, and emotional connection is a critical driver of repeat patronage and positive referrals.

Moreover, 50% of the managers emphasized that guest perceptions of value often influenced by subtle gestures play a pivotal role in enhancing satisfaction. For instance, M6 observed, "*Perceived value big rooms, clean bathrooms make guests forget slightly higher rates,*" highlighting how perceived benefits can outweigh concerns about pricing. Similarly, 40% of the managers noted that perceived service reliability throughout the stay significantly contributes to guest satisfaction. M9

illustrated this by stating, "*Guests praise free breakfast, reliable Wi-Fi, and secure parking*," suggesting that consistency in service delivery reinforces a sense of value and trust.

Overall, the interviews revealed that cleanliness, personalization, and responsiveness are indispensable components shaping guests' initial perceptions. Guests who evaluated these elements positively and were less sensitive to pricing tended to report higher satisfaction levels and stronger behavioral intentions. These findings support the proposition that satisfaction mediates the relationship between perceived experiential value and behavioral outcomes, a conclusion consistent with the empirical work of An and Ozturk (2022) and Goh et al. (2022), who emphasized the critical role of guest perceptions and trust in fostering word-of-mouth intentions.

The current findings affirm that even within budget accommodation settings, a positive perception of value and service quality significantly enhances guest satisfaction and promotes loyalty. This relationship, frequently documented in global hospitality contexts, is similarly evident in the budget hotel landscape of Machakos County.

Theme 3: Guest Satisfaction

Guest satisfaction, defined as the degree to which service experiences meet or exceed guest expectations, emerged as a significant predictor of behavioral intentions in the context of budget hotels. Thematic analysis of the interview data revealed that 70% of the managers emphasized the critical role of guests' overall perceptions particularly regarding service consistency, room comfort, and perceived value in shaping decisions to return and to recommend the hotel to others.

Several managers articulated that once guest feel genuinely appreciated and perceive clear value in their experience, the likelihood of repeat patronage and positive word-of-mouth increases substantially. As M4 noted, "*Guests appreciate care. That builds trust and loyalty.*" Likewise, M5 emphasized, "*Our personal touch matters that keeps guests returning year after year.*" These sentiments reinforce the notion that emotional connection and attention to individual needs are instrumental in driving satisfaction.

Cleanliness and room comfort were also consistently cited as foundational to guest satisfaction. M2 reported that "*cleanliness and quick service get excellent reviews*," while M6 highlighted the importance of spacious, hygienic facilities, referring specifically to "*big rooms, and clean bathrooms*." These aspects appear to function as minimum service thresholds, without which guest satisfaction may be compromised, regardless of other efforts.

The present findings align with a broad base of empirical evidence from both global and local studies. In Indonesia, Widjaja and Iskandar (2021) demonstrated that guest satisfaction strongly predicts revisit intentions in low-cost hotel environments. Similarly, research in Brazil by Carvalho and Ferreira (2022) linked satisfaction directly to the likelihood of repeat bookings. Within the Kenyan context, studies by Mutua et al. (2021) and Kivuva et al. (2021) emphasized the critical roles of cleanliness, staff engagement, and fair pricing in enhancing guest satisfaction.

Theme 4: Guest Feedback and Continuous Improvements

A prominent theme that emerged from the qualitative interviews was the strategic significance of guest feedback as a mechanism for continuous service improvement. A majority of the managers (60%) acknowledged that structured and unstructured guest feedback whether collected via comment cards, online platforms, or direct verbal communication served as a critical input for making data-driven decisions related to service upgrades and facility adjustments.

Manager M2 illustrated this dynamic by stating, "*Feedback cards led us to add extra pillows TripAdvisor scores improved by 0.3,"* indicating a measurable enhancement in public ratings as a result of addressing specific guest concerns. Similarly, M6 emphasized the value of systematically incorporating feedback, noting, "*We take every review seriously. We added what guests asked for and noticed return bookings went up,"* referencing interventions such as the installation of mosquito nets and extension of checkout times in response to recurring guest comments.

These managerial responses illustrate a proactive approach in which guest feedback acts not only as a reflective tool but also as a catalyst for operational refinement. Such responsiveness not only enhances guest satisfaction but also contributes to improved online reputations and increased likelihood of repeat patronage.

The findings are consistent with international research. For instance, Zhang et al. (2020) observed in China that guests were more likely to leave positive reviews and engage in electronic word-of-mouth (eWOM) when their feedback was acknowledged and acted upon. Similarly, Permatasari et al. (2025) found that guest satisfaction was directly influenced by how well feedback regarding cleanliness and service responsiveness was addressed, subsequently enhancing online hotel ratings and reputational trust.

Theme 5: Guest Behavioral Intentions

Guest behavioral intentions defined as the expressed willingness to revisit, refer others, or provide positive reviews emerged as a crucial indicator of satisfaction and perceived value. These post-experience behaviors not only reflect individual guest outcomes but also serve as strategic marketing assets for budget hotels. Notably, all managers (100%) interviewed acknowledged the critical role those loyal customers and positive word-of-mouth play in sustaining business performance and expanding client bases.

M1 provided a compelling example, stating: "*One golfer returns monthly after enjoying our early morning service,"* illustrating how tailored service experiences can generate emotional resonance and encourage habitual loyalty. Similarly, M5 remarked: "*Guests bring their relative's next time. Some even book for church groups*," suggesting that a satisfied guest can evolve into an informal brand ambassador, bringing in new clientele through personal networks.

These observations align with existing empirical studies. Widjaja and Iskandar (2021) found that guest satisfaction is a significant predictor of revisit intentions in Indonesian budget hotels. In a similar vein, Barlow and Kline (2022) emphasized that once guests are satisfied, they are more inclined to share their experiences through online platforms and interpersonal networks. This, in turn, amplifies the hotel's visibility and influence, often extending beyond the immediate guest circle.

In essence, guest behavioral intentions are the cumulative outcome of satisfaction, perceived value, and emotional connection. In the budget hotel context, where marketing budgets are often limited, cultivating strong behavioral intentions through

high-quality, personalized service becomes a cost-effective and sustainable strategy for customer retention and growth.

Theme 6: Personalized Gestures and Extras

Personalized gestures and service extras emerged as a vital strategy employed by all ten budget hotels in Machakos County to elevate ordinary guest stays into memorable experiences. Despite operating under financial constraints, these establishments have leveraged inexpensive but thoughtful enhancements to exceed guest expectations, thereby fostering loyalty and encouraging repeat bookings.

Managers consistently emphasized the emotional value created through personalized attention. For instance, M1 noted: "*A simple iced tea on arrival low cost, but guests find it memorable*," highlighting how a minimal investment can set a welcoming tone and positively shape the overall guest perception. Similarly, M8 shared: "*A handwritten thank-you note small gesture, big impact,*" reinforcing the idea that personalization contributes to a sense of appreciation and emotional connection between the guest and the service provider. These findings are in line with previous research suggesting that small, customized gestures have a disproportionately large influence on guest satisfaction and behavioral intentions. Shih et al. (2019), for example, found that handwritten messages in service contexts increased guests' perception of empathy and authenticity while reducing negative emotional responses. Such personal touches create a sense of uniqueness and individual recognition, which is particularly valuable in settings where standardized service models dominate.

In the context of budget hospitality, where large-scale luxury offerings are often unfeasible, the strategic use of low-cost personalized extras represents a competitive advantage. These seemingly minor actions contribute significantly to the overall service experience, enhance guest emotional engagement, and strengthen brand loyalty.

Theme 7: Price Moderation & Cost–Experience Trade-Offs

Among the ten managers (100%), the need to use pricing as a key aspect of influencing guest behavioral intentions was noted, with the inclusion of strategic price choices to promote returning customers and to encourage a positive recommendation. Price-inclusive packages that enhanced loyalty among guests were constantly noted in the

responses given by 80 per cent of managers surveyed. M 5 noted that "*off-season package deals*" attract return visitors, while M4 noted "*room + tea*" bundle increased repeat stays from 30% to 40%. M2's "*stay 7 nights, pay 6*" offer led to a 15% surge in repeat bookings. Such findings indicate the empirical correlation of perceived value with positive behavioral implications, as Jones et al. (2023) demonstrate the beneficial relation between fair pricing and the satisfaction of the guests and their intention to refer. This aligns with the empirical evidence provided by Chen et al. (2022) and Ragunanan et al. (2024), who both discovered that the perceived price fairness positively and significantly contributes to guest loyalty and positive intentions.

4.8 Chapter Summary

This chapter presented and discussed the findings of the study on guest experiential value and behavioural intentions in budget hotels in Machakos County, Kenya. Both quantitative and qualitative data were analysed and interpreted in relation to the study objectives. The findings highlighted guests' perceptions of experiential value and their behavioural intentions, including revisit and recommendation intentions. The quantitative results were complemented by qualitative insights, providing a comprehensive understanding of guests' experiences. The findings were also compared with relevant theoretical and empirical literature.

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Results

This section brings together a summary of the main points explored in the study, focusing on the link between the guest experiential values and behavioral intentions that guests have in budget hotels in Machakos, Kenya. This chapter synthesizes the study's findings by aligning them with the research objectives, critically interpreting key outcomes, and offering targeted recommendations for stakeholders in the hospitality industry. It is organized into three core sections: a summary of findings in relation to the research objectives, a discussion of its theoretical and practical implications, and actionable recommendations to guide industry practitioners, policymakers, and future research directions.

The first section revisits the core aims of the study and provides a concise synthesis of the major findings across each research dimension. The study primarily explored the interrelationships between service quality, customer perceptions of their hotel experience, customer satisfaction, and behavioral intentions. Findings revealed significant positive associations among these variables, suggesting that higher perceived service quality enhances customer satisfaction and shapes favorable behavioral intentions, such as repeat patronage and positive word-of-mouth. Notably, price perception emerged as a moderating factor, influencing the strength and direction of these relationships. This underscores the critical role of pricing strategies in shaping customer evaluations and future behavioral outcomes within the hospitality sector.

Likewise, the main points of the study were summarized and presented in the conclusions. This section summarizes the main points of the research. It analyzes the findings, pointing out which factors are most important in influencing guests' behavior in budget hotels. Finally, strategic recommendations were drawn that assist in improving guest experiences and influence guests to behave positively. It outlines ways for hotel management to ensure higher quality, meet guest expectations and build customer loyalty through pricing.

5.1.1 To Establish the Influence of Service Quality on Guest Behavioral Intentions Among Budget Hotels in Machakos County, Kenya.

The first research objective established a positive correlation between service quality and behavioral intentions ($\rho = 0.775$, $p = 0.000$). Service quality emerges as a major determinant of behavioral intentions based on the significant regression coefficient value of 4.294 ($p = 0.000$). The results indicate a strong preference for better service quality because of slow responses from staff, insufficient cleaning standards and slow delivery times especially during check-in and room service. In addition to concerns regarding Wi-Fi connectivity, air conditioning, and the variety of food options, customers frequently expressed dissatisfaction with these specific aspects of their hotel experience. Senior staff members acknowledged guest feedback which they applied to improve services, upgrade facilities and strengthen promotions. Research confirms that service quality plays a major role in shaping customer satisfaction while determining behavioral intentions, as observed in other studies. This research establishes that service quality serves as the main element that determines guest behavioral intentions within budget hotels located in Machakos County. Managers corroborated this finding in interviews, frequently citing prompt responses to guest requests and facility improvements (e.g., extra pillows, Wi-Fi upgrades) that aligned with guest feedback, as key drivers of repeat patronage.

5.1.2 To Examine the Effect of Guest Perceptions of Communication Feedback Practices on Behavioral Intentions Among Budget Hotels in Machakos County, Kenya.

The results demonstrated that guest perceptions proved vital for predicting behavioral intentions ($\chi^2 = 299.959$, $df = 1$, $p = 0.000$) accounting for 61.3% of behavioral intention variance (Nagelkerke $R^2 = 0.613$). Higher guest perceptions drive customer retention, loyalty and word- of-mouth recommendations (Wald = 211.744, $p = 0.000$). The findings established that guest perception and satisfaction directly influence behavioral intentions. Kind staff and clean facilities, affordable rates, and well-cared-for accommodations led guests to appreciate stays and revisit.

Qualitative data reinforced this quantitative finding: for instance, managers repeatedly mentioned that guests feeling “like family” or appreciating a “homey atmosphere” were central to loyalty and guest advocacy.

5.1.3 To Assess the Influence of Guest Satisfaction on Behavioral Intentions Among Budget Hotels in Machakos County, Kenya.

The research aimed to evaluate how guest satisfaction affects behavioral intentions within the budget hotels in Machakos County. The findings demonstrated that guest satisfaction is a major determinant of behavioral intentions. The -2 Log Likelihood value showed it decreased from 450.804 to 170.267 while the Chi-Square value reached 280.537 ($p = 0.000$), showing significant power increases in model explanation.

The experimental findings indicated the rejection of H_{03} which stated guest satisfaction does not impact behavioral intentions. The research established a direct and statistically significant ($\beta = 2.427$, $p = 0.000$) relationship between guest satisfaction and behavioral intention behaviors. This confirmed the link between satisfied guests who return and promote establishments to new customers. The behavioral intentions of hotel guests are influenced by guest satisfaction at a rate of 58.8% based on the Nagelkerke R^2 value of 0.588. The guest satisfaction impact exhibits no significant difference across behavioral intention levels based on the parallel lines test results (Chi-Square = 1.955, df = 6, $p = 0.924$). Managers emphasized this link, noting that when guests reported feeling "care," citing quotes such as, "Guests appreciate care. That builds trust and loyalty," they were much more likely to commit to return visits and referrals. Therefore, the third objective was met thus proving that guest satisfaction strongly influences behavioral intentions at budget hotels across Machakos County, Kenya.

5.1.4 To Investigate the Moderating Role of Price on the Relationship Between Guest Experiential Value and Behavioral Intentions Among Budget Hotels in Machakos County, Kenya.

The results show that price acts as a significant moderator in the relationship since the interaction term proves statistically significant (Measure = 0.620; $p = 0.015$). The research shows that guest experiential value affects behavioral intentions only under different price scenarios. The study showed that guest experiential value independently had no significant impact on behavioral intentions (Estimate = 1.406, $p = 0.189$), its combination with price increased its effect. A price rise resulted in

negative behavioral intentions among guests at -2.711 and a significance level of 0.028. The findings matched previous studies showing that price fairness acts as an essential factor in determining customer satisfaction and their behavioral responses. Empirical accounts echoed this statistical insight: managers reported that price-based packages such as “stay 7 pay 6” and “room + tea” not only elevated perceptions of value but also stimulated an observable increase in repeat bookings and shared referrals. The research adequately achieved its fourth objective by showing how price acts as a moderator between guest experiential value and behavioral intentions for budget hotels in Machakos County, Kenya.

5.2 Conclusion

The first conclusion of the study is that service quality affects behavioral intentions. It demonstrates that budget hotels in Machakos County, Kenya depend on service quality for shaping guest intention to act in positive ways. High service quality defined by prompt staff responses and clean facilities and quick delivery of services leads guests to feel satisfied which then boosts their chances of returning and agreeing to recommend the establishment. Budget hotels need superior service quality to establish both long-term success and competitive market position.

The second objective guest perception serves as an essential element that forms behavioral intentions between budget hotels in Machakos County. Guest satisfaction increases when customers have a positive perception which stems from perceiving a hotel as clean while receiving courteous treatment at reasonable rates. Tourists avoid visiting hotels a second time when they detect unsatisfactory hygiene standards and limited service quality. Budget hotels need to enhance their service delivery by following the expectations of their guests to sustain a positive market position.

The third objective, satisfaction levels of hotel guests strongly determine their future behavioral choices. Hotel guests who experience satisfaction will both revisit and spread positive word-of- mouth about the hotel because hotels must deliver service higher than what their customers expect. Budget hotels should utilize personalized customer interactions together with loyalty programs in combination with adaptable procedures as proven approaches to expand guest satisfaction and maintain enduring client loyalty.

Price moderates the relationship between guest experiential value and behavioral intentions. The fourth objective showed that the influence of guest experiential value on behavioral intentions received strong effects from the price factor. A reasonable pricing system supports positive customer behaviors but price increases beyond guest value tend to drive customers away permanently. Budget hotels must combine favorable prices with quality services in order to bring in and maintain their guest count. Price together with service quality and guest satisfaction and perception determines behavior in budget hotel settings according to the research results. Managers need to maintain service improvements together with customer interactions and fair prices to achieve lasting guest loyalty for business expansion.

5.3 Recommendations

5.3.1 Recommendation for the Hotel industry

The study made the following recommendations:

i. Enhance Service Quality Consistency through ensuring cleanliness, prompt service delivery, friendly staff interaction, and punctuality in services such as breakfast provision to build positive guest experiences.

ii. Conduct frequent training programs to equip employees with customer service skills, hospitality standards, and complaint handling techniques.

iii. Establish and enforce clear Standard Operating Procedures (SOPs) across all departments to maintain service consistency and efficiency.

iv. Maintain pricing that reflects the quality and reliability of services offered, ensuring guests perceive the value as fair and affordable.

v. Use guest feedback and service audits to make iterative improvements in services, amenities, and staff performance.

vi. Offer incentives such as discounts on return stays, referral rewards, or loyalty cards to encourage repeat visits.

vii. Regularly assess competitors' service delivery and pricing models to remain competitive and identify areas for improvement.

5.3.2 Recommendation for Policy

i. Develop comprehensive regulatory frameworks that define minimum service quality requirements for budget hotels.

ii. Implement periodic inspections to ensure hotels comply with service quality regulations, enhancing industry accountability and guest satisfaction.

iii. Collaborate with tourism bodies and training institutions to provide regular training programs focused on customer service, hospitality operations, and service efficiency.

iv. Include hospitality management and soft skills in national vocational and technical education programs to prepare a skilled workforce for the hotel sector.

v. Review taxation policies, licensing processes, and regulatory burdens to make it easier for budget hotel operators to establish and maintain their businesses.

vi. Establish centralized systems to track hotel performance, guest feedback, and tourism trends to inform policy and industry strategies.

5.3.3 Recommendation for Machakos County, Kenya

i. Establish and enforce minimum service quality standards tailored to the needs and realities of budget hotels within the county.

ii. Partner with local institutions (e.g., Machakos University, vocational centers) to offer hospitality training, including customer care, food service, and front office management.

iii. Invest in upgrading roads, drainage, signage, and lighting in areas where budget hotels operate to improve access and safety for both guests and investors.

iv. Work with service providers to ensure stable electricity, clean water, and affordable internet access for hotels, particularly in rural and peri-urban locations.

v. Establish a platform where hotel owners, county officials, and tourism stakeholders can regularly engage, share challenges, and co-develop solutions.

5.3.4 Recommendation for Further research

From the findings of the study, the following recommendations are made;

i. Future studies should extend beyond Machakos County to include multiple regions across Kenya in order to capture broader trends and identify region-specific guest behaviors and service challenges.

ii. Conduct Longitudinal Studies: Emphasize longitudinal research designs to track changes in guest expectations, service quality perceptions, and market dynamics over time.

iii. Evaluate Technological Innovations: Investigate the impact of technology adoption including mobile booking applications, self-service kiosks, and AI-powered customer service on guest convenience, operational efficiency, and satisfaction.

iv. Study Sustainability Practices: Research should focus on sustainability initiatives within budget hotels, assessing how waste management, water and energy conservation, and eco-friendly practices influence operational efficiency and guest perception.

v. Examine Government and Policy Impact: Investigate how local and national policies, regulatory frameworks, and incentive programs influence the development and performance of budget hotels.

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APPENDICES

Appendix 1: Questionnaire for the Guests

I am **Zipporah Mwalimu**, a PHD student, pursuing a doctorate degree course from Murang'a University of Technology. My study is to establish how guest experiential value influences behavioral intentions in budget hotels in Machakos County, Kenya. The purpose of this questionnaire is to aid in gathering information and data on the influence of guest experiential value on behavioral intentions in budget hotels in Machakos County, Kenya.

Kindly respond to the questions honestly by ticking the most appropriate responses. Please note that the information you provide through this questionnaire will be confidential and used for academic purposes only.

THANK YOU

SECTION A: DEMOGRAPHIC INFORMATION

1. Gender

Male [ ] Female [ ]

2. Age group

18-25 years [ ] 26-35 years [ ]

36-45 years [ ] 46-55 years [ ]

Above 55 years [ ]

2. Level of the Education

Certificate [ ] Diploma [ ] Degree [ ]

Masters [ ] PhD [ ] Others (please specify)

3. What's your occupation?

Employed [ ] Business owner [ ]

Student [ ] Unemployed [ ] Other (please specify)

Others, please specify…….

4. How much do you earn per month?

Less than 30,000 [ ] 30,001-50,000 [ ] 50,001-80,000 [ ]

80,001-100,000 [ ] 100,001- 150,000 [ ] More than 150,000 [ ]

5. What is your reason for selecting a budget hotel?

Service quality [ ] Prices [ ] Location [ ] Hotel Design [ ] Reviews [ ] Other (please specify)

6. Purpose of Visit

Business [ ] Leisure [ ] Other (specify)

_____

7. How many times have you visited this hotel?

First time [ ] 2–3 times [ ] 4–5 times [ ]
More than 5 times [ ]

SECTION B: GUEST BEHAVIORAL INTENTIONS IN BUDGET HOTELS

Examine each of the explanations and reply by ticking within the suitable category that best fits your conclusion. The categories are on a scale of 1-5 where:**5-Strongly Agree, 4- Agree, 3-Neutral, 2-Disagree, 1- Strongly Disagree**

Aspect	**1**	**2**	**3**	**4**	**5**
a. I am likely to return to this hotel in the future.					
b. I would recommend this hotel to others based on my experience.					
c. I share my experiences (positive or negative) about this hotel with others.					

1. What could the hotel do to encourage your loyalty or return visits?.....
.....

.....
.....

SECTION C: SERVICE QUALITY AND BEHAVIORAL INTENTIONS AMONG BUDGET HOTELS

Read each of the statements and answer by ticking in the appropriate category that best fits your opinion. The categories are on a scale of 1-5 where: **1- Strongly Disagree, 2-Disagree, 3- Neutral, 4- Agree, and 5-Strongly Agree.**

On a scale of 1 to 5 rate the following:

Aspect	**1**	**2**	**3**	**4**	**5**
a. The hotel facilities meet my expectations.					
b. The hotel amenities are of high quality.					
c. Staff consistently provide accurate service.					
d. The hotel delivers services as promised.					
e. Staff respond promptly to my requests.					
f. Staff resolve issues quickly.					
g. Staff demonstrate care and attention.					
h. The hotel accommodates special requests.					

1. What aspects of the hotel's service quality could be improved to enhance your experience?.....

SECTION D: GUEST PERCEPTION AND BEHAVIORAL INTENTIONS AMONG BUDGET HOTELS

On a scale of 1 to 5, rate the following aspects. The categories are on a scale of 1-5 where: **1- Strongly Disagree, 2-Disagree, 3-Neutral, 4- Agree, and 5-Strongly Agree.**

Aspect	**1**	**2**	**3**	**4**	**5**
a. The hotel provides an easy way to give feedback.					
b. My concerns or complaints are addressed effectively.					
c. I rely on guest reviews to form opinions about this hotel.					
d. Based on my experience; I intend to revisit this hotel.					

1. What factors influence your decision to choose or avoid this hotel in the future?.....
.....

.....
.....

.....
.....

SECTION E: GUEST SATISFACTION AND BEHAVIORAL INTENTIONS AMONG BUDGET HOTELS

On a scale of 1 – 10, rate below question by filling table based on **Net Promoter Score (NPS)** where; 1 – Not Likely at All, 2 – Very Unlikely, 3 – Unlikely, 4 – Somewhat Unlikely, 5 – Neutral, 6 – Slightly Unlikely, 7 – Somewhat Likely, 8 – Likely, 9 – Very Likely, 10 – Extremely Likely

Question	Scale
a. How likely are you to recommend this hotel to a friend or colleague?	

On a scale of 1 (Strongly Disagree) to 5 (Strongly Agree), rate the following:

Aspect	1	2	3	4	5
b. I am satisfied with my overall experience at this hotel.					
c. The hotel staff appear motivated and engaged in their roles.					

1. What was the most satisfying part of your stay, and why?

SECTION F: EFFECT OF PRICE ON THE RELATIONSHIP BETWEEN GUEST EXPERIENTIAL VALUE AND BEHAVIORAL INTENTIONS

Examine each of the explanations and reply by ticking within the suitable category that best fits your conclusion. The categories are on a scale of 1-5 where: **1- Strongly Disagree, 2-Disagree, 3-Neutral, 4- Agree, and 5-Strongly Agree.**

On a scale of 1 to 5, rate the following:

Aspect	1	2	3	4	5
a. The hotel offers good value for money.					
b. The pricing is fair compared to the quality of services provided.					

1. What suggestions do you have regarding the hotel's pricing?.....
.....
.....
.....

2. Any other comments

……

……

Appendix 2: Interview Questions for the Managers

SECTION A: HOTEL PROFILE

1. How many rooms does your hotel have?

☐ Less than 10 ☐ 10–50 ☐ 51–100 ☐ Over 100

2. How long has your hotel been in operation?

☐ Less than 1 year ☐ 1–3 years ☐ 4–6 years ☐ Over 6 years

SECTION B: QUALITATIVE INSIGHTS

Q1: How would you describe the typical guest experience here?

Q2: In your view, does guest experience influence behaviors like returning or recommending? Can you give an example?

Q3: Do small extras or personalized touches add value and influence guest behavior? How are these implemented on a budget?

Q4: How do you collect guest feedback, and how do you use it to improve experiences or affect behavior?

Q5: What challenges do you face when improving guest experience while keeping operational costs low?

Q6: How do you view pricing with repeat visits, and how do you balance cost with delivering a positive experience?

Appendix 3: List of Budget Hotels in Machakos County, Kenya

Hotel Name	Address	Location
1. BOOSTER PARK	781-90100 MKS	NGEI ROAD
2. MACHAKOS GOLF CLUB SUITES	46475-00100 NAIROBI	KANGUNDO ROAD
3. PALACE STEAMS	47-90141 MACHAKOS	KATOLONI
4. PORINI INN LIMITED	3096-90100 MKS	MUMBUNI
5. RECONFORT VILLA RESORT	380-90100 MKS	KATHEKA KAI
6. SUNGLAM HOTEL LTD	6895-00300 NRB	KATOLONI
7. WHITE DIAMOND		KENYA ISRAEL
8. AFRICA BROTHERHOOD CHURCH	32-90100 MKS	KIANDANI
9. CENTRAL MOTEL MACHAKOS	944-90100 MKS	NEXT MULU MUTISYA GARDENS
10. CHARIOT COUNTY HOTEL	1034-90100 MKS	PRISON ROAD
11. EVENING SHADE HOTEL		NGEI RD
12. GELIAN INVESTMENT LTD	2750-90100 MKS	MWATU WA NGOMA
13. HAWAII HOLIDAY INN	570-90100 MKS	ST VALENTINE
14. KIKAO SPORTS BAR & GRILL	1523-90100 MKS	KENYA ISRAEL
15. TEA TOT HOTEL LTD		WOTE ROAD
16. VILLAGE REST HOUSE		MJINI
17. SKY LOUNGE	00100 NAIROBI	MULU MUTISYA GARDEN

18. ACK GUEST HOUSE MACHAKOS	282-90100 MACHAKOS	ALONG KANGUNDO ROAD
19. BESPOQ HOTELS T/A MACHAKOS LUXURY HOTEL	3536-90100 MKS	KENYA ISRAEL
20. BOX INN HOTEL		ATHI RIVER
21. HAWAII HOLIDAY INN	2852-90100 MACHAKOS	MUMBUNI
22. MACHA BE 2		KATELEMBO
23. MACHAKOS KAVOKA HOTEL	595-90100 MKS	MARKET AREA
24. MASAKU HAVEN HOTEL	781-90100 MKS	MJINI
25. REYNA HOTEL LIMITED	3027-90100 MACHAKOS	KENYA ISRAEL MACHAKOS
26. ROOF GALAXY HOTEL	1064-90100 MKS	BUSPARK AREA
27. STOCKWELL PROPERTIES LTD & T/A SEO HOTEL	1669-90100 MACHAKOS	KANGUNDO ROAD
28. SUNGLAM HOTEL LTD		EASTLEIGH
29. THE GREAT CHAMA		MWATU WA NGOMA ROAD
30. ANGELA NTHENYA (ELENA LODGE MUA)		KITANGA AREA MUA WARD
31. ATHI LODGE		KARIOBANGI
32. CATS ON THE ROCK	1530-90100 MKS	KATELEMBO
33. IKUUNI HOTEL LTD	1069-90100 MKS	MWATU WA NGOMA RD
34. LAPETALS GARDEN SUITES	1136-90100 MKS	MIWANI

35. MUA HILLS GATEWAY	1121-90100 MKS	MUA HILLS
36. NAEL GUEST RESORT	1160-90100 MKS	WOTE ROAD
37. PRESTIGE GUEST HOUSE	575-90100 MKS	PRISON
38. PRUDENT GUEST HOUSE	505 90100 MKS	KONZA
39. SEVEN EIGHT SIX VENTURES	137-90100 MKS	OPPOSITE KCB
40. STONE KATHULI GUEST HOUSE	36 90100 MKS	BISHOP ROAD
41. LAU GUEST HOUSE	2015-90100 MKS	MBOLU MALU ROAD
42. MACHAKOS UNIVERSITY HOTEL	136-90100 MKS	EASTLEIGH
43. LYSAK HAVEN PARK	1136-90100 MKS	MIWANI
44. THE WESTWING HOTEL LIMITED	2321-90100 MACHAKOS	BEHIND RED CROSS

Appendix 4: List of Selected Budget Hotels In Machakos County

Hotel Name	Address	Location
1. MACHAKOS GOLF CLUB SUITES	46475-00100 NAIROBI	KANGUNDO ROAD
2. CHARIOT COUNTY HOTEL	1034-90100 MKS	PRISON ROAD
3. GELIAN INVESTMENT LTD	2750-90100 MKS	MWATU WA NGOMA
4. TEA TOT HOTEL LTD		WOTE ROAD
5. ACK GUEST HOUSE MACHAKOS	282-90100 MACHAKOS	ALONG KANGUNDO ROAD
6. MACHAKOS LUXURY HOTEL	3536-90100 MKS	KENYA ISRAEL
7. REYNA HOTEL LIMITED	3027-90100 MACHAKOS	KENYA ISRAEL MACHAKOS
8. REYNA HOTEL LIMITED	3027-90100 MACHAKOS	KENYA ISRAEL MACHAKOS
9. STOCKWELL PROPERTIES LTD & T/A SEO HOTEL	1669-90100 MACHAKOS	KANGUNDO ROAD

10. NAEL GUEST HOUSE	1160-90100 MKS	WOTE ROAD

Appendix 5: Detailed Qualitative Thematic Analysis of Guest and Manager Perceptions

Theme	Description	Cited by
Service Quality	• Improve staff responsiveness and cleanliness • Enhance the entertainment options in the hotel. • Add more seating in the lobby • Reduce waiting times at the reception desk. • speed of service • Expand the parking area • Provide better quality toiletries. • Enhanced Cleanliness in Common Areas • More variety in the breakfast buffet and extended restaurant hours • Improve room service speed during peak hours • A faster check-in process would improve the experience. • Offer better conference facilities	R 1-R 39

	and faster room service. • Improve soundproofing in the rooms. • More food variety in the restaurant, including local delicacies • Provide additional storage space. • The hotel could improve its Wi-Fi service, especially for	

	• Improve the range of food options and make the restaurant more diverse. • Quality of food could be improved. • Improve the cleanliness of bathrooms. • Introduce a late check- out option. • provide more budget-friendly meal options • Improve the quality of mattresses in some rooms. • Provide more non-smoking room options. • More soundproof rooms • Improve Wi-Fi speed.	

Guest Perception	• Helps us make operational improvements • We adjust our services based on frequent complaints and suggestions. • Used feedback to improve amenities. • We upgrade facilities based on feedback trends. • We need feedback to make important hotel decision. Where we are doing well where we dont we improve. On areas of improvement we think to correct for overall benefit to guests. • Helps us improve our breakfast service and other hotel options	All Managers
	• Service quality training based on feedback. • Guides our marketing strategies. • We adjust room offerings based on feedback.	

Guest Satisfaction	• Staff training and loyalty programs. • Personalized customer service, special discounts for repeat customers. • Better customer engagement and flexible check-in times. • Reward programs, loyalty discounts, and improved concierge services. • Ensuring all guests' request are handled timely • Affordable rates and good hygiene. • Enhanced menu options and staff training • Friendly customer Service and personalized attention. • Upgrading facilities and offering customized packages.	All Managers

Guest Satisfaction	• Training staff, Improving food variety, and maintaining hygiene. • Staff training and loyalty programs. • Personalized customer service and special discounts for repeat customers.	All Managers

Code:
R 1-R 39: Respondent 1 to 39

R1-R 33: Respondent 1 to 33

Appendix 6: Mapping of Managers' Interviews Across Key Themes

Theme	Sub-theme / Management Participant	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10
1. Service Quality	Cleanliness, staff responsiveness, timeliness	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Consistency and reliability	✓	✓	✓		✓	✓	✓	✓		✓
2. Guest Perceptions	Value for money, first impressions, ambience	✓	✓	✓	✓		✓	✓	✓	✓	✓
	Online reviews, digital platforms	✓		✓	✓	✓		✓	✓	✓	✓
3. Guest Satisfaction	Feeling appreciated, expectations vs. experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Cleanliness, service match to price	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Guest Feedback & Continuous Improvements	Response to guest suggestions	✓		✓	✓	✓	✓		✓	✓	✓
	Systematic improvements	✓	✓	✓	✓		✓	✓	✓	✓	✓

	based on feedback										
5. Guest Behavioral Intentions	Intent to return or recommend	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Repeat stays and loyalty links	✓	✓		✓	✓	✓	✓	✓	✓	✓
6. Personalized Gestures & Extras	Small surprises (e.g., pillow, birthday cake)	✓		✓	✓	✓	✓	✓		✓	✓
	Personal attention & hospitality	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7. Price Moderation & Cost– Experience Trade-Offs	Fair pricing for service quality	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Guest expectations vs. cost	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Notes:

M1–M10 represent the 10 budget hotel managers interviewed.

A tick (✓) indicates that the manager provided substantial insights related to that sub-theme.

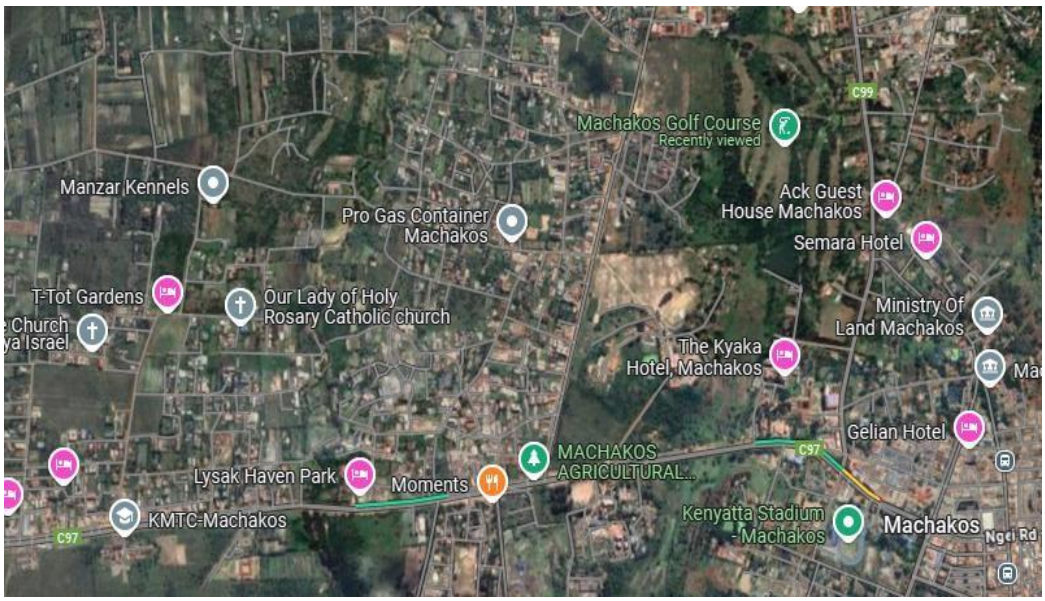
Appendix 7: Illustrative Quotes Supporting Thematic Analysis Of Managers' Interviews

Theme	Sub-theme	Definition	Illustrative Quote
1. Service Quality	Reliability & Cleanliness	Reliability, responsiveness, and cleanliness of Service	"Cleanliness and quick service get excellent reviews…" – M2
	Cleanliness	Hygiene and room neatness	"Guests consistently mention quiet stays and neat rooms." – M4
2. Guest Perceptions	Atmosphere & Impressions	Impressions of atmosphere, staff attitude	"Guests often praise our green grounds, the serenity…" – M1
	Serenity & Ambiance	Peaceful, green, quiet environment	"Guests say the peaceful ambiance encourages longer stays…" – M1
3. Guest Satisfaction	Feeling Valued	Guests feel cared for and appreciated	"Guests appreciate care. That builds trust and loyalty." – M4
4. Guest Feedback & Continuous Improvements	Feedback Response	Managerial changes based on guest input	"Feedback cards led us to add extra pillows—TripAdvisor scores improved by 0.3." M6
5. Guest Behavioral Intentions	Loyalty & Return Intent	Guests' intentions to return or recommend	"One golfer returns monthly after enjoying our early morning service…" M1
6. Personalized Gestures & Extras	Low-cost Enhancements	Small gestures or amenities that improve guest experience	"A simple iced tea on arrival— low cost but memorable." – M8

7. Price Moderation & Cost–Experience Trade-Offs	Pricing Strategy	Bundled offers or discounts to enhance value perception	"Stay 7 nights pay 6…repeat bookings jumped 15%." – M2
	Pricing Innovations	Combos, deals, or affordability-focused promotions	"Combo 'room + tea' deals boosted repeat bookings from 30% to 40%." – M4
	Budget Trade- offs	Choices made to balance cost with experience improvement	"Budget constraints forced us to improve Wi-Fi before staff painting." – M2

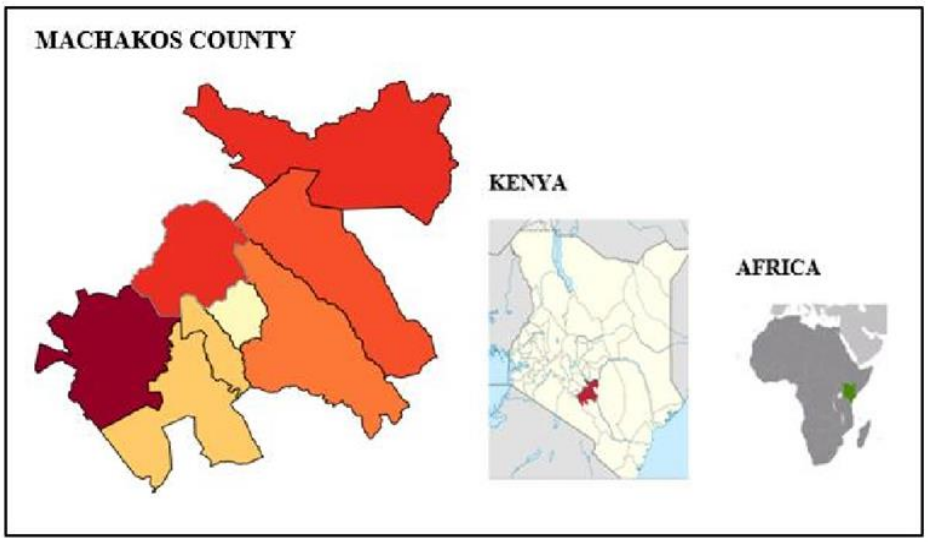
Notes: M1, M2, M4, M6, and M8 represent examples of quotes from the budget hotel managers' responses

Appendix 8: Satellite Map of 10 Budget Hotels, Machakos County, Kenya



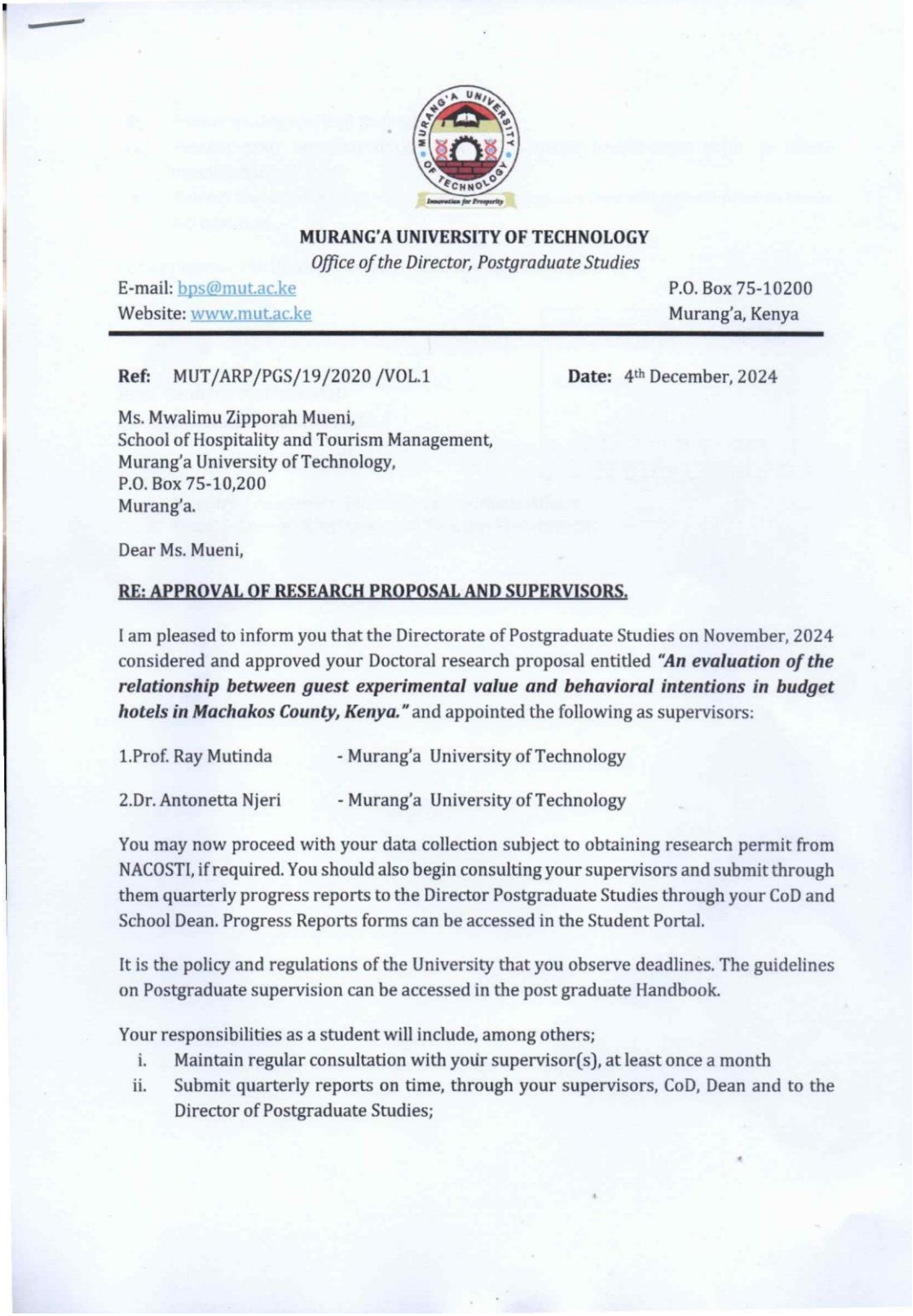
Source: Google map (2025)

Appendix 9: Map of Machakos County



Source: Kenya Google Map (2021).

Appendix 10: Research Proposal and Supervisor Approval



MURANG'A UNIVERSITY OF TECHNOLOGY

Office of the Director, Postgraduate Studies

E-mail: bps@mut.ac.ke
Website: www.mut.ac.ke

P.O. Box 75-10200
Murang'a, Kenya

Ref: MUT/ARP/PGS/19/2020 /VOL.1

Date: 4th December, 2024

Ms. Mwalimu Zipporah Mueni,
School of Hospitality and Tourism Management,
Murang'a University of Technology,
P.O. Box 75-10,200
Murang'a.

Dear Ms. Mueni,

RE: APPROVAL OF RESEARCH PROPOSAL AND SUPERVISORS.

I am pleased to inform you that the Directorate of Postgraduate Studies on November, 2024 considered and approved your Doctoral research proposal entitled ***"An evaluation of the relationship between guest experimental value and behavioral intentions in budget hotels in Machakos County, Kenya."*** and appointed the following as supervisors:

1.Prof. Ray Mutinda - Murang'a University of Technology

2.Dr. Antonetta Njeri - Murang'a University of Technology

You may now proceed with your data collection subject to obtaining research permit from NACOSTI, if required. You should also begin consulting your supervisors and submit through them quarterly progress reports to the Director Postgraduate Studies through your CoD and School Dean. Progress Reports forms can be accessed in the Student Portal.

It is the policy and regulations of the University that you observe deadlines. The guidelines on Postgraduate supervision can be accessed in the post graduate Handbook.

Your responsibilities as a student will include, among others;

i. Maintain regular consultation with your supervisor(s), at least once a month
ii. Submit quarterly reports on time, through your supervisors, CoD, Dean and to the Director of Postgraduate Studies;

iii. Ensure quality work all through;
iv. Present your research findings at 2-3 seminars/conferences prior to thesis examination.
v. Publish one articles from your research findings in a refereed journal prior to thesis examination.

For any further clarification please contact the undersigned.

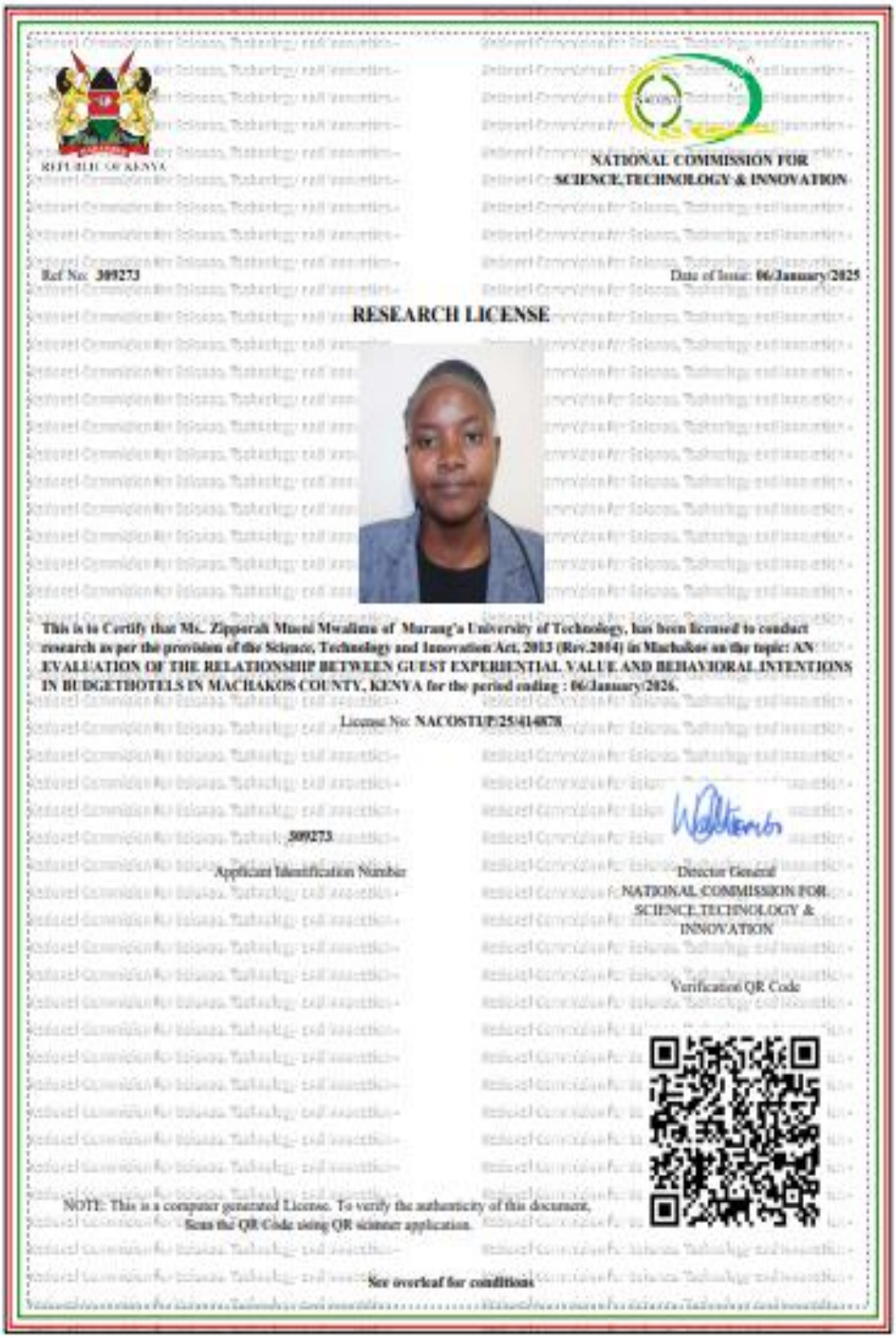
Yours Sincerely,

Prof. Geoffrey Muchiri, PhD
Director, Postgraduate Studies
GM/MMK

DIRECTORATE OF POSTGRADUATE STUDIES
MURANG'A UNIVERSITY OF TECHNOLOGY
04 DEC 2024
P. O. Box 75 - 10200, MURANG'A
Tel: 0771463515, Email: info@mut.ac.ke

Copy to:
1. Registrar, Academics, Research and Students Affairs
2. Dean, School of Hospitality and Tourism Management

Appendix 11: Research Permit



REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 309273

Date of Issue: 06/January/2025

RESEARCH LICENSE

This is to Certify that Ms. Zipporah Mueni Mwalimu of Murang'a University of Technology, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Machakos on the topic: AN EVALUATION OF THE RELATIONSHIP BETWEEN GUEST EXPERIENTIAL VALUE AND BEHAVIORAL INTENTIONS IN BUDGETHOTELS IN MACHAKOS COUNTY, KENYA for the period ending : 06/January/2026.

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See overleaf for conditions

Appendix 12: Publications

This thesis has produced the following publications;

Mwalimu, Z. M., Ndivo, R. M., & Kariru, A. N. (2025). Nexus between Guest Satisfaction and Behavioural Intentions in Budget Hotels in Machakos County, Kenya.

Mwalimu, Z. M., Ndivo, R. M., & Kariru, A. N. (2025). Effect of Service Quality on Behavioral Intentions among Budget Hotels in Machakos County, Kenya