

**FACTORS INFLUENCING STRATEGY CHOICE IN FIVE STAR  
HOTELS PERFORMANCE IN NAIROBI, KENYA**

**WINNIE KARIMI KINYUA**



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## ABSTRACT

This study focused on factors influencing strategy choice in five star hotels performance in Nairobi, Kenya. It was carried out with the realization that firms are endeavouring to be at standard with the worldwide change, accomplishing upper hand position and upgrading execution with respect to their rivals. Hotels in Kenya are struggling to design new and achievable strategic plans so as to have a stake in what is considered a lucrative market with the great potential for growth. The objective of the study was to determine the influence of customer satisfaction on strategy choice in five star hotels performance in Nairobi; to establish the influence of technology adoption on strategy choice in five star hotels performance in Nairobi; to assess the influence of hotel positioning on strategy choice in five star hotels performance in Nairobi; to examine the influence of globalization of hotel industry on strategy choice in five star hotels performance in Nairobi. The study reviewed dynamic capabilities theory, contingency theory, and resource-based view theory. The study used descriptive research design. The study population consisted of 70 departmental managers of the five-star hotels in Nairobi, Kenya. Secondary data was collected from books, journals and previous researches while primary data was gathered utilizing a self-administered questionnaire to the respondents. Data collected was analyzed using Statistical Package for Social Sciences (SPSS). Each key factor was recorded against the set variable while quantitative information was broken down utilizing descriptive statistics and inferential statistics. Hypothesis was tested at 5% level of significance. Analyzed data was presented in tables. The study used logistic regression to show the relationship between dependent variable, performance of five star hotels in Nairobi and independent variable customer satisfaction, technology adoption, hotel positioning and globalization of the hotel industry. The study found that technology adoption and hotel positioning had significant relation with performance of five star hotels in Nairobi, Kenya. The study established that customer satisfaction and globalization of the hotel industry had no significant relation with performance of five star hotels in Nairobi, Kenya. The study recommended that hotels should emphasis on technology adoption in their operations so as to gain competitive advantage over their competitors and for research and development on global trends. The study also recommended hotel positioning to the hotels since it increases customer base therefore increasing sales thus leading to profitability. Hotel positioning can be achieved through production of unique and differentiated products.