

**FACTORS AFFECTING IMPLEMENTATION OF TECHNOLOGY IN HOTEL
MANAGEMENT. A CASE STUDY OF SERENA HOTEL, NAIROBI, KENYA**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND
LEADERSHIP IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE
AWARD OF A DIPLOMA OF INFORMATION TECHNOLOGY DIPLOMA OF
MANAGEMENT UNIVERSITY OF AFRICA**

NOVEMBER, 2019

DECLARATION

This Research Project is my original work and has not been presented for a diploma in any other University

Signature..... Date

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This research project has been submitted for examination with my approval as University Supervisor

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DEDICATION

I humbly dedicate this research project to the Almighty God for his sufficient grace until this far and my siblings for their moral support during my study.

ABSTRACT

Hotel Management (HM) in Kenya continues to find ways of meeting the aspirations of the poor. One way they try to achieve this goal is by implementing technological innovations. This paper explored technological innovations in a sample of HM drawn from the Serena Hotel , Nairobi, Kenya. Chi-square test was used to test the relationship between characteristics of HM and the implementation of technological innovations. The Spearman's rho was used for robustness checks. The findings revealed that computer based technology is the most widely adopted technology followed by telephone, counting machine, internet, satellite, fax machine, and Hotel robot waiters in that order. The study found the implementation of these technological innovations to be significantly related to factors such as board size, number of males in board, board tenure, frequency of board meeting, size of workforce, number of employees with tertiary education, investment in R&D, number of branches or outlets, and sources of funding. According to the HM, hotel policy, competition, regulatory and legal environment, infrastructure and firm specific factors such as client exit rate, human resource capacity and distributional challenges affect their innovative behavior. A key recommendation flowing out of the study is that, much as the implementation of technological innovation is good, it must be done with caution. A thorough risk assessment must be conducted by HM prior to the introduction of any new technology.

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LIST OF ACRONYMS OF ABBREVIATIONS

HM	Hotel Management
NGOs	Non-Governmental Organizations
ICT	Information and Communication Technologies.
IT	Information Technology

OPERATIONAL DEFINATION OF TERMS

Information Technology is the use of any computers, storage, networking and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data

Technology is a body of knowledge devoted to creating tools, processing actions and the extracting of material

Innovation The process of translating an idea or invention into a good or service that creates value or for which customers will pay.

CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

This chapter entails introduction, background of the study specifying the geographical and area of the study, statement of the problem, general objective, specific objectives, research questions, justification/significance, scope and chapter summary.

1.1 BACKGROUND

Hotel has become an important part of development, poverty reduction and economic regeneration strategies around the world. Hotel management has evolved over the years. By the early 21st century, hotel management had become a vast global industry, comprising large numbers of governments, hotel s, aid agencies, Non-governmental Organizations (NGOs), Serena's and consultancy firms.

The initial excitement about hotel, in most part, centred on Bangladesh's much extolled Grameen Hotel, which promulgated a 'bottom-up' approach that made the social mobilization of marginalized communities, and particularly women, a main focus. Many different models of microfinance now exist, and the main activity is focused on providing micro financial services, rather than the grander goal of social transformation. Hotel today is about drawing the benefits of contemporary capitalism down to those with low incomes, rather than promoting alternatives to capitalism. It is an embodiment of the post-Washington Consensus and not an alternative to the orthodoxy.

In this global age, new technologies are redefining hotel services delivery in innumerable ways, and they have the power to present significant opportunities to hotel management. Elsewhere in the world, some hotel already have automated machine, robot waiters, smart card operations in paying, and sophisticated computing technology, all of which greatly enhance efficiency and customer satisfaction.

A significant number of Hotel Management are still reluctant to apply new technologies and prefer to stick to tried-and-tested pre-technology ways. Arun and Hulme have argued that, there are quite a number of late adaptors in the Hotel sector. This slowness in the implementation of technology has cost and efficiency implications for the lagging HM. This problem of HM in managing technology is summarised by EMN IT & Innovation Working group in the following quote:

“Technology is consistently cited as one of the greatest challenges faced by HM around the world. While efficient use of technology can help reduce costs, improve efficiency, and increase outreach, many HM still find it difficult to harness the potential and avoid the pitfalls!”

According to the Economist, these technological changes have made it easier to address two main obstacles in providing financial services to poor people – managing information, and service delivery costs. The challenge for HM is to rethink their business models and to innovate with the ways they deliver and receive services, so that products are more convenient and cheaper for customers, services can be accessed by people in remote areas, and security is enhanced. Until now, the predominant use of technology among HM has been to internally manage information. However, technology has an immense potential in other areas, such as payment services and credit underwriting. For instance, as mobile phone usage expands, opportunities to provide financial services in remote rural areas become feasible.

The concept of mobile hoteling, ‘Self-service’, has great promise .According to Hishingsuren, ICT provides several benefits to clients and HM in various countries. The benefits to clients include but not limited to, access to hotel services, more convenient services, faster loan processing, less time in queues; and for HM, reduced transaction costs, less fraud, improved quality of financial information, increased outreach, reduction in operational costs, and increase in customer satisfaction and loyalty .

As HM attain an increasing importance in Kenya, researchers develop models to measure the extent of innovations in these institutions. For instance, a recent study by Dary and Issahaku explored innovation by HM in Kenya. The study found that, HM in Kenya have introduced several innovations in the past 3 years. These innovations, which have been adopted in varying degrees, include product innovation (savings, and loans), marketing innovations, micro

insurance, location innovation, and R&D innovation. The authors on the basis of the introduction of new loan products in the past 3years found that, 4.9%, 39%, 36.6%, and 19.5% of HM were potential innovators, slow innovators, moderate innovators and high innovators respectively. The study further established significant relationship between company characteristics such as frequency of board meetings, educational profile of staff, ownership structure, number of branches/outlets, years of operation, company location, and some indicators of innovation.

The implementation rate of micro insurance was found to be very low (14.6%) among HM. The authors however failed to capture technological innovations adopted by HM in Kenya. In a similar study, Issahaku, Dary, and Ustarz established the relationship between financial characteristics and innovations by HM in Kenya. Employing a combination of Analysis of Variance (ANOVA), multiple regressions, and binary logistic regression, the study revealed that the loan repayment rate and interest rate affect the introduction of new savings products, and number of branches. Also, sources of funding involving hotel funding, and equity of owner were found to stimulate the development of new products by HM in Kenya.

The study however also has a weakness. It failed to incorporate technological innovations in the analysis. The present study plugs this loophole by covering technologies such as computer, internet, fax machine, and telephone based technologies employed by HM in Kenya.

Informal sources of credit remain the major source of loans for households in Kenya. According to the Kenya Living Standard Survey (KLSS) the highest source of loan procured by households is relatives, friends or neighbours, with the proportion of loan recipients higher among male-headed households (56.3 %) than among female-headed households (50.4%) in all localities. In Nairobi where the study is based, 67.1% of male-headed households borrow from relatives, friends or neighbours, while among their female counterparts, 49.5 % borrow from relatives, friends or neighbours.

The second highest source of loan is the trader with more females (19.9%) than males having access to loans from traders. The third major source of loan reported is state hotels. About three in twenty male-headed households (15.3%) and about one in ten female-headed households (7.9%) that reside in other urban areas have loans from state hotels. Less than 10 per cent of the rural household population receives loans from state hotels, both among male- and female-

headed households. While these statistics are symptomatic of limited access to formal credit, it also reveals a significant capacity to save in rural areas, which in turn has generated a strong but largely unanswered demand for rural deposit facilities.

This represents an opportunity for HM in particular to expand their services to the largely underserved households in the Kenya. And for this to happen, HM must embrace low-cost technologies.

1.2 Statement of the problem

Despite the potential benefits of ICT and e-commerce, there is debate about whether and how their implementation improves hotel performance. Use of and investment in ICT requires complementary investments in skills, organization and innovation and investment and change entails risks and costs as well as bringing potential benefits. The impact of ICTs and e-business strategies on hotel performance are positive overall, but that ICTs are not a panacea in themselves.

Kenya hotel services sector has witnessed many changes since the beginning of e-hoteling. Today, customers of hotel s have efficient, fast and convenient hotel services delivered through technological innovations such as Hotel Robot, Online Hoteling, and Mobile hoteling.

The managerial and practical problem that this study wishes to address originates from the observation that technological innovations are risky ventures which are prone to failure, increased fraud and are also prone to exposure inform of litigations and they may therefore have a resounding positive or negative effect on hotel performance depending on the way they are managed.

Aduda and Kingoo (2012) investigated the Relationship between Electronic Hotel services and Financial Performance among microfinance institutions in Kenya and concluded that there exists positive relationship between e-hotel services and hotel performance. However, the study had a research gap since it did not distinguish between the three categories of technology innovation, namely customer independent, customer assisted and Customer transparent technology.

Nyamwembe (2011) conducted a study on factors affecting the implementation of technological innovation by microfinance institutions in Kenya and took a case study of Serena hotel f Kenya,

Nairobi. The author concluded that Influence of Awareness, Trust and Security, Perceived Usefulness, Perceived Ease of Use, Compatibility, Relative advantage, Trial ability and Social Influences affected the implementation of technology. However, he failed to investigate the effect of technological innovation on financial performance of HM

1.3 Research Objective

The overall aim of this research is to investigate the factors affecting implementation of technology in microfinance institutions in Kenya.

1.3.1 Specific objectives

- i. To find out the effect of Compatibility on the implementation of technology.
- ii. To find out the influence of Social group influences on implementation technology
- iii. To find out the influence of Trust and Security on the implementation of technology
- iv. To find out the effect of Perceived Ease of Use on the implementation of technology.
- v. To find out if Awareness has an impact on technology implementation.

1.4 Research questions

- i. What is the effect of Compatibility on the implementation of internet technology?
- ii. What is the influence of Social groups on implementation technology?
- iii. What is the influence of Trust and Security on the implementation of technology?
- iv. What is the effect of Perceived Ease of Use on the implementation of technology?
- v. What is the impact of Awareness on technology implementation?

1.5 Significance of the study

The project beneficiaries also called the target group or the target beneficiaries of this project are those who will benefit from the project. They are the people whose circumstances will change by implementing the idea. They will be affected directly or indirectly by the project. The group consists of; employees of Serena hotel, Customers, Scholars and future Researchers.

1.6 Scope and Limitation of the Study

This study targeted microfinance institutions in Kenya specifically Serena hotel of Kenya. These are institutions that accept deposits, extend credit and risk management services. The study considered Serena Hotel, in Nairobi. The success of the study solely depends on the co-operation of hotel officials.

However, due to the veil of secrecy placed upon operation of financial institutions, certain respondents were reluctant to provide required information. However, the researcher assured them that information submitted was to be treated confidentially and used for academic purpose only, this minimized non-response.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature relevant to this study. The theories relevant to the study area are reviewed. In addition, the chapter commences by reviewing the theories that informed the discussion on technological innovation. It then dwelt on the empirical studies that discuss the link between technological innovation and performance of commercial hotel s.

2.2 Theoretical literature Review

This section explores the various theories and models that can explain the effect of technological innovation and implementation on the financial performance of HM Several theories were advanced; these include; diffusion of innovation theory, Disruptive Innovation Theory, Schumpeterian Theory of Creative Destruction.

2.2.1. Diffusion of Innovation Theory

Rogers' (1995) Diffusion of Innovation (DOI) theory is a popular model used in information systems research to explain user implementation of new technologies. Rogers defines diffusion as 'the process by which an innovation is communicated through certain channels over time among the members of a social society' (Rogers, 1995). An innovation is an idea or object that is perceived to be new (Rogers, 1995).

According to DOI, the rate of diffusion is affected by an innovation's relative advantage, complexity, compatibility, trial ability and observability. Rogers (1995) defines relative advantage as 'the degree to which an innovation is seen as being superior to its predecessor'. Complexity, which is comparable to TAM's perceived ease of use construct, is 'the degree to which an innovation is seen by the potential adopter as being relatively difficult to use and understand'. Compatibility refers to 'the degree to which an innovation is seen to be compatible with existing values, beliefs, experiences and needs of adopters'. Trial ability is the 'degree to which an idea can be experimented with on a limited basis'. Finally, observability is the 'degree to which the results of an innovation are visible' (Rogers, 1995).

The diffusion theory is relevant because it explains the reason why hotels adopt technical innovations. One of the reasons why hotels adopt technical innovations is relevant advantage. This means that hotels that adopt technical innovations have relatively better financial advantage than those who do not.

2.2.2 Disruptive Innovation Theory

The disruptive innovation is probably one of the most important innovation theories of the last decade. The core concepts behind it circulated so fast that already in 1998, one year after the publication of the theory, people were using the term without making reference to Harvard professor Clayton Christensen or to his book *The Innovator's Dilemma* (Harvard Business School Press).

The term disruptive innovation as we know it today first appeared in the 1997 best-seller *The Innovator's Dilemma*. In the book Harvard Business School professor Clayton Christensen investigated why some innovations that were radical in nature reinforced the incumbent's position in a certain industry, contrary to what previous models (for instance the Henderson – Clark model) would predict. More specifically he analyzed extensively the disk drive industry because it represented the most dynamic, technologically discontinuous and complex industry one could find in our economy. Just consider that the memory capacity packed into a square inch of disk increased by 35% per year, from 50 kilobytes in 1967 to 1,7 megabytes in 1973, 12 megabytes in 1981 and 1100 megabytes in 1995.

Disruptive theory is relevant in that it explains the type of technology hotels adopt. The hotel services technology is disruptive because it does away with traditional hotel.

2.2.3 Schumpeterian Theory of Creative Destruction

Schumpeter (1928, 1939) who saw innovations as perpetual gales of creative destruction that were essential forces driving growth rates in a capitalist system. Schumpeter's thinking evolved over his lifetime to the extent that some scholars have differentiated his early thinking where innovation was largely dependent on exceptional individuals willing to take on exceptional hazards as "an act of will", i.e., entrepreneurs, from his later thinking that recognized the role of

large corporations in organizing and supporting innovation. This resulted in his emphasis on the role of oligopolies in innovation and which later was falsely viewed as the main contribution of his work. (Freeman, 1994)

Schumpeter (1928) pointed to the discontinuous and disruptive nature of technological change in capitalism that brings the inseparable combination of short-term instability and long-term growth. He was not a technological determinist but recognized the social and organization forces that played key roles in his cyclical process of industrial change. Schumpeter argued that entrepreneurs, who could be independent inventors or R&D engineers in large corporations, created the opportunity for new profits with their innovations. In turn, groups of imitators attracted by super-profits would start a wave of investment that would erode the profit margin for the innovation. However, before the economy could equilibrate a new innovation or set of innovations, conceptualized by Schumpeter as Kondratiev cycles, would emerge to begin the business cycle over again.

For all his insight on the role of innovation, Schumpeter still did not really explain the source of innovation. He was able to point to its importance and its role in timing economic cycles but did not address its source. This rather interestingly allowed Keynesian economics to argue that levels of investment were the cause of innovation. It was not until the 1960s that economists would begin again to search for the source of innovation. The importance of innovation was highlighted by researchers like Abramovitz (1956) and Solow (1957) who were able to demonstrate how little neoclassical economics was able to explain. Based on data on the United States economy from 1909-49, Solow showed that only 12.5 percent of the increase of per capita output could be traced to increased use of capital. This left a surprisingly large 87.5 percent residual that Solow attributed to technical change.

Romer (1986, 1994) echoes Solow's observation and continued the call for innovation theorists to internalize the process of innovation within their models. To this end, the work on innovation that emerged from the base set by Schumpeter has been concentrated on the creation of innovation and its subsequent diffusion between firms, industries, and regions.

The Schumpeterian Theory is relevant because new technology replaces old technology which is better because new technology is better and adds value to the adopter.

2.3 Types of Hotel services Innovations

According to Fisher (1998), technology when applied in today's hotel services environment falls into three specific categories: customer independent (a technology that involves a customer conducting and completing a transaction with a hotel entirely independent of any human contact with the institution e.g. Hotel robot, phone hotel services and Internet hotel); customer assisted (a hotel employee will use customer-assisted technology as a resource to complete a transaction e.g. call Centre's customer service officers will use a Customer.

Relationship Management (CRM) System to understand a customer's profile and provide instant responses to customers' queries on the hotel services transactions and up-to-date billings (Guterk & Welsh, 1999)); and customer transparent Customer technology which represents the real core of hotel operations and customers never see it but expect it.

2.3.1 HOTEL ROBOT

Hotel robots were introduced first to function as cash dispensing machines. However, due to advancements in technology, Hotel robot are able to provide a wide range of services, such as making deposits, funds transfer between two or accounts and bill payments. Hotel s tends to utilize this electronic hotel services device, as all others for competitive advantage. Hotel robot also save customers time in service delivery as alternative to queuing in hotel halls, customers can invest such timesaver into other productive activities. Hotel robot are a cost efficient way of yielding higher productivity as they achieve higher productivity per period of time than human tellers (an average of about 6,400 transactions per month for Hotel robot compared to 4,300 for human tellers (Rose, 1999).

Furthermore, as the Hotel robot continues when human tellers stop, there is continual productivity for the hotel s even after hotel services hours.

2.3.2 Telephone Hoteling

Telephone hotel services is a service provided by a financial institution which allows its customers to perform by telephone are known as phone hotel s (Cronin, 1997). Mostly telephone hotel services uses an automated phone answering system with phone keypad response or voice recognition capability (Jane Blake, 2000).

To guarantee security, the customer must first authenticate through a numeric or verbal password or through security questions asked by a live representative located in a call centre or a branch, although this feature is not guaranteed to be offered 24/7.

According to Leow (1999), tele- hotel services has numerous benefits for both customers and hotel s. As far as the customers are concerned, it provides increased convenience, expanded access and significant time saving. On the other hand, from the hotel s' perspective, the costs of delivering telephone-based services are substantially lower than those of branch based services. It has almost all the impact on productivity of Hotel robot, except that it lacks the productivity generated from cash dispensing by the Hotel robot. For, as a delivery conduit that provides retail hotel services even after hotel services hours (24hours a day) it accrues continual productivity for the hotel. It offers retail hotel services to customers at their offices/homes as an alternative to going to the hotel branch/ATM. This saves customers time, and gives more convenience for higher productivity.

2.3.3 Personal Computer Hoteling

“A PC-Hotel service is a service which allows the hotel's customers to access information about their accounts via a proprietary network, usually with the help of proprietary software installed on their personal computer”. Once access is gained, the customer can perform a lot of retail hotel services functions. The increasing awareness of the importance of computer literacy has resulted in increasing the use of personal computers. This certainly supports the growth of PC hotel services which virtually establishes a branch in the customers' home or office, and offers 24-hour service, seven days a week. It also has the benefits of Telephone Hotel services and Hotel robot (Abor, 2005).

2.3.4 Internet Hoteling

The idea of Internet hotel services according to Essinger (1999) is: “to give customers access to their hotel accounts via a web site and to enable them to enact certain transactions on their account, given compliance with stringent security checks”. To the Federal Reserve Board of Chicago’s Office of the Comptroller of the Currency (OCC) Internet Hotel services

Handbook (2001), Internet Hotel services is described as “the provision of traditional (hoteling) services over the internet”. Internet hotel services by its nature offers more convenience and flexibility to customers coupled with a virtually absolute control over their hoteling. Service delivery is informational (informing customers on hotel’s products, etc.) and transactional (conducting retail hotel services).

2.3.5 Branch Networking

Networking of branches is the computerization and inter-connecting of geographically scattered stand-alone hotel branches, into one unified system in the form of a Wide Area Network (WAN) or Enterprise Network (EN); for the creating and sharing of consolidated customer information/records (Abor, 2005).It offers quicker rate of inter branch transactions as the consequence of distance and time are eliminated.

Hence, there is more productivity per time period. Also, with the several networked branches serving the customer populace as one system, there is simulated division of labour among hotel branches with its associated positive impact on productivity among the branches.

Furthermore, as it curtails customer travel distance to hotel branches it offers more time for customers’ productive activities.

2.3.6 Electronic Funds Transfer at Point of Sale (EFTPoS)

An Electronic Funds Transfer at the Point of Sale is an on-line system that allows customers to transfer funds instantaneously from their hotel accounts to merchant accounts when making purchases (at purchase points). A POS uses a debit card to activate an Electronic Fund Transfer Process (Chorafas, 1988).

Increased hotel services productivity results from the use of EFTPoS to service customers shopping payment requirements instead of clerical duties in handling cheques and cash withdrawals for shopping. Furthermore, the system continues after hotel services hours, hence continual productivity for the hotel even after hotel services hours.

It also saves customers time and energy in getting to hotel branches or Hotel robot for cash withdrawals which can be harnessed into other productive activities. As the importance of innovation in developing countries increases, so does the need for research on the subject.

2.4 Significance of Technological Innovation

A strong hotel services industry is important in every country and can have a significant affect in supporting economic development through efficient financial services (Van Horne,2004). Kenyan hotel s, however, largely continue to conduct most of their hotel services transactions using traditional methods. In Kenya, the role of the hotel services industry thus needs to change, both at the procedural level and at the informational level. This change will include moving from traditional distribution channel hotel services to electronic distribution channel hotel ing. Given the almost complete implementation of internet, SMS and other technologies by hotel s in developed countries, the reason for the lack of such implementation in developing countries like Kenya is an important research question that is addressed by this study.

Wang et al., (2005) claim that in the 1990s internet hotel services technology was underutilized as business organizations used it only to market their products and services.

Thornton and White (2001), who examined customer orientations and usage of financial distribution channels in the Australian financial industry, found that more recently most financial institutions, faced with competitive pressure after deregulation in 1983, have rethought their strategies to take full advantage of internet, cell phone and other modern methods of conducting business.

Tan and Teo (2000) note that the challenge to expand and maintain hotel services market share has influenced many hotel s to invest more in making better use of the internet and other related

technologies. The emergence of internet and SMS hotel services had made many hotels rethink their Information Technology (IT) strategies in competitive markets.

Lim et al.,(2004) conducted a meta-analysis study on the relationship between IT investment and organizational performance, noting that previous studies examining IT investments return have shown inconclusive results. From an analysis of 3,883 subjects obtained from prior studies, they found strong support for return on IT investments. Singh (2004) examined internet technology in the South African hotel services industry and highlighted that internet market potential is significant because hotels have the opportunity to target most segments in the industry both locally and internationally. The Cedar group consulting firm (2004) survey reported that the technological innovation could play a major role in transforming the workplace to enhance productivity by reducing operational cost and improving employee relationships through improved service delivery. The investigators noted that as the transformation progressed in the workplace, the level of sophisticated services also increased.

Bresenahan et al., (2002) examined the effect of IT on the organizational workplace by analyzing 300 responses and showed that IT has the potential to affect process and hence skill levels. This implies that the implementation of internet technology has implications for how a business organization communicates internally and with their customers and suppliers as well as how they respond to their customers.

As financial regulations became more burdensome financial institutions found that many of the old ways of doing business were no longer profitable, the financial services and products they were offering to the public were not selling (Mushkin, 2001). Many financial intermediaries found that they were no longer able to acquire funds with their traditional financial instruments and without these funds they would soon be out of the business. To survive in the new economic environment, financial institutions had to research and develop new products and services that meet customer needs and prove profitable (Mushkin, 2001).

For a financial institution to be the preferred choice, innovation and instant responsiveness have to be the driving force. Any hotel that desires to position itself as a market leader has to be at the cutting edge of technology, product architecture and service delivery. Hotels have to endeavor to

be a step ahead of the competition by constantly and proactively evaluating existing imminent customer needs and moving swiftly to address the same.

If the world were free of all „imperfections“ such as taxes, regulations, information asymmetries and transaction costs and if markets were complete in the sense that existing securities spanned all states of nature, we could arrive at an M&M-like corollary regarding financial innovation. There would be no incentives for financial institutions to undertake innovative activities (Duffie & Rahi, 1995). The processes of innovation occur due to the following factors:

2.4.1 Responses to Change in Customer Needs

The most significant change in the economic environment that altered the demand for financial products in recent years has been the drastic increase in the volatility of interest rates. In the 1950s, the interest on three- month Treasury bill fluctuated between 1.0% and 3.5%, in the 1970s; it fluctuated between 4.0% and 11.5%. This volatility became even more pronounced in the 1980s, during which the three-month T-bill rate ranged from 5% to over 15% (Mushkin, 2001).

It is expected that increase in interest rate risk leads to increase demand for financial products and services that reduce that risk. This change in the economic environment would thus stimulate a search for profitable innovations by financial institutions that meet this new demand and thus spur the creation of new financial instruments that help lower interest-rate risk. One financial innovation in the hotel services sector that appeared in 1970s confirms this prediction was the development of adjustable-rate mortgage (Mushkin, 2001).

2.4.2 Responses to Changes in Technology

The most important source of the changes in supply conditions that stimulate financial innovation has been the improvement in computer and telecommunication technology (Mushkin, 2001). These changes have made it profitable for financial institutions to create new financial products and services to the public. When computer technology that substantially lowered the cost of processing financial transactions became available, financial institutions conceived new financial products and instruments dependent on this technology that might appeal to the public, including the hotel credit and electronic hotel services facilities. Hotel credit and debit card,

electronic hotel services facilities have arisen due to hotels desire to meet their customers demand. With the decline in the price of personal computers and their increasing presence in homes, there is further innovation in the home hotel services area, the appearance of new type of hotel services institution, the virtual hotel (Mushkin, 2001)

2.4.3 Avoidance of Existing Regulations

Financial innovation occurs in response to changes in demand and supply conditions. However, because the financial industry is heavily regulated than other industries, government regulation is a greater spur to innovation in this industry (Mushkin, 2001).

Government regulation leads to financial innovation by creating incentives for firms to skirt regulations that restrict their ability to earn profits. Kane (1986) describes this process of avoiding regulations as „loophole mining“. The economic analysis of innovation suggests that regulatory constraints are so burdensome that avoiding them can make larger profits; loophole mining and innovation are more likely to occur. Two sets of regulations have seriously restricted the ability of hotel s' profits; reserve requirement and restrictions on the interest rates that can be paid on deposits. These regulations have been among the major forces behind financial innovation in recent years (Mushkin, 2001).

The reason why the reserve requirements affect financial innovation is to recognize that they act in effect as a tax on deposits. Because the Central Hotel does not pay interest on reserve, the opportunity cost of holding them is the interest that hotel could earn by lending the reserves out (Mushkin, 2001). Just as taxpayers look for loopholes to lower tax bills, hotel s seek to increase their profits by loophole mining and by producing financial innovations that allow them to escape the tax on deposits imposed by reserve requirements (Mushkin, 2001).

Legal and regulation changes in the direction of less restrictiveness and less protectionism deregulation have reinforced these technological improvements, yielding high levels of competition throughout the financial sector. Increased competition from new market entrants due to lower minimum capital requirement from Ksh 500 million and Ksh 375 million to Ksh 250 million and Ksh 200 million for hotel and non- hotel financial institutions respectively. Also due to entry of non-traditions sources like the Savings and Credit Co-operative Societies (SACCOs) and micro-finance institutions (CBK, 2004). The hotel services Act Cap 488 restricts

interest being paid on current account. This implies that hotels cannot invest funds on chequing accounts thus hotels developed the „Sweep account“ or overnight lending whereby hotels, (sweep) on overnight basis idle current account funds of their customers into interest-bearing securities (Tufano, 2002).

2.5 Factors Affecting Technology implementation

Digital hotel services are affected by a number of factors. Customers will adopt digital hotel services based on various reasons. Some the reasons could be due to convenience, perceived ease of use, accessibility, trust or security associated with the various modes of digital hoteling. The factors are discussed in details below.

2.5.1 Influence of Awareness

In a study by Pikkarainen, et al (2004), awareness of online hotel services was found to be important in determining users' acceptance of online hoteling. Similarly, Sathye (1999) concluded that customers considered how much information they had about internet hotel services before adopting it and argued that the main factors hindrances of the implementation of online hotel services in Australia is lack of awareness on what can be done through online hotel services and the benefits of online . He identified information about the product benefits as essential in promoting the product and thus for services such as digital hoteling, it is essential for hotels to ensure that consumers are aware of their availability and value addition. Siedek (2008) concurs with this argument, noting that similarly for agency hoteling, hotels have to invest heavily in marketing and advertising to ensure that potential customers are aware of the services offered in order to build up mass implementation.

According to Rogers & Shoemaker (1971), users experience process involves awareness, assurance, choice and affirmation before becoming willing to adapt to new technology.

The implementation or rejection of new products or services begins with the potential user becoming aware of the technology (Rogers & Shoemaker, 1971). Lack of awareness is key factor that will determine whether a customer will take up internet hotel services or not.

(Sathye, 1999). The consequence of the above findings is that hotels have to communicate to their prospective customers the benefits of digital hotel services through targeted marketing operations. This could be achieved through focusing on the digital value settings, essential needs and arrangements, spontaneous needs and decisions and mobility related needs. (Sathye, 2009).

2.5.2 Trust and Security

The issue of trust is widely represented in literature, but there lacks a succinct definition of the term as its meaning differs across a variety of disciplines. Customer trust is an important factor that affects the success of digital hotel service uptake. (Paylou & Gefen, 2004).

According to Kim et al. (2009), trust is a belief that an opposite party will behave honestly. One party is often willing to be vulnerable to the actions of another with an implied risk and dependency on each other. Trust is an important issue in all relationships and there have been several studies in the realm of IS/IT that have dealt with it (Gefen et al. 2003, Paylou & Gefen 2004).

Financial transactions especially those that are done digitally (or using non-traditional models such as agents) entail a greater risk for customers making it a key consideration for the success of digital hotel services (Cheng et al. 2006). Within the IS/IT sector, trust can be distinguished into two realms; trust in the system of delivering services and trust in service providers (Lee et al. 2007). Bhattacharjee (2002) likewise defined and measured customers' trust for service providers on the basis of ability, integrity and benevolence.

Systemic trust is vital in encouraging clients to use the technological system that is associated with digital hotel. Here, security of clients' finances and other personal details is of most importance. Customers have a fear of providing their financial details through the internet or mobile (Kim et al. 2009).

According to Cheng et al. (2006), they found out that internet security was a significant consideration for customers in deciding whether to use internet hoteling. According to PwC (2011), customers may find it difficult to trust digital technology because of system security, distrust of service providers and service reliability. The more customers exhibit confidence in

digital technology, they would be more willing to adapt to digital hotel services (Kim et al. 2009).

2.5.3 Perceived Usefulness

Perceived usefulness has been found to be a key determinant influencing the implementation of IT (Lee et al. 2007). Consumers will adopt digital hotel services if they believe that they offer added value as compared to the traditional services. Continued usage of these services will also depend on usefulness as confirmed by ongoing usage experiences of the consumers. Perceived Usefulness is defined as the level to which users believe that using an innovation will increase their productivity (Davis, 1989).

Through several studies (Davis 1989, Davis et al. 1989, Wang et al. 2003), Perceived Usefulness is believed to have a relationship with uptake of information technologies.

Robey (1979) argued that people will not adopt a technology that will not help them perform their jobs in an easier way.

Davis et al. (1989) further argue that PU is key in the achievement of tasks not characteristic in the use of IT itself mainly dealing with user aspects of new technology.

In this context of digital hotel services, the study investigated the influence of perceived usefulness on the implementation of digital hotel services.

2.5.4 Perceived Ease of Use

Davis 1989 defined Perceived ease of use as the extent to which users believe that using a system will be easy and effortless. Although research on IS/IT system usage have concluded that PU is important in predicting implementation, there are few studies which have found a direct relation between the ease with which a system is i.e. PEOU and the uptake of information technology. TAM argues that PEOU influences users „implementation of IT directly or indirectly through PU (Davis et al. 1989), an argument that has also been posited by other studies (Adams et al. 1992). PEOU is a measure of the evaluations of users’ ease to use technology and how easily they learn to use it. It therefore deals with motivations based on intrinsic side of technology use especially the process involved in using the given technology. PEOU affects implementation when

characteristics such as navigational use add to the importance of the outcome to which the technology is used.

In their study, (Venkatesh & Davis 2000) argued that PEOU directly and positively affects the implementation of IS. The significance of PEOU is supported by studies on self-efficacy done by (Bandura 1982). Bandura defined self-efficacy as opinions of how efficient a user can perform activities that are required to deal with probable circumstances and posits that in any situation, behaviour would be best anticipated by taking into account self-efficacy and outcome beliefs-related to the magnitude to which behaviour, once well executed, is thought to be connected to value incomes (Davis 1969).

2.5.5 Compatibility

Tan & Teo (2000) found that it is easier for a user to start using an innovation if the user believes that the innovation will be compatible with their job requirements and the overall value obtained from using the innovation. Internet hotel services has been viewed as a channel the needs of a current hotel services customer because with the advancement in technology, most hotel services customers have skills in computer usage and navigation and this increases the chances of the customer using the internet to carry out their transactions.

In a similar way, the more internet hotel services is viewed a tool that helps potential adopters manage their finances better, (Tan & Teo, 2000), the more likely it is that an individual with many hotel accounts and needs more hands on access to the accounts in a faster and convenient way day or night will be willing and persuaded into adopting digital hotel services.

2.5.6 Relative advantage

Studies have established that perceived relative advantage of an innovation affects uptake of an innovation. (Roger, 1985). Internet hotel services gives hotel customers an opportunity to better manage their multiple accounts. The benefits of digital hotel services to the customers are many starting from convenience, time saving, better control of one's finances. The many benefits that a hotel customer has by using digital hotel services has the likelihood of persuading the hotel customer to adopt these services due to the perceived relative advantage.

2.5.7 Trial ability

According to Rogers (1995), an innovation which is complex and not user friendly, needs a lot of effort from the end user which discourages implementation of such an innovation. To increase chances of implementation of such an innovations, Rogers recommend that the potential adopter are given an opportunity to try the innovation on trial basis to first familiarize themselves with the innovation. This will make them more confident and more comfortable in using the innovation thus increasing the chances of the user adopting the innovation. Rogers (1995), adds that if customers are able to use an innovation on trial basis, they will be willing to use the technology and be more confident with using these technologies on full time basis.

2.5.8 Social Influences

Most people are easily influenced by the opinion, perceptions and attitudes of other people in the society. A study by Hartwick & Barki (1994) showed that social influences are important during the early stages of an innovation because users have very little information and experience which prevents them from developing attitudes. Chua (1980) found out that use's friends, family and colleagues are the main groups that have the potential to influence the implementation of an innovation.

2.4 Conceptual Framework

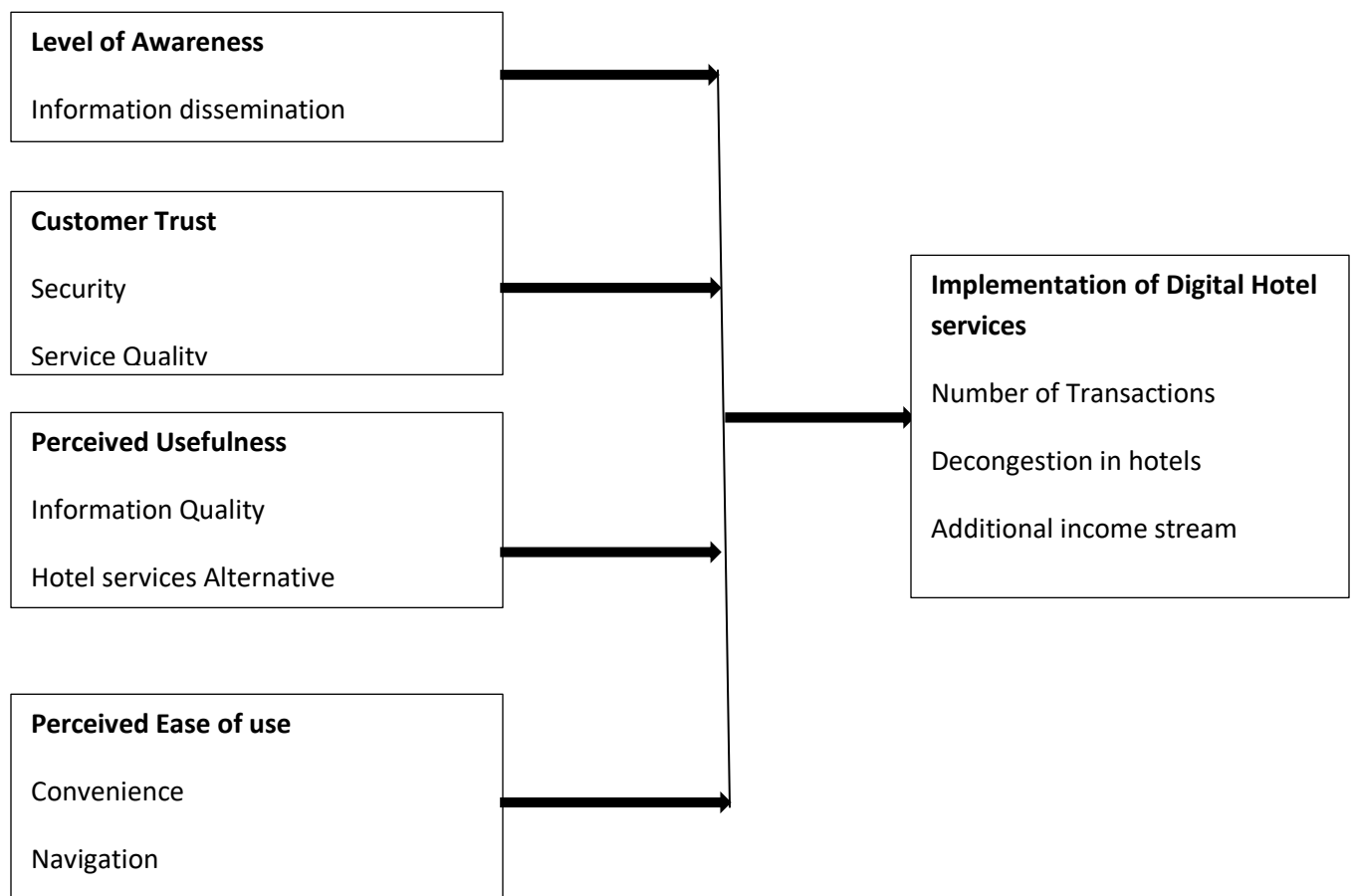
Figure 2.1 depicts the relationship between the variables under studies. The independent variables like awareness of the alternative channels, trust and security of the cannel, ease of use, perceived usefulness have an impact on the uptake of digital hotel services by customers in Kenya. Awareness of the importance of digital hotel services and also of the services that are available on offer is one of the variables in the research. The indicators of this variable include the dissemination of information by the financial institutions and also consumer training and advertisements to the potential users in order to empower them. Trust and security of an innovation was also discussed as an influence towards the implementation of digital hotel services by customers in Kenya.

Some aspects of trust will be considered in terms of system security and the financial risks that are involved and also that of service quality. This is of importance in that customers need the

assurance that the system will not fail them when they are in use. Perceived usefulness had the indicators on the quality of information, the numerous alternatives that exist in the provision of digital hotel services and of paramount importance the productivity that emanates from the employment of these services. These will in the long run, together with other variables be used to establish the level of acceptance or rejection of the services by hotel services in the country by the target group. Perceived ease of use represents customers' views towards navigation in terms of simplicity or complexity of system use in digital hoteling.

The dependent variable had its indicators as dictated upon by the independent variables. The indicators included additional income stream, decongestion of the hotel services halls referred to as the brick and mortar hotel services and opening up of hotel services opportunities to customers in far of areas thus financial inclusion for poverty alleviation.

Figure 2.1: Conceptual Model



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

Research methodology offers an explanation into what type of research this study is all about. It also defines the population of the study and the specific sampling techniques to be used, data analysis and collection methods. The chapter also includes design, pilot study, validity, reliability and ethical consideration.

3.1 Research Design

The study used descriptive research. This type of research was the preferred design since it allows the researcher to describe record and analyze conditions of the respondents in their current state and also the study will aim at providing reliable and accurate statistical data which represents the actual current situation of the population.

Kothari (2004) defines research design as the structure through which research is conducted and discusses the data collection methods to be used, measurement of the data collected and the data analysis procedures. Quantitative approach was then used to provide a summary of information.

3.2 Population of Study

Kothari (2004) defined the population of study as a combination of all people, services, elements, events or households that the researcher seeks to carry out a study to investigate.

The population of this study comprised of all customers and employees of Serena hotel, Nairobi in Kenya. Due to cost and time challenges, it was not possible to collect data from each and every customer in Kenya, so the researcher targeted 100 customers and 20 employees from Serena hotel Nairobi.

The customers at the hotel services halls were the best respondents for the study as they are directly affected and therefore provided valuable information on the implementation of digital hotel services that would not have been provided by the hotel officials or other hotel agents.

3.3 Sample Size

Sampling is the process of selecting some units from the population of study to carry out research about it in order to make generalizations about the population based on the findings of the sample. This means that a sample is a subset of elements contained in the population of interest (Orodho 2003).

100 customers and 20 employees from the Serena hotel Nairobi selected were then sampled to find out the relationship between the variable. Systematic sampling was used to select the customers to interview. A total of 100 customers were sampled to represent the population. The researcher approached every 5th hotel customers in the hotel service shall in the Serena hotel, Nairobi as they waited to be served and administered the questionnaires to those customers that gave their approval.

3.4 Data Collection

This study employed questionnaires to collect data from customers. The questionnaire used was structured to ensure uniformity of responses and contained both open ended and closed ended questions. Five-point Likert scales with ends starting from strongly disagree to strongly agree was used to collect feedback from respondents. The questionnaires were handed in to customers in the hotel service shall after requesting for their permission and were collected back before the customer left the branch. For purposes of eliminating any biasness, every 5th customer was approached to fill in the questionnaire.

To also ensure that there was uniformity, the researcher collected data during the peak hour and off peak hours and also visited both the busy branches and non-busy ones.

3.5 Data Analysis

The data collected was first edited and checked for any errors, omissions or any other inconsistencies to ensure completeness and accuracy of information filled in the questionnaires. The data was then coded and analyzed using Statistical package for social scientists (SPSS). The data was presented using tables, figures and bar charts.

The study used both descriptive and inferential statistics to analyze the data while regression analysis was carried out to determine the relationship between the independent and dependent variables by carrying out chi square tests.

3.6 Validity

Validity is the ability of a measurement instrument to measure what it is supposed to measure. To ensure the validity of the data collected, the questionnaire was reviewed by the researcher colleagues and the researcher supervisor and panelists. In addition to that, the researcher ensured that all the respondents understood what each question was asking to improve on the quality and accuracy of the feedback and reduce on misunderstanding and inconsistencies

3.7 Reliability

Reliability is the ability of the research instrument to give the same results or data each and every time it is used (Mugenda & Mugenda 2003). In order to ensure reliability of the measurement instrument.

A pilot study was done at Serena Hotel Nairobi, where the researcher works. 20 staff mainly from the frontline departments like sales, marketing and service departments participated and filled the questionnaire. The data was compiled and analyzed to test the scale for internal consistency using the techniques Cronbach's alpha. The value of Cronbach's alpha obtained (0.867) indicated a high level of internal consistency for the study scale.

3.8 Ethical Consideration

The researcher undertook various steps to ensure that the study adheres to research ethical standards. Research introduction letter was obtained from the participating entity.

3.8.1 Informed Consent

The researcher ensured that the principle of informed consent was properly applied and the researcher explained to the respondents. The expectations of the study and they were asked to ask questions where there was a misunderstanding to avoid hang-ups while responding to interviews.

3.8.2 Voluntary Participation

The researcher sought consent from respondents before administering the questionnaire to the target population and the respondents were sent a consent form in order to participate in the research study and they were free to opt out of the study at their own will.

3.8.3 Confidentiality

The researcher granted the respondents of utmost confidentiality of the responses that they were provided and apart from the finding being meant for an examinable project at Management University. That data shall not be availed to any other party.

3.8.4 Privacy

The researcher was accorded respondents the right to privacy when participating in the research. Any participant would join the study and neither the researcher nor the study design nor the publication of the results would ever identify any participant in the study. The researcher abided to various guidelines for human subject research to protect the study participants who chose to participate in the research study. The rights of the people who participated in the study was protected.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

In chapter four, the data had been analyzed quantitatively. Analysis of data is a process of inspecting, transforming, and modeling data with the goal of highlighting useful information, suggestive observations and supporting decision making.

4.1 Presentation of research findings

4.1.1 Response rate

The researcher explored the actual number of the respondents that participated in the study from the total sample. The results were tabulated in the table as shown;

Table 4: 1: Response rate

Category	Frequency	Percentage
Response	59	97
Non-response	2	3
Total	61	100

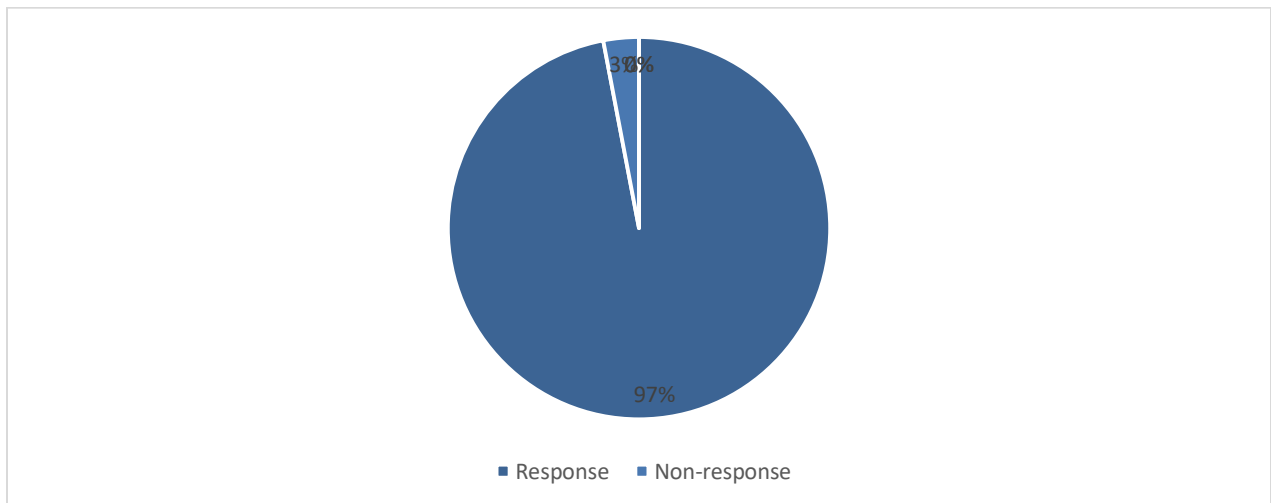


Figure 4: 1 Response rate

The study indicated that those who responded to the study were 97% while those who did not were 3%. The response rate met the threshold of sufficient rate for the study since it was above 50% of the sampled respondents (Kumar, 2015).

4.1.2 Background information

4.1.2.1 Age of respondents

The study aimed at establishing the age of the respondents and the results were tabulated in the table as shown;

Table 4: 2 Age of respondents

Category	Frequency	Percentage
Below 25 years	10	16
26-30 years	15	25
31-35 years	22	36
36-40 years	9	15
Above 40 years	5	8
Total	61	100

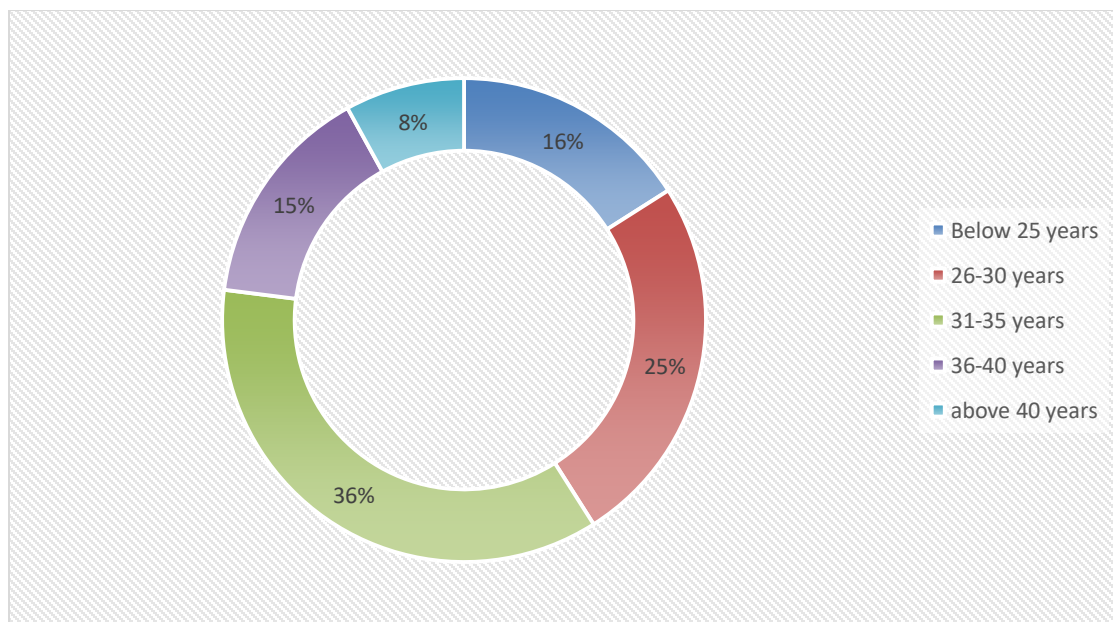


Figure 4: 2 Age of respondents

The age of respondents was established to be those below 25 years were at 16%, between 26-30 years at 25%, between 31-35 years at 36%, between 36-40 years at 15% and those above 40 years were at 8%. The target age distribution for the study should be represented to ensure an all-inclusive and authentic study (Rubin, 2012). The study met this threshold.

4.1.2.2 Gender of respondents

The study sought to determine the age of those respondents that took part in the study. The findings were presented on the table as shown;

Table 4: 3 Gender of respondents

Category	Frequency	Percentage
Female	34	56
Male	27	44
Total	61	100

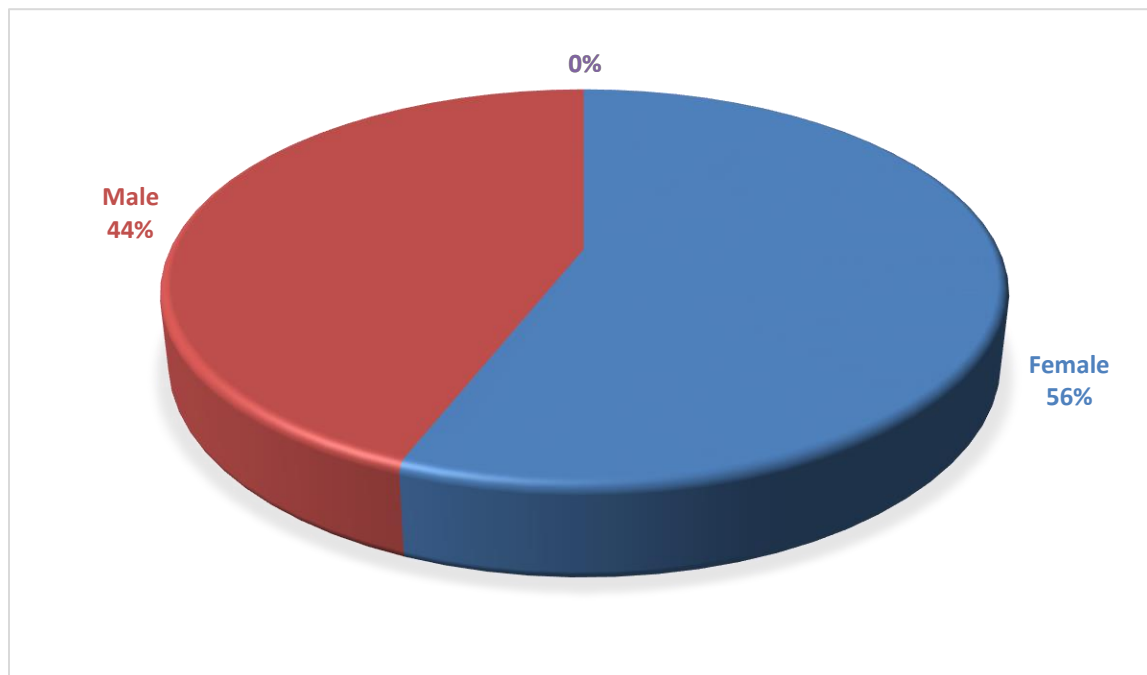


Figure 4: 3 Gender of respondents

The results indicated that 56% of the respondents were female while the remaining 44% were male. The perception of both gender in the study was important and the study met the 1/3 gender rule in Kenya (Kenyan Constitution, 2010).

4.1.2.3 Academic qualifications

The academic qualifications of the respondents were sought and the results were tabulated on the table as shown;

Table 4: 4 Academic qualifications

Category	Frequency	Percentage
K.C.S.E	6	10
Certificate	10	16
Diploma	22	36
Degree	15	25
Post-graduate	8	13
Total	61	100

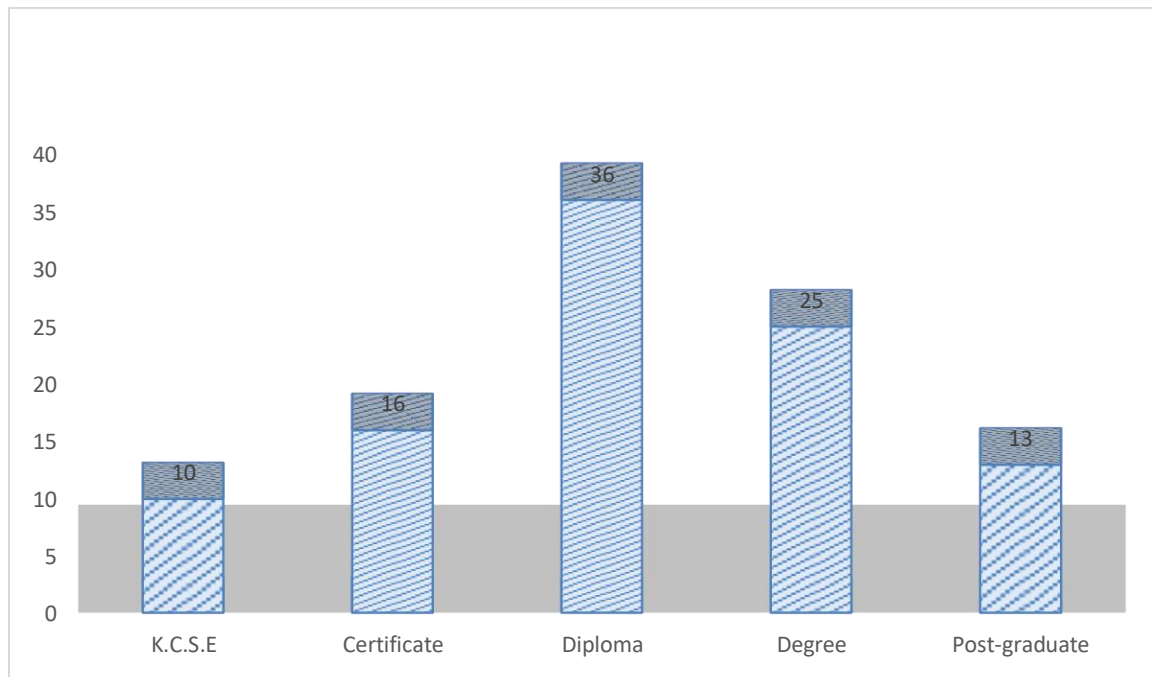


Figure 4: 4 Academic qualifications

The academic qualifications of respondents was established to be that those with K.C.S.E were at 10%, certificate at 16%, diploma at 36%, degree at 25% and post-graduate at 13%. Measuring of the academic levels of respondents in a study is necessary to indicate the level of professionalism and authenticity of the data obtained from the respondents (Aaker& Day, 2015).

4.1.2.4 Current position

The position that respondents hold in the organization was sought to be determined and the data presented on the table as shown

Table 4: 5 Current position

Category	Frequency	Percentage
Customers	50	82
Management staff	2	3
Marketing staff	4	7
General staff	5	8
Total	61	100

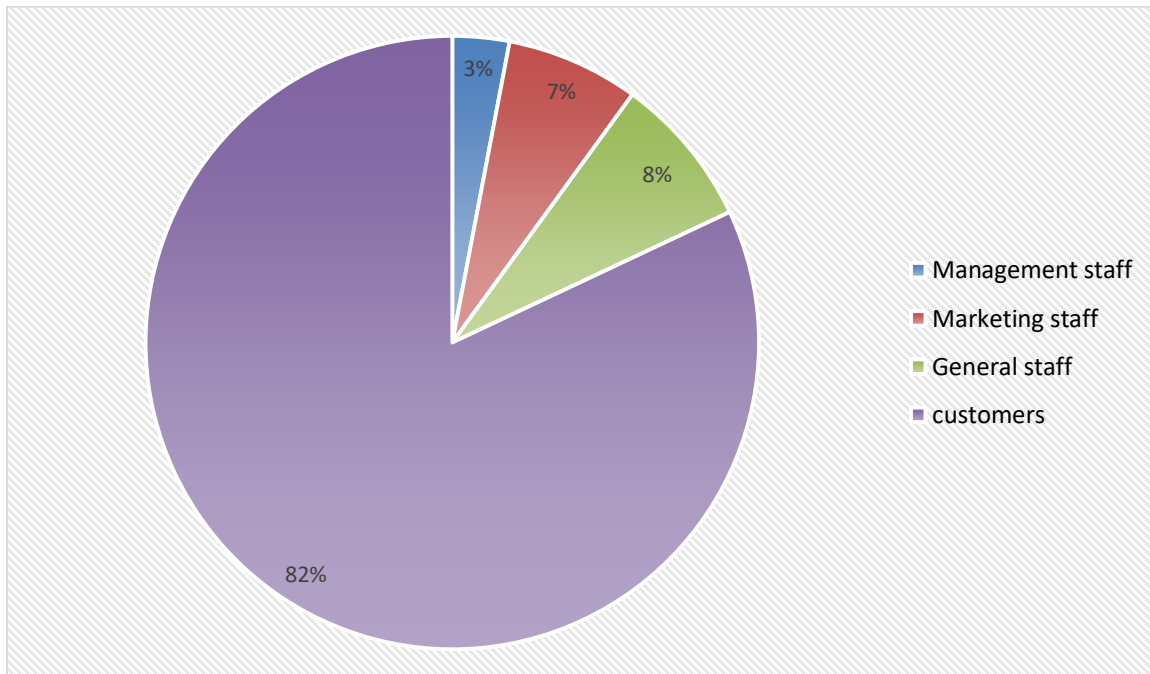


Figure 4: 5 Current position

The current position respondents held in the organization was determined to be that customers at 82%, management staff were at 3%, marketing staff at 7% and general staff at 8%. The departmental positions were well represented in the study to meet the sought objectives of the study from the positions held. The academic qualifications of the respondents, experience and

expertise in a field of interest in the study is crucial in obtaining the relevant information for the study (Parahoo, 2010).

4.1.3 Level of awareness

4.1.3.1 Level of awareness on information dissemination

The aim of the researcher was to establish whether level of awareness helps to increase information dissemination or not. The data obtained was tabulated on the table as shown;

Table 4: 6 Level of awareness on information dissemination

Category	Frequency	Percentage
Strongly agree	17	28
Agree	24	39
Disagree	11	18
Strongly disagree	9	15
Total	61	100

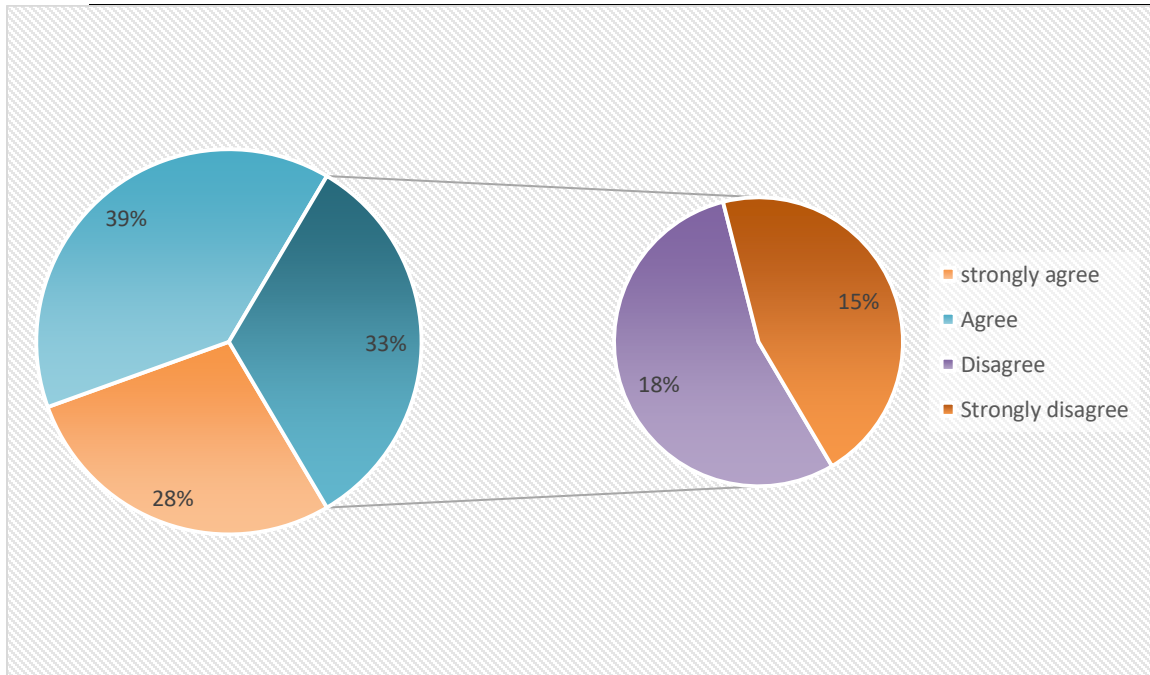


Figure 4: 6 Level of awareness on information dissemination

The use of awareness in organization helps to increase information dissemination according to 67% who agreed while the remaining 33% of the respondents did not agree.

4.1.3.2 Level of awareness on Perceptions

This was to determine the extent at which level of awareness helps in clarification of the perceptions of people in the implementation of technology in Hotels. The results were presented on the table as shown;

Table 4: 7 Level of awareness on Perceptions

Category	Frequency	Percentage
Great extent	25	41
Moderate extent	18	30
Less extent	10	16
No impact	8	13
Total	61	100

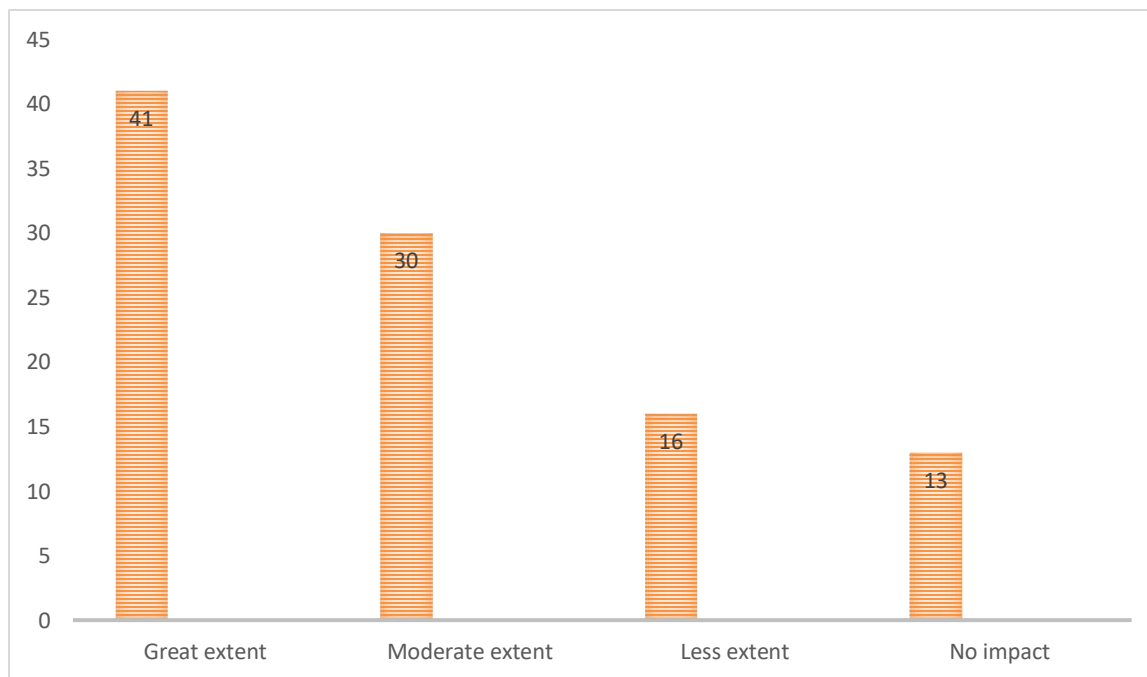


Figure 4: 7 Level of awareness on Perceptions

The effective level of awareness was noted to help in clarification of perceptions on the technology in Hotels to a great extent according to 41%, moderate extent at 30%, less extent at 16% and no impact at 13%.

4.1.4 Customer trust

4.1.4.1 Customer trust on security

The study sought to determine whether customer trust help in reducing fear for effective implementation of technology or not. The findings were presented on the table as shown;

Table 4: 8 Customer trust on security

Category	Frequency	Percentage
Yes	35	57
somehow	15	25
No	8	13
Don't know	3	5
Total	61	100

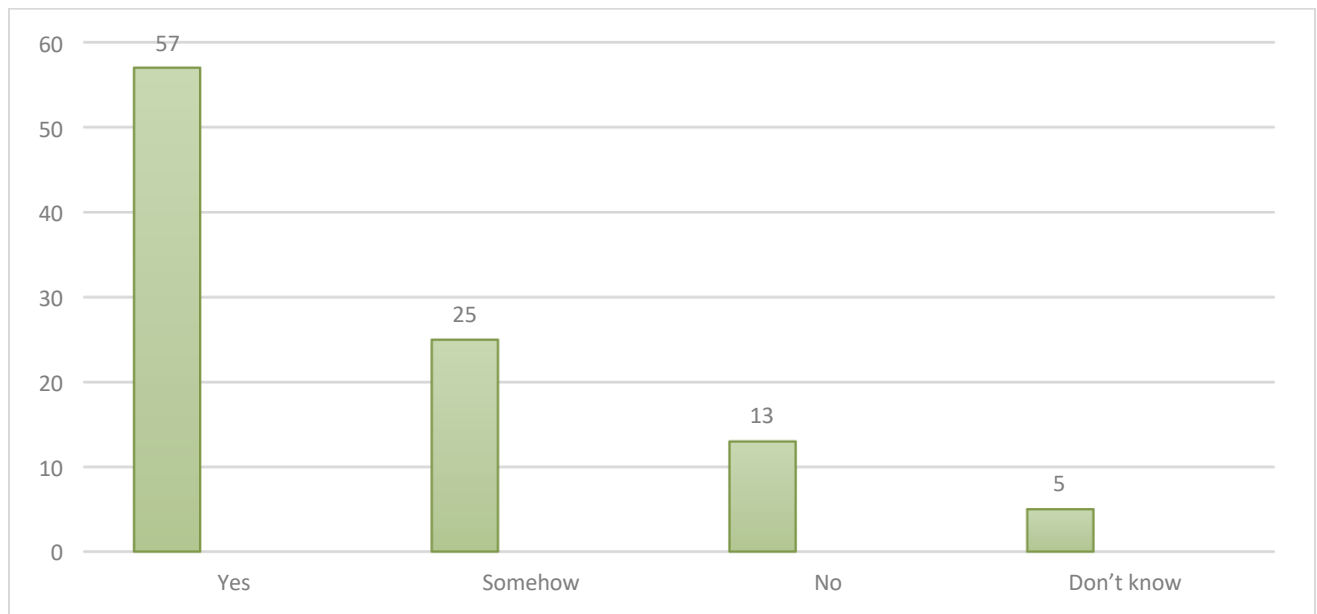


Figure 4: 8 Customer trust on security

The study established that customer trust helps in reducing fear for effective implementation of technology according to 57%, somehow at 25%, no at 13% and don't know at 5%.

4.1.4.2 Customer trust on service quality

The extent at which customer trust is helping in increasing service quality was sought and the data presented on the table as shown;

Table 4: 9 Customer trust on service quality

Category	Frequency	Percentage
Great extent	35	57
Moderate extent	12	20
Less extent	9	15
No impact	5	8
Total	61	100

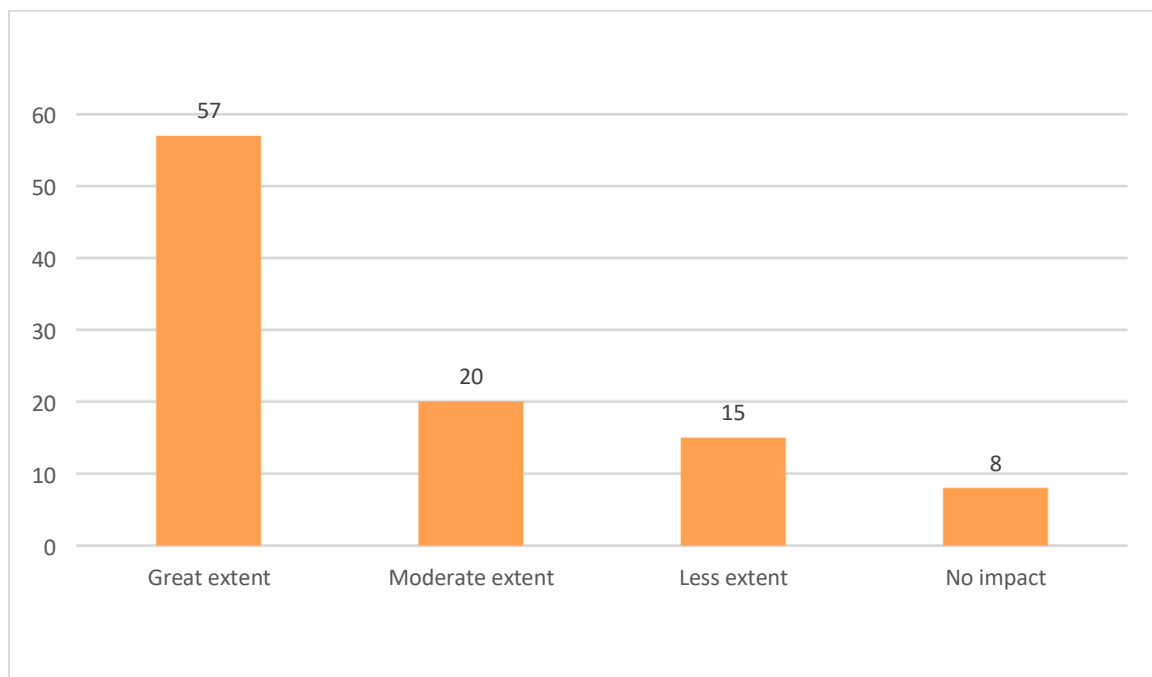


Figure 4: 9 Customer trust on service quality

The results indicated that customer trust helps in increasing service quality to a great extent according to 57%, moderate extent at 20%, less extent at 15% and no impact at 8%.

4.1.5 Perceived usefulness

4.1.5.1 Perceived usefulness on information quality

The study aimed at determining whether perceived usefulness adds advantage on information quality to the implementation of technology or not and the findings were tabulated on the table shown;

Table 4: 10 Perceived usefulness on information quality

Category	Frequency	Percentage
Yes	38	62
somehow	12	20
No	6	10
Don't know	5	8
Total	61	100

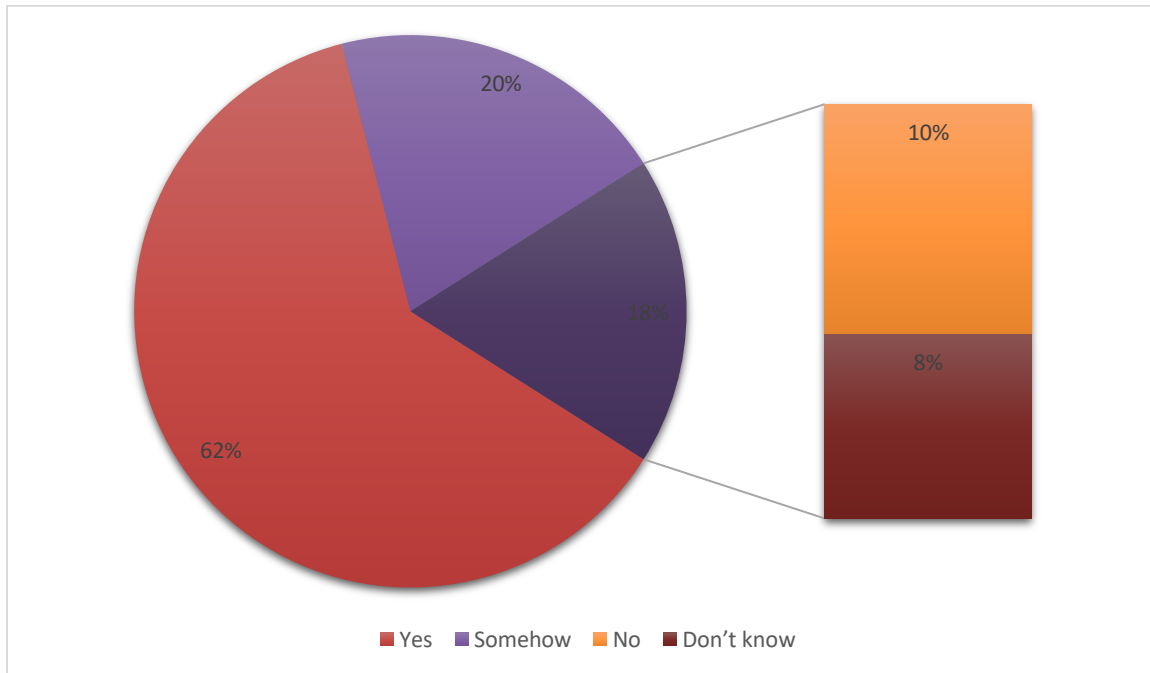


Figure 4: 10 Perceived usefulness on information quality

The study noted that Perceived usefulness adds competitive advantage to the implementation of technology according to 62% of the respondents, 20% for somehow, 10% for no and 8% for don't know.

4.1.5.2 Perceived usefulness on hotels alternative

This was to explore whether Perceived usefulness leads to hotels alternative option or not and the findings were tabulated on the table as shown;

Table 4: 11 Perceived usefulness on hotels alternative

Category	Frequency	Percentage
Strongly agree	29	48
Agree	19	31
Disagree	10	16
Strongly disagree	3	5
Total	61	100

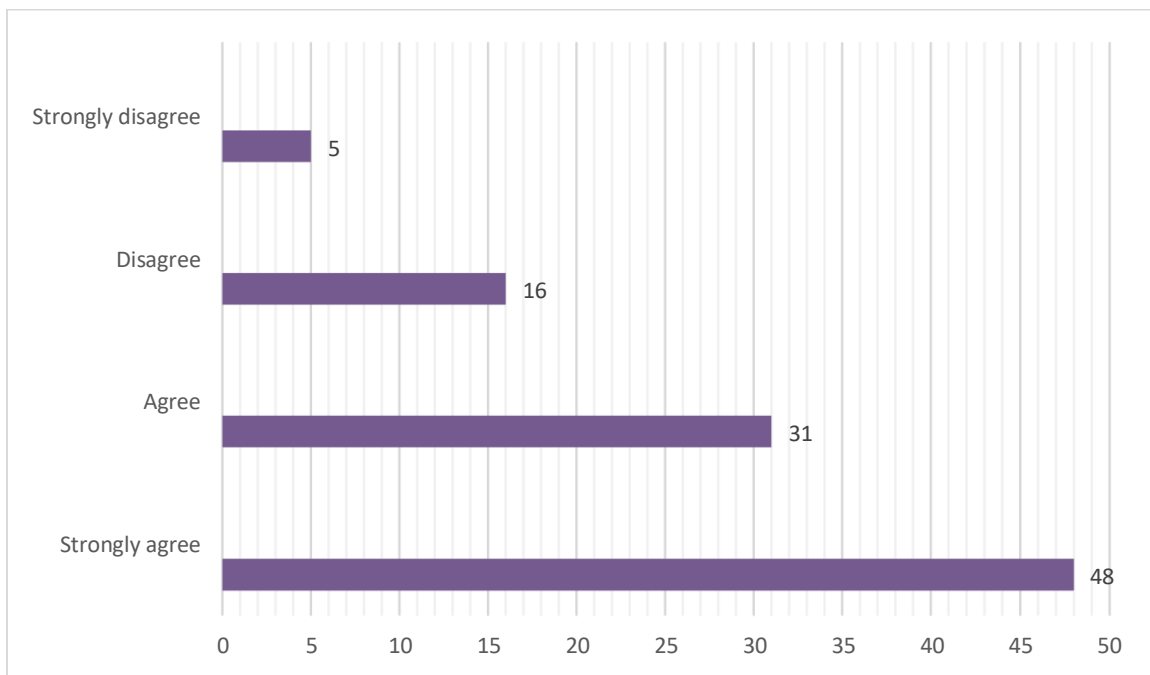


Figure 4: 11 Perceived usefulness on hotels alternative

The results established 79% agreed that perceived usefulness leads to hotels alternative options while 21% did not agree to this.

4.1.6 Perceived ease of use on convenience

4.1.6.1 Perceived ease of use on convenience

This was to determine whether perceived ease allows more convenience for customers or not and the findings were presented on the table as shown;

Table 4: 12 perceived ease of use on convenience

Category	Frequency	Percentage
Yes	36	59
somehow	13	21
No	8	13
Don't know	4	7
Total	61	100

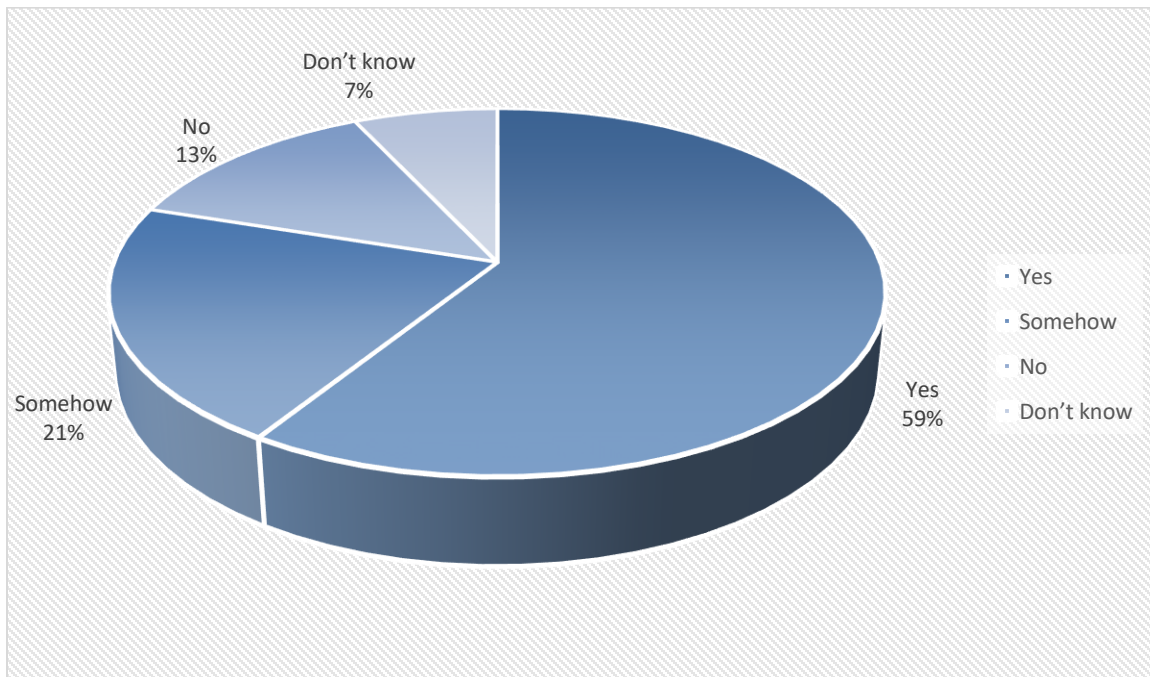


Figure 4: 12 perceived ease of use on convenience

The results postulated that 59% agreed to perceived ease of use allowing more convenience, 21% for somehow, 13% for no and 7% did not know.

4.1.6.2 Perceived ease of use on navigation

The researcher sought to establish the extent at which perceived ease of use determines the navigation and the data was presented on the table as shown;

Table 4: 13 perceived ease of use on navigation

Category	Frequency	Percentage
Great extent	30	49
Moderate extent	15	25
Less extent	9	15
No impact	7	11
Total	61	100

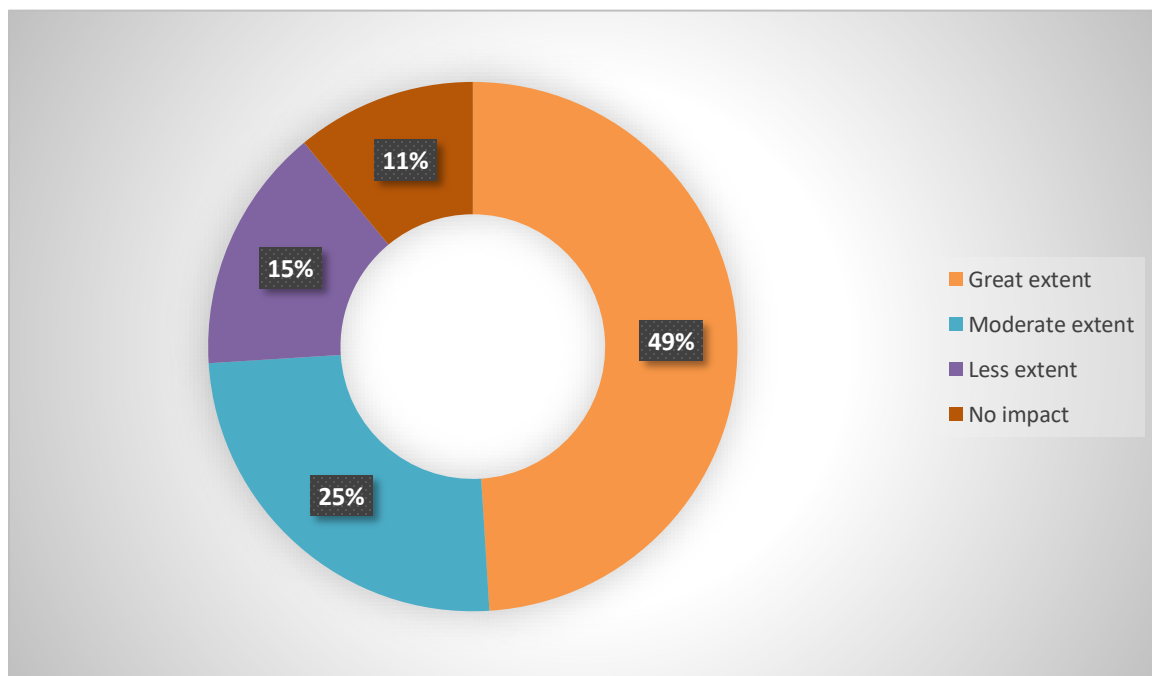


Figure 4: 13 perceived ease of use on navigation

The study noted that perceive ease of use determines the navigation according to 49%, moderate extent at 25%, less extent at 15% and no impact at 11%.

4.2 Limitations of the study

In pursuit of this study, several limitations were encountered. Some employees did not answer all the questions in the questionnaire. Some customers felt like it was a waste of their precious time while others perceive it as nagging and this affected their willingness to fill all the questions honestly. This was solved by creating a better approach and only focusing energy on the friendly customers.

The study was limited to Serena Hotel, Nairobi due to the limited resources available to carry out studies in other several hotels. The researcher did not have enough time to have a wider scope of study in other branches of Serena countrywide and even full day at the head office since the only time available during the study was in the afternoon which was not convenient for some respondents.

4.3 Chapter Summary

The study focused on the findings from the field by presenting data from each variable in different sub-heading to make specific explorations. The data was presented in well labeled tables and graphs from which an interpretation was made and some statement made to make clear the findings for easy analysis in the next chapter.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

The chapter presented the summary of the findings from chapter four from which the conclusion on the variables under were made. The recommendations giving the way forward and further studies were done based on the research questions under study.

5.1 Summary of Findings

5.1.1 Background information

The study indicated that those who respondent to the study were 97% while those who did not were 3%. The response rate met the threshold of sufficient rate for the study since it was above 50% of the sampled respondents (Kumar, 2015). The age of respondents was established to be those below 25 years were at 16%, between 26-30 years at 25%, between 31-35 years at 36%, between 36-40 years at 15% and those above 40 years were at 8%. The target age distribution for the study should be represented to ensure an all-inclusive 4.and authentic study (Rubin, 2012). The study met this threshold. The results indicated that 56% of the respondents were female while the remaining 44% were male. The perception of both gender in the study was important and the study met the 1/3 gender rule in Kenya (Kenyan Constitution, 2010). The academic qualifications of respondents was established to be that those with K.C.S.E were at 10%, certificate at 16%, diploma at 36%, degree at 25% and post-graduate at 13%. Measuring of the academic levels of respondents in a study is necessary to indicate the level of professionalism and authenticity of the data obtained from the respondents (Aaker& Day, 2015). The current position respondents held in the organization was determined to be that customers at 82%, management staff were at 3%, marketing staff at 7% and general staff at 8%. The departmental positions were well represented in the study to meet the sought objectives of the study from the positions held. The academic qualifications of the respondents, experience and expertise in a field of interest in the study is crucial in obtaining the relevant information for the study (Parahoo, 2010).

5.1.2 Level of awareness

The use of awareness in organization helps to increase information dissemination according to 67% who agreed while the remaining 33% of the respondents did not agree. The effective level of awareness was noted to help in clarification of perceptions on the technology in organization to a great extent according to 41%, moderate extent at 30%, less extent at 16% and no impact at 13%.

5.1.3 Customer trust

The study established that customer trust helps in reducing fear for effective implementation of technology according to 57%, somehow at 25%, no at 13% and don't know at 5%. The results indicated that customer trust helps in increasing service quality to a great extent according to 57%, moderate extent at 20%, less extent at 15% and no impact at 8%.

5.1.4 Perceived usefulness

The study noted that Perceived usefulness adds competitive advantage to the implementation of technology according to 62% of the respondents, 20% for somehow, 10% for no and 8% for don't know. The results established 79% agreed that perceived usefulness leads to banking to alternative options while 21% did not agree to this.

5.1.5 Perceived ease of use

The results postulated that 59% agreed to perceived ease of use allowing more convenience, 21% for somehow, 13% for no and 7% did not know. The study noted that perceived ease of use determines the navigation according to 49%, moderate extent at 25%, less extent at 15% and no impact at 11%.

5.2 Recommendations

5.2.1 Level of awareness

In the strategic planning of an organization to enhance awareness information dissemination should be considered since it's a reliable factor on technology implementation. Controlling of the different perceptions is determined by the level of awareness to a great extent and therefore this should be considered.

5.2.2 Customer trust

Every organization looks for ways to increase the customer security on implementation of technology therefore customer trust should be embraced for effective implementation of technology. Service quality is of essence especially during the purchasing process and so organizations should adopt customer trust to reduce customer dissatisfaction to a great extent.

5.2.3 Perceived usefulness

Information quality is very crucial in an organization in the technology implementation and is very important and therefore perceived usefulness should be well effected to achieve this. Also for proper planning, perceived usefulness should be given priority for effective retention of more customers.

5.2.4 Perceived ease of use

The organizations carrying out technology implementation process should consider using more convenience alternatives for reduction of more complications. Since perceived ease of use determines navigation of information to a great extent, this should be a priority to organizations in technology implementation.

5.3 Conclusion

On level of awareness, the study concluded that the use of awareness in organization helps to increase information dissemination for implementation of technology. The conclusion determined that effective awareness helps in clarification of perceptions on the technology in organization to a great extent.

On customer trust, the conclusion was that security helps in reducing fear for effective implementation of technology. It was also concluded that that customer trust helps in increasing service quality to a great extent.

On perceived usefulness, the study noted that Perceived usefulness adds competitive advantage to the implementation of technology. Also the conclusion was that perceived usefulness leads to hotels alternative options. On perceived ease of use, the conclusion noted that perceived ease of use allows more convenience. The conclusion also noted that perceive ease of use determines the navigation to a great extent.

5.4 Suggestions for Further Studies

The current study was done in Serena Hotel, Nairobi; similar study can be conducted in the Hilton hotel while maintaining same variables. Equally, introduction of a moderating variable can be considered in future studies. The moderating variable can be on leadership and management style. Further studies can also consider evaluating risk management strategies on the financial performance of tourism and hotel management sector.

APPENDIX I
Work Plan

ACTIVITY	May 2019	-	June 2019	July 2019	July 2019	-	August 2019	-	September 2019
Proposal writing									
Submission of the proposal									
Data Collection									
Data Analysis									
Report writing									

APPENDIX II
Research Budget

ITEMS	No of UNITS	COST per UNIT	TOTAL COST
Foolscaps	½ ream	400	200
Pens	10	15	150
Pencils	2	10	20
Rubbers	2	20	40
Rulers	1	20	20
Folders	1	50	50
Flash Disks	1	600	600
Proposal writing	50 pages	5	250
Project writing	70 pages (2)	5	700
Proposal Binding	50 pages	80	80
Project Binding	70 pages	80	80
Questionnaire Copies	96 copies	5	480
Miscellaneous	1 principal researcher	2000	2000
TOTAL			4670/=

APPENDICES

APPENDIX III: QUESTIONNAIRE

SECTION A: BACKGROUND INFORMATION

(N.B Answer by Ticking where applicable)

1. Gender

Male ☐

Female ☐

2. Age bracket

Below 25 years ☐

26-30 years ☐

31-35 years ☐

36- 40 years ☐

40 years and above ☐

3. Academic level

KCSE ☐

Certificate ☐

Diploma ☐

Degree ☐

Postgraduate ☐

4. Position in Organization

Customers ☐

Management Staff ☐

Marketing Staff ☐

General Staff ☐

SECTION B:

a. Compatibility

1. Do you think Compatibility have impact on the implementation of technology in Kenya

Yes ☐

No ☐

2. How do you rate the compatibility technology in relation to control operation in your firms?

Very high ☐

High ☐

Moderate ☐

Poor ☐

Not at all ☐

3. What stage of technology development be taken more seriously in compatibility

The Idea ☐

Research ☐

Development ☐

Testing ☐

Analysis ☐

Introduction ☐

Social group influences

1. Do you think information Social group influences management control operation in firms in Kenya?

Yes ☐

No ☐

2. How do you rate the social group influence in relation to technology control operation in your firms?

Very high ☐

High ☐

Moderate ☐

Poor ☐

Not at all ☐

Trust and Security

1. Do you think Trust and Security technology influences operation in firms in Kenya?

Yes ☐

No ☐

2. How do you rate the Trust and Security in relation technology operation in your firms?

Very high ☐

High ☐

Moderate ☐

Poor ☐

Not at all ☐

3. What areas of operation do you think requires modern information technology most?

Stock Checking ☐

Inspection ☐

Storage unit ☐

Thanks a lot for your cooperation

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