

**INFLUENCE OF TURNAROUND STRATEGIES ON PERFORMANCE OF
FOUR STAR-RATED HOTELS IN THE COASTAL REGION OF KENYA**

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2024

DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.

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DEDICATION

I dedicate this thesis to my beloved wife Naomi Monthe Nzomo and Children Faith Mumo Nzomo, Levis Muthoka Nzomo, and Melody Mukii Nzomo. They are special and wonderful gifts and an investment in my life.

Thanks to Almighty God.

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LIST OF ACRONYMS AND ABBREVIATIONS

ANOVA	Analysis of Variance
CEO	Chief Executive Officer
COVID-19	Coronavirus Disease of 2019.
CRM	Customer Relationship Management
DCEO	Deputy Chief Executive Officer
GDP	Gross Domestic Product
ICT	Information Communication Technology
ITC	Integrated Turnaround Canvas
NACOST	National Council of Science and Technology

DEFINITION OF KEY TERMS

Four Star Hotels	This is an upscale accommodation with well-appointed rooms, comprehensive amenities, and high-quality service. Typical features include fitness centers, swimming pools, multiple dining options, concierge services, and room service. These hotels provide a balance of comfort and luxury, ensuring a high degree of hospitality and attention to detail (Vareta, 2022).
Cost Efficiency Strategy	Cost efficiency is a multi-pronged approach that focuses on maximizing profitability without compromising guest experience or the quality of service (Nyagiloh & Kilika, 2020)
Marketing strategy	A marketing strategy is a plan to attract guests, boost revenue, and enhance brand image. Tactics include advertising, social media, partnerships, and pricing strategies, aiming to maximize occupancy and revenue per available room while ensuring guest satisfaction and loyalty. (Li, Larimo, & Leonidou, 2021).
Performance	refers to how effectively the organization relates to its target market with its informational, financial, and human resources (Kuse & Wanyoike, 2022).
Organizational Learning	The firm's ability to produce, retain, and share information will enable improvements that will help the company finally overcome obstacles both inside and outside of the company and gain a competitive advantage (Nwaibe, Ogbuefi, & Egbenta, 2022).

Organizational Restructuring	This is the process of internal company operations being restructured and reformatted (Waweru & Maina 2019).
Repositioning Strategy	Repositioning is a business strategy that puts a high priority on revenue growth and development, product innovation, product differentiation, and re-branding, and may increase a business' capacity to acquire and maintain market share (Oduor, Kilika, & Muchemi, 2021).
Turnaround Strategy	A turnaround strategy is a business approach created to revive a struggling organization. The management of a company takes several actions as part of a turnaround strategy to aid in the business' return to profitability (Baliouskas, Llopis, Gasco, & Gonzalez, 2022)

ABSTRACT

The study's general objective focused on the influence of turnaround strategies on the performance of four-star-rated hotels in the coastal region of Kenya. The specific objectives of the study were: to establish the influence of organizational restructuring on the performance of four-star-rated hotels in the coastal region of Kenya, to identify the influence of cost efficiency strategy on the performance of four-star-rated hotels in the coastal region of Kenya, to determine the influence of repositioning strategy on the performance of four star-rated hotels in the coastal region of Kenya, to assess the influence of marketing strategy on the performance of four-star-rated hotels in the Coast region of Kenya and to evaluate the moderating influence of organizational learning on turnaround strategies and the performance of four star-rated hotels coastal region of Kenya. Grounded in Contingency, Transaction Cost, Market Positioning, Brand Equity, Organizational Learning, and Goal-Setting theories, the study used a descriptive research design. The target population included 319 managers from four-star hotels, with 177 respondents selected through stratified random sampling. Data was collected through questionnaires and analyzed using SPSS 27. Findings indicated that organizational restructuring had the least influence on hotel performance, with a Beta coefficient of -0.035, signifying a minimal and insignificant influence. Cost efficiency strategy was the third most influential factor, with a Beta coefficient of 0.153, suggesting a positive relationship between cost management and the performance of hotels. The Repositioning strategy showed a moderate positive correlation with the performance of the hotel, marked by a correlation coefficient of 0.349 (p -value = 0.000), highlighting its significance in meeting customer needs and preferences. Marketing strategy exhibited the strongest positive and statistically significant relationship with the performance of the hotel, with a correlation coefficient of 0.467 (p -value = 0.000), emphasizing the critical role of marketing in enhancing brand visibility, attracting customers, and fostering loyalty. Organizational learning had a weak positive but insignificant correlation with the performance of the hotel, with a correlation coefficient of 0.135 (p -value = 0.098), indicating it is not a strong predictor of performance. The study recommends prioritizing innovative marketing campaigns due to their substantial influence on the performance of hotels. Implementing customer relationship management systems can enhance guest relationships and encourage repeat business. Investments in product diversification, improved customer service, and flexible pricing strategies are also advised to maximize performance. Overall, the study underscores the importance of marketing and repositioning strategies in boosting the performance of four-star hotels in Kenya's coastal region.