

# Strategic Factors Leading to the Growth of Tourism in Mombasa County

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**Abstract:** *Tourism is an essential component to the growth and well being of the economy of Mombasa County. The main stakeholders of this industry are the hoteliers and the Mombasa County local tour operators. Mombasa is thus the bedrock of the Kenyan tourism industry with a high annual influx of domestic and foreign tourists. There is also presence of wild life activity in Mombasa County with the presence of Bamburi nature trail. Mombasa County also hosts the largest sea port in East Africa making it attractive for business visitors. In the recent years the sector has experienced a decline in growth and even shrunk due to insecurity ranging from terrorism, kidnappings, robbery with violence and cold murders. This has led to a decline in tourist numbers and thus led to the closure of majority of the hotels in the County which were a major source of employment and commerce for the locals. The presence of dilapidated infrastructure, mainly roads and water transport across the Likoni channel has made Mombasa County unattractive to tourist compounding the decline further. An example is the Likoni ferry crossing channel which has made the south coast seem inaccessible thus stifling the potential that areas like Shelly beach have. Above all those problems or inadequacies, solutions must arise to reverse this negative trend. There are strategic factors that will play a key role in ensuring the growth of the tourism sector in Mombasa County. Conference tourism, marine-based tourism, hotel investment and eco-tourism are some of the options that could be deployed. The study has an introductory part, problem statement, objectives of the research, the objectives being to evaluate the role of customer retention policies on the growth of tourism in Mombasa County, to assess the role played by stakeholder participation on the growth of tourism in Mombasa County, to establish the relationship between credit accessibility and the growth of tourism in Mombasa County and to establish the effect of training and development on the growth of the Mombasa County tourism sector, justification of the study, scope of the study and limitation of the study. The study also entailed a literature review which mainly dealt with an introductory part, theoretical literature, empirical literature, conceptual framework, summary of literature, critique of existing literature and research gaps. The study also involved a research design which used a stratified random sampling technique to select the 30% of the target population whereby a random sample from each stratum was taken in a number proportional to the stratum's size when compared to the population. The subset was then pooled to form a random sample. The target population of the study was therefore 112 members of staff from tour operators and 280 from tourist hotels. The sample size was thus 118 respondents. Semi-structured questionnaires were used in the study to collect primary data. Content analysis was used to analyze qualitative data and findings were presented in a prose form. Statistical package for social scientists (SPSS Version 20) was used to analyze quantitative data. Quantitative data was analyzed using inferential and descriptive statistics. Data was then presented in tables, bar-charts and pie-charts.*

**Keywords:** Specialization, Retention, Long-haul, Influx, Exponentially, Commodification, trademark loyalty.

## 1. Background of the Study

The tourism industry, like all businesses depends on building long term relationship and the need to concentrate on maintaining customer's loyalty. In this respect, loyalty is greatly influenced by several factors and strategies. As such, tourism industry players often invest in managing their relationships with customers and maintaining these factors to ensure that customers whose loyalty is in the short term will continue to be loyal in the long term. The growth in tourism is well anticipated as evident in the researches and analysis conducted by experts and relevant organizations in this industry. [1]states that customer retention occurs when customers continue purchasing a product or service over an extended period of time. For products with short purchase cycles, [1] defines customer retention as occurring when the customer continues to purchase the product or service over a specified time period.

Citing from 'The Challenges of Tourism as a Development Strategy in an Era of Global Climate Change' by Stefan G., Michael H., and Daniel S.; According to [2] tourism development, if properly developed and supported, can indeed be a "quick-win" in overcoming the economic and social conditions that prevail in many countries and in

accelerating their integration into the world economy. Sustainable development of international tourism in emerging destinations is perceived by policy-makers as important for both developing economies and developed ones as it is regarded as representing an important new and growing avenue for competitive economic specialization [3] and provides the opportunity to augment foreign exchange flows [4] in order to work towards poverty reduction. UNWTO estimates that tourism is a primary source of foreign exchange earnings in 46 out of 50 of the world's LDCs [2]. [5] discusses the substantial criticism of what are the perceived negative impacts of tourism as a development strategy [5], [6], [7]; There are many countries globally which have only a limited opportunity to benefit from tourism. It is also important to note that while tourism has been promoted by some in the development community for over 40 years, the mid to long-term relative contribution of tourism projects to development strategies remains poorly evaluated. Tourism has also been associated with substantial environmental change and degradation [8], [9] and cultural commodification [10], [11], while economic benefits may not be as great as expected. The 'leakage effect', uneven distribution of earnings, relatively low revenues/wages in this sector, and/or lack of overall strategy and professionalization within the tourism sector are some of the

more well-known and well documented factors that can take away from the overall yield from tourism.

Since independence, the government of Kenya has pursued economic policies that encourage and safeguard private enterprise. Such policies and a prolonged period of political stability laid the foundations for positive economic development. Tourism has played an important role in this economic development.

Kenya's success as a popular long-haul destination offering a combination of wildlife safaris and beach holidays has been well documented. Wildlife attractions include big game as well as a high level of biodiversity, with, for example, over 309 known mammal species and 1067 bird species. This biodiversity, a wide variety of landscapes and rich cultural heritage have combined to create Kenya's present image as a popular destination.

## 2. Statement of the problem

A large influx of tourists to the County of Mombasa (high end or spending tourists) with a high rate of bed occupancy levels and a flourishing entrepreneurial sector (related to the tourism sector), positive cultural exchange between the locals and the tourists, generally high foreign exchange stream in to the County and eventually exponentially high revenue streams in to the County of Mombasa signifies a steady and reliable tourist destination. For the tourism sector in Mombasa County to flourish, there must also be certain factors put in place by the County government to ensure that accessibility to credit by the local tourism market players is made easy. This will increase the number of local tourism investors. Security for the tourists must also be prioritized. This will enhance the image of Mombasa County and thus enable the County government to market Mombasa County as a safe tourist destination.

It is however, notable that presently the Mombasa County tourism sector is on the decline due to factors like insecurity, dilapidated infrastructure and terrorism attacks from Alshabaab linked groups. The financial sector in Kenya and Mombasa County is not attractive to investors in the tourism sector citing risks of no returns on investment. Insufficient credit facilitation in the County has greatly hampered the inflow of new investment into the Mombasa County tourism sector. Inadequacy of sufficiently trained personnel has also greatly hurt tourism in the County of Mombasa. The deficiency of sufficiently trained personnel has even hampered policy making which has eventually become detrimental to strategy formulation that would have been used to effectively combat the current tourist slump in the County. According to the [12], earnings from tourism went down by 7.3 per cent last year; several hotels along the Indian Ocean coast have reported operating at capacities as low as 20 per cent. International arrivals at the Mombasa airport shrunk nearly 40 per cent; about 4,000 jobs have already been lost in the hospitality sector. The effect from the job losses alone could be huge for individual households whose likely breadwinners are now out of work.

Growth of tourism in Mombasa County can be achieved through successful implementation of the said strategic

factors. Extensive and thorough research is thus required so as to better acquaint the tourism market stakeholders with the strategies that will lead to the revamping and eventual growth of the sector. The strategies should also assist stakeholders to retain their customers. Ensuring customer loyalty is essential as a foundation for the eventual growth of the industry, mainly focusing on how market players like hoteliers maintain relations with their customers [13]. The County of Mombasa should also strive to ensure that credit is made accessible to tourism market players so that they may compete effectively with other tourist market players and that their tourism enterprises may remain going concerns.

## 3. Objective of the research

### 3.1 Main objective

The main objective of this research is to determine the strategies influencing the growth of tourism in Mombasa County.

### 3.2 Specific objectives

1. To evaluate role of customer retention on the growth of Mombasa County tourism sector.
2. To assess the role played by stakeholder participation on the growth of tourism in Mombasa County.
3. To establish the relationship between credit accessibility and the growth of tourism in Mombasa County.
4. To establish the effect of training and development on the growth of the tourism sector in Mombasa County.

## 4. Theoretical Literature

Resource dependency theory (RDT) posits that power is based on the control of resources that are considered strategic within the organization [14] and is often expressed in terms of budgets and resource allocations. RDT has its origins in open system theory as such organizations have varying degrees of dependence on the external environment, particularly for the resources they require to operate. This therefore poses a problem of organization facing uncertainty in resource acquisition [15] and raises the issue of firm's dependency on the environment for critical resources. Often, the external control of these resources may reduce managerial discretion, interfere with the achievement of organizational goals, and ultimately threaten the existence of the focal organization [16]. Confronted with the costly situation of this nature, management actively directs the organization to manage the external dependence to its advantage. Within this perspective, an organization can manage increasing dependency by adapting to or avoiding external demands, by executing the following RDT strategies; 1) "altering organizational interdependence" through integration, merger and diversification, 2) establishing collective structures to form a "negotiated environment" and 3) using legal, political or social action to form a "created environment". Much of RDT is fixed upon Emerson's insight that power and dependency are intimately related as such, [14] suggested and argued for specific sets of strategies to manage the external environment and discuss the conditions under which they operate.

People begin to organize their production in firms when the transaction cost of coordinating production through the market set out his transaction cost theory of the firm in 1937, making it one of the first (neo-classical) attempts to define the firm theoretically in relation to the market. One aspect of its neoclassicism is in presenting an explanation of the firm consistent with constant returns to scale, rather than relying on increasing returns to scale. Transaction cost theory has been developed to facilitate an analysis of the comparative costs of planning, adapting and monitoring task completion under alternative governance structures. The unit of analysis in TCT is a transaction which occurs when a good or service is transferred across a technologically separate interface. Transactions costs arise for ex ante reasons (drafting, negotiating and safeguarding agreements between the parties to a transaction) and ex post reasons (adoption, haggling, and establishment, operational and bonding costs). The three environmental factors are uncertainty, small numbers trading and asset specificity.

Organizational learning theory states that, in order to be competitive in a changing environment, organizations must change their goals and actions to reach those goals. In order for learning to occur, however, the firm must make a conscious decision to change actions in response to a change in circumstances, must consciously link action to outcome, and must remember the outcome. Organizational learning has many similarities to psychology and cognitive research because the initial learning takes place at the individual level: however, it does not become organizational learning until the information is shared, stored in organizational memory in such a way that it may be transmitted and accessed, and used for organizational goals. Organizational learning theory parallels models of individual learning grounded in cognitive and social psychology and defines learning as organizational change. Researchers agree that an organization learns through the individual learning of its members. From a cognitive perspective, individual learning involves storing, retrieving, transforming and applying information; such information processing relies on memory as "a storage device where everything we perceive and experience is filled away". Memory is not simply a static storage device but changes as it accommodates new information. Memories exist in individuals, and, when individuals have shared knowledge and experience, such as that evolving from participation in an organization, they may also have shared memories. Collections of memories that guide responses and are interconnected around specific experiences are called mental models.

## 5. Conceptual framework

It is difficult to exactly define customer retention as it is a variable process. In the past decade, companies and academics have become aware of the great benefits of maintaining a solid base of revisits. A basic definition could be 'customer retention is the process when customers continue to buy products and services within a determine time period'. However this definition is not applicable for most of the high end and low purchase frequency products as each and every product is not purchased by the customer. For example in the stock brokerage industry, a customer may not buy a particular scrip in the given period of time but

Strategic behavior refers to actions which a firm takes to improve its competitive position relative to actual and potential rivals, in order to gain a permanent commercial advantage, thereby increasing its long-run profits. It is primarily under oligopolistic market conditions that a firm has an incentive to alter its relative position through strategic behavior. The firm recognizes its interdependence and need to take into account other firms' reactions when making its own decisions; but it also recognizes that it is free to make decisions to alter its commercial environment. These strategies are revealed over time through investment and through tactical moves and countermoves. Strategic behavior can be manifested: entry deterrence; advertising and brand proliferation; technology choice; tying consumers in various ways where switching costs are significant; and various long-term contracting devices. To engage in successful non-cooperative strategic behavior, a firm must have some market power or advantage; it must be able to act before its rivals; and it must demonstrate credibly that it will follow its strategy regardless of the actions of its rivals. It is tended to buy the same when the conditions to buy the scrip becomes favorable and when the customer evaluates that now this scrip could be profitable to buy. In this case the definition of customer retention could be 'customer retention is the process when customer is intended to buy the product and services at next favorable buy occasion'. These products are called as long purchase cycle products.

In some scenarios customer's buying intentions cannot be determined with respect to financial aspects. For example, some magazines are available online for free and there are no intended charges to read these magazines. A reader who is frequently reading every edition of magazine online could be considered as retained customer as through his intentional behavior he shows the magazine company that he likes the magazine content and he tends to maintain a valuable relationship with the company. Hence this magnifies one more aspect in customer retention definition that revenue is not the deciding criteria that indicates that the customer is retained or not. [17] Contended that tourists with higher degree of intention to revisit are more likely to make positive word-of-mouth recommendations to friends and/or relatives. Indeed, retaining customer represents a cost-effective approach to future market share growth.

Research into customer retention comes from studies of customer behavior in service settings, especially in the context of hospitality [18]. Such customer retention is also important to other entities, such as tourist attractions. Customer retention highly depends on attrition and silent attrition rates. Attrition is the process when customers no longer want to use product and services provided by the supplier and breaks the relationship bond by informing the supplier that he will be no more a customer. Most of the defecting customers don't even intimate the supplier that they are defecting. This process is called silent attrition where the customer stops purchasing the product and services and divert to other suppliers without even informing them. During attrition, organization should prepare serious customer retaining strategies to save the customer to defect. It is often seen that if these corrective measures are implemented successfully to save defection



then retention level increases to a much higher level as compared to a normal retention process. Silent attrition causes the real damage to the organizations because they do not even know when the customer defected. They find no time to implement the corrective measures to try retaining that particular customer or even determine if the customer can be retained or not.

Customer retention is a strategic process to keep or retain the existing customers and not letting them to diverge or defect to other suppliers or organization for business and this is only possible when there is a quality relationship between customer and supplier. Usually a customer is tended towards sticking to a particular brand or product as far as his basic needs are continued to be properly fulfilled. He does not opt for taking a risk in going for a new product. More is the possibility to retain customers the more is the probability of net growth of business.

Loyalty is an ancient term, which describes the profound commitment to family and friends and enters the marketing terms as “trademark loyalty”. Customer loyalty has been interpreted in terms of various aspects. Loyalty to trademark, goods are among the interpretations. [19] defines loyalty as having a profound commitment to repurchase or support an interested goods or services, which lead to repetition of purchasing a trademark or products of a trademark, despite of situational effects and the competitors' marketing attempts. Some loyalty researchers define it as a behavior or attitude and some others as a combination of them. The important point is the consensus in all definitions regardless of different approaches.

According to [19] the first required step in loyalty formation is satisfaction; however there are other effective factors in customer-organization relationships including: personal decision and social bonds. Tourism can deliver short and long term economic, environmental and socio-cultural effects on a destination. Careful consideration needs to be given to the decisions made throughout the planning process, and there are many advantages, and disadvantages, of involving a broad range of stake holders during the decision-making process. These decisions can lead to both positive and negative effects, determined largely by the effectiveness of research, and the level of efficiency employed in the implementation, management and ongoing monitoring of tourism-based projects. Engaging with the general community during the research process, and reporting back to them, even in part, with the initial findings, prompts people to begin thinking about issues before the active participation stage of the project. Research in to whether collaboration in local tourism policy-making is inclusionary, has highlighted that resource allocations, policy ideas and institutional practices embedded within society may often restrict the influence of particular stakeholders. Certain stakeholders may simply not have the time, or the inclination, to be involved in any collaborative efforts based around tourism in their community. That is not to say that tourism will not affect them, but that they will intentionally remain detached from the decision-making process and quite probably, more accepting of any negative resulting effects.

Specific stakeholders may have the financial or political basis to exercise more power over certain planning stages of a project, and provide more input when certain decisions are being made. Carefully planned developments are likely to experience a high rate of success in terms of tourist satisfaction levels, economical benefits, and minimal negative impacts on the local social, economic, and physical environments [20], though planners need to remain mindful that collaboration between stakeholders is handled in an egalitarian manner during the decision-making processes. In many parts the world, residents of tourism destinations have little, if any, voice in the developmental process of the tourism functions, as a result they cannot do much in preventing unpleasant consequences [20]. Many stakeholders might not initially identify themselves, or be identified by planners, as stakeholders whatsoever. The benefits of community participation in tourism development can include greater project sustainability and social acceptability, greater resource mobilization, and more equitable distribution of project benefits. A level of transparency exists around projects that become a part of the local community, and this will help to mitigate any negative effects by increasing awareness of the risks of development from the outset. Milne lists delays in project start-up, staff increases, and pressure to raise the level or range of services, and community frustration, suspicion, and opposition as the disadvantages of community participation. The process of identifying who the stakeholders are in a project is an important one, as it will also help to identify who may be directly or indirectly affected by a project.

The tourism sector in Mombasa and to a large extent Kenya is also reliant on credit for its eventual sustainability. Access to credit facilities will enhance the services offered by Mombasa County tourist market players, service quality is confirmed as a key antecedent to customer retention, they found that there is a positive relationship between service quality and customer retention. The Main players here are from the financial institutions with the main financier being KTDC. It was established in 1965 to develop tourism facilities and finance private investors. It gives loan financing (a revolving fund). This is an irredeemable seed fund of Sh48 million managed on behalf of the Government.

The objective is to provide concession credit to entrepreneurs in the tourism sector. Loans are, therefore, given to new tourist enterprises at concessional rates. KTDC provides development funds for new start-up hotels, lodges and other facilities. Most properties enjoy an equity element to reduce the impacts on lending costs on their viability and sustainability. It also gives extension and modernizations loans. Currently, many tourism facilities require rehabilitation and addition of facilities to meet guest demands and revised hospitality standards in the region. KTDC has continuously provided such binds at concessional terms. In addition to the funds, the corporation provides business advisory services.

Aviation, tours and travel loans are provided for buying cars and working capital. Business loans are also given for production and working capital for curio shops and export of handicrafts.

According to KTDC, in obtaining a loan, the following fees are paid to KTDC:

Sh3,000 (\$37.5) loan application fee that is non-refundable. A loan application form is issued on payment of the fee. The completed form must be returned within 30 days.

A non-refundable Sh50, 000 (\$625) loan appraisal fee to meet the costs of project evaluation, including a physical site visit.

A commitment fee of 1 per cent of the amount to be borrowed is required. KTDC thus gives the general scope or overview as to the credit rates applicable to the tourism sector in Kenya. It is thus observed to be rather high and mainly accessible to high stakes players in the tourism industry.

Training is a key part of a broader field of human resource development and theories on learning have emphasized the need for strategic leadership that communicates the organization vision and mission clearly to enable employees understand the organization objectives for optimum performance. Opportunities for training and development are major factors in regards to people's career. Training factors are evaluated in recruitment process. There is a positive relationship between workplace training and organizational commitment. From an employee stand point, training received is related to a significant portion of satisfaction experienced on the job, employee's value training and job.

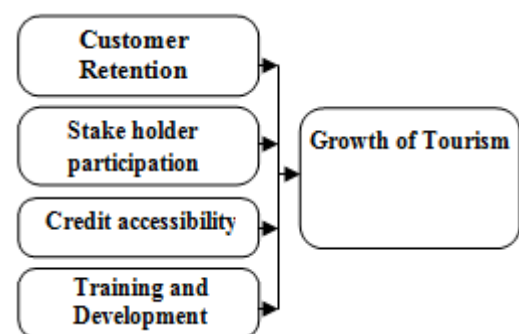
Examined on another level, employees view training as an aspect that allow them to be better able to offer customer satisfaction since they are already satisfied them and will increase their performance levels. Training employees shows a strong commitment that an employer has with employees and demonstrate the value that an employer has on the employees. The quality of training has maximum impact on performance since work output of an employee would be dependent on the experience level that employee would have acquired. The training impacts on performance in that it determines whether one will keep the job at hand or loose it altogether if not well done. A common cause of job dissatisfaction is that the staffs do not have the basic skills required for their job. The struggle to finish or accomplish an assigned work is seen and as a result the gap between their skill level and the expected performance keep them away from job satisfaction. There is a needs analysis that is fully involving and inclusive of all employees must be carried out before any training is done. In particular, Mullins (2007) notes that employees need to be trained and developed inclusively to avoid talent loss that affect performance of other employees and the whole organization. Teaching and training programs provided by tertiary education systems concerning lifelong adult learning is one of the trends in most organizations. In today's rapidly changing socio-economic environment, where the importance of competencies and skills acquired and refined has been widely recognized. Over the past decade, new dynamics have emerged in the domain of education that focuses on training and development of employees as well

as accelerating the rate of knowledge economic growth. The optimization of human resources, by reforming and upgrading their knowledge is the key to staff development, thus the achievement of organizational goals. However, the coexistence of intrinsically heterogeneous human capital requires the development of specific programs, especially for adult and other non-traditional learners in order to be consistent with the current trends of education and innovation. Kenya is one of the world's most popular tourism destinations attracting millions of tourists over the past years. The country is endowed with attractive tourist sites, rich culture, striking geographical diversity and landscapes ranging from beautiful beaches, to animal parks and archeological sites.

The tourist destinations are well distributed all over the country. Currently, Kenya has six properties inscribed on the World Heritage List. These include cultural properties which are: Fort Jesus Mombasa, Lamu Old Town, Sacred Mijikenda Kaya Forest and Natural Properties which are Kenya Lake System in the Great Rift Valley, Lake Turkana National Parks and Mount Kenya Natural Forest.

According to [12] the Government is working towards fulfilling the 2012 vision of receiving 2 million tourists in Kenya annually. Kenya has experienced a 15% tourist growth since 2009. The country recorded a total of 1,095,945 tourist arrivals in 2010, hitting the highest figure ever. The numbers have since went up during the first six months of 2011, from 549, 083 compared to 483,468 in the same period in 2010. These figures exclude cross border tourist arrivals which total to 700,000. Contrary to the past years when Kenyans perceived tourism and holidays as an International affair, local tourism has increased considerably over the years. This has also contributed to the increase of tourism revenues and the impressive performance as well as aggressive marketing in non-traditional markets and efficient utilization of available resources.

The tremendous growth is posing new opportunities for new investors and for businesses already in the tourism industry that are willing to step up their services to meet current international needs. Kenya Tourist Development Corporation is mandated to develop and diversify the Kenya's Tourism industry by financing and offering advisory services to new investors and businesses in the tourism industry.



## 6. Empirical Review

Many firms have invested substantial resources in customer retention (CR) strategies based on the premise that improving customer retention rates leads to significant increase in profits. However the profitability is determined by four factors: industry retention rates, segmentation issues, components of long-term customer value and ability to calculate long-term customer value. If these factors are not favorable, the payoffs may be lower than the cost of retention strategies. In general the strategies are appropriate when; industry retention levels are high, segments differ in value, components of long-term customer value are favorable and individual customer value can be determined. In regard to what an organization does to maintain its relationships with customers, the main goal of maintaining a mutual relationship is explained by Zeithaml et al., (2004) who described how customer profitability can be increased and managed. Highly profitable customers can be pampered appropriately and customers of average profitability can be cultivated to yield higher profitability. Moreover, unprofitable customers can either be made more profitable or weeded out. Apart from the benefits that longevity of customers creates, researchers also suggest that the costs of customer retention activities are less than the costs of acquiring new customers. For example, it is argued that the financial implications of attracting new customers may be five times as costly as keeping existing customers. However, maintaining high levels of satisfaction does not ensure all customers remain loyal. Hotels may lose some satisfied customers who may have relocated, retired, or no longer need certain services.

## 7. Research Gap

From the above literature, it is clear that the growth of the tourism sector is dependent on the strategic factors thus also growing the economy. Further to improving the economy, it is clear that the tourism sector's means for growth is not the strategic factors as shown by various studies, tourism growth also require a wide range of financial, business development, social services for different business and household purpose. Access to these financial services or related services thus stands out as significant. It is also clearly visible that the area of new tourism sector start ups as it relates to tourism growth is not properly highlighted in the literature. Does the rate of formation of new tourism start ups play a role in the growth of tourism in Mombasa County? This said area should thus be reviewed and researched further.

## 8. Research Methodology

Research design is a blue print which facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible hence yielding maximum information with minimal expenditure of effort, time and money [21]. This study used a descriptive research design. The target population of this study was therefore hotel staff 280 and tour operators 112 representing a total of 392 respondents.

This study used stratified random sampling to select the 30% of the target population. A sample size of 30% is a good representation of the target population [19]. For small populations ( $N < 100$ ), there is little point in sampling and surveys should be sent to the entire population; for population size  $\approx 500$ ; 30% of the population should be sampled; for population size  $\approx 1,500$ , 20% should be sampled and at approximately  $N = 5,000$  and beyond, the population size is almost irrelevant and a sample size of 400 is adequate [19]. The sample size of this study was therefore 110 respondents.

**Table 1: Sample Size**

Organizations	Level of Management	Target Population	Sample Size (30%)
Hotel sector staff	Top level management	10	3
	Middle level management	70	21
	Low Level management	200	60
Tour firms	Top level management	112	33
Total		392	117

This study mainly used primary data. Semi-structured questionnaires were used in this study to collect data. After developing the questionnaires, the researcher will conduct a pilot test to test the reliability and the validity of the instrument. The study used a drop and pick up later method to collect the data. When distributing the questionnaires, the researcher informed the respondents the data was for academic purposes only.

Content analysis was used to analyze qualitative data and the findings were then presented in a prose form. On the other hand, Statistical Package for Social Sciences (SPSS version 20) was used to analyze quantitative data. Using this program quantitative data was analyzed using inferential and descriptive statistics. Descriptive statistics such as mean, standard deviation, frequency and percentages were used in this study. In relation to inferential statistics, the study used correlation analysis. This was used to establish the relationship between the independent and the dependent variables. Data was then presented in tables, bar charts and pie charts.

## 9. Results and Discussion

### 9.1 The role of customer retention in the growth of tourism.

The study clearly showed that customer retention plays a clear role in customer retention in Mombasa County. It is thus seen as being clear that in instances where customers are not lost to new and emerging markets the tourism industry tends to take advantage of this situation and has shown a tendency to carry on and grow exponentially. The growth of the tourism sector in Mombasa County can thus be seen as being dependent on the rate of customer retention in the County. The techniques used in effectively executing customer retention policies tend to vary. There is the use of specialization in niche tourism products which might attract repeat visitors who have a preference for such products; carrying out of efficient marketing campaigns targeting repeat customers. This ensures that customers return to



previous tourist destinations and eventually, tourist destinations can ensure that the packages they offer are of high quality and thus cannot be rivaled. This would go a long way in ensuring that there is the presence of repeat customers in Mombasa County.

### 9.2 Stakeholder participation

Specific stakeholders may have the financial or political basis to exercise more power over certain planning stages of a project, and provide more input when certain decisions are being made. Carefully planned developments are likely to experience a high rate of success in terms of tourist satisfaction levels, economical benefits, and minimal negative impacts on the local social, economic, and physical environments. Stakeholders, including the following in the latter; farmers, women, the unwaged, the unemployed, the retired, school teachers, shire employees and contractors, employees and owners of non-tourist businesses, and government officials are essential to the tourism sector in the County as deduced by the research. The benefits of community participation in tourism development can include greater project sustainability and social acceptability, greater resource mobilization, and more equitable distribution of project benefits. A level of transparency exists around projects that become a part of the local community, and this will help to mitigate negative effects by increasing awareness of the risks of development from the outset. It is thus clearly observable from the research that stakeholder participation is an important facet of tourism growth in Mombasa County.

### 9.3 Credit accessibility

Access to credit facilities enhances the services offered by Mombasa County tourist market players; this is according to the research. KTDC provides development funds for new start-up hotels, lodges and other facilities. Most properties enjoy an equity element to reduce the impacts on lending costs on their viability and sustainability. It also gives extension and modernizations loans. Currently, many tourism facilities require rehabilitation and addition of facilities to meet guest demands. KTDC has continuously provided such binds at concessional terms. In addition to the funds, the corporation provides business advisory services. Aviation, tours and travel loans are provided for

buying cars and working capital. Business loans are also given for production and working capital for curio shops and export of handicrafts. Lack of accessibility to finance is detrimental to the growth of the tourism sector in Mombasa County as the operational costs of the tourism sector players in the County will be greatly influenced negatively thus eventually resulting in a high tourism turnover in the County.

### 9.4 Training and Development

The research deduces that for the tourism sector in Mombasa County to flourish, there must be presence of highly qualified staff so as to ensure that the services offered to visitors are of impeccable reputation and standards. Training is a key part of a broader field of human resource development and theories on learning have emphasized the need for strategic leadership that communicates the organization vision and mission clearly to enable employees understand the organization objectives for optimum performance.

Opportunities for training and development are major factors in regards to people's career. Training factors are evaluated in recruitment process. Employees view training as an aspect that allow them to be better able to offer customer satisfaction since they are already satisfied them and will increase their performance levels. Training employees shows a strong commitment that an employer has with employees and demonstrate the value that an employer has on the employees. Thus it is essential to observe from the research that the growth of the Mombasa County tourism sector is thus highly dependent on the standard of services offered. This can be efficiently enhanced through ensuring that all the tourism sector's training and development needs are well catered for.

## 10. Correlation Analysis

A correlation is a number between -1 and +1 that measures the degree of association between two variables. A positive value for the correlation implies a positive. A negative value for the correlation implies a negative or inverse association.

**Table 2: Correlation**

		Growth of tourism	Customer retention	Stake holder's participation	Credit Accessibility	T & D
Growth of tourism	Pearson Correlation	1	.216*	.039	.657**	.433**
	Sig. (2-tailed)		.042	.717	.000	.000
	N	89	89	89	89	89
Customer retention	Pearson Correlation	.216*	1	.451**	.208	.229*
	Sig. (2-tailed)	.042		.000	.051	.031
	N	89	89	89	89	89
Stake holders' participation	Pearson Correlation	.039	.451**	1	.278**	.398**
	Sig. (2-tailed)	.717	.000		.008	.000
	N	89	89	89	89	89
Credit Accessibility	Pearson Correlation	.657**	.208	.278**	1	.383**
	Sig. (2-tailed)	.000	.051	.008		.000
	N	89	89	89	89	89
Training & Development	Pearson Correlation	.433**	.229*	.398**	.383**	1
	Sig. (2-tailed)	.000	.031	.000	.000	
	N	89	89	89	89	89

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

From the correlation analysis in the table below, the study found that there is a positive relationship between Customer retention and Growth of tourism, where the correlation coefficients was 0.216 and a p-value of 0.042. The study also found that Stakeholders' participation and the Growth of tourism correlate positively with correlation coefficients of 0.346. However, the relationship is not significant as the p-value (0.717) is greater than the significance level (0.05). The study further established that there is a positive significant relationship between Credit accessibility and Growth of tourism with a correlation coefficient of 0.657 and p-value of 0.000. Lastly, the study found that there is a positive significant relationship between Customer retention and Growth of tourism as shown by a correlation coefficient of 0.216 and a p-value 0.000.

This infers that Customer retention was influencing the growth of tourism in Mombasa County, followed by Stakeholder's participation and Credit accessibility. However, Training and development do not significantly influence the growth of tourism in Mombasa County.

## 11. Recommendations

In the light of this research and all the material which is being used to conduct this research and all the literature review we came to the decision that there should be Training and Development in every organization. Although we reviewed some disadvantages like high cost, the advantages outweigh the disadvantages which are briefly discussed in this study. We recommend that all organizations should provide training to their employees. We already discussed that training and development have advantages not only for the employees but the ultimate benefit is for the organization itself. If the performance of the employee is below par, the effect extends to whole organization.

In the light of all this research and all the material which is being used to conduct this research and all the literature review we came to the decision that there should also be stakeholder participation in all matters relating implementation of policies in the Mombasa County tourism sector.

We can also clearly observe that Mombasa County should strive, as a matter of priority, to ensure that all tourism market players in the County have access to the requisite finances needed so as to effectively compete with tourism players from other Counties.

Finally, it is the prerogative of Mombasa County to ensure that all training and development needs of the County tourism players are met so as to ensure high quality services in the County.

## 12. Future Scope of the Study

It would help to understand what factors tourist operators consider when recommending one destination to another and the extent of their influence on tourists' decisions to visit particular places. This kind of information gives a better

understanding of customer needs and preferences and is useful in the marketing of a destination.

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