

**THE PERFORMANCE OF THE TOURISM
INDUSTRY IN KENYA: A PRIORITISATION OF
DETERMINING FACTORS**

BY

WAGOKI, A. JUMA

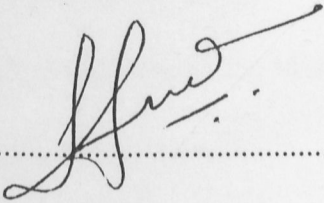
**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN
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DEGREE OF MASTER OF BUSINESS AND ADMINISTRATION
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NAIROBI.**

JULY, 1998.

DECLARATION

This Management project is my original work and has not been presented for a degree in any other university.

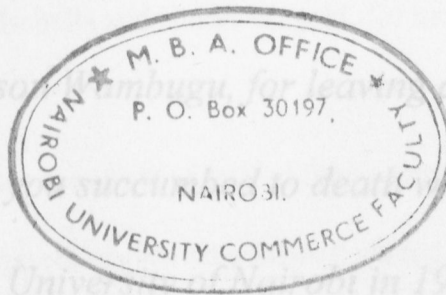
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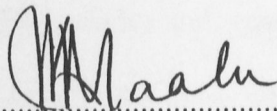
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I am deeply indebted to all those people who, in their own individual ways, contributed either directly or indirectly to the completion of this project.

Special thanks go to my supervisor, J. Maalu, who patiently and conscientiously guided me through the research. Without his meticulous care, this project would not have been possible.

I am grateful to all parties who assisted with information especially Hotel groups, Tour operators, Tourists, Officers of the Ministry of Tourism and Wildlife and numerous others, for they are many to mention by name.

DEDICATION

I am also grateful to the members of my family for their support and love throughout my university life, and especially my parents, Isabella and Harun Wagoki, for their unswerving support for the work.

To my late brother Jackson Wambugu, for leaving a mission

unaccomplished when you succumbed to death while an

M.A. student at the University of Nairobi in 1978.

The work was also supported by my colleagues (the MBA II class of 1998), not to mention Langa, Mwachiti, Stephen, Kurgat, Sarah, Osewe, Mburu and P.N. Kibiku, all of whom helped in solving the intricacies of knowledge and research making the MBA degree dream possible. Thanks also go to J. Muli, Lecturer at Ushirika college for his support.

Lastly profound thanks also go to my friend Kiragu James, for his constant encouragement and Lydieh for typing, retyping and proof readings without end. Unbound gratitude to you all.

Naturally, whereas I received a lot of support and guidance in this research project, responsibility and blame for any deficiencies therein rest on my shoulders.

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LIST OF ABBREVIATIONS

	PAGE
ATH - African Tours and Hotels	
GDP - Gross Domestic Product	
I.E.A. - Institute of Economic Affairs	13
I.L.O. - International Labour Organisation	14
KAHC - Kenya Association of Hotel Keepers & Caterers	15
KATA - Kenya Association of Tour Operators	17
MCTA - Mombasa and Coast Tourist Association	18
KICC - Kenyatta International Conference Centre	19
MP&ND - Ministry of Planning and National Development	43
KRC - Kenya Railways Corporation	44
KTb - Kenya Tourist Board	46
K.T.D.C - Kenya Tourism Development Corporation	50
MTW - Ministry of Tourism and Wildlife	52
KWS - Kenya Wildlife Service	54
SWOT - Strengths, Weaknesses, Opportunities and Threats	55
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Source: Sober (1983)

PROLOGUE

The Tourism Self-destruct Syndrome

1. A remote and exotic spot offers peaceful rest and relaxation and provides an escape for the rich, who live in isolation from the resident population.
2. Tourism promotion attracts persons of middle income, who come as much for the rest and relaxation as to imitate the rich. More and more hotel accommodation and tourist facilities are built to attract and accommodate more and more tourists.
3. This transforms the original character of the place from an “escape paradise” to a series of conurbations, with several consequences:-

The local residents become tourism employees and earn more than ever before

The rich tourists move on elsewhere

The growth in the tourist population makes interaction between tourist and resident population inevitable, leading to a variety of social consequences

Increased tourist accommodation capacity leads to an excess of supply over demand and a deterioration in product and price. The country resorts to mass tourism, attracting people of lower standards of social behaviour and economic power. This leads to the social and environmental degradation of the tourist destination.

As the place sinks under the weight of social friction and solid waste, tourists exit, leaving behind derelict tourism facilities, littered beaches and countryside, and a resident population that cannot return to its old way of life.

Source: Sober (1988)

ABSTRACT

U.O.N.

The tourism industry is a vital artery of Kenya's economic complexion with incredible potential. However, the industry has been performing poorly especially in the 1990s. The objective of this research was to establish a priority list which has previously lacked making the tourism industry head for a slump. This was achieved by assessing the type, severity, prevalence and extent of the impact of the various determining factors such as security, marketing, infrastructure, government moratorium / incentives and taxation among others. Six categories of respondents were interviewed; which included hotel managers, tourists, beach operators, tour operators, MTW and KWS. A factor analysis model was used to develop the priority list.

The research found that security, infrastructure, marketing and government moratorium / incentives should be prioritised in that order. Other findings revealed that the poor performance leading to the relative decline of the tourism industry was inevitable since there had been signals to that effect over the years. The findings therefore form a paradigm in shaping tourism policy in Kenya for revival and expansion of this important sector of the economy.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

1.1.1 The importance of tourism

“ Like a modern midas, tourism has transformed much of the world's natural beauty into pure gold. In the process, the tourism industry may have planted the seeds of its own destruction. For the suspicion is growing, ever so slowly, that the more tourism succeeds, the more it cannibalizes the very basis of its own existence - the wilderness, the unspoiled landscapes, the quaint villages, the unique cultures that drew visitors in the first place,”
(Critterndon, 1975).

Tourism has transformed some of East Africa's natural beauty into gold, especially here in Kenya. Tourism generates or creates employment. For example, the total number of employees directly or indirectly employed in the tourism industry of Kenya in 1987 was estimated to be more than 100,000 (ILO 1987) , which was a quarter of all private sector employment outside agriculture and forestry. Indirect effects through backward and forward linkages are also substantial in construction, transport and communications as well as financial and other business services. Tourism - led demand has stimulated rapid growth in service and other activities including vehicle hire companies, curio shops and restaurants as well as food and drinks consumed by tourists (KWS, 1990).

The industry generates the much needed foreign exchange into the economy and present a challenge to local industry to compete in providing the best commodities to world standards. According to Mitchell (1968), tourism attracts foreign investors in a country who bring with them both capital and technical know-how for the economic benefit of the

country as locally owned factors of production employed in tourism have minimal productivity in the absence of the industry. The industry heightens a peoples interests, promotes local culture and the general economic development is realized through the multiplier effect (Summary, 1987).

But it is also true that all that glitter is not gold. Uncontrolled and unregulated use of some wildlife areas is a source of long-standing concern about a variety of perceived or actual ecological and social impacts (Myers, 1972; Jewell, 1974; Muthee, 1992). However the widespread perception among industry players is that, the tourism resources that attract people from around the world to this country, are being overrun by a myriad of factors- poor infrastructure; roads, railways, power, water,; dozens of uncontrolled lodges, poor marketing, insecurity, beachboy menace and many others. This is the dross that is projecting a negative image about Kenya to the rest of the world.

1.1.2 Definition of terms.

Tourism: According to Nkari (1985), tourism denotes the temporary movement of people to destinations outside the places where they normally live and work, and their activities during their stay at these destinations. This seems a more acceptable definition since it encompasses both domestic and international tourists. Persons who give rise to the tourism industry are known as tourists and they consume tourist products, which differ by purpose of visit: holiday, business or on transit.

Multiplier effect. Tourism researchers often use the 'multipliers' to convince governments of the value of tourism development. The multiplier is a measure of extent to which a given level of tourism spending contributes to income or employment (Lindberg,

1992). Thus, the effect is widespread in providing for tourism services: from hotel and restaurant employees, government services, local tour operators, local construction companies and related activities (coral- blocks, sand, timber, poles), taxi-, matatu-, and lorry- drivers(transport), boat operators and their crews, fishermen and fish-sellers, curio-sellers, shell- collectors, beach boys, prostitutes, palm- leaf (makuti) roofing makers, wood cutters and wood- carvers to the rural men and women who cultivate, carry and sell vegetables or fruits.

Prioritisation : According to the Longman Dictionary of Contemporary English, Reprinted Ed. 1992, priority is the state or right of coming before others in position or time - something that needs attention, consideration or service, etc, before others. Hence, to prioritize is the act of giving (something) priority. In this study, the term prioritisation will be accorded the meaning of giving priority to the determining factors that influence tourism performance in the order of their importance as will be determined by the conduct of this research.

Determining factors: The success or failure of the tourism industry in Kenya is affected by several factors. These include, infrastructure - roads, power, water.....; security, marketing/ promotional factors, beachboys, diversification of tourist attractions, tax incentives to investors, entry restrictions, hospitality, training of service providers, general economic development, governance etc. Reference will be made to any of these, as the determining factors that affect performance of the said industry.

1.1.3 The Kenyan attractions

The East African climate and the myriad of attractions makes Kenya have a competitive advantage especially among other African countries. Kenya is a wonderful country with a magnificent tapestry of mountains, lakes, beaches in the 480 Km coastal strip and wildlife reserves which form the glorious physical background of the country. The people of Kenya make the country a cosmopolitan cocktail of religion and culture that makes a visit such a rewarding and memorable experience.

Kenya is a host to many international conferences and a commercial centre in the eastern region of Africa drawing visitors who combine business and leisure. The attractions are many and diversified and especially when laced with Kenya's rich cultural heritage and the friendly Kenyan people. Indeed the number of arrivals grew by 69.2 percent from 1964 to 1990 (Central Bureau of Statistics, 1996) while earnings from tourism dived from K£94 million in 1964 to K£533 million in 1990. This is a clear manifestation of the growing popularity of Kenya as a long haul destination in Africa and a demonstration of the potentiality of the Kenyan market.

1.1.4 The Impact of Poor Performance on the Industry

Statistically, the years between 1964 and 1990, show an upsurge in the tourism industry in virtually all indicators that measure performance of the industry such as earnings, arrivals, visits to parks, number of international conferences etc. (MTW, Tourism statistics, 1997).

In the 1990s, infrastructural development has stagnated if not declined to near collapse. In fact failure to develop the necessary infrastructure has caused the tourism

industry and the Kenya government lose a lot of revenue (Kenya & Munai, 1992). Road and power networks have broken down while water supplies cannot sustain demand. Poor management capacity of infrastructure, lack of autonomy on the public sector institutions responsible, poor commercial vision, lack of accountability and poor resource utilization, all lead to high elements of inefficiency (Anyango, 1996) which has hurt the tourism industry. The security situation in Kenya has deteriorated to its lowest ebb, prompting very adverse publicity abroad with little counter promotional activities to revive the situation. Competition has also intensified especially from South Africa, Botswana, Tanzania and Uganda not to mention traditional competitors - Egypt, Morocco, Tunisia, the Seychelles among others.

On the other hand, controversy still reigns, over the management of the Kenyan beaches, while the beach boy menace still exists. There has not been a clear policy as far as marketing and management of the industry is concerned as neither the role of the private sector nor the government is clear. There is lack of policy for diversification of the tourism products, as the industry is still over reliant on wildlife tourism. According to Western, 1992, lack of market diversity in Kenya's nature tourist industry and a preoccupation with marketing big game safaris has blinded potential visitors to the diversity opportunities. There is also evidence that tourists feel crowded at some Kenyan sites. Wildlife Conservation International surveyed tourists' attitudes at the Maasai Mara National Reserve, and a sizeable proportion of visitors complained that there were too many tourists (Gakahu, 1992). Other observers have also noted the need to control crowding to maintain the tourism experience and reduce ecological damage (Dieke, 1991), say by improving infrastructure in other parks as a dispersal strategy.

But perhaps, it is the ethnic violence persistent in Kenya , that has broken the spine of the tourism industry and with infrastructure shot to pieces, tourism stakeholders are almost unanimous in their demand that “something! anything!” be done to salvage the sector from total collapse. They look towards the government to set pace for the salvage operation, however, there has been a lot of dismay at the lack of urgency with which the problem is being handled. Kenya is in the unenviable position of keeping a modest flow of visitors coming. The tourism industry is in dire straits with progressively declining earnings, reducing volumes of visitors and heavy discounting for many of the visitors. This is having a heavy toll on many of the players in the industry. One only has to look at the number of hotels that are up for sale, or have temporarily shut their doors. Retrenchment has happened everywhere while there has been drastic cutbacks in capital investments and refurbishment with the result that many of the ‘jewels’ in the Kenyan hotel crown are starting to wear out.

Tourism to Kenya is a vital artery of its economic complexion with incredible potential. In the absence of major mineral resources and bearing in mind that only one fifth of Kenya’s land is good for agriculture, the optimum use of the resources is essential. Should the tourism industry collapse, the effects will be spread to many other sectors. Vehicles and aircraft will be grounded, with loss of jobs to drivers, mechanics, pilots, attendants at filling stations and other businesses like restaurants, kiosks e.t.c. When many people and businesses lose earnings, and therefore have less purchasing power, the impact can be felt in the entire economy because of the multiplier effect (I.E.A. 1997).

Indeed, with the prospects for a significant upturn for the industry being slim, all businesses and individuals who supply hotels with electricity, electric and electronic goods, furniture, food, toiletries, kitchen equipment, fuel, water, stationery, construction materials

and many other commodities and services will lose their earnings. On the other hand, it should be remembered that Kenya's share of the tourism cake is extremely small. While the local industry measures the volume of visitors in hundreds of thousands, many others (like South Africa) do so in millions. Despite the various aspirations over the years to reach the 'magic' million mark, the goal has remained largely elusive.

There seems to be limited literature in this area of study, with most research directed towards some aspects of tourism such as ecotourism, wildlife and park management as well as wildlife species. As cited, Western (1992) was concerned with a lack of market diversity giving rise to the need to diversify Kenya's tourist attractions. Dieke (1991) and Gakahu (1992) did observe the issue of overcrowding in Kenya's parks, proposing a dispersal strategy which would take shape if infrastructure were improved. Anyango (1996) in his paper titled, "National Infrastructure - Impact on Business Development", noted among other things that poor resource utilization has hindered infrastructural development in Kenya. Nkari (1985) studied marketing of Kenya's tourist attractions proposing ways of improving marketing especially in the tourist originating countries abroad, while Gakuru (1993) found that the MTW does not fully embrace domestic tourism.

Time and again, there has been media reports over the deplorable state of the country's security including attacks, mugging, ethnic turmoil e.t.c. As evidenced by these studies, reports and many others, the concern has been that of mixed or gross interplay of all these factors which are crucial to the performance of the industry.

1.2 The Research Problem.

This study identifies several factors that determine the performance of the tourism industry. KWS 1990, highlights several areas of diversification of tourism activities. This seems to concur with Western (1992) over wildlife tourism to the extent of blinding visitors on market diversity of attractions. Reports both in the electronic and print media have been exploring the issue of violence and overall insecurity especially at the coast and in the Rift valley province. Violence (insecurity) undermines such an important sector of the national economy as tourism (The Weekly Review, Sep 19, 1997).

Weak institutional capacity and infrastructure in Kenya has brought about deficiencies in planning, implementing and supporting institutions and infrastructure. Infrastructure grows linearly with economic output (WorldBank, 1992) grossly affecting economic development and in effect tourism. Activities of beach operators have also been a paradox and an imperative. Cases of beach harassment have been rampant.

The multiplier effect signifies an interaction between providers of tourism services and consumers of the product - tourists. This effect brings about general economic development (Summary 1987), hence government incentives and tax rebates are necessary to encourage tourism investors in order to check on the cost of the tourism products. Marketing and promotional activities seem to over occupy many players in the industry. KTB is to spend Ksh. 300 million (Weekly Review April 3, 1998) to market Kenya abroad, yet the product itself is not well preserved and indeed secure. With prioritisation such an amount would be used to develop or improve the tourism package other than marketing.

The scenario therefore has been a collective and gross treatment of all these and

many other factors, a fact that has made the industry head for a slump. Creating a Work Breakdown Structure (WBS) is necessary i.e. handling each task separately with planning by answering the question, what must be done? among many others. This can be achieved by a policy of prioritisation. Hence, this background gives rise to the need to critically analyse the performance of the industry and in essence the determining factors with a view to prioritise them. The study therefore, projects the parlous state of Kenya's tourism industry as a prime candidate for treatment - *that of prioritisation of the most significant factors that determine the direction and performance of the industry and for which if a priority is established, would see the sector back in track, both in the short and long-run, through strategic decisions that can be derived therefrom.*

1.3. Objective of the study

The tourism industry in Kenya not only needs revival but also expansion. This calls for effective organizing, resource mobilization, complex decision making, technical problem- solving, the political aspects of coordination, and institution building, or in identification, acquisition, and utilization of non-economic resources. To achieve the above therefore, the objective of this study is to prioritise the determining factors in the order of their extent of influence on the performance of the tourism industry.

1.4. Importance of the Study

The research to establish the most pressing factors that determine the performance of the tourism industry in Kenya, is occasioned by the fact that, there is no clear cut policy of

addressing issues that either promote or downplay tourism development in the country. In trying to establish a prioritisation of the factors that should be addressed in order of their influence, this study is important to all stakeholders in the tourism industry in pointing to the direction that the industry should take to enhance its growth now and in the future. In particular to;

- ◆ The government to shape tourism policy.
- ◆ Investors in the industry for sound and serious investments in the tourism sector with a long term perspective.
- ◆ Hotel management(s) to avoid very proactive measures, when a solution is handy and local, and to promote and enhance world standards.
- ◆ Tour operators to especially promote a diversity of attractions that Kenya can offer other than over-reliance on wildlife tourism.
- ◆ Tour organisations for sound management, and quest of pressing for obligatory conditions that make the industry thrive, other than being obsequious to a system.
- ◆ Tourists for the understanding of Kenya as a world class tourist destination.

1.5. Organisation of the Study.

The research project is organised in five chapters. Chapter I (the material presented so far) is the introduction which considers the background, statement of the problem, objectives and the importance of the study. Chapter II contains the literature review, a state of the art of the tourism industry in Kenya, including statistical performance and a critical analysis of the identified determining factors.

Chapter III deals with the aspects of research design, namely the population, sample,

data collection methods and instruments of analysis. Chapter IV is devoted to research findings and data analyses. The last Chapter (v) concludes with summaries, implications of research findings, limitations of the study and directions for further research.

industry in Kenya. This is then followed by a review of some of the significant factors that affect and determine the performance of the industry.

2.1 TOURISM PERFORMANCE : 1964 - 1990

Major indicators of tourism performance in Kenya such as yearly earnings, visits to parks, museums, hotel bed occupancy, arrivals among others, portray a steady growth in the industry from 1964 to 1990. This growth was equivalent to 8 percent of Kenya's total value of merchandise exports and grew to about 18 percent in 1981 and rose again to 43 percent in 1989 (Tourism International No.2 1991 : 51). Tourism statistics from MTW indicate that there was a steady increase in visitor arrivals in Kenya with 56,400 visitors in 1964 to 814,400 visitors in 1989. The main explanation generally attributed to the steady growth from independence to the 1980s, is possibly because of an absence of stiff competition.

However, positive signals of economic growth during this period, especially during the first and the second decades of independence contributed favourably to the tourism industry. During this period, there was rapid expansion of production (GDP growth) averaging 7 per cent per year (J.E.A. 1994) - which generated resources that enabled the country make meaningful gains in the general welfare level of people. An increment of 387,900 visitors from 1964 to 1972 was no mean achievement. Kenya's visitor arrivals by purpose of visit from 1964 to 1990 were increasing year in year out, with the numbers doubling from 1983 with 372,300 visitors to over 800,000 in 1990 (Central Bureau of

CHAPTER TWO

LITERATURE REVIEW.

The chapter presents a chronological review of the performance of the tourism industry in Kenya. This is then followed by a review of some of the significant factors that affect and determine the performance of the industry.

2.1. TOURISM PERFORMANCE : 1964 - 1990

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Statistics, 1991). Probably the challenges which a young nation made these advances, were no less formidable than those of today, but perhaps, Kenyans owe these gains to the pragmatic economic management and relative political and social stability that prevailed at the time.

(a) Tourism Earnings.

One of the prime indicators of tourism performance is the earnings derived from tourist related activities. Table 2.1 shows tourism earnings from 1985 to 1990.

Table 2.1. Tourism Earnings (1985-90)

YEAR	K£s Million	Ksh. Million	US. \$ Million
1985	196.65	3933	241
1986	247.95	4959	310
1987	292.05	5841	354
1988	249.30	6986	376
1989	432.05	8640	420
1990	533.00	10660	466

Source : Central Bureau of Statistics

During the period 1985 to 1990, there was an increment of earnings by 36.9 percent from K£s 196.65 million in 1985 to K£s 533 million in 1990. In comparison with tea and coffee, tourism contributed the highest percentage to total export from 15 percent in 1985 to 20.8 percent in 1990, as compared to tea 14.6 percent and coffee 17.6 percent in 1985 to tea 12.3 percent and coffee 7.2 percent in 1990.

Table 2.2: Comparison of Earnings from Coffee, Tea and Tourism (1985-90)

(K£sMillion)

YEAR	COFFEE	%	TEA	%	TOURISM	%	TOTAL EXPORT
1985	230.7	17.6	191.4	14.6	196.7	15.0	1311.8
1986	388.5	25.1	172.8	11.2	248.0	16.0	1546.7
1987	194.6	12.8	163.4	11.4	292.1	20.4	1430.4
1988	244.8	10.2	185.4	9.7	349.3	18.3	1682.7
1989	203.8	8.6	272.9	13.7	432.1	21.7	1990.0
1990	221.0	7.2	314.5	12.3	533.0	20.8	2558.8

Source : Central Bureau of Statistics.

The increment in the earnings can be attributed to the steady increase in the number of visitors over the period. During the period 1985-1990, especially, there was notable decline in the economy which resulted entirely from the institutional failures of the government as a manager to respond to the crisis and its modes of governance. The impact of this decline was not severe on tourism as security was checked, save for a few incidents that could not have been taken as a standard measure of general insecurity in the country. Infrastructure, which represents if not the engine, then the ‘wheels’ of any economic activity, and hence very important to tourism, was also expanding, though at a very insignificant rate, while political inclinations dictated its development policy.

(b) Visits to the parks.

During the years 1985 to 1990, total number of visitors to National parks and game reserves increased steadily from 986,700 visitors in 1985 to 1,518,500 visitors in 1990.

Table 2.3 : Total Number of Visitors to National Parks and Reserves (1985-1990)

(,000)

Year	1985	1986	1987	1988	1989	1990
Nairobi	110.6	91.6	99.8	125.5	155.2	152.8
Animal Orphanage	102.5	73.0	82.1	84.8	48.3	213.8
Amboseli	151.5	157.0	148.5	137.6	140.4	237.2
Tsavo West	96.8	82.9	80.6	85.4	96.8	78.6
Tsavo East	73.3	75.3	89.6	87.3	101.1	127.7
Aberdares	43.1	42.5	54.0	60.0	57.5	66.6
Buffalo Springs	46.1	41.4	45.4	64.0	70.4	28.1
Lake Nakuru	135.5	127.9	128.0	138.6	167.4	174.2
Maasai Mara	110.7	94.8	96.0	118.8	196.2	180.5
Malindi Marine	25.4	36.1	38.6	40.1	40.7	35.6
Lake Bogoria	23.8	25.7	31.2	32.8	46.2	53.8
Meru	19.0	20.4	26.8	23.7	17.4	11.1
Shimba Hills	13.3	10.9	13.4	16.7	21.5	60.0
Mt Kenya	13.2	16.6	19.2	17.1	13.3	18.7
Samburu	6.1	5.1	4.3	3.6	4.0	26.6
Kisite/Mpunguni	6.4	122.0	11.0	17.9	18.2	27.3
Others	9.8	10.8	10.3	9.4	10.2	11.4
Total	987.1	1034.0	978.8	1063.3	1204.8	1504.0

Source: Central Bureau of Statistics.

However, although Kenya's wildlife remains the most important attraction to tourists, over the period, the industry was sitting on a 'timebomb'. That is, there was too much emphasis on wildlife tourism - concentration of tourist activities around wildlife and

especially the big five: The lion, Leopard, Elephant, Rhino and Buffalo. The explosion of the timebomb has been witnessed from stiff competition especially from ‘virgin attractions’ in South Africa, after the country was accommodated into the international community in the 1990s, giving rise to the need for the tourism industry to shift its emphasis to eco-tourism (away from the traditional attractions) and sell a diversity of other tour packages.

According to KWS, in “A policy Framework and Development Program: 1991-1996, Annex 5, the diversification of tourism activities should include; ornithological safaris, inland fishing/sport fishing , rock climbing , horse riding, river safaris, walking, camel safaris, marine park activities, health spas, helicopter flights, night game viewing and mountaineering etc.

(c) Visits to Museums

The National museums of Kenya play a significant role in the tourism industry. Museums and snake parks receive more than 700,000 visitors per year (Table 2.4). Museums exhibitions represent a cross-section of what visitors see in the country - side and provide them with information about birds, mammals, reptiles and culture of the peoples of Kenya (Visser & Koyo, 1992). This makes the museums a good starting point for visitors to the National parks and other places of interest.

Table 2. 4: Total Number of Visitors to National Museums and Snake Parks (1986- 1990)

('000)

YEAR	1986	1987	1988	1989	1990
National Museum	204.3	185.7	217.2	224.3	234.5
Snake Park	188.1	163.6	167.0	210.1	220.6
Fort Jesus	168.8	187.6	189.6	206.1	226.6
Kisumu Museum	56.3	69.6	38.1	38.8	28.6
Kitale Museum	37.8	34.7	35.1	15.9	21.9
Gedi	32.8	46.5	47.0	35.6	71.1
Meru Museum	29.5	25.1	27.5	12.4	28.4
Lamu Museum	28.0	18.1	13.3	13.0	11.4
Jumba la Mtwapa	8.4	14.6	14.8	14.2	9.4
Olorgesaille	6.5	2.5	2.5	3.4	-
Kariandusi	4.1	2.8	4.3	5.8	-
Hyrax Hill	2.7	4.3	2.7	2.8	-
Others			51.0	48.6	54.4
Total	767.3	755.1	808.3	831.0	906.9

Source: Central Bureau of Statistics

The figures show a steady increase over this period from 767,300 visitors to 906,900 visitors in 1990.

(d) Tourism Visits By Purpose of Business

By the end of the second decade of independence, Kenya had earned herself the enviable reputation of the best managed economy in the region (I.E.A., 1994). There is no doubt therefore, that Kenya has been a commercial centre in this region of Africa. In essence, Kenya has had a large share of international conference bookings, especially in

Nairobi. The number of International conferences held yearly, are another indicator of tourism activity because of the obvious revenue that accrues from the delegates.

Table 2.5. Conferences at KICC (1985- 1990)

YEARS	NUMBER OF CONFERENCES	CONFERENCE DAYS	NO. OF DELEGATES	OCCUPANCY RATE %
1985	35	197	28844	54.0
1986	30	202	487	55.3
1987	58	176	7411	48.2
1988	19	180	3915	49.2
1989	32	111	5510	30.4
1990	36	128	6160	35.1

Source: Central Bureau of Statistics.

Although the number of delegates for purposes of conferences received in 1985, were by far the highest to date, the occupancy rate, indicate a somehow constant trend over the period, showing Kenya was a favoured host to many international conferences over the period.

(e) Sports.

Singling out motor racing, the Safari Rally (K) Ltd. calendar of yearly events and especially the world famous safari rally, had been gaining popularity year by year at the close of the last decade. The event attracts foreign drivers, crews and a host of other visitors including members of the press, to participate. This is a big boast to the tourism industry in Kenya.

2.2 TOURISM PERFORMANCE IN THE 1990s.

At the start of this decade, political activism was intensified. The transition to a multiparty system of government that began in 1991, was seen by Kenyans as the herald of the elimination of perceived repression and the installation of democratic government. Clearly, many people had not reckoned with the fact that the repeal of section 2A by the government was not an expression of the government faith in democratic pluralism. There followed a stream of inflammatory statements from politicians which fueled clashes in the Rift Valley province. Political reforms activities also took issue with some draconian laws such as the *'The preservation of public security Act, Public order Act*, and others and started holding *unlicensed* meetings across the country. The internal security of the country was threatened and tourist numbers especially by purpose of holiday dropped. Tourism earnings were also affected due to the negative publicity that had been associated with Kenya due to insecurity especially in the traditional European market.

Table 2.6: Tourism Earnings (1991- 1996)

YEAR	K£s Million	KShs. Million	US \$ Million
1991	594	11880	432
1992	713	14260	442
1993	1222	24440	413
1994	1405	28100	508
1995	1250	25000	447
1996	1280	25600	474

Source : Central Bureau of Statistics.

Tourism earnings show a somehow constant trend over the years but with a sharp

decline in 1995. However there was an increment from US \$ 447 million in 1995 to US \$474 million in 1996. In 1997, earnings dropped by 11.6 % again portraying an unstable trends in tourism earnings. Given the upward global trend in tourism and travel business, the scenario in Kenya has been earnings that do not reflect the country's incredible potential.

The number of International arrivals dropped drastically in the period 1992- 1993 basically due to election scare that was characterised by insecurity, uncertainty and the authorities incapability of controlling the situation. Table 6.1 (appendix III) shows Kenya's visitor arrivals by country of residence. The uncertainty over world recession in 1993, particularly in Europe also discouraged visitors to Kenya in 1994; visitors on holiday did not change significantly between the two years but those on business and transit increased by 25 percent and 24.1 per cent to reach 122.6 thousand and 58.1 thousand respectively in 1994.

Thus major indicators of tourism portray 1994 as unsuccessful tourism year. While there was a rise in visitor arrivals, there was neither a corresponding growth in hotel occupancy, days of stay nor earnings. As mentioned earlier, Europe was recovering from 1993 recession, and with strained household earnings and unwillingness to spend, Kenyan tourism suffered.

A decline in bed occupancy over the years in the 1990's, all point to a shrinking industry. Table 6.2 (appendix III) shows hotel bed nights occupied by zone between 1991 and 1996. This can be attributed to new and emerging competing markets in the African region e.g. South Africa, Botswana among others. Adverse publicity on the local security situation and the appreciation of the shilling which made Kenya an expensive tourist destination relative to her competitors, also combined to weaken the tourism industry in the country.

◆Visits to National parks.

The total number of visitors to the National parks and game reserves has declined especially from 1994. From 1, 518,500 visitors in 1991, the number has declined to 1,381,700 visitors in 1996 (MTW, 1997). The issue of wildlife management is a contentious one. This is because, effective visitor management in the protected areas involves other stakeholders in addition to KWS, notably KATO, KAHK etc. (Mburugu, 1992). Each group has slightly different priorities although the interdependence of conservation and tourism is well recognised.

KWS faces a gap of Kshs 1 billion (Economic Review, Feb 5 - 11, 1996). It only generates about Kshs. 640 million on gate collections and only about 3 percent of the tourists contribution goes to conservation. KWS, initially formed as an autonomous wildlife conservation body has had to trim its recurrent budget of Kshs 1.2 billion (Economic Review, June 17-23, 1996) by retrenching its over 8000 employees, decentralisation of activities and pooling of vehicles to save operation costs. KWS also faces the issue of human-wildlife conflict. A report after an investigation commissioned by KWS to determine the extent of the crisis (land owners, country council officials, government officials, tour operators, conservationists and groups involved in the wildlife in one way or another) found that the conflict is as far worse than anyone anticipated. That the local communities viewed wild animals as only a threat to life and property. The concern, seems to have been noted in a prescient comment, nearly twenty six years ago, by a former director of Serengeti Research Institute that the presence of visitors and National Park staff will inevitably have disturbing effects on plant and animal lifeThe conservation of vegetation in such areas (and hence of animals depending upon it) will necessitate protection from the effects of large numbers of people. The time may come when, for the continued survival of the

natural communities (as well as for logistic and aesthetic reasons), the number of visitors to many national parks will have to be limited... The control of people in national parks is one aspect of the management of flora and fauna, which will become more important as the numbers of visitors increase (Lamprey, 1972).

In the recent years, principal problems have risen regarding tourism management in parks and reserves;

- Environmental damage and wildlife disturbance by tourists, mainly through off road driving especially in overcrowded parks.
- Declining visitor satisfaction in overcrowded parks.
- Environmental damage by lodges, especially pollution, etc.

In general these problems and others have been brought by;

- A lack of discipline among tour drivers and private tourists,
- Many drivers equating tourist satisfaction with proximity to the key species and lack of training to provide more diverse educational tourist experience,
- Lack of education of tourists necessary to discourage damaging behaviours,
- Concentration of many tourists into few small areas such as Nairobi, Amboseli and Maasai Mara, and
- Failure to control lodge development in the parks and reserves.

If wrangles in the top management of the conservation body are anything to go by, the sacking and subsequent extension of the term for the body's director in 1998 , point to a very serious scenario. Observers also question the change of hands of the non- executive chairmanship of KWS, in the same year because personal interests and / or politics may have come into play. Any appointments must be in line with proven ability and competence

among many other things in a particular assignment. All these factors have put the KWS in the spotlight. However, as the conservation body was recently transferred from the Ministry of Tourism to Natural Resources, sound management may eventually reign.

◆ International Conferences.

The period between 1991 -1996 saw a sharp drop in the occupancy rate with 1992, 1993, 1996 having 6.3 percent, 4.9 percent and 6.6 percent respectively. The number of conferences held in 1996 at the KICC were an all time low with only 8 conferences held.

Mainly the sharp drop, is as a result of insecurity attributed to the city of Nairobi especially attacks directed to foreign missions attached to Kenya, as well as the street mugging which threatens personal security of delegates. Indeed conference tourism still suffered in 1997, where KICC hosted only one conference. It had 250 delegates who stayed for only three days.

◆ Tourism performance in 1997.

The year 1997, was an election year, and due to uncertainty regarding security, the performance of the industry was at it's lowest ebb. Many tourist bookings were canceled and charter planes that bring package tourists to coastal towns, diverted to other destinations . Ethnic violence in the coast province, the hub of the tourism industry in Kenya, and other parts of the country, the El-Nino weather phenomenon which brought infrastructure to near collapse, were among the factors that made 1997, the worst year for the tourism industry. Statistics from the Economic Survey (1998) indicate that tourism earnings in 1997 fell by 11.6 percent compared to 1996 from Ksh 24 billion to Ksh 22 billion. The average length of

stay declined by 11.3 percent while visitors to national parks fell by 8.3 percent. National museums, snake parks and historical sites were not spared either. They experienced a decline of about 22.5 percent. The two international airports Moi and Jomo Kenyatta also recorded a considerable decline quantified at 7.1 percent and 33.3 percent respectively compared to the previous year. Interestingly, visitors on transit increased by 28.6 percent while those on business decline by 37 percent. Holiday makers went down by 20.6 percent in 1997. Indeed, the statistics show an overall decline for 1997, save for visitors on transit, which meant they were taking business elsewhere.

Violence escalation after the General elections in early 1998, have also made the ability of the authorities questionable as far as quelling violence is concerned. It can also be noted that, visitors coming to Kenya by purpose of business have also been scared away, sports activities such as motor racing drawing very few foreign entrants as its popularity wanes and few tourists visiting the parks due to broken infrastructure and flooded or dusty roads leading to the parks and game reserves.

2.3 A REVIEW OF DETERMINING FACTORS

2.3.1 Infrastructure.

Provision of efficient infrastructure facilities encompassing electricity, transport and communications (roads, rail, ports, and telecommunications e.t.c), water and sewage facilities among others is now widely recognised as indispensable to economic development (Anyango, 1996). Taken together, the services associated with the use of infrastructure account roughly between 7-11 percent of a country's GDP, with transport being the largest sector. Currently, providing infrastructure to meet the demands of business and other users

are the major challenges of economic development. Infrastructure grows linearly with economic output. One percent increase in the stock of infrastructure is associated with one percent increase in GDP (World Development Report, 1994: Infrastructure for Development, World Bank).

Infrastructure has traditionally been the preserve of the public sector, particularly in developing countries, partly on account of its strategic importance to the economy and partly because of the large investment costs and long gestation periods before an investor can recoup returns on investment and which was thought to act as a disincentive to private investments. In Kenya, the government owns, operates and finances all infrastructure primarily because the production characteristics and public interest involved were initially thought to require 'monopoly' including economies of scale among other considerations.

The serious problems facing the development of infrastructure and its maintenance, are directly linked to the allocated financial resources, legal and institutional framework required for development of new infrastructure, the operation and maintenance of available infrastructure. It is against this background that the implications of poor infrastructure development and operations to business and the economy as a whole, are increasingly becoming a key issue especially to the tourism industry in Kenya.

Current status of infrastructure in Kenya.

Infrastructure facilities in Kenya have been characterized by a supply response that has not been as strong as expected. Its state is currently considered to be in a 'crisis' in the sense that a shortage and deterioration of services and investments are seriously interfering with the achievement of tourism development objectives. The status of infrastructure in

Kenya has not changed greatly since the late 1980s: poor conditions, low performance standards and weak finances are still the norm (World Bank, 1992). The situation has even deteriorated with the 1997 El Nino weather phenomenon posing serious reservations on disaster preparedness of government departments concerned.

2.3.2. Road Infrastructure.

Existing Network.

The Existing network has remained principally the same as it was in 1963, an estimated 150, 600 Kms. The existing classified road network totaling 63, 663 Kms is as follows:

- Paved classified road network, 8, 803 kms.
- Unpaved classified road network, 54, 354 Kms.

Other roads include:

- The unclassified network, 87,000 Kms which includes some 8,000 Kms of rural access roads, and 500 Kms of special roads.
- Urban roads, 10,330 Kms within the major urban centres in Kenya.

The Condition of Roads.

The road network in Kenya is currently characterised by poor conditions. The condition status of the classified network (63,290.7 Kms) according to available data (Table 6.3, appendix III) is as follows:

- 9303.7 Kms (14.7%) the network is good or in satisfactory condition.
- 27,215 Kms (43%) in fair condition.

- 26,771.9 Kms (42.3%) in poor/bad condition.

Kenya's main industrial towns are currently characterised by poor road infrastructure. In Nairobi, Kisumu, Eldoret, Nakuru and Mombasa, the paved network condition is as follows:

- 19 % in good condition
- 15 % in fair condition, and 66 % in poor condition.

It is evident therefore that the state of the roads in Kenya discourage tourism development with the worst hit group being transport firms (tour operators, travel agencies , car hirers e.t.c.). The situation of roads has been so poor in the 1990s that it has almost collapsed especially with the El Nino weather phenomenon in 1997. Therefore the situation needs to be addressed especially in the light of tourism industry.

2.3.3. Railways Infrastructure.

This is a prime alternative to road transport in Kenya for tourists and especially due to the deplorable condition of the Nairobi- Mombasa highway. Kenya has a 21,00 mile single track railway which passes through the major industrial and agricultural areas connecting Nairobi and Mombasa. The principal lines connect Mombasa with Malaba, and Nakuru to Kisumu. The railway is connected to 163 stations throughout the country (KRC, 1995). The line between Mombasa and Malaba is old but in reasonably good condition. The Nakuru - Kisumu branch line has weight restrictions and therefore cannot take heavy locomotives beyond class 87 (see Table 6.4, appendix III) . The KRC locomotive fleet is composed of old units, the most recent mainline locomotive having been acquired in 1987, the oldest in 1960, thus a significant proportion of the locomotives is rated as poor with a small proportion being fair and none, as good.

The vital attribute of the locomotives is availability which is a measure of the quality of maintenance, expressed in the average number of locomotives serviceable compared to the total fleet. The availability of the mainline class locomotives peaked at 53.6 percent during the financial year 1990/91, while the availability of shunting locomotive classes 35/46/47 has virtually stagnated at just below 50 percent since 1990/91.

2.3.4. Power Infrastructure.

2.3.5. In Kenya, generated electricity comes from indigenous causes of energy namely: hydropower and geothermal. By 1990, the installed power capacity stood at 722.6 MW with hydro comprising the highest share at 497.5 MW (69 %) of the total installed capacity and thermal & geothermal representing 25 percent (180.1 MW) and 6.2 percent (45 MW) respectively. In 1992, the installed capacity declined by 2.9 percent from a peak of 828.6 MW in 1991 to 804.6 MW. Out of the 1992 capacity, 603.5 MW (75%) was hydro, 156.1 MW (19%) was thermal and 45 MW (5.6%) was geothermal. As at June 1994, out of an installed capacity of 736.5 MW, effective generation was only 653.8 mw. Table 6.5, (appendix III) shows the major power projects in Kenya.

It is therefore evident that, *since 1992, there has been no new additional generation capacity installed.* This is a sorry state because, the total supply required to meet demand is currently projected to grow at an average of 5.5 percent. However, available statistics over the period 1987 to 1994 indicate an average annual growth rate of 4.5 percent. Between 1996 and 2001, demand for electricity is projected to grow at an average of 4.9 per cent per annum (MP & ND, 1997).

Many hotel establishments have been crying foul over power cuts and unreliable generation especially at the coast. This has prompted many resorts to invest heavily in

standby generators to remedy the shortfall. Power supplies have been declining both in terms of installed capacity and effective generation. This is attributed to old age and lack of spare parts. Similarly, replacement has been low due to tariffs which do not reflect the real cost of power provision: tariffs have over the years remained below marginal cost levels, and their value have been continuously eroded by delays in getting approval from the government which lead to unnecessary delays in implementation or non- implementation altogether.

2.3.5. Water Supplies

Existing Water Supplies and Distribution Systems

The main sources of water resources in Kenya have been identified as comprising of rivers (43%), ground water (31%) , dams (20%) , lakes (10%) and others (3%). In urban areas, water supplies are the responsibility of local authorities. In practice, capital investment for water supply in urban centres and centres of industrialization has not kept pace with high levels of population growth and the industrial demand and tourists (NEHSS, 1984). With the exception of Eldoret (Table 6.6, appendix III), all other major towns in Kenya - Nairobi, Mombasa, Nakuru and Kisumu, have a demand for water that by far exceeds supply.

Conditions of Water Infrastructure.

The facilities found in most of the earlier established water systems are old units like pipes, pumps, treatment plants etc. The aged systems are prone to frequent bursts with increased pressure. Pumps breakdowns are more frequent while the spare parts for such pumps are difficult to source .Water billing and revenue collection is also poor and hence replacement has been very slow .

2.3.6 The Impact of Infrastructure on Tourism

Across the sectoral board, the dominant central issue is inadequate provision, maintenance and poor management. In general therefore, infrastructure in Kenya is characterised by:-

- Inadequate maintenance of existing infrastructure facilities and equipment.
- Ageing infrastructural facilities.
- Mis - allocations (poor prioritisation) of infrastructure investment projects.
- Waste and inefficiency leading to distribution losses especially power and sectors.
- Inadequate investment /low replacement of infrastructure characterised by demand which exceeds supply .

It is clear that while a variety of other facilities and services are essential towards the successful operations of tourism activities, the role of infrastructure cannot be overemphasized. Consequently, infrastructure which is either inadequate in proportion, dysfunctional or in poor state, has heavy impact on tourism development. The impact can be reviewed from the following parameters;

Increased Capital Investment.

One of the key impacts of the poor state of infrastructure in Kenya is that it has led to the need for excessive amounts of working capital and increased capital investments on the part of the industry, thus;

- Standby generators due to frequent power outages and poor quality of power provisions,
- Sinking of boreholes to meet shortfalls in water supplies,

- Installation of expensive PABXs, radio call systems e.t.c due to frequent cuts telecommunication channels.

Loss of Market Potential.

The limitation of infrastructure has another attribute related to under capacity aspects. In this respect, weak transport and telecommunication links in particular and limited associated facilities such as impassable roads, all lead to the inability of investors in tourism industry to fully meet their potential especially with regard to reaching the markets.

Quality Service.

Tourism industry is a hospitality industry. Thus quality service is an important aspect of any tourism product. Infrastructure facilities are inherently meant to enhance and promote quality. However, poor infrastructure leads to poor quality and one implication of loss of quality service which has serious ramifications on the Kenyan product, is the overall bad reputation and negative attitude towards Kenya in general in both local and international markets.

Increased Operational Costs.

In light of poor state of infrastructure, most tour operators have to bear additional costs mainly due to inherent inefficiencies of public sector institutions responsible for infrastructure. These institutions are noted to suffer from poor management capacity and lack of autonomy, poor commercial 'vision' and poor resources utilisation. Tour firms especially have to incur increased and high operational costs due to constraints, such as:

- Lack of adequate feeder and access roads leading to increase in costs.

- Poor state of roads causing vehicle breakdowns.
- Cost of vulnerability where such firms are dependent on public infrastructure which does not work but without a suitable alternative.

The combined effect to the tourism industry is high costs which limit competitiveness of the Kenya product and services. The poor state of Kenya's infrastructure is severely limiting the country's rate of economic growth. As a major prerequisite to tourism development and investment, it also scares away potential investors.

2.3.7. The Marketing and Management of Tourism.

Marketing in tourism is a systematic and coordinated execution of business policy by tourism undertakings whether private or state-owned at local, regional, national or international level to achieve the optimal satisfaction of the needs of identifiable consumer goods, and in doing so achieve an appropriate return.

Marketing of tourism in Kenya has been a sad story, mainly because of lack of policy and prioritisation. In an article headed 'Tourism In the Doldrums - Visitors shunning Kenya' (Economic Review: March 8- 24, 1996) a MCTA executive remarked, 'the industry (tourism) will slump to irredeemable levels unless promotional activities are undertaken.' This is evidence that the issue of marketing as far as the industry in Kenya is concerned is wanting. A drastic review especially focusing on marketing and diversification of tourist attractions to both traditional and non- traditional sources, remain the least addressed issue to the crisis . With most resorts concentrated around the coast and the savanna grassland, the industry should seek fiscal incentives to establish more facilities in the Eastern, Western and North-Eastern regions which are less frequented by tourists . Kenyan target market

remains largely Western oriented with little traffic from the Far East, Latin America and Australia mainly due to lack of connecting flights from these regions to Kenya. For a long time, the Ministry of Tourism and Wildlife has been a toothless Ministry unable to justify its existence as far as manning Kenya's image abroad is concerned. The adverse publicity Kenya receives abroad has made it very difficult to sell Kenya especially in the European Market. Other African countries have been beneficiaries of Kenya's woes.

There had been pressure to the government from private players who include investors, hoteliers and tourism organisations such as KATO, KATA, MCTA, ATH among others for the formation of a Kenya Tourist Board. This board is among other things supposed to promote Kenya collectively and act as an advisory board to all stake holders. The KTB was eventually formed in 1996 and was to undertake the following functions :-

- Overall advisor to the government and the private sector on tourism issues,
- Mandate to promote and market Kenya as a tourist destination,
- Undertake public relations for the industry,
- Resolve conflicts between stakeholders,
- And monitor the quality and standards of tourism facilities, improve the environment for tourism business, initiate public awareness programmes and counter any negative impression affecting the industry.

However, any visitor to Kenya is more likely to note destruction than the wonders the country has to offer in terms of tourism ! It is interesting that the Board is yet to put its house in order especially in the issue of funding. The Board Secretariat is yet also to formulate a policy on tackling intriguing issues in tourism, save for frequent assertions that it has opened an office in Europe to market Kenya *aggressively*.

The main issue that require prioritisation for a vibrant tourism market is internal

management. In 1995, there was a national tourism master plan in the form of a parliamentary sessional paper which sought among other things to remove discriminatory custom duties levied on tourists and reduce the number of tax remittance points. The master plan also outlines, a set of measures including limited preferential customer duty on a range of materials and equipment used in the constructions of tourists' hotels aimed at enticing foreign and local investors into the sector. This sounds very encouraging but one wonders the extent to which such recommendations have been implemented.

The marketing of tourism is a thorny issue. This is so, because it is complicated by a multiplicity of factors (Gakuru, 1993). Firstly, the components to be amalgamated in order to make up a complete package for offering to customers, are numerous. The suppliers of these components are also very different. Again, the product can be packaged in a package form or the individual tourist can package it himself or herself through his own efforts or with assistance of the travel agents. As such, there are different ways of combining these components for consumption by the tourist. It is therefore difficult to decide on the right approach of developing a tourist product strategy. In essence, the individualistic nature of tourism complicates the marketing process. Wahab (1975) pointed out therefore that;

"The individualistic nature of tourists dictates a 'policy' that is 'market oriented' and not 'product oriented'.....This calls for a careful study and detailed information collected about the actual and potential market "

2.3.8. Security

In November 1991, a group of parliamentarians from the Rift valley province held a series of highly publicised meetings at which they called for a federal system in Kenya. The federalism they had in mind was to be based on Kenya's ethnic units. In their thinking, each ethnic group was to occupy the geographical region most closely associated with its origins.

To effect this, they called for expulsion of non indigenous tribes from the Rift Valley province. Shortly after these meetings there begun a spate of unprovoked violence against the Luos, Kikuyus and the Luhyas. Since then to date (1998) the security situation in the country has never been the same again. After the December 1992 multi-party elections, the clashes continued to escalate with the most hit areas - Molo, Londiani, Burnt Forest, being declared security operation zones (I.E.A. 1994).

Insecurity in the country has had a very severe effect on the tourism industry. The situation was so bad in 1997, following mayhem and violence at the coast, that the giant industry was at a brink of disaster- collapse. There followed a valanche of booking cancellations due to the ebbing violence, hotels and tour companies sending their employees on compulsory leave, hotel establishments closing down as the safety of tourists themselves was not even guaranteed. The tourism industry was loosing revenue at the rate of KShs.650 million a month because of political uncertainty and violence in Mombasa, Malindi and other coastal tourist towns according to a local daily on Jan. 6, 1998. Other visitors were skipping Kenya, ahead of the 1997 general elections. The start of the year 1998, was very bumpy for the industry . Infact the tribal clashes in some parts of the Rift valley province immediately after the elections were almost 'predictable'.

Many worried hotel owners are currently seeking more domestic tourism friendly packages as well as lobbying the government for a tax payment moratorium to reduce losses. Even after the government formed a tourist police unit at the end of 1995 (Economic Review Jan. 4-8, 1998), growing insecurity and a combination of alarmist statements from politicians has portrayed Kenya as an unsafe place in the eyes of the visitors, so much so that, foreign governments from time to time give precautions to their nationals about traveling to Kenya. So bad is the situation that, at the end of 1995, for example, when an

Italian magazine 'Panorama' is claiming that the deadly 'Ebola virus' has its roots in Kenya - an obvious adverse publicity, only alarmist claims linking Italians in Malindi town with antigovernment activities carry the day, instead of reassuring the European market particularly about the quality and safety of Kenya as a long haul destination.

The security of a citizen in a country is paramount, let alone that of the visitor. Tourism is an industry that is hypersensitive to insecurity and no matter how well promotional activities are coordinated, the foreign press is very particular on security. One thing is clear that the security standards are still very low in Kenya, and this will continue hurting the tourism industry. Otherwise, *no peace no tourists*.

2.3.9. The Beach Boys Issue.

Amid beach levies imposed on tourist resorts (per bed nightly on tourists) by KWS, for the management of the Kenyan beaches, the issue of who should manage this important resource is still confusing. While some measures have been taken to restrict and regulate beach activities by beachboys, curio and souvenir vendors, the security and maintenance of beaches is still largely dependent on individual hotels. Many tourists still complain of harassment from beachboys. However, there is an imperative to the issue. Some industry observers feel that beachboys are important, while others advocate that they should be stamped out. Either way, no valid reasons are given and the issue remains that, any incident of harassment of tourists by beachboys does not bode well for the industry in general.

It is evident therefore, that there are many factors that do affect tourism performance which have been directly or indirectly reviewed in this chapter. Others such as the need for specialized training for the industry are crucial as this has a direct relationship with the quality of services provided. Governance is usually intertwined with political stability and

security which determine the general economic atmosphere. However, some experts in development question the continued expansion of tourism industry at the expense of agriculture. There exists evidence that tourism, especially wildlife-based reduces food production in Kenya's rangelands, where the majority of Kenya's nomadic communities live (Awoundo, 1982). This imperative has probably brought about the human - wildlife conflict that now exists thus still effecting the performance of the industry.

2.4.0 Tourism Foreign Market Entry Modes.

The choice of a particular foreign market entry mode is a function of a large number of diverse factors. It varies with product characteristics such as degree of differentiation, importance, age and technology content (Davidson, 1982; Goodnow, 1985). It may also depend upon certain characteristics such as size and resources, degree of diversification, and corporate policies (Root, 1987). Finally, entry mode choice may also be determined by external environmental factors: host country trade and investment restrictions, host country market size, host country geographic and cultural distance, and exchange rate fluctuations (Goodnow and Hansz, 1972, Bauershmids et al., 1985).

Any decision maker's knowledge of foreign markets, and the perceptions, opinions, beliefs and attitudes are born out of market knowledge (or lack of it). Market knowledge is the knowledge relating to the market and the market - influencing factors. The tourism industry players in Kenya, seem to be blinded as far as promotion is concerned. They should have to thoroughly assess the level and pace of resources commitment and act on the influencing factors to decide on the choice of the foreign market entry mode.

Decisions in the tourism industry therefore seem to be often made in an unfamiliar environment characterised by paucity of reliable information. There has also been too much

resource commitment on promotion without a check on the intervening variables of uncertainty and perceived risk. Lack of market knowledge creates uncertainty and heightens the risk perceived by decision makers in a given situation (Johanson and Valine, 1977). As a soft- service industry, the sensitivity involved in tourism is extremely high, for it is difficult to decouple production and consumption. Hard decisions therefore have to be made which have to start from somewhere; thus prioritisation. While this research assesses the type, severity, prevalence and extent of the impact of the various factors under review, a prioritisation is necessary to determine the starting point for the industry which has lacked previously, making tourism head for a slump.

3.2. Sampling: The sample Units

The population was further defined to qualify the items that would provide the sample units;

- (i) The Tourism Marketing Department of the MTW.
- (ii) The Tourism Development Office of KWS.
- (iii) Tour operators registered in Kenya and who are members of K.A.T.O.
- (iv) Tourists, who were reached out through Front Office departments of various selected hotels from the classified list.
- (v) Hotel managers from classified hotels, resorts and lodges from the list of classified hotels by the Department of Planning of the MTW.
- (vi) Beach operators / Curio vendors in the North and South coast mainland beaches of Mombasa.

CHAPTER THREE

RESEARCH DESIGN

3.1. The population

The population of interest for this study consisted of those organisations that directly deal in or are affected by the tourism industry including tourists. These organisations included; the Ministry of Tourism and Wildlife, KWS, transportation firms (tour operators, travel agents, car hirers), catering and accommodation units (hotels, resorts, lodges), beach boys/ curio vendors / beach operators. A list of classified hotels in Kenya was obtained from the MTW as of 1997 while that of tour operators was obtained from the members directory of K.A.T.O. as of 1997.

3.2. Sampling: The sample Units.

The population was further defined to qualify the items that would provide the sample units;

- (i). The Tourism Marketing Department of the MTW.
- (ii). The Tourism Development Office of KWS.
- (iii). Tour operators registered in Kenya and who are members of K.A.T.O.
- (iv). Tourists, who were reached out through Front Office departments of various selected hotels from the classified list.
- (v). Hotel managers from classified hotels, resorts and lodges from the list of classified hotels by the Department of Planning of the MTW.
- (vi). Beach operators / Curio vendors in the North and South coast mainland beaches of Mombasa.

The Sample Size.

At least three officers were to be interviewed from the MTW (Marketing Department) and from KWS (Tourist Development office) to represent the two organisations. A sample size of all major hotel chains was selected using a disproportionate stratified sampling procedure, the basis being the hotels class. One strata was considered - major hotel chains (3 stars and above) and individual hotels were ignored. From the list of tour operators, a sample size of 15 operators (based on group tour companies) using random sampling procedure were selected. A convenience sample of 25 tourists and 20 beach operators was also selected using judgmental sampling.

3.3. The Research Instrument.

The information sought in this study was gathered from six categories of respondents i.e. the Ministry, KWS, hotel managers, tourists, tour operators and beach boys. An Interview was granted by the KWS, Tourism Development Office while for the rest of the categories, self-administered questionnaires were used except for tourists where a 'drop' and 'pick' method was used. The questionnaire was both structured and unstructured. It contained two parts, A and B. Part A had both open-ended and closed questions whereas part B had matrix questions.

3.4. Data Analysis.

The study is descriptive in nature. Therefore descriptive statistics was used in part A of the questionnaires. Churchill (1991: 144) notes that a descriptive study can be used when the purpose is among other things to describe the characteristics of certain goals and make certain specific predictions about them. Thus tabulations, proportions / percentages were used.

In Parts B, Factor Analysis was used where respondents were asked their opinion on one- to five Likert scale, to determine the most influential factors on tourism performance, to form the basis of prioritisation. An SPSS package was used.

3.5. An Overview of Factor Analysis

Application

Factor Analysis is used for classifying a large number of interrelated variables into a limited number of dimensions or factors. It also identifies the underlying constructs in the data, which are termed as factors.

Input

The input to factor analysis is usually a set of variable values for each respondent in the sample. Factors that influence tourism performance were divided into the following subconcepts;

Performance (p) = 1(infrastructure) + 2 (marketing / promotional activities) + 3 (security) + 4(tourism attractions) + 5 (government moratorium / incentives). e.t.c.

Values attached by respondents (five cases) to variables attributed to such factors were inputted inform of a matrix.

Outputs

Factors scores: One output of a factor analysis program is value for each factor for all respondents termed as factor scores.

Factor loadings: This is the correlation between factors and variables. They are used to interpret the factor in the sense that the higher the loading, the more the variable explains the factor.

Communality : Shows the proportion of the variables variation to the total variation that is involved in the factors.

Eigen values: Is the sum of the squares of its factor loadings and shows the amount of variance extracted by the very factor.

Variance - explained percentage: Help to determine the number of factors to include and the quality of their representation of the original variables. Hence, the factor with the highest percentage of explained variance present the most parsimonious representation of the variables, and is prioritised first.

To improve interpretation of the principal component extraction, a rotation scheme in factor analysis - varimax rotation (Aaker & Day, 1990) was used until there was a clear association between the variables attributed to performance of tourism and the underlying factors. Churchill, (1991: 909), also noted that there is empirical evidence which indicates that varimax tends to produce (factor) loadings that are more interpretable. Others who have validly used the model include, Kipngetich (1991) and Tarus (1997).

	Number	Response	Response rate
Tourists	12	11	91.6%
MTW	13	4	26.6%
	25	15	60%
	1	1	100%

Source: Primary data

From the table 4.1 above, the response rate for tour operators based on group companies and registered in Kenya was very low at 26.6%. This was in part due to unwillingness on the part of the respondents to fill the questionnaire although the targeted number was contacted. Only one officer of the MTW was interviewed who was the Senior Tourist officer, MTW and was deemed highly placed enough to deliberate on the issues raised in the questionnaire. On average the response rate was deemed satisfactory by the researcher for purposes of analysis.

CHAPTER FOUR

THE FINDINGS

4.1. Analysis of Responses.

Data in part A of the questionnaire is summarized in of proportions while part B is factor analysed. Five types of data are analysed in this study from the Ministry, hotel managers, tour operators, beach operators and tourists as well as highlights on an interview with an officer of KWS.

Table 4.1 : Response rate.

Respondents.	Number	Response	%response rate
Hotel Chains	12	11	91.6%
Tour operators	15	4	26.6%
Beach operators	20	10	50%
Tourists	25	15	60%
MTW	1	1	100%

Source: Primary data

From the table 4.1 above, the response rate for tour operators based on group companies and registered in Kenya was very low at 26.6%. This was in part due to unwillingness on the part of the respondents to fill the questionnaire although the targeted number was contacted. Only one officer of the MTW was interviewed who was the Senior Tourist officer, MTW and was deemed highly placed enough to deliberate on the issues raised in the questionnaire. On average the response rate was deemed satisfactory by the researcher for purposes of analysis.

TABLE 4.2: Relative size of hotels.

Number of hotels in the chain	Respondents in the category (Hotels Managers)
1-3	4
4- 6	2
7- 9	2
10- 12	3
Total	11

Source: Primary data.

The respondent hotels had employees ranging from 115 to 1124. Beach operators were either lone beach boys or organised in groups which ranged from 1 to 30 persons. The number of employees for the respondent tour firms with local offices only ranged between 15 and 40 persons.

Location of offices.

All the respondent hotels have offices locally while six of the hotel chains have both local and foreign offices. All the respondent tour operators had both local and foreign offices while all beach operators were locally based.

Type of customer and Method of acquisition.

Of the hotel chains, 27.3 percent dealt purely with foreign visitors while the remainder, 72.7 percent acquired both local and foreign customers. All the respondent tour operators and beach operators cited both local and foreign clients. Apart from hotel and tour operator groups, a question was put to the beach operators as to what was their main business. The

following were cited as their main activities;

- ◆ Selling of curios and souvenirs
- ◆ Performing dances/ entertainment

◆ Prostitution

◆ Boat operators

◆ Massage and hair - do business

◆ Drugs peddling

◆ Selling of fruits.

On customer acquisition, 81.8 percent of the hotel chains cited promotion / marketing efforts while the same percentage liaised with other organisations such as tour operators to acquire clients. Only 10 percent of the hotel chains cited self- patronage while 11 percent cited other means which they did not specify.

Beach operators acquired customers mainly through liaison with hotels for entertainment while 50 percent emphasized self patronage by customers. Only 30 percent engaged in any marketing or promotional effort for their activities. For tour operators, they did acquire customers on equal proportions through promotion, liaison with other organisations as well as customers patronizing on their own.

Volume of Trade.

All the hotel chains and beach operators responded that the volume of trade for their operations was decreasing. However 25 percent of tour operators indicated their volume of trade was increasing. This contradicted the general consensus, that tourism activities are in

an all time low in Kenya.¹

The following reasons were attributed to the declined volume of trade in tourism.

TABLE 4.3: Factors Attributed to Poor performance in Tourism Activities

FACTORS	RESPONDENTS					
	HOTELS		TOUR OPERATORS		BEACH OPERATORS	
	No.	%	No.	%	No.	%
Poor infrastructure	7	64	4	100	1	10
Insecurity	9	82	4	100	7	70
Poor marketing	4	36	1	25	1	10
Bad publicity abroad	2	18	1	25	1	10
Diseases	2	18	-	-	3	30
Political instability	2	18	4	100	2	20
Tribalism	-	-	4	100	2	20
Misunderstanding between operators	-	-	3	75	1	10
El Nino rains	-	-	-	-	2	20
Government taxation burden	10	91	4	100	-	-
Corruption(General)	3	27	1	25	-	-
Economic crisis	1	9	1	25	-	-
Over usage of National parks	1	9	3	75	-	-
Strong shilling	1	9	-	-	-	-
	n=11		n=4		n=10	

¹ No reasons were attributed to the contradiction by the tour operators who reported an increase in their volume of trade.

Other factors attributed to the decline in the tourism industry were given as follows;

- ◆ Lack of a re-investment budget in the tourism industry.
- ◆ Lack of necessary care, love and attention to tourists / visitors to Kenya.
- ◆ Poor quality services in the industry .
- ◆ Low training standards (mushrooming of sub-standard colleges).
- ◆ Stiff competition from other destinations.
- ◆ Circumstantial participation by tourists in corruption.
- ◆ A lack of prioritisation of MTW obligations and liaison with relevant government departments.
- ◆ Low standards in the National airports and breakdown of connecting routes to the Kenyan destination.

Hotel managers, beach operators as well as tour operators gave the following considerations to improve the tourism industry in lumpsum.

- i) Rehabilitation of infrastructure.
- ii) Curbing inflation for a realistic value of the shilling.
- iii) Eradication of corruption/ graft and eventual prosecution of culprits.
- iv) A guarantee of security at all times in any part of the country.
- v) Reduction of bureaucratic tendencies as far as taxation is concerned.
- vi) Collective marketing efforts.
- vii) Cutting of the powers of the MTW and assigning the docket of marketing to KTB.
- viii) Preservation of original culture but to non-exploitative levels.²

² A manager in the North coast of Mombasa, that culture emphasis had become a political tool in Kenya leading to highly volatile situations in the Maasai and Pokot communities in Kenya.

- ix) Political maturity - the country does not have a clear political dimension, thereby overlapping economic policies.
- x) Control of mushrooming sub-standard hotels
- xi) Vetting of all tourism investments where only long-term and serious ones shall be considered.
- xii) Setting of media consultation offices, restrained reportage of events in Kenya and aggressive countering of adverse publicity abroad
- xiii) Control of Kenya Airways monopoly on landing lights.
- xiv) Improvement of physical environment to reduce health hazards such as communicable diseases and other unexplained disease outbreaks.³

ANALYSIS OF RESPONSES BY TOURISTS.

A convenience sample of 25 tourists by judgmental sampling was drawn from the coastal area hotels and in Nairobi. However, as indicated earlier, the response rate was 60 percent.

Frequency and Nature of visits.

About 35 percent of the respondent tourists have visited Kenya between six and forty times previously. 65 percent indicated that it was their first visit. The higher percentage of first visits to the country point to the fact that although the industry is in a slump, tourists are still aware of Kenya as a holiday destination. As to the nature of visits, 85 percent of the tourists were on holiday while 10 percent indicated they were on visit by purpose of

³ It was noted by a hotel manager in Malindi that due to laxity and lack of serious research by medical personnel in Kenya, many killer diseases have not been explained in the recent past and have thus been branded 'mysterious'.

business. Six percent were on transit to other destinations while a mere four percent visited Kenya for other purposes which they did not specify.

	FREQUENCY	%
Diversified	12	82
Good Infrastructure	14	91
Political stability	10	64
Entry convenience	14	92
Affordable holidays	9	58
Shopping and Business opportunities	11	76

Main attractions.

The respondent tourists indicated the following attractions as their main reasons for visiting Kenya;

- ♦ Business
- ♦ Tropical climate / weather
- ♦ Recommendation from friends.
- ♦ Location and value for money (Good price)
- ♦ Volcanoes and the Great Rift valley
- ♦ Group safari
- ♦ Family holiday and sports
- ♦ Beach and Diving
- ♦ Peoples and old fascination for Kenya
- ♦ Excursions
- ♦ Animals especially the Big Five

Tourists were asked about visits to other countries in Africa, and 75 percent favoured South Africa as the most attractive destination followed by the Seychelles. The following were the factors attributed to their choice;

- ♦ Development
- ♦ Planning
- ♦ Promotion and marketing
- ♦ Control and regulation

Table 4. 4: Reasons attributed to the most desirable destination in Africa

FACTOR	FREQUENCY	%
Diversified	12	82
Good Infrastructure	14	91
Political stability	10	64
Entry convenience	14	92
Affordable holidays	9	58
Shopping and Business opportunities	11	76

Source: Primary Data

The tourists were then asked about comfort during their stay in Kenya. 60 percent indicated they were fully satisfied while 40 percent were fairly satisfied. On whether they would make another visit to the country, 86 percent indicated that they would return, but not in the near future, while 14 percent were non-committal. Of the respondent tourists, 46.6 percent were female while 53.4 percent were male.

THE PRIORITIES OF MTW AND KWS

A senior tourist officer who responded to the research questionnaire cited the following main functions of the Ministry in regard to the tourism industry:

- ◆ Development
- ◆ Planning
- ◆ Promotion and marketing
- ◆ Control and regulation

The marketing department in the Ministry is particularly bestowed with;

- ◆ Promotion / marketing and selling of the tourist attractions
- ◆ Facilitation of services and information on tourism.

On the relationship between the MTW and KWS, KTB and the Ministry of Natural Resources, the officer indicated that they were 'cordial'. However, there was a feeling that the KWS, should only play the role of the 'custodian' of wildlife while KTB should act to 'supplement' the efforts of the Ministry as far as promotion of tourism attractions was concerned. On the Natural Resources ministry, the officer felt that a closer relationship was necessary as far as conservation was concerned.

The Ministry did highlight on the steps it is undertaking to achieve the projected one million tourists per year by the 2000. However, the answer was overtaken by the event of a special workshop which actually changed the target to two million tourists per year by the 2010. The MTW did not feel Kenya is threatened by other African countries mainly because it felt Kenya was unique. "We only need to diversify (attractions), keep high standards, promote environmentally suitable attractions and mount a more aggressive promotion campaign in the region and internationally." The tourist markets in the world that Kenya was most focused currently were given as the traditional tourist originating markets in Europe and North America. However, the Ministry indicated that it was venturing into the Far East markets and other new markets. No reasons were given for the latter, nor the ways of venturing into the new markets.

The main mission of KWS was revealed by its Tourism Development Office as conservation of wildlife and all that appertains to that mission. For effective management of the conservation body, the country is divided into eight regions namely; Central, Tsavo, South, Northern, Western, The East, Coastal and Mountain regions of Kenya. The office

also revealed that KWS operates under a memorandum of understanding with the MTW as well as the Ministry of Natural Resources.

4.2. FACTOR ANALYSIS (PRIORITISATION)

Factor analysis was performed on part B of the questionnaires, in order to prioritise the factors that do have the most influence on the performance of the tourism industry. This part of the questionnaire had 13 variables for the 5 cases (strata of respondents) on the factors that do influence the performance of the tourism industry. Samples of the questionnaires are attached in appendix II. A statistical package SPSS (Statistical Package for Social Sciences) and SYSTATW 5 (Window based) were used to analyse this data. The results are presented here below.

TABLE 4.5 : SUMMARY STATISTICS.

	Mean	Std Dev
V1	3.40000	1.34164
V2	4.60000	.54772
V3	2.40000	1.34164
V4	3.80000	1.09545
V5	3.20000	.83666
V6	4.60000	.54772
V7	3.80000	1.09545
V8	4.20000	.83666
V9	3.60000	.54772
V10	3.40000	1.34164
V11	3.20000	.83666
V12	3.40000	.54772
V13	2.80000	1.09545

Most influencing factor for the matrix questions was represented by a score of five (5) while least influence was represented by a score of one (1). The table above shows that variables 2, 6 and 8 had high mean scores. This is because the MTW felt strongly that marketing was the factor mostly influencing the tourism industry. This was also reflected by some beach operators thus mean scores of 4.6 in both V2 and V6 while most tourists felt they did not get real value for their money - V8. The standard deviation does not seem to show a wild variation of the answers to questions by the respondents. To generate the factors, a correlation matrix was therefore necessary, and the results are as follows;

TABLE 4.4: Correlation matrix for respondent No. of cases = 5; items = 13

	V1	V2	V3	V4	V5	V6	V7	V8	V9	V10	V11	V12	V13
V1	1.00000												
V2	-.08804	1.00000											
V3	.16000	.06804	1.00000										
V4	-.44227	-.16667	-.44227	1.00000									
V5	-.31180	-.32733	-.31180	-.49089	1.00000								
V6	-.06804	.38500	-.06804	-.16667	-.32733	1.00000							
V7	-.44227	-.16667	-.44227	1.00000	-.49089	-.16667	1.00000						
V8	-.31180	-.32733	-.31180	-.49089	.68046	-.32733	-.49089	1.00000					
V9	-.06804	.27210	-.06804	-.16667	-.32733	.31180	.16667	-.32733	1.00000				
V10	.31180	-.06804	1.00000	-.44227	-.31180	-.06804	-.44227	-.31180	-.06804	1.00000			
V11	-.31180	.32733	-.31180	-.49089	.44227	-.32733	-.49089	.49089	-.32733	-.49089	1.00000		
V12	-.44227	-.16667	-.44227	1.00000	-.49089	-.16667	1.00000	-.49089	-.16667	-.49089	-.16667	1.00000	
V13	-.44227	-.16667	-.44227	1.00000	-.49089	-.16667	1.00000	-.49089	-.16667	-.49089	-.16667	1.00000	1.00000

TABLE 4.6: Correlation matrix for respondent No. of cases = 5; items = 13

	V1	V2	V3	V4	V5	V6	V7	V8	V9	V10	V11	V12	V13
V1	1.00000												
V2	-.06804	1.00000											
V3	.16000	-.06804	1.00000										
V4	-.44227	-.16667	-.44227	1.00000									
V5	-.31180	-.32733	-.31180	-.49099	1.00000								
V6	-.06804	.38600	-.06804	-.16667	-.32733	1.00000							
V7	-.44227	-.16667	-.44227	1.00000	-.49099	-.16667	1.00000						
V8	-.31180	-.32733	-.31180	-.49099	.68040	-.32733	-.49099	1.00000					
V9	-.06804	.27210	-.06804	-.16667	-.32733	.31180	-.16667	-.32733	1.00000				
V10	.32100	-.06804	1.00000	-.44227	-.31180	-.06804	-.44227	-.31180	-.06804	1.00000			
V11	-.31180	-.32733	-.31180	-.49099	.44227	-.32733	-.49099	.49000	-.32733	-.31180	1.00000		
V12	-.27217	-.16667	-.27217	.16667	-.21822	-.16667	.16667	-.21822	-.16667	-.21822	-.32733	1.00000	
V13	-.44227	-.16667	-.44227	.21822	-.49099	-.16667	1.00000	-.49099	-.16667	-.44227	.49099	.16667	1.00000

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Table 4.6 above shows the correlation matrix of the thirteen variables which were contained in the part B of the questionnaire. This is the basis of generating factors and shows the inter-correlation among variables. For high correlation, the number should be either close to 1 or -1. Zero indicates no correlation. For example variable 1 has a low correlation at -0.06804 with variable 2. Variable 10 correlates perfectly highly with variable 3 at 1.0000. Variable 8 also correlates fairly highly with variable 5 at 0.6804. This shows how factors are grouped together through correlation by the model.

TABLE 4.7: Initial output : Variable, Communality and Eigen Values.

Variable	1	2	3	4	5	6 ,.....13
Communality	1	1	1	1	1	1 ,.....1
Eigen values	5.8	4.8	2.1	1.3	1.1	0 ,.....0
% variance	51.3	22.2	14.1	9.6	2.8	0 ,.....0

Table 4.7 above shows the initial output of variables, communality and Eigen values of the initial factor matrix. The communality is the proportion of the variable’s variation to the total variation that is involved in the factors. There is full contribution of the variables to the factors hence, as all are indicated by 1 or 100%. The Eigen values show that there are five main factors with the following contributions;

- Factor 1....51.3 % of the variation
- Factor 2....22.2 % of the variation
- Factor 3....14.1 % of the variation
- Factor 4....9.6 % of the variation
- Factor 5....2.8 % of the variation

Factor 1 explains 51.3 percent of the dimension of performance followed by factor 2 with 22.2 percent up to factor 5.

Table 4.9 : Final Output of Variable, Communality and Eigen Values.

Table 4.8 : Initial Factor Score Coefficient Matrix.

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5
V1	.01559	.25675	.04589	.06094	-.10833
V2	-.01804	-.04328	.29539	.03946	-.16791
V3	.01559	.25675	-.04589	.06094	.15559
V4	.22561	.07688	.06513	.16438	-.06513
V5	.16791	-.10833	-.06595	.13266	.35432
V6	.01804	.04328	.29539	.03946	-.04589
V7	.22561	.07688	.06513	.16438	-.04328
V8	.16791	-.10833	.06595	.13266	.01840
V9	.01804	-.04328	.29539	.03946	.04348
V10	.01559	.25675	.04589	.06094	.07188
V11	.16791	-.10833	.06595	.13266	.06648
V12	.09718	-.04348	.03448	-.88896	.03485
V13	.22561	-.07688	.06513	.16438	.28467

Table 4.8 above shows the initial factor matrix, thus the coefficient (factor loadings) between the factors and the variables. At a glance, Variables 4, 7 and 13 loads higher to Factor 1; variables 1, 3 and 10 loads higher to Factor 2 while variables 2, 6 and 9 to Factor 3. Only variable 12 loads heavily but negatively to Factor 4. Factor 5 is loaded by variables 5 and 13.

However, all the loadings except for factor 4 are below 0.3 thus do not contribute sufficiently to the underlying constructs (factors) identified by the model. On the other hand, the first factor (Refer to table 4.7) has got a percentage of explained variance of 51.3 % far much higher than the rest four identified factors. This means that the first factor is explaining more than half the desired dimension of the tourism performance. Hence there is

Table 4.9 : Final Output of Variable, Communality and Eigen Values.

Variable	1	2	3	4	5,.....13
Communality	1	1	1	1	1,.....13
Eigen values	4.7	4.2	3.0	1.0	0,.....0
% variance	32.1	28.4	23.5	6.0	0,.....0
Cum %	32.1	60.5	84.0	90.0	0,.....0

The final rotated factor matrix indicates four factors, whose Eigen values are more than 1. The principal component extraction, had identified five factors. Contribution of the four factors in explaining variation is as indicated below;

- Factor 132.1%
- Factor 228.4%
- Factor 3.23.5%
- Factor 4.....6.0%

The accumulated percentage variance is 90% of the dimension. This means that 10% of the dimension of tourism performance is explained by other factors not identified by the model.

Table 4.10: Final rotated factor matrix for respondents.

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4
V1	-.06538	<u>.99425</u>	-.04046	.07453
V2	.01097	.03019	<u>.99862</u>	.04164
V3	-.06538	<u>.99425</u>	-.04046	.07453
V4	<u>.89628</u>	.39733	.19080	.04899
V5	-.81169	.39993	.34155	<u>.82540</u>
V6	.01097	.03019	<u>.99862</u>	.04164
V7	<u>.89628</u>	-.39733	.19080	.04899
V8	-.81169	-.39993	-.34155	<u>.75408</u>
V9	.01097	.03019	<u>.99862</u>	.04164
V10	.06538	<u>.99425</u>	.04046	.07453
V11	.41169	-.39993	-.34155	<u>.85408</u>
V12	.12184	-.19899	-.13410	-.36311
V13	<u>.89628</u>	-.39733	-.19080	.04899

The table above shows the rotated matrix of the initial factor matrix. Varimax, which is an orthogonal type (Kaiser, 1958) of rotation was performed. Varimax rotation attempts to simplify the columns of factor matrix by making all values close to either 0 or 1. This final matrix represents the terminal solution and it stands for both a pattern and a structure matrix with the coefficients representing both regression weights and correlation coefficients. The loading in a given row represents regression coefficients of factors that describe a given variable. In the varimax rotated matrix, Factor 1 is loaded heavily by variables (as underlined) 4, 7 and 13. Factor 2 is loaded heavily by variables 1, 3 and 10. Factor 3 is loaded heavily by variables 2, 6 and 9. Factor 4 is loaded by variables 5, 8 and 11. Variable 12 was loaded below 0.3 to any of the factors. The factors are identified below.

CHAPTER FIVE
SUMMARY AND CONCLUSIONS.

Factor 1 : Security

- V4. The security situation in the country
- V7. Activities of Beach boys/ Beach operators
- V13. Political stability / governance

Factor 2 : Infrastructure

- V1. Road and Railways transport
- V3. Power and water infrastructure
- V10. Telecommunication services

Factor 3 : Tourism marketing.

- V2. Marketing of Kenya as a tourist destination
- V6. Awareness of the tourism destination.

	Pct. of Variance	Cum Pct	Order of Priority
V9. Kenya's wildlife.			
Factor 4 : <u>Government moratorium/incentives.</u>		32.1%	No. 1
V5. Tax incentives in tourism trade	28.4%	60.5%	No. 2
V8. Cost of tourism products.	23.5%	84.0%	No. 3
V11. Kenya entry requirements e.g visa etc.	6%	90.0%	No. 4

Source: Final Output Rotated Factor Matrix

Therefore security has got the highest percentage of explained variance (32.1%) thereby presenting the most parsimonious representation of the variables attached to the performance of the tourism industry. According to the findings therefore, it is the priority factor. Infrastructure, Marketing and Government moratorium / incentives follow in that order.

CHAPTER FIVE

SUMMARY AND CONCLUSIONS.

The objective of this study was to prioritise the determining factors in order of their extent of influence on the performance of the tourism industry. This was important for all stakeholders in the tourism industry in pointing to the direction that the industry should take to enhance its growth now and in the future. To achieve the stated objective, the researcher assessed the type, severity, prevalence and extent of the impact of the various factors under review to determine the starting point (by prioritisation) to revamp an industry already in a slump.

5.1. PRIORITISATION.

Through a Factor Analysis model, the following factors were identified;

Table 5.1: A Prioritisation of Factors.

Factor	Pct. of Variance	Cum Pct	Order of Priority
Security	32.1%	32.1%	No. 1
Infrastructure	28.4%	60.5%	No. 2
Tourism marketing	23.5%	84.0%	No. 3
Government moratorium/ incentives	6%	90.0%	No. 4

Source: Final Output Rotated Factor Matrix

Therefore security has got the highest percentage of explained variance (32.1%) thereby presenting the most parsimonious representation of the variables attached to the performance of the tourism industry. According to the findings therefore, it is the priority factor. Infrastructure, Marketing and Government moratorium / incentives follow in that order.

The results of factor analysis reveal that security is the most important factor that affect the tourism industry. Security embraces political stability, governance and the ability of the government of the day to deal decisively with any threat to internal security; be it politically instigated tribal clashes, robberies, mugging, attacks directed to foreigners, to create a harmonious investment atmosphere and ensure that both locals and foreigners in the country enjoy paramount and assured peace at all times. Industry players often complain of bad publicity abroad. However, the bad coverage seem justified if the potential of a favourite destination anywhere in the world is jeopardized by security problems..... it is a reality.

Infrastructure is prioritised second. It is an economic reality that good infrastructure is a catalyst of economic development. The collapse of the road network especially has been gradual and not as a result of natural phenomenon such as the El Nino weather phenomenon. A policy should be in force to review a grand strategy of total infrastructure rehabilitation through a phased out implementation programme other than haphazard programmes aided by foreign agencies.

The marketing aspect in the tourism industry is third in the priority list. It is occasioned by the fact that there is need to preserve the product, to promote what exists and not to cry foul when the customer turns away a sub-standard package. There is a general feeling by private players in the industry that the revenue remitted to the government is not ploughed back to enhance tourism development. The government should give incentives to investors in the industry, ease cumbersome visa requirements in-order to enable hoteliers charge a reasonable price. This factor of moratorium/ incentives is identified and prioritised fourthly.

5.2. Other Theoretical Findings

Factor analysis can also be useful in multiple regression and other analysis of dependence structures, where the predictors are both numerous and highly correlated. If the predictors are first factor analysed and the criterion variable is regressed on the full set of factor scores, R^2 will be identical to that obtained from the usual multiple regression analysis. Therefore the cumulated explained variance of 90 percent in table 4.9 is the same as R^2 which signifies the extent to which all the identified factors (or independent variables) explain the dimension (in this case performance of the tourism industry). The findings therefore revealed an unexplained 10 percent which form the basis for other qualitative findings.

That the collapse of the tourism industry was inevitable anyway;

- ◆ Tourism in Kenya has for years been among the top revenue earners; an industry that generates this scale of turnover deserved to be listed among the top most priorities and should command substantial re-investment budget yearly. There was failure overtime to accord the industry the priorities it so rightfully deserves.
- ◆ Who markets Kenya as a holiday destination? Is it the MTW, KTB, KWS or the individual private players? There has been failure to embrace a national concept and strategy for tourism promotions and marketing generally. Each party produces a marketing booklet, some do contradict even in basic facts about Kenya. Where are the standards?
- ◆ The merger between KLM /KQ has subsequently reduced the once National flag carrier from an International Airline to a local 'Air- matatu'. Air charters have taken over to ferry tourists to Kenya while many routes have been abandoned thus injuring the very fragile market. The motives for mergers, synergy among them, may be well intended, but the

National flag carrier should readdress the SWOT analysis.

- ◆ The Kenya National Airports Authority has failed to observe international standards especially in the arrival / departure lounges, Customs and Immigration Department with notable elements of corruption, delaying tactics e.t.c. Tourists themselves have been circumstantially forced to participate.
- ◆ Tourism as an industry exclusively rotates around human beings. The tourist therefore needs to be handled with a lot of care, love and attention. There was failure overtime to screen the performances and reactions from the industry and accord the necessary care and attention - harassment free beaches, town streets, riots, thuggery etc.
- ◆ The research also revealed that there has been failure to provide a healthy environment and a free holiday destination devoid of disease breakouts.
- ◆ There has been failure to ensure that services are provided as per the licensed hotel classifications so that the money's worth of services is ensured for tourists. Hotel establishments should carry out renovations as standards change from time to time. The research revealed that even some basic issues such as carpeting, staff uniforms, service cutlery, lifts (for three floors and above) garbage collection, hotel vehicles are ignored among many others. There should be vetting of all hotels and related investments and only serious investors should be allowed. Mushrooming of so many sub-standard discotheques and restaurants in Mombasa's North and South Coasts was noted. This has had the effect of drawing tourists away from planned tour packages as well as promoting other social vices from unsuspecting tourists. Bad image and low standards have been the implications.
- ◆ Although it is the prerogative of an individual hotel guest to decide how to spend his/her holiday, and of course it depends on information available about a destination, in many

5.3 cases it turns out not to be the situation on the ground as far as Kenya is concerned. A

tourist on the south coast beach commented that she feels like a prisoner within hotel compounds (she had at first instant mistaken this researcher for another beach boy out to win at least a sale of a handicraft). In spite of the fact that a hotel must ensure free movement of its guests devoid of harassment, regulation of beach operators' activities rests with the authorities. A mere deployment of security personnel on the beaches is not suffice.

- ◆ There has been failure over time to maintain a tourism development policy. A policy should be viewed as a strategic control tool, stipulating national guidelines. The failure has promoted the practice of conservatist cheap modes by both authorities and employers devoid of the benefits of the 'experience curve.' Training, employment, promotions, settling of labour disputes should be in line with such National guidelines.
- ◆ Finally, there has been failure to determine the individual contributions of MTW, KWS, KTB and more recently the Ministry of Natural resources. Functions have overlapped yet the funding of KTB and KWS has all along been an issue. Obligations and functions of each body should be clearly defined and the following ministries which are directly connected to the tourism Industry, should join hands;

- ◆ Finance
- ◆ Internal security
- ◆ Local government
- ◆ Health
- ◆ Transport and communications.

5.3. LIMITATIONS OF THE STUDY

One of the major limitations of this study was the reluctance of tour operators to respond to questionnaires, a fact that was demonstrated by the relatively low response rate. Another one was that the study was conducted at one point in time, May/ June/ July because the responses could have been affected by seasons; low or high peak seasons. Thirdly, the researcher did not have a chance to interview personally most of the tourists, who are the consumers of the product especially those who have visited other countries for comparison purposes; of course the results could have been much improved.

5.4. SUGGESTIONS FOR FURTHER RESEARCH

Stiff competition is a bitter reality in internationalization of any business. Kenya is facing the same scenario, due to the emerging competitors in Africa in the tourism sector. Research can be conducted in future to ascertain the dynamic comparative advantage that Kenya has in the tourism industry over other African countries. Then, such advantage (or otherwise) could be used, soon as it is established, as a paradigm to shape government policy on tourism. This would involve a survey in the selected countries covering all aspects of the industry.

Another area of research would be to test a construct such as the Level of Involvement (LI) to measure the participation or involvement of the various players in the tourism industry. Such a construct can be hypothesized and tested to measure;

- ◆ The amount of managerial and financial resources commitment by the different interested parties ,
- ◆ The degree to which this resources commitment is particular to the tourism industry.

- ◆ The success of such research would clearly spell out functions for each particular player in the tourism industry e.g. the MTW, KTB, KWS, Tour Operator associations, hotel management e.t.c.

with my family at an exclusive four - star hotel on the Mombasa south coast, after a long journey, it was just as brochures had described it - the views were even more spectacular than the photographs. What was all the fuss about? The bad publicity in the UK, tabloids seemed to be a little over the top- the people were friendly and everything appeared to be fine. A good decision, I thought as we were offered a cool drink. It had been a close call between Florida and Kenya for the Easter vacations.

But wait! We were informed that our rooms were not ready, but they were being cleaned and would be ready after lunch. Our luggage was deposited at the reception. A minor hiccup, we would swim, have lunch and then unpack. A friendly pool attendant got us some sunbeds and towels after half an hour, but he did look harassed and appeared to be the only attendant looking after all the guests. We got our rooms at 4 pm with apologies, stating that the previous occupant had arranged for a late checkout and paid the daily rate. But a close check on our luggages, a doll was missing. And the kid started I pick up the telephone to dial the reception, but Alas! It could not go through although I could hear distant conversations on the line. I guessed it could be one of the African languages. That evening we are at the dinning - room, and one of the reasons why we had such a good deal was because the quality of food was far from gourmet as promised, "*nouvelle cuisine*" sized portions. They had obviously cut back on their budget.

During the night there was power failure, something that happen regularly I was told. "This is a regular problem. But we have a standby generator," the receptionist was quick to inform me. True, the generator kicked in for a while anyway. The air conditioning had stopped when the power went off as the generator does not have sufficient capacity to

EPILOGUE

Bungled Service a Tourism Killer

On arriving with my family at an exclusive four - star hotel on the Mombasa south coast, after a long journey, it was just as brochures had described it - the views were even more spectacular than the photographs. What was all the fuss about? The bad publicity in the UK, tabloids seemed to be a little over the top- the people were friendly and everything appeared to be fine. A good decision, I thought as we were offered a cool drink. It had been a close call between Florida and Kenya for the Easter vacations.

None But wait! We were informed that our rooms were not ready, but they were being cleaned and would be ready after lunch . Our luggage was deposited at the reception. A minor hiccup, we would swim, have lunch and then unpack. A friendly pool attendant got us some sunbeds and towels after half an hour, but he did look harassed and appeared to be the only attendant looking after all the guests. We got our rooms at 4 pm with apologies, stating that the previous occupant had arranged for a late checkout and paid the daily rate. But a close check on our luggages, a doll was missing. And the kid startedI pick up the telephone to dial the reception, but Alas! It could not go through although I could hear distant conversations on the line. I guessed it could be one of the African languages. That evening we ate at the dinning - room, and one of the reasons why we had such a good deal was because the quality of food was far from gourmet as promised, “ *nouvelle cuisine* ” sized portions. They had obviously cut back on their budget.

During the night there was power failure, something that happen regularly I was told. “This is a regular problem. But we have a standby generator,” the receptionist was quick to inform me. True, the generator kicked in for a while anyway. The air conditioning had stopped when the power went off as the generator does not have sufficient capacity to

ran these, but thankfully, the fans did work. Then the generator packed up, we were plunged into darkness, the fans cut out- mayhem ensured , the kid woke up in the heat.

Bleary - eyed the next morning, we staggered into breakfast. I had thought our ears were blocked with the buzzing of mosquitoes, but we managed. My wife however seemed to have a fever and I called the reception for the hotel doctor: he was said to be on leave Out of breakfast the sun was shining, the sea glimmered, it didn't seem so bad after all. What an incredible beach - palm trees, a truly edyling setting.

That afternoon, we had booked for the shopping bus to the nearby Mombasa town. None arrived after all. "Please bear with us, the shopping bus had some mechanical problems, tomorrow everything will be okay," assured the receptionist who looked uneasy and sleepy.

At dinner, we felt fairly tipsy . The crab was inedible, and despite having ordered different styles, each meal looked indistinguishable. In disgust, we called the manager, who arrived half an hour later. He did not seem apologetic and reluctantly agreed not to charge us for the food we did not consume! In the meantime we had been overtaken by what seemed a disagreement between a waiter and another guest. It nearly became a brawl, and suddenly we also felt prey.

At night, my wife called for the room service attendant using a neighbouring room's telephone facility, but there was no reply. But suddenly it was dark- a power cut, failed air - conditioning . Oh! And the kid started again.....It was obviously not a just one- off occurrence. Florida is looking good- next year!

Partly adopted from " Management Matters" Daily Nation, 19/ 5/ 98.



UNIVERSITY OF NAIROBI
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MBA — PROGRAMME

LOWER KABETE CAMPUS

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95 Varsity Nairobi

P.O. Box 30197
Nairobi, Kenya.

May 8, 1998

INTRODUCTORY LETTER: ANTHONY JUMA WAGOKI

APPENDIX I

MR. ANTHONY JUMA WAGOKI is a Masters student in the Faculty of Commerce, University of Nairobi. In partial fulfilment of the requirements of the Masters in Business and Administration (MBA) he is conducting a study on "THE PERFORMANCE OF THE TOURISM INDUSTRY IN KENYA: A PRIORITISATION OF DETERMINING FACTORS."

Your organization/firm has been selected to form part of this study. To this end, we kindly request your assistance in completing the questionnaire which forms an integral part of the research project. Mr. Wagoki will be responsible for the administration of the questionnaire. Any additional information you might feel necessary for this study is welcome.

The information and data required is needed for academic purposes and will be treated in strict confidence. A copy of the research project will be made available to your organization/firm upon request.

Your cooperation will be highly appreciated.

Thank you.

Yours sincerely,

J. K. LEBEI
Ag. MBA Co-ordinator





UNIVERSITY OF NAIROBI
FACULTY OF COMMERCE
MBA — PROGRAMME

LOWER KABETE CAMPUS

WAGOKI, A. JUMA
MBA Office
University of Nairobi
Lower Kabete Campus
P.O. Box 30197
NAIROBI

P.O. Box 30197
Nairobi, Kenya.

May 8, 1998

INTRODUCTORY LETTER: ANTHONY JUMA WAGOKI

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Your organization/firm has been selected to form part of this study. To this end, we kindly request your assistance in completing the questionnaire which forms an integral part of the research project. Mr. Wagoki will be responsible for the administration of the questionnaire. Any additional information you might feel necessary for this study is welcome.

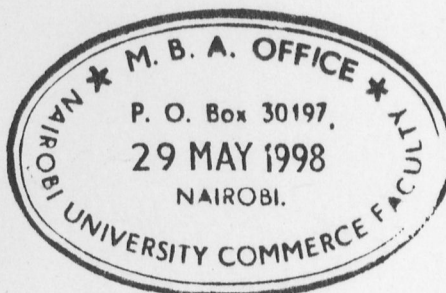
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Thank you.

Yours sincerely,

J. K. LELEI
Ag. MBA Co-ordinator



J. MAALU
SUPERVISOR

Wagoki/MBA UON
INTRODUCTORY LETTER TO THE RESPONDENTS

WAGOKI, A. JUMA
C/O MBA Office
University of Nairobi
Lower Kabete Campus
P.o. Box 30197
NAIROBI

March 27, 1998

Dear Respondent,

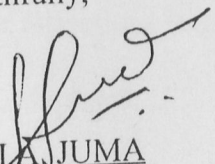
I am a postgraduate student at the University of Nairobi. In partial fulfilment of the requirements for the award of the Master of Business and Administration (MBA) degree, I am conducting a study on
“THE PERFORMANCE OF THE TOURISM INDUSTRY IN KENYA: A PRIORITISATION OF DETERMINING FACTORS”

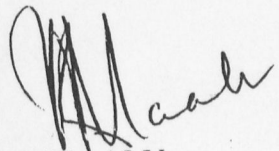
Your organisation has therefore been selected to form part of this study. To this end, I kindly request your assistance in completing the questionnaire and providing any other relevant information necessary to this study.

The information and data provided will be used for academic purposes only and will be treated in strict confidence. A copy of the research project will be made available to your organisation upon request.

Your co- operation will be highly appreciated.

Thank faithfully,


WAGOKI, A. JUMA
MBA STUDENT


J. MAALU
SUPERVISOR

QUESTIONNAIRE TO BE ANSWERED BY THE MINISTRY OF TOURISM & WILDLIFE.

PART A

1. In regard to the tourism industry, what are the functions of your ministry?
.....
.....
2. What responsibilities are currently bestowed on the marketing department?
.....
.....
3. Describe the relationship between your ministry and the following :
 - (a) KWS.....
 - (b) KTB.....
 - (c) Ministry of Natural resources.....
4. Explain the steps the Ministry is undertaking to achieve the projected one million tourists per year by the year 2000.
.....
5. To what extent do you feel Kenya is threatened by other countries with similar attractions (e.g. wildlife) like South Africa, Tanzania, Botswana etc.?
(please explain).
.....

APPENDIX II

6. Which tourist markets in the world is Kenya most focused currently? (Give reasons)
.....

QUESTIONNAIRE TO BE ANSWERED BY THE MINISTRY OF TOURISM & WILDLIFE.

PART A

1. In regard to the tourism Industry, what are the functions of your ministry?
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3. Describe the relationship between your ministry and the following ;

(a) KWS.....

(b) KTB

(c) Ministry of Natural resources.....
4. Explain the steps the Ministry is undertaking to achieve the projected one million tourists per year by the year 2000.
.....
5. To what extent do you feel Kenya is threatened by other countries with similar attractions (e.g. wildlife) like South Africa, Tanzania, Botswana etc.? (please explain).
.....
6. Which tourist markets in the world is Kenya most focused currently? (Give reasons)
.....

PART B.

Several factors have been identified as influencing the performance of the tourism industry in Kenya. You are requested to rate in your own opinion, the extent to which they influence tourism, by circling the most appropriated score. A score of (1) will imply least influence while a score of (5) will imply most influence.

	Least influence				Most influence
1. Road and Railways transport	1	2	3	4	5
2. Marketing of Kenya as a tourist destination	1	2	3	4	5
3. Power and water infrastructure	1	2	3	4	5
4. Security situation in the country	1	2	3	4	5
5. Tax incentives in tourism trade	1	2	3	4	5
6. Awareness of the tourist destination	1	2	3	4	5
7. Activities of Beach operators / Beach boys	1	2	3	4	5
8. Cost of tourism products	1	2	3	4	5
9. Kenya's wildlife	1	2	3	4	5
10. Telecommunication services	1	2	3	4	5
11. Kenya entry requirements e.g. visa etc.	1	2	3	4	5
12. Diversity of attractions apart from wildlife	1	2	3	4	5
13. Political Stability / governance	1	2	3	4	5
Others (please specify)					
.....	1	2	3	4	5
.....	1	2	3	4	5

Thank you for your cooperation

WAGOKI, A. JUMA

MBA II U.O.N.

QUESTIONNAIRE FOR TOUR OPERATORS / TRAVEL**AGENTS, HOTELS / HOTEL CHAINS, KWS AND BEACH OPERATORS****PART A.**

1. What is the name of your organization ?

.....

2. What is the relative size of your organization?

.....

(Give answer in terms of Number of employees; If hotel chain, Number and name of the hotels in the chain)

.....

3. In what places does your organization have offices?

Locally ()

Abroad ()

Locally & abroad ()

4. What is the main business of your organization?

.....

5. Who are your main customers?

Local ()

Foreign tourists ()

Both local and foreign tourists. ()

6. How do you acquire your customers?

Through promotional effort ()

Liaison with other organizations ()

Customers patronize on their own ()

Others (specify).....

.....

7. How would you rate your volume of trade?

Increasing () Decreasing ()

8. In answer to (7) above, which factor, would you attribute most to be affecting your performance?
-
9. In your own opinion, what considerations should be made in improving / sustaining the development of the tourism Industry in Kenya ?(please, List them).....
-

PART B

Several factors have been identified as influencing the tourism industry in Kenya, and in turn affect the performance of your operations . You are requested to rate in your own judgment, the extent to which they influence tourism trade, by circling the most appropriate score. A score of(1) will imply least influence while a score of (5) will imply most influence.

	Least influence			most influence	
1. Road and Railways transport	1	2	3	4	5
2. Marketing of Kenya as a tourist destination	1	2	3	4	5
3. Power and water infrastructure	1	2	3	4	5
4. Security situation in the country	1	2	3	4	5
5. Tax incentives in tourism trade	1	2	3	4	5
6. Awareness of the tourist destination	1	2	3	4	5
7. Activities of Beach operators / Beach boys	1	2	3	4	5
8. Cost of tourism products	1	2	3	4	5
9. Kenya's wildlife	1	2	3	4	5
10. Telecommunication services	1	2	3	4	5
11. Kenya entry requirements e.g. visa etc.	1	2	3	4	5
12. Diversity of attractions apart from wildlife	1	2	3	4	5
13. Political Stability / governance	1	2	3	4	5

SPENT A REASONABLE PORTION OF THEIR STAY OR WHOSE STAY IS	1	2	3	4	5
ALMOST OVER	1	2	3	4	5

1. What is your country of residence?
Give name.
2. Is this is your first visit ?
3. If this is not your first visit, what country did you visit the country before?
Thank you for your cooperation
WAGOKI , A. JUMA.
4. What is the nature of your visit
Business ()
Holiday ()
Transit ()
Others (Specify) ()
5. By choosing Kenya for your visit, which are the main attractions that influenced your decision? (List them down)
6. Apart from Kenya, which other countries in Africa (if any), have you visited for your holidays? (Give names)
7. In your answer in (6) above, which is the most attractive destination to visitors in your own judgment?
8. What factor (s) would you attribute to your choice in (7) above among the following :
Diversified attractions ()
Good infrastructure facilities ()
Political stability viz. security ()
Less cumbersome entry requirements ()
Quality services (accommodation, banking, tours etc.) ()

THIS QUESTIONNAIRE IS TO BE ANSWERED BY TOURISTS WHO HAVE SPENT A REASONABLE PORTION OF THEIR STAY OR WHOSE STAY IS ALMOST OVER.

1. What is your country of residence?
Give name.
2. Is this your first visit ?.....
3. If this is not your first visit, how many times have you visited the country before?
.....
4. What is the nature of your visit (Tick appropriately)

Business	()
Holiday	()
Transit	()
Others (Specify)	()

5. By choosing Kenya for your visit, which are the main attractions that influenced your decision? (List them down.).....
6. Apart from Kenya, which other countries in Africa (if any), have you visited for your holidays? (Give names).....
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8. What factor (s) would you attribute to your choice in (7) above among the following ;

	Least influence	1	2	3	4	5	most influence
Diversified attractions							
Good infrastructure facilities							
Political stability viz. security							
Less cumbersome entry requirements							
Quality services (accommodation, banking, tours etc.)							
Road and Railways transport							
Marketing							
Power and							
Security situation in the country							
Tax incentives in tourism trade							
Awareness of the tourist destination							

7. Affordable holidays () 1 2 3 4 5
8. Others (Please specify) () 1 2 3 4 5

9. Kenya's wildlife 1 2 3 4 5
10. Telecommunication 1 2 3 4 5

9. Did you enjoy your holiday in Kenya? 1 2 3 4 5

12. Diversity of attractions apart from wildlife 1 2 3 4 5

13. Yes () No. () 1 2 3 4 5

14. Others (please specify)

10. If your answer in (9) above is 'No' what might have prevented you from enjoying yourself ? 1 2 3 4 5

11. Out your experience in the country, are you likely to make another holiday visit in the future?

Yes ()

No. ()

Not sure ()

12. What is your sex ? female () male ()

PART B.

Listed below are some factors which have been identified as Influencing tourism trade in Kenya. You are asked in your own opinion, the extent to which these factors influence your decision to visit Kenya, by circling the most applicable score. A score of (1) Implies least Influence, while a score of (5) Implies most Influence.

	Least influence		most influence		
1. Road and Railways transport	1	2	3	4	5
2. Marketing of Kenya as a tourist destination	1	2	3	4	5
3. Power and water infrastructure	1	2	3	4	5
4. Security situation in the country	1	2	3	4	5
5. Tax incentives in tourism trade	1	2	3	4	5
6. Awareness of the tourist destination	1	2	3	4	5

7. Activities of Beach operators / Beach boys	1	2	3	4	5
8. Cost of tourism products	1	2	3	4	5
9. Kenya's wildlife	1	2	3	4	5
10. Telecommunication services	1	2	3	4	5
11. Kenya entry requirements e.g. visa etc.	1	2	3	4	5
12. Diversity of attractions apart from wildlife	1	2	3	4	5
13. Political Stability / governance	1	2	3	4	5
14. Others (please specify)					
.....	1	2	3	4	5
.....	1	2	3	4	5

Thank you for your cooperation

WAGOKI , A. JUMA.

MBA II U.O.N

APPENDIX III

TABLE 6.1: KENYA'S INTERNATIONAL VISITOR ARRIVALS BY CONTINENT (1990 - 1996)

CONTINENT	1990	1991	1992	1993	1994	1995	1996
TOTAL AFRICA	216720	223063	212964	225145	235282	188170	195499
TOTAL AMERICA	103501	103501	103501	103501	73482	58770	61058
TOTAL ASIA	51535	55859	52617	55627	58132	46500	48311
TOTAL EUROPE	436400	456017	442299	467597	488651	390800	406008
AUSTRALIA	3420	4230	3573	3777	3947	3160	3283
NEW ZEALAND	2360	2823	2944	3112	3253	2600	2701
OTHER WORLD	464	798	591	625	653	520	540
TOTAL ARRIVALS	814400	809600	781500	826200	863400	690500	712400

APPENDIX III

Source: Central Bureau of Statistics and Ministry of Tourism and Wildlife

TABLE 6.2 : HOTEL BED- NIGHTS OCCUPIED BY ZONE (1991 - 1996)

(‘000)

Zone	1991	1992	1993	1994	1995	1996
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TABLE 6.1: KENYA’S INTERNATIONAL VISITOR ARRIVALS BY CONTINENT (1990 - 1996)

CONTINENT	1990	1991	1992	1993	1994	1995	1996
TOTAL AFRICA	216720	223063	212964	225145	235282	188170	195499
TOTAL AMERICA	103501	68762	66512	70316	73482	58770	61058
TOTAL ASIA	51535	55859	52617	55627	58132	46500	48311
TOTAL EUROPE	436400	456017	442299	467597	488651	390800	406008
AUSTRALIA	3420	4230	3573	3777	3947	3160	3283
NEW ZEALAND	2360	2823	2944	3112	3253	2600	2701
OTHER WORLD	464	798	591	625	653	520	540
TOTAL ARRIVALS	814400	804600	781500	826200	863400	690500	715400

Source: Central Bureau of Statistics and Ministry of Tourism and Wildlife

Table 6.3: Classified Road Conditions by Surface Type (Kms)

TABLE 6.2. : HOTEL BED- NIGHTS OCCUPIED BY ZONE (1991 - 1996)

Pavement Condition	Bitumen		Gravel		Earth		Total	%
Good	2,628.3	29.4	5,544.9	26.4	1,114.1	4.1	9,287.7	41.7
Fair	3,304.1	37.0	13,780.9	50.2	10,562.2	38.0	27,652.2	42.7
Poor	3,040.9	34.0	7,851.2	29.9	2,353.5	8.5	26,245.6	41.6
Total	8,936.3	100	27,181.3	100	27,172.0	100	63,289.7	100
Coastal Beach	3881.7	3482.5	3762.0	3071.5	3059.6	3144.9		
Other Coast	269.7	181.8	196.2	185.2	166.7	70.9		
Coast Hinterland	184.9	142.7	146.2	133.2	120.3	144.2		
Nairobi	1277.1	954.7	1148.9	1005.4	613.7	313.0		
Central	407.7	307.7	369.0	299.0	275.4	253.4		
Masailand	273.2	272.4	372.7	247.8	245.3	237.1		
Nyanza Basin	100.7	91.6	105.6	82.8	78.6	114.3		
Western	85.3	85.0	79.9	69.9	65.5	33.0		
Northern	38.3	7.4	8.3	15.2	15.9	6.3		
Total Occupied	6518.6	5525.8	6188.8	5110.0	5054.8	5061.2		
Total Available	11036.7	11464.5	11908.9	11908.9	11562.2	11354.5		
Occupancy Rate	59.1	48.2	52.0	42.9	43.7	44.6		

Source: Central Bureau of Statistics (Economic Survey and Statistical Abstract for various years).

Shuntlag	35	5	7		Poor	
	46	22	2		poor	
	47	35	13		Fair	
Total		62				
Grand Total		218				47.2 (52.2)

Source: KRC

* Road length includes upgrading and improvement work and carried out during 1994 and 1995

* Figures in brackets represents 1990 / 91 availability

Table 6.3: Classified Road Conditions by Surface Type (Kms)

Pavement Condition	Bitumen		Gravel		Earth		Total	
	Kms	%	Kms	%	Kms	%	Kms	%
Good	2,628.3	29.4	5,544.9	20.4	1,114.1	4.1	9,287.3	14.7
Fair	3,304.1	37.0	13,780.9	50.7	10,567.7	38.9	27,652.7	43.7
Poor	3,040.9	34.0	7,851.4	28.9	15,488.5	57.0	26,380.9	41.6
Total ¹	8,936.3	100	27,181.3	100	27,172.0	100	63,289.7	100

Table 6.4 KRC Locomotive Classes, Conditions and availability 1993 /94

Locomotive Capacity	Class	Number in Fleet	Remaining Life 1995	Condition	Availability (1993/94)
Mainline	87	34	0	Poor	46.5 (53.57) ¹
	92	15	6	Fair	
	93	26	13	Fair	
	94	10	22	Fair	
Total		85			
Branchline	62	56	12	Fair	48.8 (46.7)
	71	10	2	Poor	
	72	5	8	Poor	
Total		71			
Shunting	35	5	7	Poor	
	46	22	2	poor	
	47	35	13	Fair	
Total		62			
Grand Total		218			47.2 (52.2)

Source: KRC

¹ Road lenght includes upgrading and improvement work and carried out during 1994 and 1995

⁴ Figures in brackets represents 1990 / 91 availability

Table 6.5: Major Projects in Kenya

Project	Power (MW)	Construction Period
Kindaruma	44.0	1996- 1968
Kamburu	91.5	1970- 1974
Gitaru	115.0	1974-1978
Geothermal	45.0	1980- 1985
Masinga	40.0	1977-1991
Kiambere	144.0	1984-1988
Turkwell	106.0	1986-1981

Source: Government of Kenya, Ministry of Energy, (1992)

Table 6.6: Coverage of Water Supplies in Urban Centres, Current 1995: Units M3/day

Urban Centre	Supply	Demand	Coverage%
1. Nairobi	257,000	332, 826	77
2. Mombasa	82,600	100,256	82
3. Kisumu	16,400	42,611	38
4. Nakuru	15,000	60,982	25
5. Eldoret	36,400	29,173	125

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