

**EFFECT OF MICE TOURISM ON HOTEL PERFORMANCE IN THREE AND
FOUR STAR RATED HOTELS IN MOMBASA COUNTY; KENYA**

BY

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DECLARATION

Declaration by the candidate

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DEDICATION

This thesis is dedicated to my loving parents and siblings for their love and undying support, encouragement, financial support and inspiration.

ABSTRACT

MICE tourism product has been regarded as an important alternative revenue generator to many tourism destinations across the world. However, MICE tourism product in Kenya and their relationship with hotel performance has been hardly explored. Therefore, the main objective of this study was to examine the effect of MICE tourism on hotel performance in Kenya with focus on 3 and 4 Star Hotels within Mombasa County. The study adopted descriptive research design. The target population was 77 managers and the sample size was 65 from three and four star rated hotels in Mombasa County. Purposive and simple random sampling was used to identify the sample size. Questionnaires were used to elicit information from the respondents. Data collected was analysed using descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS). Descriptive analysis was used to describe the data while inferential statistics specifically regression analysis was used to test the significant relationship between the variables under study. The findings showed that; Conferences ($\beta_3 = 0.350$, $p = 0.001$), Events ($\beta_4 = 0.311$, $p = 0.001$) and Incentives ($\beta_3 = 0.350$, $p = 0.001$) had positive and significant effect on hotel performance at 95% confidence level. However Meetings ($\beta_1 = 0.019$, $p = 0.812$) was not significant. The study found out that incentives conferences and events have influence on hotel performance and concludes that the hotels should focus more on promoting MICE tourism with specific reference to the positive variables. The study further recommends that hotel managers need to understand the negative effect of meetings as a promotion tool with possible solutions. The study further concludes that incentives and conferences affect hotel performance with incentives having the highest influence. Therefore this study recommends that coastal hotels offering the service of MICE tourism product should ensure security and safety is given priority so as to attract more tourists. Also in terms of conferences, location and environment of the coastal hotel plays a key role in their choice to host conferencing. Lastly, hotel image is also an important attribute in hosting events and hotels should strive to create positive image.

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LIST OF ABBREVIATIONS ACRONYMS AND SYMBOLS

CIC	Convention Industry Council
GDP	Gross Domestic Product
GOK	Government of Kenya
KICC	Kenyatta International Conference Centre
MICE	Meetings, Incentives, Conferences and Exhibitions
PD	Product development
UNWTO	United Nations World Tourism Organization
USA	United States of America
WTO	World Tourism Organization

OPERATIONAL DEFINITION OF TERMS

Conventions: Gathering of delegates, representatives, and members of a membership or industry organization convened for a common purpose. Common features include educational sessions, committee meetings, social functions, and meetings to conduct the governance business of the organization. Conventions are typically recurring events with specific, established timing (Ritchie, 2012).

Exhibitions: An event at which products, services or promotional materials are displayed to attendees visiting exhibits on the show floor (Getz, 2008).

Incentive Travels: Incentive travels include leisure trips emphasizing pleasure and excitement and which may appear to have little or no connection to business (GIS, 2012).

Meetings: An event where the primary activity of the attendees is to attend educational sessions, participates in meetings/discussions, socialize, or attend other organized events. Basically, there are three categories of meeting including association meeting, corporate meeting and government meeting (Convention Industry Council (CIC), 2005).

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The meetings, incentives, conventions, and exhibitions (MICE) industry represents one of the fastest growing segments of the tourism industry (Casanova, Kim & Morrison, 2005; Weber, 2001; Weber & Roehl, 2001). Globally MICE tourism has grown in recent decades (UNWTO, 2014) and has become a significant operating sector of the tourism industry (Goeldner & Ritchie, 2012). Today, countries all over the world are putting their best foot forward to develop the MICE industry as a means to enliven national economic development (Yang & Gu, 2011). The industry has also been recognized as a significant market segment over the past decades (Astroff & Abbey, 2006; Kim, Chon, & Chung, 2003; World Tourism Organization, 2006) and has matured to become a crucial segment of the global tourism and hospitality sector and important contributor to regional economics (Crouch & Louviere, 2004; Dwyer, 2002; Spiller, 2002; UNWTO, 2006).

The industry consists of multi sectors of hospitality services, including lodging, food and beverage, catering, convention service, convention facility supply, transportation, tourism, retail, and entertainment and thus bears great importance for the local economy of a destination (Astroff & Abbey, 2006; Fenich, 2008; Yang & Gu, 2011). On the other hand, the MICE industry shares several common characteristics with hospitality service sectors, such as inseparability of production and consumption, perishability, and seasonality. Moreover, the MICE industry of a destination always faces uncertain

markets due to fluctuations in the economy and competitions from rivaling destinations (Astroff & Abbey, 2006; Fenich, 2008; Isler, 2008). Therefore, the demand for a MICE destination is typically probabilistic rather than deterministic.

The MICE industry's importance to an economy is also well recognized, as researchers and practitioners both acknowledge the many contributions that conventions and other events have on local, state and national economies (Crouch & Ritchie, 1998; Lee, 2006). The industry is considered to be of great economic impact due to four main reasons. First, its target market is "high-quality, high-cost-and therefore-high-yield end of the market" (Casanova, Kim & Morrison, 2005, p. 22). Second, unlike most segments of the hospitality and tourism industry, events are a year-round activity. Third, if an event is successful, it is likely that it will be held again in the same destination (future business and revenue). Last, event tourism is greener than mass tourism (Casanova, Kim & Morrison, 2005). The industry has contributed to income, employment, and investment to cities, towns and regions (UNWTO, 2014) and generating foreign exchange (Page & Connell, 2006).

In terms of demand, in 2009 alone, a total of 11,929 international meetings were held worldwide (Yang & Gu, 2011). However, according to Braley (2008) this demand for MICE capacity is uncertain and highly seasonal and convention and exhibition facilities, like hotel rooms, are perishable. Fenich (2008) further argues that the demand of the MICE industry is usually affected by seasons, holidays, and weather conditions. Further,

fluctuations in the economy and competition from rivaling destinations always cause uncertain markets to a MICE destination (Astroff & Abbey, 2006).

In Kenya, MICE tourism, also known as business and conference travel is Kenya's third major tourism product line after Safari tourism and Coastal tourism (Odunga *et al.*, 2011). Kenya's MICE tourism started in 1973 with the opening of the Kenyatta International Conference Centre (KICC) in Nairobi (Odunga *et al.*, 2011). It has been the host destination for high profile international and national conferences and events (Meetings Kenya, 2014). More recently, as part of Kenya's priority for tourism development, the country recognizes MICE as being a growth sector which is needed in order to make Kenya a top ten long haul destination (Ministry of East Africa, Commerce and Tourism, 2013). Kenya considers the MICE sector to have 'untapped tourism potential,' which makes it a key opportunity for Kenya's tourism development (Ministry of East Africa, Commerce and Tourism, 2013). This has been entrenched further, by the lack of targeted efforts by the Kenya Tourist Board on the sub-sector to co-ordinate the marketing and promotion of MICE tourism in Kenya (Isler, 2008).

Moreover, another area where hospitality practitioners in Kenya lag behind is the determinant factors of MICE site selection. Literature indicates that venue selection is primordial to ensure the success of any aspect of MICE (Crouch & Ritchie, 1997). In fact, companies try to associate their communication strategy to an adequate destination, which will convey a certain favourable image for the organisation (Bowdin, McDonnell, Allen & O'Toole, 2006). Some authors state that selecting the most convenient

destination to an event is one of the most important decisions that event planners have to take (Vogt, Roehl & Fesenmaier, 1994; DiPietro *et al.*, 2008). In addition, successful meetings in a given destination will contribute not only for the success of the meeting industry, but also for the success of leisure tourism in that destination as it will encourage return visits (Crouch & Ritchie, 1997).

Although some studies address MICE site-selection (Crouch & Ritchie, 1998; Choi & Boger, 2002; Crouch & Louviere, 2004; Comas & Moscardo, 2005; Hayat, Severt, Breiter, Nusair & Okumus, 2014; Para & Kachnievska, 2014), further research needs to be done, especially in Kenya, in order to understand the effect of MICE tourism product on hotel performance. In fact, critical issues on this subject “is how associations decide where to hold their conferences and meetings” (Comas & Moscardo, 2005: 117) and how this affects hotel performance. This study attempted to determine the effect of MICE tourism product on the performance of three and four star rated hotels within the hotel industry in Mombasa County, Kenya.

1.2 Statement of the Problem

Understanding effect of MICE tourism product on hospitality performance is important for destinations that want to capitalize on the MICE industry. With the growing competition, destinations must become experts in all facets of the MICE industry. Destinations have to understand that while there are main attributes that are important to all MICE planners and all MICE types, there are still many differences that still exist, or the different segments MICE planners plan for. According to Government of Kenya (2012) for example, MICE as a product line of the Tourism industry continues to face a

number of challenges which need to be addressed for the sector to attain its full potential. These challenges have rendered stand-alone MICE facility providers with a difficult task in packaging their products to meet the needs and the demands of the organizers and remain relevant in the competitive market.

Previous literature on MICE site selection process has focused on association site selection, although lately some researchers have investigated how event type influences destination attributes importance (Comas & Moscardo 2005; Rompf, Breiter & Severt, 2008). Research is somewhat extensive; however it is mainly theoretical and lacks empirical support (Crouch & Ritchie, 1998). Crawford and McCleary (1992) anticipated that more quantitative research will be published as the hospitality field grows; however, there is no increase in this aspect of research (Lee & Back, 2005) especially from suppliers' perspective and with a focal point in customer service. This calls for a need for comprehensive empirical research from the industry perspective to generate an overall understanding of attributes that influence MICE organisers' venue selection in hotel industry as perceived by the hotel managers.

1.3. Main Objective

The main objective of this study was to examine the effect of MICE tourism on Hotel performance in 3 and 4 star rated hotels within Mombasa County, Kenya.

1.3.2 Specific Objectives

1. To determine the effect of meetings on Hotel performance.
2. To assess the effect of incentives on Hotel performance.

3. To evaluate the effect of conference on Hotel performance.
4. To examine the effect of events on Hotel performance.

1.4 Hypothesis of the Study

Ho₁. There is no significant effect of meetings on performance of three and four star rated Hotels in Mombasa County.

Ho₂ There is no significant effect of incentives on Hotel performance of three and four star rated Hotels in Mombasa County.

Ho₃ There is no significant effect of conferences on Hotel performance of three and four star rated Hotels in Mombasa County.

Ho₄ There is no significant effect of events on Hotel performance of three and four star rated Hotels in Mombasa County.

1.5 Significance of the Study

Competition and dwindling profitability has been a major hindrance to many hotels at the coastal region of Kenya. This study therefore, could help hoteliers diversify their clientele base rather than the traditional dwindling beach tourists market. It could also help understand variables that most influence MICE tourism performance thus helping hotels put measures to supply such variables.

In terms of new investment in MICE tourism industry, the study could help other hotels within coastal region in packaging competitive MICE tourism product for sustainable growth and development.

This study could also help the national and county governments in formulation of informed MICE tourism policies that address the obstacles facing the tourism sector and make decisions that are geared towards the development of alternative tourism products geared towards achievement of Kenya's vision 2030.

1.6 Scope of the Study

The study was on the effect of MICE tourism on performance of three and four star rated hotels. Therefore, the study only covered three and four rated star hotels within Mombasa County, Kenya. The study also focused on meetings, incentives, conferences and events and dependent variables while the dependent variable of hotel performance was measured using non-financial measures of customer satisfaction, interaction, value and knowledge even though there are other financial measures of hotel performance.

1.7 Limitations of the Study

The study was likely to be influenced by limited geographical location of the hotels, security concerns, timing of data collection and limited budget since the study was self-financed. To overcome vastness of geographical location of the three and four star rated hotel, the researcher hired a private car to reach all the hotels during data collection. In terms of security concerns, the researcher introduced herself at the security desks and also used introduction letter for research from the University and research permit to be allowed access into the hotels.

Even though the study was done during high season at the Coast, the researcher introduced herself to the respondents in terms of the purpose of the study, dropped the questionnaires for filling and later picked them. Even though the research was self-finance, the researcher appropriately used limited budget available to effectively complete data collection process.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter puts into perspective the various studies on MICE tourism with to hotel performance. It also discusses effect MICE tourism as a way of improving hotel performance of a particular destination. Specifically the chapter discusses MICE tourism in Kenya and MICE tourism activities and opportunities.

2.2 Hotel Performance

Olsen (2008) refers performance as a concept considered both complex and dynamic and practically conceptualized in two major ways which are considered both drivers and results of performance whereas organizational performance is viewed as an organization's overall's productivity majorly concerned with inventory turnover, number of customers, general profitability as well as the total market share. Performance can be measured through quantitative and qualitative methods. This study refers it to financial measures such as profits and non-financial measures such as company image, market share, service quality as well as customer and employee turnover. According to Richard Devinney and Johnson (2009), comparatively, in the service industry, other measures which are regarded as non-financial usually happen to be the best performance indicators than financial measures.

Non-financial measures are regarded as better measures of both value and motivation because it complements short-run financial figures to show long-term objectives.

Therefore performance can be termed as an output which shows profitability and is better explained by expected behavioral output. According to Wadongo, Odhuno and Kambona (2010), an organization's performance is not to be measured by way of financial performance but rather by use operational as well as market indicators, which are mainly non-financial measures.

Enz (2008) refers hotel industry as the service sector containing products which can't be separated and which require varied measurement methods. A hotel is ideally meant to offer both services and products besides also increasing customer satisfaction by way of provision of quality services and products (Ramsaran-Powdar, 2007). Kerin et al. (2009) further states that hotel industry has shown that customer satisfaction has an effect on hotels competitive advantage and performance.

According to Litterallet et al. (2002), the hotel industry is a service-based industry with varied characteristics including relatively low barriers to entry as well as numerous operators who pursue a family or even lifestyle form of business model as part of their intrigue will and desire to change their lives. The Uniqueness of hotels lies not only in their sizes but also in the dimension of the kind of business the family is involved in as well as the commercialization of the home. Most of these hotels are not interested in pursuing financial growth and profitability but instead are motivated by other non-financial factors which include independence, self-satisfaction as well as community recognition unlike entrepreneurial style hotels (Peacock, 2009; Thomas, 2000). Hotel Performance differs like any other business performance. Hotel performance is regarded

complex in nature and varies depending on the management's motivation and focus (Morrison & Teixeira 2004).

2.2.1 Hotel Industry in Kenya

The hotel industry in Kenya is closely linked to the tourism sector which has shown impressive growth over the years. Tourism is one of the six key areas that have been given priority in acting as the key growth drivers in Kenya (Owiti, 2011). The sector is making Kenya one of the top best tourist destinations globally offering unique visitor experiences (GoK, 2006). The hospitality and travel industry are the two major and main industries that make up the activities of tourism in Kenya (Kotler, 2010). The hospitality industry in Kenya was developed at the Kenyan Coast because of the Arab traders and the construction of the Railway Line. The Kenya's Hotel and Restaurants Act cap 494 defines a hotel as a premise which provides accommodation and food in exchange for money (Kenya Economic Report, 2013). The first hotel constructed was the Grand Hotel which later changed into the Manor Hotel though it has since been closed down. Utalii College was later build to take care of the training needs of hotel staff in the 1960's.

In Kenya, in as far as contribution of foreign exchange to the country is concerned, Tourism is ranked number three just after tea and horticulture. In terms of contribution to total wage employment, Tourism is said to contribute and good proportion, like 12%, besides also contributing like 13% of GPD, this is according to National Tourism Strategy, (2013). Kenya's Gross Domestic Product (GDP) has grown by 4.7 percent in comparison to 4.6% growth rate in 2012 (KNBS). Kenyan economy was weak in 2012 because of high interest rates which resulted from high inflation in 2011. This paused a

big challenge to the tourism sector which relies on the global currency. The net effect was that tourism earnings decreased in 2013 because the number of international visitors decreased from 1,710.8 thousand in 2012 to 1,519.6 thousand in 2013 representing 11.2 decrease. At the same time, tourism earnings decreased from Kshs. 96 billion in 2012 to 94 billion in 2013 representing a decrease of 2%.

In Kenya, many hotels are currently struggling to gain the International Organization for Standardization (ISO) certification and Company of the Year Awards. The managements of hotels in Kenya have further perfected this pursuit by focusing their attention on achieving the coveted five–star classification. This classification provides hotels with a window of opportunity to join membership of international organizations and schemes. These endeavors have therefore compelled many hotels to turn to performance measurement systems as a means of achieving superior financial and non-financial objectives. Hotel industry practitioners and scholars in Kenya struggle to gain firm performance to identify good practice. Given that hotels are an integral part of the Kenyan tourism industry which is an important pillar of the Kenyan economy, a review into the dimensions that affect the industry is justified.

2.3 MICE Tourism

MICE according to the context of travel abbreviate Meetings, Incentives, Conferences and Events. It is referred as group tourism committed to planning, booking and facilitation of conferences, seminars and a variety of other events. Sometimes referred to as the meetings or events industry, MICE travel is composed of a number of components

which are meeting planners; meetings and convention departments of hotels (World Tourism Organization, 2005).

Meeting is a general term that refers to people coming together in an identified one place to undertake a particular activity. The frequency can vary as per a set of pattern, for example annual general meetings, committee meetings and other (Rogers, 2003; WTO, 2006). Wood et al. (2008) refers incentives as an event that brings people together and constitutes a section of a programme that purely allows past performance to be rewarded by participants.

A conference is defined as meeting that involves participation meant for general discussion, fact-finding, problem solving as well as consultation. Conference has a special connotation similar to frequency; they have limitation in terms of duration and carry with them specified objectives and goals (Rogers *et al.*, 2003). Events refer to general showcasing of both products and services in large scale. Occasions can be exchange just, where participants need to work in whatever industry is being displayed or can be customer or even public, where anybody can go to (WTO, 2006).

In the recent past decades, MICE tourism has extensively grown globally (UNWTO, 2014) and has greatly risen to become a very important sector of operation in particularly in the industry of tourism (Goeldner & Ritchie, 2012). It has contributed to income, employment, and investment (UNWTO, 2014). According to Yang and Gu (2011), in 2009 a total of 11,929 global gatherings were held around the world. This industry

comprise of numerous areas in hospitality administrations which incorporates hotel or rather lodging, food and drink, cooking, tradition benefit, tradition office supply, transportation, tourism, retail, and diversion which conveys awesome essentialness for the local economy of a countries' destination (Yang & Gu, 2011).

Many countries in the world are struggling to develop and maintain the MICE tourism with an aim of improving national economic development (Yang & Gu, 2011). Unsurprisingly, most of these tourism destinations are looking for mechanisms to develop their own tourism industries with an aim of helping them appear different from their competitors by targeting MICE tourism (UNWTO, 2014). According to (UNWTO, 2014), MICE tourism reduces season in season out, averagely increases the total amount of receipts, and also leads to increased awareness on a brand.

The United States of America (USA) is the leading country in MICE tourism followed by Germany and Spain respectively (ICCA report, 2013). To the U.S. economy the industry contributes \$263 billion in annual spending, provides \$25.6 billion in tax revenue at the federal, state, and local levels, and creates 1.7 million jobs for the American workforce in local communities. For Singapore, which relies on MICE heavily for its tourism industry, MICE tourism contributes even more to the nation's economy. Within Africa, South Africa has been the most popular in MICE tourism followed by Egypt, Tunisia and Morocco.

MICE tourism in Kenya started in the year 1973 with the opening of the Kenyatta International Conference Centre (KICC) in Nairobi (Odunga *et al.*, 2011). It has been the host destination for high profile international and national conferences and events (Meetings Kenya, 2014). Kenya has greatly recognized MICE tourism as an important sector of growth which is apparently needed in order to rank it among the top ten long haul destination. Kenya greatly recognizes MICE as sector to possess a great potential not already tapped, which makes MICE become a prime opportunity for development of tourism in Kenya (GoK, 2012). In recognition of the contribution of the MICE tourism sector, the National MICE Committee and Secretariat was established in July 2010 and was tasked with the responsibility of charting the way forward for the MICE subsector. It comprises of public and private sector actors, the national MICE committee and secretariat and this is a clear indicator of the commitment of the government's to develop this sector (Odunga *et al.*, 2011).

According to UNWTO (2014), destinations should establish strategies for positioning which creates an image or identity in the minds of their target market and also repositioning which changes the identity of the destination as a product, relative to the identity of competing cities/countries always retaining front of mind the reshaping of opinion and constant evolution of the sector.

2.3.1 Effect of Meetings on Hotel Performance

Meeting is where a certain number of people participating in a discussion or information exchange and conference is where workshops and training sessions occur. For the important meetings and conferences with special purposes, most organizers look for the unique program such as team-building and leisure travel. These activities are a component of MICE tourism similarly, incentive travels are regarded as a reward for the companies' employees or customers to enjoy a short trip together but profoundly, to tighten the relationships and increase the profit (Odunga *et al.*, 2011).

Meetings refer to coming together of two or more people with a unified purpose of meeting common and shared goals and objectives through verbal interaction, for instance the sharing of some information or conclusive agreements. Meetings at times happen face-to-face or even virtually, or even through a telephone conference call or better still, video conference. Meeting can be separately identified from other forms of gatherings such as a chance encounter (not convened), a sports game or a concert (verbal interaction is incidental), a party or the company of friends (no common goal is to be achieved) and a demonstration (whose common goal is achieved mainly through the number of demonstrators present, not through verbal interaction). Study carried out by Olsen (2008) found out that a number of cities found in the United States recorded a decline majorly in the convention business, and he further notes that hotels have been experiencing employees' redundancy and closures together with airline changes, which eventually led cancellation and postponement of scheduled conferences as well as conventions.

Meeting planners and other professionals use the term "meeting" to show an event booked at a hotel (Goeldner *et al.*, 2012). In this manner "meeting" covers an address (one introduction), class (normally a few introductions, little gathering of people, one day), meeting (average size, at least one days), congress (expansive, a few days), presentation or public exhibition (with kept an eye on stands being gone by passers-by), workshop (littler, with dynamic members), instructional class, group building session and commence occasion.

The convention industry attracts high-spending visitors and those who make repeat visits to a destination. An research study on MICE tourism did by Robert (2011) discovered that gatherings are the indispensable parts of the accommodation business since gatherings speak to a major business when that is done separated from common workplace. They require resting spaces for the individuals who travel long separations and nourishment and refreshment administrations for those going to them. Likewise, the noteworthy time and costs brought about by participants require that the meeting be professionally arranged and figured out how to amplify their viability. Business travel is bifurcated into two general classes, one being the individual business travel and alternate business tourism.

According to Odunga *et al.* (2011), there are over 2000 meetings, incentive travel, conference and events. Events (M.I.C.E) offices in type of hotels or rather lodgings, lodges, learning establishments, Conference/Convention focuses and Stadia everywhere throughout the nation moved in the significant towns, along the drift and national stops,

all with gathering offices of differing limits. In addition to the above public learning institutions have by virtue of their core business constructed to provide venues of information and knowledge exchanges in form of lecture theatres and seminar rooms. These offices have been utilized as auxiliary wellspring of pay for these foundations through procuring to the neighborhood advertise for gatherings, gatherings and classes. On the other hand stadia have been able to cater for demands of huge crowds especially for political and religious functions (Rotich *et al.*, 2012).

2.3.2 Effect of Incentives on Hotel Performance

Incentive travel is like a reward to the employees. It doesn't have a business or informative portion yet rather it is much more a non-business escape with the purpose of continued with motivation for execution. It might incorporate the gathering of the laborer or it could be a reward for a workgroup.

Dissimilar to different sorts of the MICE tourism, the impetus travel concentrates on fun, nourishment and different exercises instead of training and work (UNWTO, 2014). Impetus travel contrasts relying upon the way of life and social variables, in its application and comprehension in specific nations. In some creating markets for instance the Indian market, motivating force make a trip alludes to a straightforward course of action or a plane ticket and paid settlement. USA for instance, there is an extensive number of individual impetuses utilizing index offer as motivation program. Despite the fact that lion's share of conventional motivator trips alludes a gathering of individuals for whom a movement and stimulation program is custom-made.

Likewise with respect to different national markets for instance French, Italian and German organizations, they generally compose motivation trips in their nearby markets, though the neighborhood market of Great Britain is obviously moderately little, since the greater part of their organizations don't think of it as appropriate for the motivator travel.

A study carried out by on Yang & Gu, (2011) on popular incentives travels and established that Orlando, Las Vegas, and Hawaii were the most popular incentive travel destinations in the last five years. The purposes behind choosing those goals included great climate, simple air associations, ubiquity, wellbeing and security, picture/style, vicinity to home, estimation for the cash, assortment of exercises, and compelling showcasing methodologies created by both goal associations and accommodation offices. WTO (2005) gives the most imperative influencing elements or factors while putting MICE motivating forces in the Gulf/Middle East. They incorporate Cost , Quality of convenience, Quality of meeting offices, Quality of administration, Overall interest of the goal ,Travel time to goal, Time of year, Security/wellbeing, Availability of inn rooms/settings, Visa obtainment, International air courses and Weather.

The rousing power travel publicize is one that can have a noteworthy monetary impact. The custom business tends to pull in high-spending visitors and the people who make go over visits to an objective. Masters in Hong Kong (1997) prescribed that MICE voyagers have a tendency to stay longer at an objective and spend more than the typical traveler, an example that began to develop a long time back is that business adventurers are mixing

business with delight. Colleagues and children are running with the business voyager locally and all inclusive, and with the availability of resort practices this customarily suggests the visitor will stay for possibly two or three days longer, in the desire of working up a "mini-vacation."

2.3.3 Effect of Conferences on Hotel Performance

Tourism industry finds conferences as one of the lead revenue generators for many destinations worldwide. According to Continental ranking of conference tourism Europe and Asia are the leaders while North America and Africa follow suit. According to Wekesa, (2006), this has enhanced change and economic growth and more importantly the product development which embraces emerging needs which makes (tourism) sector the 29th largest contributor to the gross national product globally.

Within Africa, South Africa has been the most popular in hosting meetings in Africa, followed by Egypt, Tunisia and Morocco. Kenya takes the 4th position. City wise, Nairobi ranks 5th after Cape Town, Durban, Cairo and Johannesburg. In Kenya, the Kenyatta International Conference Center, United Nations office in Nairobi, Gigiri, Safari park Hotel in Nairobi and the White sands hotel and Sun-n-sand hotel in Mombasa have been and still are the strong forces behind development of conference tourism, coming out as the main host venues for most of the international events / conferences coming to Kenya. In the recent past, a host of other hotels and high learning institutions in the country have been also instrumental in hosting meetings and events (Victoria Safaris, 2007).

A convention refers to meeting of individuals who meet at an arranged place and time with a reason of discussing or engaging in some basic intrigue. The most widely recognized traditions depend on industry, calling, and being a fan. For this situation exchange traditions concentrate on specific industry, include keynote speakers, merchant shows, and other data and exercises important to the coordinators and participants. Proficient traditions concentrate on issues of worry to the calling and headways in the calling. Fan traditions for the most part highlight presentations, shows, and deals in view of popular culture and visitor famous people. Sci-fi traditions generally share of the idea of both expert traditions and fan traditions, with balance fluctuating, starting with one then onto the next. Traditions likewise exist for different pastimes, for example, gaming or model railways (Robert, 2011).

Traditions or rather conventions are for the most part arranged and composed by proficient organizers, either by staff of the facilitating organization or by outside experts. Most extensive urban areas have a tradition focus committed to facilitating such occasions. The term MICE is generally utilized in Asia as a depiction of the business. It is a standout amongst the most components in the MICE tourism.

The United States of America Constitution has an arrangement for the calling of an established tradition, whereby representatives of the states are assembled upon to an uncommon conference to change or draft the constitution. The Constitution additionally has arrangements for established revisions to be endorsed by state traditions of the

general population. These methods struck approve the first constitution and to embrace the twenty-first alteration, which finished disallowance.

A research study done by Zutt (2010) discovered that gathering tourism includes different areas of the economy-stationery suppliers, interpreters, sustenance and cooking specialist co-ops, drivers and some more. Additionally profiting by meetings are providers of hardware, for example, overhead projectors, scanners and different ICT administrations. Likewise one of the basic contributions for holding a meeting of global stature is to guarantee consistent air travel. This is then trailed by guaranteeing that the large numbers of representatives have an agreeable, considerably more essential remain amid the gathering time frame. This works to help cities compete to attract this business not only with each other but with other types of places such as resorts and rural areas in the case of small conferences. So, as he further pointed out, the economic prize is great but so is the competition. This should make cities think deeply before investing in the construction of facilities.

Mauser (2005) directed an examination on the elements affecting gathering participation, he distinguished primary factors as: availability, emissiveness which alludes to the inclination of individuals from the gathering to go to yearly meeting this incorporates qualities, for example, pay and populace and allure, with appeal fusing the atmosphere, relaxation civilities and social exercises. Cost, et al (2003), additionally clarifies that while including these appealing relaxation luxuries and social exercises, it is useful for meeting organizer to ponder the socioeconomics/social qualities of its participants in

order to incorporate exercises that will hold any importance with those going to the meeting.

MPI Foundation, (2000) researched the reasons why individuals go to yearly affiliation gatherings; they discovered that meeting participants can be assembled into five classes which are information searchers, esteem based participants, social organizers, accommodation driven participants, and animals of propensity. They discovered that information searchers and the social organizers are the most happy with yearly affiliation gatherings. The learning searchers for this situation were the individuals who are there to add as far as anyone is concerned of the calling. The social organizers were the individuals who are most worried about meeting associates in the business and need to convey family to blend business with joy. Their fulfillment was because of the thoughts/instruments gave, speaker quality and systems administration openings gave (Trombino *et al.*, 2000).

Oppermann (1996) additionally remarks that business viewpoints are just a single of the reasons identified with going to traditions and gatherings. Affiliations tend to put extraordinary significance on different components (Readman, 2003). There are exercises intended to energize social collaboration these are those exercises booked inside any tradition or meeting. These exercises may incorporate nourishment and refreshment social occasions, expos and recreational or sports exercises, for example, golf or tennis (Yang & Gu, 2011).

2.3.4 Effect of Events on Hotel Performance

Events are expressed through the presentations about products and services towards a specific group of audiences with the aim of selling products. Thus, an exhibition along with a sightseeing tour will make a greater impression on the customers and help increase products' sales (Tyrel, 2013). According to Getz, (2008) trade fairs involve marketing investment by the participating organizations. Expenses are caused at the show for administrations, for example, electrical, corner cleaning, web administrations, and drayage which are otherwise called material taking care of. Many organizations promote trade shows to enhance economic development.

Attendees attending the event in many cases are asked to utilize an exhibitor manual or online exhibitor manual to arrange their required administrations and finish any vital printed material, for example, wellbeing and security assertions. There is an increasing number of virtual tradeshow which are trade fairs happening online. They are expanding in ubiquity because of their moderately ease and in light of the fact that there is no compelling reason to travel whether you are going to or displaying.

An investigation did by Braley (2008) discovered that the interest for MICE limit is dubious and exceedingly regular and tradition and presentation offices, similar to lodging rooms, are perishable .CEIR(2009) additionally contends that the request of the MICE business is normally influenced via seasons, occasions, and climate conditions. Further, changes in the economy and rivalry from matching goals dependably aim dubious markets to a MICE goal or destination.

International Congress and Convention Association (ICCA) measurements appear, that a total of 400,000 gatherings and Events are held worldwide consistently at the aggregate cost of US\$280 billion. The Global Association of the Exhibition Industry (UFI) calls attention to that as yearly MICE tourism industry yield esteem has just achieved US\$1.16trillion (counting US\$400 billion for gatherings and US\$760 billion for exhibitions),MICE could be relied on to convey gigantic monetary advantage to the nations and urban areas that host them (GIS, 2012).

2.3 Theoretical Framework

The study is guided by theory of the competitive advantage of nations by Michael Porter's (1991). The theory provides a tool for analyzing competitiveness. Porter's theory contributes to better understanding of the competitive advantage of nations in international trade and production. It focuses on individual industries, clusters of industries, where the principles of competitive advantage are applied. Michael Porter's theory begins from individual industries and builds up to the economy as a whole. Since firms, compete in international markets, it is important to understand the way firms create and sustain competitive advantage which is the key to explaining role the nation plays in the process.

Porter's theory of competitive advantage looks at MICE tourism as a strategy that improves tourism in a destination. To remain competitive enough the destination has to create a differentiating factor from other destinations which in this case is the hotels in

Mombasa Town. Therefore the study is looking at MICE as a product used to gain competitive advantage and hence gain cost leadership.

2.4. Conceptual Framework

The conceptual framework of the study was adopted from Hwang (2003). The independent variables were; MICE whereas the dependent variable was hotel performance. The investigation was to inspect the impact of MICE tourism on hotel performance.

Independent variable

MICE tourism

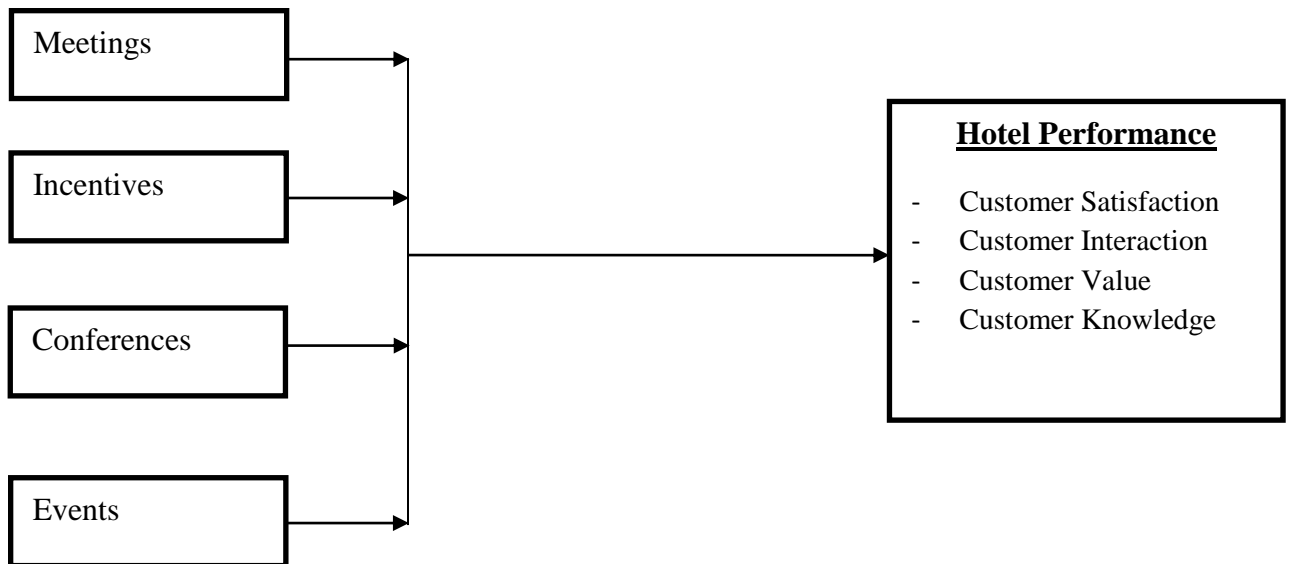


Figure 1.1: Conceptual Framework for the study

(Source: Adopted and modified from Hwang, 2003)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter describes the research design and methodology that was employed to collect the data and information from the field. The chapter also outlines study area, study population and target population, sampling procedure and instrument of data collection, validity and reliability of the research instruments. Finally a description of how the data collected was analyzed and presented.

3.2 Research Design

A research design is the arrangement of conditions for collection and analysis of data (Cooper & Schindler 2008; Kothari, 2004). The study adopted a descriptive research design to establish the associations among the key study variables with the intent of generalizing from a sample to a population (Creswell, 2014). This involves gathering of data at a particular point in time with the intention of describing the nature of existing conditions (Creswell, 2014). Moreover, descriptive research design has been widely used in tourism industry by different authors within the hospitality and tourism industry research (Fwaya *et al.*, 2012; Wadongo *et al.*, 2010).

3.2 Study Area and Methodology

The research was conducted in Mombasa County. The County is located within the coastal region of Kenya (Ngumbao, 2012). Mombasa County, as part of the larger coastal tourism circuit, has been the epicenter of coastal and marine tourism in Kenya over the years. The county possesses different attractions including Mombasa Old Town and Fort Jesus, beaches like Nyali, Bamburi, Pirates and Shanzu beaches, marine parks like Mombasa Marine National Park and Reserve. Mombasa County was chosen as the study area because of its strategic location and suitability for MICE tourism in terms of location, weather, infrastructure and rich tourist sites which could complement MICE tourism product development. A survey and managerial opinion in 2010 also revealed that both Nairobi and Mombasa are regarded as the most suitable destinations in Kenya for MICE tourism promotion (Sarova Hotels, 2012).

3.3 Target Population

A population is defined as the entire group of individuals who possess some common observable characteristics that can be studied in a research study while the target population is a more narrowly defined and manageable population identified for use in a research study (Mugenda & Mugenda, 2003). The target population for this study included hotels head of departments in Marketing, Reservations, accounts, human resources, food and beverage, and security and maintenance within three and four star rated hotels in Mombasa as per the Tourism Regulatory Authority rating of hotels under Kenyan Gazette Notice on 5th August 2016. They are 11 in Mombasa County. This was

because as per the time of the study, there were no five star rated hotels within the County. The selected hotels are as shown below:

Table 3.1: Targeted hotels for the study

Star rating	Number of respondent
Hotel A (four star)	7
Hotel B (four star)	7
Hotel C (four star)	7
Hotel D (four star)	7
Hotel E (four star)	7
Hotel F (three star)	7
Hotel G (three star)	7
Hotel H (three star)	7
Hotel I (three star)	7
Hotel J (three star)	7
Hotel K (three star)	7
	77

3.4 Sample Size

A sample is a selected representation of the population (Desu, 2012) or a small group obtained from the accessible population. A sample for any research study should be a true representation of the target and accessible population (Mugenda & Mugenda, 2003). The Yamane formula (1967) for calculating sample size was used to get this number of respondents.

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

Where: n = Sample size

N = Population size

e = Level of precision (0.05 or 95% confidence level)

The sample size will be;

$$n = 77 / 1 + 77(0.05)^2$$

$$n = 77 / 1 + 77 * 0.0025$$

$$n = 77 / 1 + 0.1925$$

$$n = 77 / 1.1925$$

$$n = 64.57$$

$$n = 65$$

Thus, the sample size obtained was 65 respondents

3.5 Sampling Procedure

Sampling is the process of selecting this sample in a way that it represents the accessible population from which it is selected (Cooper & Morgan, 2008; Kothari, 2004; Mugenda & Mugenda, 2003). Sampling makes it possible to draw valid inferences or

generalizations on the basis of careful observation of variables with a relatively small proportion of the population (Kothari, 2004). The study used purposive sampling to select the three and four star rated hotels and simple random sampling to select managers in every hotel who form part of the respondents.

3.6 Research Instruments

The study used questionnaires in primary data collection. The researcher chose self-administration of questionnaires because it is quicker and cheaper to administer over a geographically widely dispersed region besides facilitating easy derivation of information from respondent (Kothari, 2004). The choice of questionnaires was guided by the nature of the data to be collected and the objectives of the study and covered variables that could not be directly observed. Further, questionnaires enable collection of a lot of information that can provide opinion judgement regarding study variables (Kothari, 2004).

The questionnaires were structured in a way that they had both open and closed ended questions. Closed ended questions enhance consistency of responses given across respondents besides being popular with the respondents (Fraenkel & Wallen, 2003). According to Cohen et al. (2007), closed ended questions limit the breadth of responses given by participants, hence the researcher also considered some open ended questions with the aim of capturing richness, in-depth and freedom of expression from the respondents

3.7 Pilot Study

Pre-testing of the research instruments was done in two hotels (one three star rated and one four star rated) selected by random sampling. The two hotels were located in Kwale County, Kenya. This sample was convenient in terms of time and resources. The instruments were tested for their validity and reliability on eliciting relevant information on the research objectives. According to Mugenda and Mugenda (2003), a sample of between 10% is adequate for a pilot study in a research study.

3.8 Validity and Reliability

3.8.1 Validity of the research instrument

The validity of an instrument is defined as the degree to which it measures accurately what it is purported to measure, mainly the data anticipated for collection based on the objectives of that study (Mugenda & Mugenda, 2003). According to Cohen et al. (2007), there are two types of validity; internal and external validity. Internal validity comprises face, content, construct and criterion validity while external validity focuses on the extent to which study findings can be generalized.

Face validity refers to the extent to which an instrument seems to cover concepts it purports to measure. This was established through the review of literature on the variables being studied to determine their appropriateness. Content validity refers to the degree to which the research instrument appropriately represents the content domain it is intended to measure thus adequately covers the topic under study. When an instrument is

judged to have high content validity, its content is considered to be congruent with the testing purpose and with prevailing notions of the subject matter being tested (Borg & Gall, 1989). Through literature review, this study was able to verify that variables under study were adequately covered. The researcher constructed the questionnaires with guidance from research supervisors to address both content and face validity.

3.8.2 Reliability of the research instrument

Reliability is the degree of consistency of a research instrument and the accuracy of the target attributes (Kombo & Tromp, 2008). According to Cohen et al. (2007), a reliability level is acceptable at 0.7. To determine the reliability of instruments that were used in the current study, the research instrument was piloted in two hotels that were not finally included in the study sample. Responses given were checked to ascertain the extent to which they yielded relevant data.

Further, the researcher computed the Cronbach alpha internal consistency coefficient. This coefficient allows for the assessment of consistency of research items in measuring the research variables. The questionnaire yielded Cronbach alpha internal consistency coefficients of 0.824, which was considered reliable.

3.9 Data Collection Procedure

Before proceeding for data collection, the researcher sought clearance from the Dean, School of Business and Management Sciences then authorization to conduct research

from the National Commission for Science, Technology and Innovation (NACOSTI). Thereafter, the researcher visited the various selected hotels for study.

3.10 Data Analysis and Presentation

According to Mugenda and Mugenda (2003), data analysis is the process of bringing order and meaning to raw data collected. It is also a way towards bringing structure and significance to the mass of data gathered (Orodho & Kombo 2002). Research data was analyzed using descriptive statistics both descriptive statistics such as frequency and mean and inferential statistics using regression analysis to establish relationships.

3.10.1 Multiple Regression Analysis

Multiple regression analysis is a technique used to explore the relationship between one continuous dependent variable and a number of continuous independent variables (Kothari, 2004). The study chose this technique because it is able to tell how well a set of variables (several independent variables) are able to predict a particular outcome (the dependent variable). This study intended to establish the effect of MICE tourism products (independent variables) on Hotel Performance (dependent variable) as guided by the following model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

X_1 = Meeting

X_2 = Incentive

X_3 =Conference

X_4 =Exhibition

e = Error term

Y= Hotel Performance

3.11 Ethical Consideration

Researchers have the obligation to treat both the participants and the information they provide with honesty and respect (Catherine, 2002). Research ethics defines what researchers should and should not do when conducting research. Hence researchers have a professional and moral obligation to act ethically. The researcher obtained permission to carry out the study from all relevant bodies including the hotels before data collection process began. The researcher took time to explain the purpose of the study and the benefits of its findings hence requested participants to voluntarily participate in the study. The researcher also stressed that participants were free to decline participation or even withdraw from the study without any consequences if they felt uncomfortable. Further, the researcher assured participants of anonymity and confidentiality on the information provided.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND INTERPRETATION

4.0 Introduction

The chapter presents results on the effect of MICE tourism on the performance of three and four star rated hotels in Mombasa County. The dependent variable was hotel performance and the independent variables were meetings; incentives; conference and events. Ten hotels were sampled with sixty dully filled questionnaires from the respondents representing 92% response rate.

Table 4.1 Response rate by the respondents

Sampled Hotel	Number
Hotel A (four star)	6
Hotel B(four star)	7
Hotel C (four star)	7
Hotel D (four star)	7
Hotel E (four star)	6
Hotel F (three star)	5
Hotel G (three star)	6
Hotel H (three star)	5
Hotel I (three star)	5
. Hotel J (three star)	6
Total	60

4.1 Demographic information of the respondents

A total of sixty respondents completed and returned the questionnaires, which was 92% response rate. Out of this, majority (60%) of the respondents were male while female were 40% (Figure 4.1).

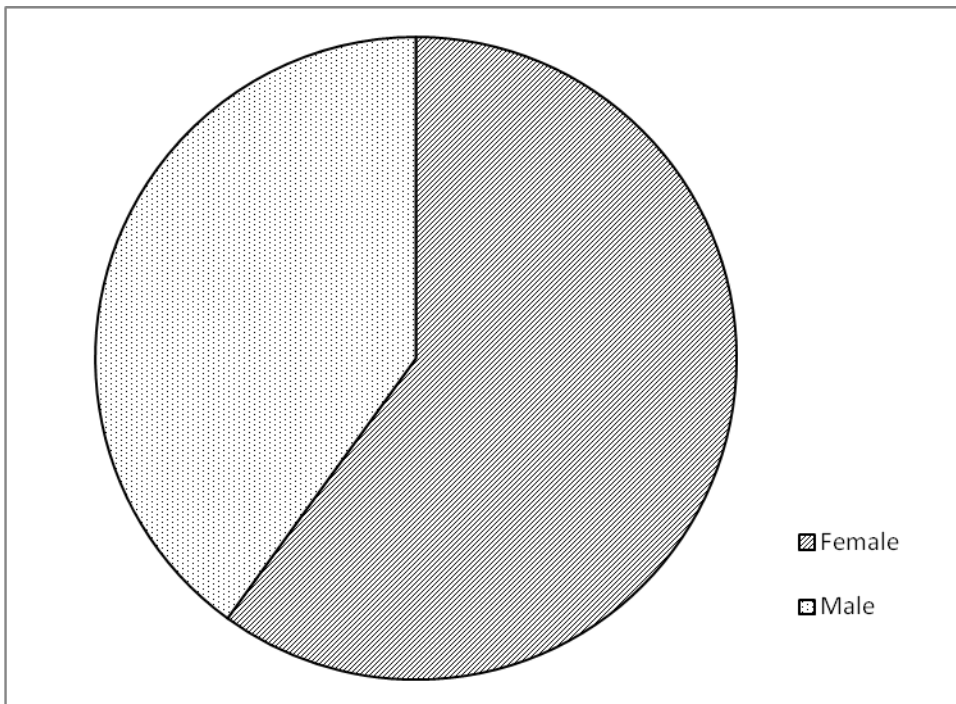


Figure 4.1: Gender of the Respondents

In terms of education, most respondents (58.3%) had attained college level of education, followed by 26.7% who had university level of education and the rest (15%) had secondary level of education (Figure 4.2). The findings showed that most of the respondents were educated hence they understood the objective of the study making it easy to collect the required information.

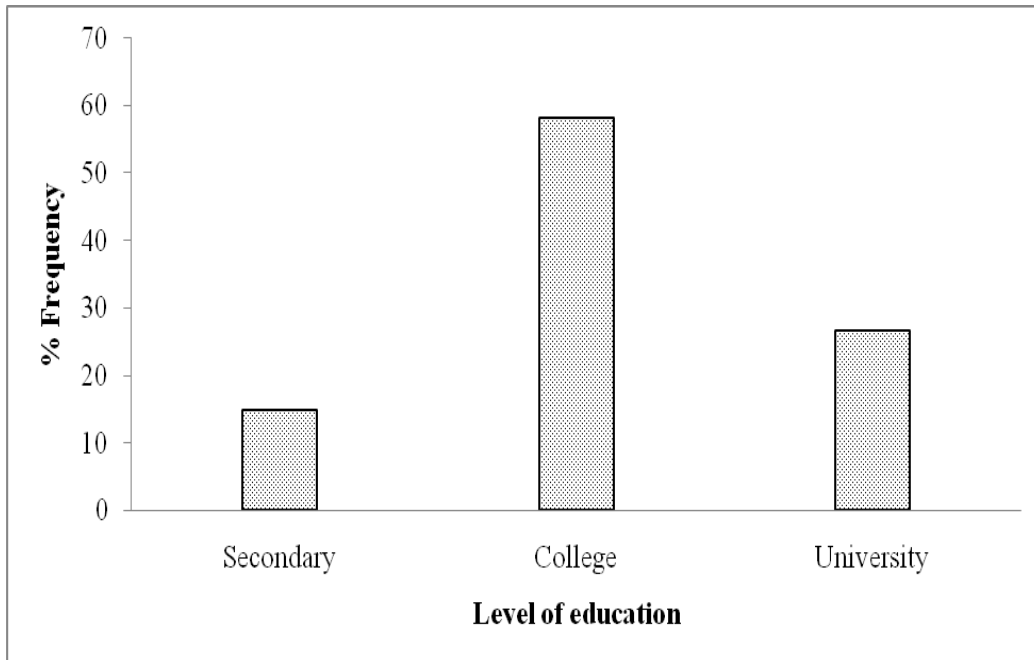


Figure 4.2 Education level of the respondents

Based on duration of work, 48% of the respondents had worked in the hotels for less than one year, 28.3% for over five years while 23.3% had worked for between 3 years to 5 years. The findings showed that majority of the respondents had short period of time working in the hotel selected, which could explain the high turn-over rates in hotel industry especially at the coastal region of Kenya. Moreover, in terms of position of the respondents, 67% who were in the middle level management and only 33% of the respondents were in the top management (Figure 4.3).

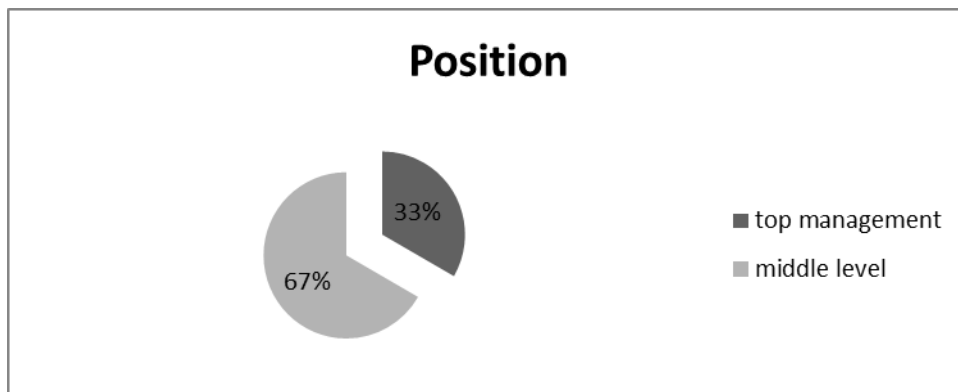


Figure 4.3: The relationship between respondents' work duration and the position with the hotels

4.2 MICE Tourism

Table 4.1: Events offered at the hotels

Response	Frequency	Percent
Meetings	17	28
Incentives	6	10
Conferences	22	37
Exhibition	15	25
Total	60	100.0

In Table 4.1, 17(28%) of the respondents agreed that the hotel offered meetings events, 6(10%) agreed on incentives, 22(37%) said the hotel offered conferences events and 15(25%) agreed on exhibition. The study showed that all the events under mice tourism were carried out in the hotels and conferences were the most events hold this implied that mice tourism had advance within Mombasa town.

Table 4.2: Frequency of the event held at the hotel

Event	Frequency	Percent
1– 2 times in a year	10	17
more than 5 times in a year	50	83
Total	60	100.0

Table 4.2 shows the frequency of the occurrence of the events at the hotel, 10(16.7%) of the respondents said the events have taken place in the hotel for 1 – 2 times while 50(83.3%) said more than 5 times.

4.3 Effect of Meetings on Hotel Performance

Information was obtained on factors influencing the individual choice when holding meetings, Incentives, conferences and exhibition. Likert based responses were in form of most important, important, moderate, less important and least important. The Likert response were strongly agree (SA), agree (A), undecided (U), disagree (D) and strongly disagree (SD) rated 1-5 in that order. Descriptive analysis was used to calculate mean to explain the results of this objective. The mean is the normal estimation of reaction for everything on the Likert scale. This is basically the total of the qualities divided by the quantity of qualities. The suggestion is that the thing with the most elevated mean is the one which a large portion of respondents picked or evaluated exceptionally and the other way around.

Table 4.3: Effects of meetings on hotel performance

Factors influencing the choice of holding meetings	Strongly disagree		Disagree		Undecided		Agree		Strongly agree		Mean
	F	%	F	%	F	%	F	%	F	%	
Location	2	3.3	9	15	-	-	24	40	25	42	4.02
Sufficient infrastructure	9	15	4	7	-	-	6	10	41	68	4.10
Price	9	15	-	-	4	7	8	13	39	65	4.13
Customer service satisfaction	9	15	-	-	-	-	25	42	26	43	3.98
Security and safety	9	15	-	-	-	-	17	28	34	57	4.12

Key: F=Frequency

Table 4.3 shows that 21(3%) strongly disagreed, 9(15%) disagreed that location affected the choice of holding meetings in the institution, 24(40%) agreed and 25(42%) strongly agreed with the statement but none of them was undecided. 9(15%) strongly disagreed that sufficient infrastructure was a factor making them choose the location of their meetings, 4(7%) disagreed, 6(10%) agreed and 41(68%) strongly agreed with it been the factor but none was undecided. 9(15%) of the respondents strongly disagreed on price as the factor, 4(6.7%) were undecided, 8(13.3%) agreed and majority of them 39(65.0%) strongly agreed with the factor but none of them disagreed. 9(15%) strongly disagreed that customer service satisfaction was a factor influencing the choice of where to hold the meetings, 25(41.7%) agreed and 26(43.3%) strongly agreed but none of them either disagreed or was undecided. 9(15%) of the respondents strongly disagreed that security and safety influenced their choice, but 17(28.3%) agreed and 34(56.7%) strongly agreed but none of them either disagreed or was undecided.

According to the means observed in the findings, there are factors influencing the choice of holding meetings in an institution as shown by the high means of the variables above. Security and safety was mostly agreed on as been the factor to be chosen while deciding where to hold the meetings. This implied that clients majorly look at the safety and security of the venue before choosing where to hold their meetings, in that without security no attendance can take place.

4.4 Effects of Incentives on Hotel Performance

The findings above in table 4.4 shows that respondents strongly agreed that the hotel offers special venues as they were 36(60%), 14(23.3%) agreed, 7(11.7%) were undecided, 3(5%) disagreed but none of the strongly disagreed. 37(61.7%) of the respondents strongly agreed that in peak time the hotel offers additional benefits to the employees, 21(35%) of them agreed and 2(3.3%) disagreed but none of them either strongly disagreed or was undecided. 41(68.3%) of the respondents strongly agreed that hotel packages attracts more visitors to the hotel, and 19(31.7%) agreed but none of them strongly disagreed, disagreed and was undecided. Mostly agreed component was that the hotel packages attract more visitors to the hotel. Therefore for every hotel to increase its performance through incentives its packages must be attractive to the customers and also to its employees.

Table 4.4: Level of agreement in relation to incentives

Factors influencing of Incentives	Strongly disagree		Disagree		Undecided		Agree		Strongly agree		Mean
	F	%	F	%	F	%	F	%	F	%	
The hotel offers special venues	-	-	3	5	7	11.7	14	23	36	60	4.38
In peak time the hotel offers additional benefits to the employees	-	-	2	3.3	-	-	21	35	37	62	4.55
The hotel packages attracts more visitors to the hotel	-	-	-	-	-	-	19	32	41	68	4.68

4.5 Effects of Conferences on Hotel Performance

The findings in Table 4.5 shows that 29(48.3%) of the respondents strongly agreed on business and education content of the event or conference and 31(51.7%) agreed but none of them strongly disagreed, disagreed or was undecided. 19(31.7%) of the respondents strongly agreed that professionalism of the exhibition or conference organizer 41(68.3%) agreed but none of them disagreed or strongly disagreed with the statement also no one was undecided. According to location 39(65%) of the respondents strongly agreed and 21(35%) of them agreed but none of them strongly disagreed, disagreed or was undecided. 38 (63.3%) of the respondents strongly agreed that safety and security of the destination, 22(36.7%) agreed on the statement but none of them strongly disagreed, disagreed and was undecided. According to opportunity to visit a new town, region or country, 23(38.3%) of the respondents strongly agreed, 35(58.3%) of them agreed and 2(3.3%) strongly disagreed but none of them disagreed or was undecided. The study

observed among all the factors that location affects the choice of location when carrying out conferences

Table 4.5: Level of agreement in relation to Conferences

Questionnaire item	Strongly disagree		Disagree		Undecided		Agree		Strongly agree		Mean
	F	%	F	%	F	%	F	%	F	%	
Business and education content of the or conference	-	-	-	-	-	-	31	52	29	48	4.48
Professionalism of the exhibition or conference organizer	-	-	-	-	-	-	41	68	19	32	4.32
Location	-	-	-	-	-	-	21	35	39	65	4.65
Safety and security of the destination	-	-	-	-	-	-	22	37	38	63	4.63
Opportunity to visit a new town, region or country	2	3.3	-	-	-	-	35	58	23	38	4.28

4.6 Effects of Events on Hotel Performance

Table 4.6 below shows that in choosing where to carry out Events here are factors considered by the clients as agreed by the respondents, 36(60%) agreed that cost affordability was most important in choosing the venue for exhibition, 24 (40%) of them said important but none of them said least important, less important and moderate. 37 (61.7%) of the respondents said service quality professionalism was most important 23(38.3%) said it was important but none of them said it was least important, less important. 39(65%) of the respondents said leisure and entertainment facilities was most important, 8(13.3%) said it was important, 8(13.3%) was moderate and 5(8.3%) said least important but none of them said less important. 40(66.7%) of the respondents said infrastructure accessibility said it was most important, 20(33.3%) of the respondents said

it was important but none of them said least important, less important and moderate. 45(75%) of the respondents said business-Friendliness image was most important, 15(25%) said important but none of them said least important, less important and moderate. Hence business friendliness image was considered important by the respondents when choosing the factors influencing events in the hotel.

Table 4.6: Level of agreement in relation to Events

Factors influencing events	Least important		Less important		Moderate		Important		Most important		Mean
	F	%	F	%	F	%	F	%	F	%	
	Cost affordability	-	-	-	-	-	-	24	40	36	
Service quality professionalizm	-	-	-	-	-	-	23	38	37	62	4.62
Leisure and entertainment facilities	5	8.3	-	-	8	13.3	8	13	39	65	4.27
Infrastructure accessibility	-	-	-	-	-	-	20	33	40	67	4.67
Business-Friendliness image	-	-	-	-	-	-	15	25	45	75	4.75

4.7 Hotel Performance

The findings in table 4.7 shows that 54(90%) of the respondents strongly agreed that the hotel ensures it understands the customer's needs 6(10%) agreed but none of them disagreed, strongly disagreed and none disagreed. All the respondents strongly agreed that the hotel management ensures the customer's data is safe and kept well as no one of the strongly disagreed, disagreed and undecided. 32(53.3%) of the respondents strongly agreed that with the improved technology the hotel ensures it acquires new customers, 26(43.3%) of them agreed 2(3.3%) were undecided but none of them strongly disagreed or disagreed. 35(58.3%) strongly agreed that the hotel ensures there is safety of

transactions and seller empathy, 25(41.7%) agreed but none of them strongly disagreed, disagreed, and undecided.

Table 4.7: Customer Knowledge

Customer knowledge attributes	Strongly disagree		Disagree		Undecided		Agree		Strongly agree		Mean
	F	%	F	%	F	%	F	%	F	%	
The hotel ensures it Understands the customer's needs	-	-	-	-	-	-	6	10	54	90	4.9
The hotel management ensures the customers data is safe and kept well	-	-	-	-	-	-	-	-	60	100	5.00
With the improved technology the hotel ensures it acquires new customers	-	-	-	-	2	3.3	26	43	32	53	4.50
The hotel ensures there is safety of transactions and seller empathy	-	-	-	-	-	-	25	42	35	58	4.58
The hotel ensures it improves its employee skills so as to ensure their customers' needs are understood better	2	3.3	-	-	-	-	21	35	39	65	4.65

39(65%) of the respondents strongly agreed that the hotel ensures it improves its employee skills so as to ensure their customers' needs are understood better, 21(35%) of the respondents agreed and 2(3.3%) strongly disagreed but none of them disagreed or was undecided. Therefore it is important for the hotel to ensure the data of each and every client is well kept, which boost the trust given to the hotel by the customer.

4.7.1 Customer Value

The findings in table 4.8 shows that 49(87.7%) of the respondents strongly agreed that the hotel ensures it does follow ups so as to retain its customers 11(18.3%) agreed but

none of them disagreed, strongly disagreed and none disagreed. 32 (53.3%) of the respondents strongly agreed that the hotel has improved its services to cater for each and every customers demands. 28(43.7%) of the respondents, none of the respondents were undecided, disagreed or strongly disagreed. 41(68.3%) of the respondents strongly agreed that the hotel manages its profit increase with the increase of customers attained, 14(23.3%) agreed, 2 (3.3%) of the respondents were undecided, 3(5%) disagreed. On whether the hotel ensures there is consistency of maintaining its brand majority of the respondents 50(83.3%) strongly agreed while 10(16.7%) agreed, none of the respondents who were undecided, disagreed or strongly disagreed. Hence therefore keeping and maintaining the brand of the hotel will help in reducing any sudden changes among the clients.

Table 4.8: Customer Value

Customer value attributes	Strongly disagree		Disagree		Undecided		Agree		Strongly agree		Mean
	F	%	F	%	F	%	F	%	F	%	
The hotel ensures it does follow ups so as to retain its customers	-	-	-	-	-	-	11	18	49	82	4.82
The hotel has improved its services to cater for each and every customers demands	-	-	-	-	-	-	28	47	32	53	4.53
The hotel manages its profit increase with the increase of customers attained	-	-	3	5	2	3.3	14	23	41	68	4.55
The hotel ensures there is consistency of maintaining its brand	-	-	-	-	-	-	10	17	50	83	4.83

4.7.1 Customer Interaction

Table 4.9 shows that 35 (58.3%) and 25(41.7%) of the respondents strongly agreed and agreed respectively on if the hotel offers diversified products and services none of the respondents who were undecided, disagreed or strongly disagreed. 35 (58.3%) and 25(41.7%) of the respondents strongly agreed and agreed respectively on whether the hotel has invested a lot in ensuring there is brand promotion to attract customers, none of the respondents who were undecided, disagreed or strongly disagreed. On whether hotel ensures it improves channel management by responding to customers feedback 33(55%) of the respondents strongly agreed, 27(45%) of the respondents agreed again none of the respondents none of the respondents who were undecided, disagreed or strongly disagreed. Majority of the respondents representing 33(55%) strongly agreed on if the hotel participates in community building programs so as to improve on customer interactions, 20(33.3%) of the respondents agreed and 7(11.7%) of the respondents were undecided, none of the respondents who disagreed or strongly disagreed. Therefore it is important to keep the brand promotion and also offering diversified products and services will help in attracting customers.

Table 4.9: Customer Interaction

Customer interaction attributes	Strongly disagree		Disagree		Undecided		Agree		Strongly agree		Mean
	F	%	F	%	F	%	F	%	F	%	
The hotel offers diversified products and services	-	-	-	-	-	-	25	42	35	58	4.58
The hotel has invest a lot in ensuring there is brand promotion to attract customers	-	-	-	-	-	-	25	42	35	58	4.58
The hotel ensures it improves channel management by responding to customers feedback	-	-	-	-	-	-	27	45	33	55	4.55
The hotel participates in community building programs so as to improve on customer interactions	-	-	-	-	7	12	20	33	33	55	4.43

4.7.2 Customer Interaction

The results on Table 4.10 established that on whether the hotel enhances knowledge and courtesy to inspire trust and confidence 40(66.7%) of the respondents strongly agreed, 20(33.3%) agreed, none of the respondents who were undecided, disagreed or strongly disagreed. 40(66.7%) and 20(33.3%) of the respondents strongly agreed and agreed respectively that the hotel have ability to perform the promised service dependably and accurately. Whether the hotel gives caring, individualized attention to its customers majority of the respondents representing 43(71.3%) strongly agreed and 17(28.3%) agreed, none of the respondents were undecided, disagreed or strongly disagreed. whether the hotel is willing to help customers and provide prompt service 42(70%) strongly agreed, 18(30%) agreed, none of the respondents were undecided, disagreed or strongly disagreed. Whether the hotel have proper physical facilities, equipment, and better

personnel 40(66.7%) strongly agreed, 20(33.3%) agreed, none of the respondents undecided or disagreed but 2(3.3%) of the respondents strongly disagreed.

Table 4.10: Customer Interaction

Customer interaction attributes	Strongly disagree		Disagree		Undecided		Agree		Strongly agree		Mean
	F	%	F	%	F	%	F	%	F	%	
The hotel enhances knowledge and courtesy to inspire trust and confidence	-	-	-	-	-	-	20	33	40	67	4.67
The hotel have ability to perform the promised service dependably and accurately	-	-	-	-	-	-	20	33	40	67	4.67
The hotel gives caring, individualized attention to its customers	-	-	-	-	-	-	17	28	43	72	4.72
The hotel is willing to help customers and provide prompt service	-	-	-	-	-	-	18	30	42	70	4.70
The hotel have proper physical facilities, equipment, and better personnel	2	3.3	-	-	-	-	20	33	40	67	4.67

4.8 Regression analysis of effect of MICE Tourism on Hotel Performance

The study was guided by four research hypotheses. Based on the four independent study variables, the researcher aimed at establishing the extent to MICE (Meetings, Incentives, Conferences and Events) tourism influence hotel performance. The researcher considered various assumptions before multiple regression analysis including the sample size, which was adequate; correlations at $r=0.3$ and above, where all the variables correlated above 0.3. In order to check for the normality of data in the distribution, scrutiny of the Normal Probability Plot points showed cases that seemed to lie in a reasonably diagonal line from

bottom left to top right indicating no major deviations from normal distribution. Further, the straight line relationship with the predicted dependent variable was an indication of linearity. Scatter plot of standardized residuals showed that residuals were roughly rectangular distributed with most of them concentrated at the centre as required. The multiple regression analysis results showed there exist significant positive relationship between independent variables and dependent variable (above 0.3 preferably); Meetings, Incentives, Conferences and Events correlate substantially with Hotel performance ($r=0.421, p<0.001$; $r=0.427, p<0.001$; $r=0.538, p<0.001$; $r=0.401, p<0.001$ respectively).

There was also significant positive correlation between each of the independent variables all at 0.001 alpha level. Regarding the relative importance of the four MICE products, incentives ($\beta_2 = 0.791, p < 0.001$) carried the heaviest weight for hotel performance, followed by Conferences ($\beta_3 = 0.350, p < 0.001$), Events ($\beta_4 = 0.311, p = 0.001$), and Meetings ($\beta_1 = 0.019, p = 0.812$) all at 95% confidence level ,therefore the study rejected hypothesis 2,3,4 and failed to reject hypothesis 1.(Table 4.11).

Table 4.11: Standard multiple regression analysis output for coefficients results

Model		Coefficients ^a				t	Sig.
		Unstandardized Coefficients		Standardized Coefficients			
		B	Std. Error	Beta			
1	(Constant)	3.088	.284			10.878	.000
	a	.004	.015	.019		.239	.812
	b	.361	.045	.791		7.936	.000
	c	.245	.061	.350		4.010	.000
	d	.258	.070	.311		3.662	.001

1 Dependent Variable: i

Table 4.12: Standard multiple regression analysis output for model summary

R	R square	Adjusted R Square	Std. Error of the Estimate
.864 ^a	.747	.729	.12959

Finally, the F ratio, which explained whether the results of the standard regression model could have occurred by chance, had a value of 40.0642 ($p < 0.001$) and was considered significant (Table 4.13)

Table 4.13: Standard multiple regression analysis output for Analysis of variance

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.730	4	.683	40.0642	.000 ^b
	Residual	.924	55	.017		
	Total	3.654	59			

a. Dependent Variable: Hotel Performance

b. Predictors: (Constant), d, a, c, b

CHAPTER FIVE

SUMMARY AND DISCUSSIONS

5.1 Summary

The general objective of this study was to investigate the effect of MICE tourism on performance of three and four star rated hotels in Mombasa Town. The specific objectives of the study were; to determine the effect of meetings on Hotel performance of three and four star rated Hotels in Mombasa, to assess the effect of incentives on Hotel performance of three and four star rated Hotels in Mombasa, to evaluate the effect of conference on Hotel performance of three and four star rated Hotels in Mombasa and to examine the effect of events on Hotel performance of three and four star rated Hotels in Mombasa.

The study showed that MICE tourism occurred in Mombasa town. Its choice of venue was influenced by various factors. To ensure its effect on performance the study established that these factors were to be considered. The study also showed that the factors affecting meeting was different from those influencing incentives same to conferences and even exhibitions, all these had it been factored differently. The study showed that factors affecting meeting were location, infrastructure, price, customer satisfaction and security & safety. Factors considered when choosing incentives were special venues, additional benefits and hotel packages; all these would attract the client if the hotel was offering.

The study further showed that for an individual to choose where to attend a conference he/she will look at this factors; content of the event, professionalism, location, safety & security and also opportunities coming with the visit. According to the exhibitions, the study showed that one has to look at the cost, service quality, entertainment facilities, infrastructure and its image. MICE tourism is instrumental in promoting the overall performance of the hotel as shown by the study.

5.2 Discussion

5.2.1 General Information

The study found out that meetings and conferences was the mostly consumed MICE products among hotels in Mombasa town. Incentives and event show there were not popular as they were seldom held and when held were usually organized by the respective organizations.

5.2.2 Effects of choice in holding meetings

The study found out that the major factor showing effect of the venue of meetings was security and safety. Security in a hotel determines the safety of the client; the client will be comfortable in a place where their security and safety is given weight. Meetings will take place in a secured environment. This findings are in accordance with contemplate completed by Odunga et al. (2011) found out that many cities in the United States and abroad reported a sharp decline in MICE tourism business. He further states that many hotels experienced layoffs and closures as well as route changes in the airlines due to security.

According to incentives, the study established that majority of the respondents showed that during peak times the hotels offered additional benefits. In peak times, the clients are many due to good weather in Mombasa town, variety of activities which act as an added advantage. The findings are in line with Yang & Gu, (2011) who found out that the reasons for selecting an incentive travel includes good weather, easy air connections, popularity, safety and security, image/style, proximity to home, value for the money, variety of activities, and effective marketing strategies developed by both destination organizations and hospitality facilities.

The study established that location played a significant role in choosing conference product in MICE tourism. The major aim of the attendees in conferences is to attend educational sessions, participate in meetings/discussions, socialize, or attend other organized events therefore its accessibility is a major factor for its attendance. Var, Cesario, and Mauser (2005) found out that the factors that influenced conference attendance were accessibility, emissiveness and attractiveness.

Majority of the respondents were in support that exhibition tourism should be business-friendliness image. For a venue to be attractive its image matters this is because hosting an exhibition is one medium that can channel products and services to potential buyers on a regional and global scale. This findings corresponds with the report of Thailand Convention and Exhibition bureau 2015, which indicates that an exhibition along with a sightseeing tour will make a greater impression on the customers and help increase products' sales.

The study further summarized findings on hotel performance which based on the customer knowledge, value, interaction and satisfaction. The study found out that according to customer knowledge, the respondents were in support that the hotel ensures it understands the customer's needs and the hotel management ensures the customer's data is safe and kept well. The study found out that according to customer value, majority of the respondents agreed that the hotel ensures it does follow ups so as to retain its customers and that the hotel ensures there is consistency of maintaining its brand. The investigation set up that on client cooperation, a number of the respondents concurred that the hotel offers enhanced items and administrations and that the hotel has invest a lot in ensuring there is brand promotion to attract customers. According to customer satisfaction the investigation set up that greater part of the respondents concurred that the hotel gives caring, individualized attention to its customers and that the hotel is willing to help customers and provide prompt service.

Conclusions And Recommendations

According to the study, MICE tourism has effect on how the hotel performs, meetings, conferences, incentives and exhibition tourism takes place in Mombasa town. Meetings and conferences were the most encountered. For MICE tourism to be successful and to take place in an institution there are factors to be considered which attracts more clients. For a client to consider carrying out meetings in an institution, it should be secured and safe, also there should be sufficient infrastructure and situated in a good location. Clark, (2004) indicates that business tourists don't mind spending more on inns or hotels and eateries however even on recreation exercises, for example, visits to retail and neighborhood attractions, for example, galleries or museums and theaters'so long as the hosting institution is safe and secured. When all these factors are considered by the institution then the client will be much comfortable and hence carry out the event in the venue.

The study draws conclusions that the hotel should offer incentives especially when there are special venues and in peak time the hotel should offer additional benefits to the employees and further ensures its package attracts more visitors to the hotel. When the hotel offers good packages and benefits then it should expect more tourists to attend as they will feel more satisfied and welcomed which in turn will have an effect on performance. These conclusions agrees with McCartney, (2008), who investigated MICE tourism in Mauritius and found out that the most attractive MICE segment is incentive travels as they can bring significant economic revenues given that they are high spenders who require up-market products and services. Further Campiranon and Arcodia, (2008)

concur that the goal needs to propose selective bundles which nobody has encountered earlier and continually outperform itself to make an alluring element or novel experience, blending business and delight.

According to conferences, the study concluded that the major factor considered for its choice of the venue was the content, professionalism of the conference organizer, location, safety and security of the destination and also opportunity given to the client to visit a new town, region or country. All conferences organized are influenced by the infrastructure and accessibility of the venue, hence for any institution to achieve MICE benefits, should invest heavily in infrastructure development. As per Davidson, (2003), in many meetings, participants have two principle destinations, particularly on the off chance that they are going to gatherings abroad. To begin with that of going to the meeting in itself and second that of benefitting as much as possible from the goal or scene in which the gathering is being held, therefore its accessibility and location should be considered when ensuring a proper MICE destination especially for conferences.

Regarding exhibitions, the factors influencing the choice of venue includes cost affordability, service quality professionalism, leisure and entertainment facilities offered by the institution, infrastructure accessibility and also business-Friendliness image should be factored while choosing the institution. Due to the fact that exhibition is a complex industry with multiple key players, institution need to respond and react according to the need of their customers. Global Statistics Report, (2011) recommends that the arranging and usage of foundations, for example, transport, Information Technology (IT) and

reason constructed meeting and displays settings ought to be sufficient to help the interest for MICE. It discovered that, a sum of 1197 display lobbies worldwide have facilitated no under 30,700 presentations in 2010 alone drawing in about 2.8 million show organizations and more than 260 million guests. The report additionally expresses that the accessible space for holding presentations has been on the expansion since 2006 with a gauge of an option of 198 activities for scene building around the world. Getz, (2008), likewise accentuated that the MICE division is encountering an ascent sought after and keeping in mind the end goal to supply satisfactorily the business, foundation improvement is fundamental.

The study further concluded on the measurements of hotel performance which included customer knowledge, value, interaction and value. The study concluded on how the hotel ensured customer knowledge as a result of MICE tourism, to ensure customer knowledge the hotel ensures it understands the customer's needs, also ensures the customers data is safe and kept well and with the improved technology the hotel ensures it acquires new customers, it ensures there is safety of transactions and seller empathy and finally the hotel ensures it improves its employee skills so as to ensure their customers' needs are understood better.

The study concluded that the hotel valued its customers by carrying out follow ups, ensures improved services to cater for each and every customer demands and also ensures there is consistency of maintaining its brand. The study further concluded that to ensure there is proper customer interaction, the hotel offered diversified products and services,

also it invest a lot on brand promotion to attract customers, improves channel management by responding to customers feedback and participating in community building programs. Finally the study concluded that in ensuring customer satisfaction, the hotel enhanced knowledge and courtesy to inspire trust and confidence, the hotel performed the promised service dependably and accurately, it gives caring, individualized attention to its customers and also the hotel had proper physical facilities, equipment and better personnel.

MICE tourism brings people from different countries to the destination and this can create strong positive word of mouth. From the study Mombasa is in constant contact with the press. For example, it organizes familiarization trips and press trips to maintain contact with press and for publicity purposes. The destination also holds in-house training with hosted buyers to market the MICE tourism. Moreover, to obtain greater visibility for MICE tourism, sometimes co-branding efforts are organized with hosted buyers as well as product launching in the destination which reinforces the marketing efforts. Apart from enhancing the image of the destination, MICE tourism can also have other social benefits such as events can be a trigger to revive their culture and show solidarity. In essence, events can become an opportunity to improve social relationships, for strengthening abilities to understand one another and for community well-being (Kurtzman and Zauhar, 1997)

Recommendations

This study examined effect of MICE tourism on hotel performance on three and four star rated hotels within Mombasa County. From the training point of view, this examination prescribes the creation and upgrade of mindfulness among firms of the significance of MICE tourism for tourism development as this is will greatly improve the performance of hotels in Mombasa County and all over the country.

Service providers in the MICE tourism industry should also endeavor to understand to detail their target markets before presenting the ‘products’ to the market or even before planning for further investments in the same industry. Consumer tastes and preferences are dynamic and informed by both internal and external factors.

Keeping at pace with the ever changing technology is critical. To attract the international clientele and to gain a competitive edge in the market, being technology savvy is inevitable. Therefore, proprietors in the MICE industry must incorporate new technology in their services.

MICE tourism industry should strongly highlight ‘past experiences’ particularly from renowned organizations or personalities. This can be done through endorsements from these organizations or personalities. Brand influence the consumers’ choice of venue. Brand/image building therefore is vital and aggressive brand building campaign is necessary. These efforts should be anchored on advertising elements of quality and tailor-made services designed to specifically meet the unique needs, tastes and preferences of

individual customers. Academics and practitioners can use the findings of this study to fully understand how management accounting practices can help to improve business performance in companies.

Suggestions for Further Research

Research ought to be done that additionally incorporates those cordiality foundations in different areas to build up on the off chance that they likewise consider the MICE tourism as imperative and to set up the more created items in tourism industry.

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4. What is your position in these hotels?

Top Management () Middle Level () Junior Staff ()

Section B: Mice tourism

5. Which of the following events do you hold?(Please tick)

Meetings ()

Incentives ()

Conferences ()

Exhibition ()

6. How many times in a year do you hold the event(s) No. 5 above? (Please tick)

1-2 ()

3-4 ()

More than 5 ()

Meetings

7. Kindly rate the factors influencing choice of holding meetings in the hotel

Strongly agree =5, Agree=4, Undecided=3, Disagree=2, strongly disagree=1

Statements	Strongly agree	Agree	Undecided	disagree	Strongly disagree
Meetings					
Location					
Sufficient infrastructure (facilities, venues, transportation)					
Price					
Customer service satisfaction					
Security and safety					

Incentives

8. Kindly rate the level of your agreement in relation to Incentives offered in the hotel

Statements	Strongly agree	Agree	Undecided	disagree	Strongly disagree
incentives					
The hotel offers special venues					
In peak time the hotel offers additional benefits to the employees					
The hotel packages attracts more visitors to the hotel					

Conference

9. Kindly rate the following reasons for choice for an individual to choose to attend a conference at the hotel

Statements	Strongly agree	Agree	Undecided	disagree	Strongly disagree
Business and education content of the event or conference					
Professionalism of the exhibition or conference organizer					
Location					
Safety and security of the destination					
Opportunity to visit a new town, region or country					

Exhibition

10. Kindly rate the factors for a successful exhibition in your mind?

Most important=5, Important=4, Moderate=3, Less important=2, Least important=1

Statements	5	4	3	2	1
Cost affordability					
Service quality professionalism					
Leisure and entertainment facilities					
Infrastructure accessibility					
Business-Friendliness image					

Section C: How to measure Hotel Performance using balanced score card

11. Customer Knowledge

Statements	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
The hotel ensures it Understands the customer's needs					
The hotel management ensures the customers data is safe and kept well					
With the improved technology the hotel ensures it acquires new customers					
The hotel ensures there is safety of transactions and seller empathy					
The hotel ensures it improves its employee skills so as to ensure their customers' needs					

are understood better					
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12. Customer Value

Statements	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
The hotel ensures it does follow ups so as to retain its customers					
The hotel has improved its services to cater for each and every customers demands					
The hotel manages its profit increase with the increase of customers attained					
The hotel ensures there is consistency of maintaining its brand					

13. Customer interaction

Statements	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
The hotel offers diversified products and services					
The hotel has invest a lot in ensuring there is brand promotion to attract customers					
The hotel ensures it improves channel					

management by responding to customers feedback					
The hotel participates in community building programs so as to improve on customer interactions					

14. Customer satisfaction

Statements	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
The hotel enhances knowledge and courtesy to inspire trust and confidence					
The hotel have ability to perform the promised service dependably and accurately					
The hotel gives caring, individualized attention to its customers					
The hotel is willing to help customers and provide prompt service					
The hotel have proper physical facilities, equipment, and better personnel					

APPENDIX II: STUDY AREA

