



INFLUENCE OF PROMOTIONAL ACTIVITIES ON THE PERFORMANCE OF FOUR-STAR HOTELS IN MOMBASA COUNTY

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Abstract: The performance of four-star hotels in Mombasa County remains suboptimal despite implementing various promotional strategies, creating challenges for profitability and competitive positioning in an increasingly saturated market. Intensified competition from new entrants, alternative accommodation options, and evolving consumer preferences have created an urgent need for effective performance enhancement measures. This study aimed to investigate the influence of promotional activities on the performance of four-star hotels in Mombasa County, Kenya. The research was grounded in the Marketing Mix Theory, which emphasizes the strategic coordination of product, price, place, and promotion elements to achieve desired business outcomes. A descriptive research design was employed, collecting quantitative data from all ten four-star hotels using a census approach. The study targeted 100 key managerial staff including hotel, marketing, front office, and sales managers, achieving a 90% response rate. Data were collected through structured questionnaires with Likert-scale items and analyzed using SPSS 28, employing descriptive statistics and regression analysis. The findings were presented in Tables and figures. The findings revealed a strong positive relationship between promotional activities and hotel performance outcomes ($R = 0.742$). Promotional activities explained 55.1% of the variance in hotel performance ($R^2 = 0.551$), with the regression model being statistically significant ($F = 108.123$, $p < 0.001$). The study therefore concluded that promotional activities are fundamental drivers of successful hotel performance in Mombasa County's four-star hotel sector. Hotels implementing comprehensive promotional strategies consistently achieve superior performance

metrics compared to those with limited promotional efforts. The research recommends strengthening promotional frameworks through increased budget allocation, enhanced digital marketing investments, systematic customer loyalty programs, continuous staff training, and regular performance monitoring systems to maintain competitive advantages in the coastal tourism market.

Keywords: *Promotional Activities, Hotel Performance, Mombasa County*

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1.0 INTRODUCTION

A. Background of the Study

Promotional activities have become a central strategy for enhancing hotel performance by fostering engagement between hospitality establishments, potential guests, and other stakeholders, ultimately improving occupancy rates and revenue generation. These activities are grounded in the principles of integrated marketing communications, customer relationship management, and competitive positioning, which are widely recognized as effective mechanisms for increasing hotel bookings and enhancing guest satisfaction (Thoya, 2023). Promotional strategies typically include digital marketing campaigns, social media engagement, loyalty programs, and special offers that actively encourage customer participation in hotel services (Chen & Wang, 2021).

Mombasa County, situated along Kenya's coastal region, has emerged as a major tourism destination, with numerous four-star hotels competing for market share. These establishments face growing challenges in market penetration, guest retention, and revenue optimization, particularly in the post-pandemic hospitality landscape (Nduhiu, 2024). Factors contributing to these challenges include increased competition, evolving consumer preferences, and the necessity for effective promotional strategies (Kiprotich, 2023). According to the Kenya Association of Hotelkeepers and Caterers (KAHC, 2024), four-star hotels in Mombasa County have experienced fluctuating occupancy rates, underscoring the importance of enhanced promotional initiatives.

Despite efforts to implement various promotional initiatives, the effectiveness of such strategies in Kenya has been constrained by limited understanding of customer preferences, inadequate digital marketing practices, and insufficient budget allocation (Mwangi & Ochieng, 2022). Globally, well-structured promotional campaigns have been shown to significantly enhance hotel performance, as evidenced by studies in tourism markets such as Thailand and Spain (Lopez & Martinez, 2021). Similarly, in Kenya, the adoption of digital marketing and customer relationship management strategies has demonstrated potential in improving hotel performance, particularly in urban and coastal regions (Wanjiku, 2023).

However, in Mombasa County's four-star hotel sector, the effectiveness of promotional activities remains debated due to market saturation, seasonal fluctuations, and changing consumer behavior

(Nduhiu, 2024). Literature suggests that active and well-targeted promotional strategies enhance customer acquisition, resulting in higher occupancy rates, revenue generation, and customer loyalty (Kimani, 2022). Hotels with robust promotional programs tend to experience better performance through increased brand visibility and customer engagement (Abdille, 2021). Nonetheless, challenges such as limited promotional budgets, insufficient marketing personnel, and poor understanding of target market preferences continue to hinder the effectiveness of these initiatives in the county. Given the critical role of promotional activities in driving hotel performance, it is imperative to assess their impact within Mombasa County's four-star hotel sector and explore strategies to improve promotional effectiveness. This study, therefore, seeks to examine the extent to which promotional activities influence hotel performance, identify challenges faced, and propose recommendations for strategic promotional enhancement.

B. Statement of the Problem

The performance of four-star hotels in Mombasa County remains suboptimal despite the implementation of various promotional strategies, posing challenges to profitability and competitive positioning. The hospitality sector has experienced intensified competition from new market entrants, alternative accommodation options, and evolving consumer preferences, creating a pressing need for effective performance enhancement measures (KAHC, 2024). While promotional activities are widely acknowledged as critical tools for improving hotel performance, their application in Mombasa County has been constrained by inadequate budgets, limited marketing expertise, and insufficient understanding of customer preferences that influence booking decisions (Mwangi & Ochieng, 2022).

Research indicates that ineffective implementation of promotional initiatives continues to undermine hotel performance, as digital marketing campaigns, loyalty programs, and special offers often suffer from poor targeting, lack of coordination, and insufficient resource allocation (Waithaka, 2021; Kiprotich, 2023). Many hotels remain hesitant to invest substantially in promotional activities due to uncertainty regarding return on investment, while others struggle with measuring promotional effectiveness, further limiting the impact of these strategies (Wanjiku, 2023).

Additionally, seasonal fluctuations in tourist arrivals exacerbate inconsistencies in hotel occupancy and revenue, as establishments struggle to maintain performance during low tourism periods despite active promotional efforts (Kimani, 2022). These persistent challenges highlight the urgent need to evaluate the effectiveness of promotional activities in enhancing the performance of four-star hotels in Mombasa County, thereby providing insights for strategic interventions aimed at improving occupancy, revenue, and overall competitive advantage.

C. Purpose of the Study

The purpose of the study was to investigate the influence of promotional activities on the performance of Four-Star Hotels in Mombasa County.

D. Research Hypothesis

H₀₃: Promotional Activities has no significance influence on the performance of Four-Star Hotels in Mombasa County.

2.0 LITERATURE REVIEW

A. Theoretical Review

Marketing Mix Theory

This theory was advanced in 1960 by Jerome McCarthy who developed the concept of the "4Ps" of marketing - Product, Price, Place, and Promotion. The theory argues that effective marketing requires the strategic coordination of these four elements to achieve desired business outcomes (Kotler & Armstrong, 2022). The promotion element, which is central to this study, encompasses all communication activities that hotels use to inform, persuade, and remind customers about their services and encourage purchase decisions. The theory maintains that promotional activities serve as a critical bridge between hotel services and potential customers, creating awareness, generating interest, and ultimately driving bookings and revenue (Chen & Wang, 2021). The adoption of the marketing mix theory in hospitality management aims at creating integrated promotional campaigns that align with other marketing elements to achieve optimal performance outcomes. The theory allows hospitality managers to understand how promotional activities interact with product quality, pricing strategies, and distribution channels to influence overall hotel performance (Lopez & Martinez, 2021). This theory will assist this study in understanding the various components of promotional activities and their corresponding impact on hotel performance indicators. The promotional strategies are the independent variables in this study, while hotel performance metrics such as occupancy rates, revenue per available room, and customer satisfaction represent the dependent variables.

B. Empirical Review Promotional Activities and Hotel Performance

Research by Chen and Wang (2021) examined how digital promotional campaigns affected customer booking behavior and hotel performance in Asian markets. The study was driven by the hypothesis that integrated digital marketing strategies could boost hotel occupancy rates and revenue generation. It attempted to ascertain the effectiveness of promotional interventions using a quantitative research approach targeting 150 hotels across Thailand and Malaysia. The promotional activities covered included social media marketing, email campaigns, and search engine optimization strategies. The study found that hotels implementing comprehensive digital promotional strategies achieved 23% higher occupancy rates compared to those with limited promotional activities. The research demonstrated that promotional campaigns had significant potential for increasing customer acquisition and achieving better financial outcomes for hotels.

Ouma (2023) in a scholarly paper for the Kenya hospitality industry examined the role of customer loyalty programs in hotel performance enhancement. The author analyzed primary data collected from 200 hotel guests and identified the significance of relationship marketing theory in

promotional effectiveness. The research remarked that it is critical for hospitality establishments to develop promotional strategies that encourage repeat bookings and customer retention. According to the research, promotional activities focusing on customer loyalty are crucial for increasing hotel revenue and market share. It was suggested that loyalty programs be implemented strategically and be essential for sustainable performance improvement. Through strategies such as personalized offers, exclusive benefits for repeat customers, and targeted communication campaigns, the study identified unrealized potential for maximizing promotional impact on hotel performance.

In research on promotional strategy effectiveness and its impact on hotel performance in Nairobi County, Kimani (2022) looked at how different promotional approaches contribute to revenue generation. The study focused on 50 hotels in Nairobi and used a descriptive research design. According to the study, promotional activities, when combined with quality service delivery, significantly and positively contributed to improved hotel performance metrics including occupancy rates and customer satisfaction scores. The above selected areas of study offer different approaches and gaps that this proposed study seeks to fill.

The study by Chen and Wang (2021) focused on Asian markets, which may have different characteristics compared to the Kenyan coastal tourism market. This gap will be covered by the proposed study which will focus specifically on Mombasa County's four-star hotel sector. Similarly, the study by Ouma (2023) concentrated only on loyalty programs as opposed to the current study which examines comprehensive promotional activities. The study by Kimani (2022) limited itself to Nairobi County hotels, creating a need for coastal-specific research that considers the unique characteristics of beach tourism markets.

3.0 RESEARCH METHODOLOGY

This chapter outlines the methodology employed to examine the influence of promotional activities on Four-Star Hotels in Mombasa County. A descriptive research design was adopted to collect quantitative data from all ten Four-Star Hotels using a census approach, targeting 100 key managerial staff, including hotel, marketing, front office, and sales managers (TRA, 2024). Data were collected through structured questionnaires with closed-ended Likert-scale items covering promotional activities, digital marketing strategies, customer relationship management, pricing approaches, and hotel performance indicators. Prior to collection, ethical clearance was obtained from NACOSTI, and respondents' informed consent was secured. The questionnaire underwent pilot testing to ensure validity through expert review and reliability via Cronbach's alpha ($\alpha > 0.7$). Data were cleaned and analyzed using SPSS 28, employing descriptive statistics (means, frequencies, percentages) and inferential techniques including Pearson correlation, simple and multiple regression analyses to assess the relationships and impact of promotional activities on hotel performance.

4.0 RESEARCH FINDINGS AND DISCUSSION

A. Response Rate

This table 1 shows the distribution of target respondents and actual responses received from the study.

Table 1: Response Rate

Category	Target Population	Actual Responses	Response Rate (%)
Hotel Managers	10	9	90.0
Marketing Managers	30	27	90.0
Front Office Managers	30	27	90.0
Sales Managers	30	27	90.0
Total	100	90	90.0

Source: Field Data (2025)

The study achieved a 90% response rate, which is considered excellent for research purposes. This high response rate enhances the credibility and reliability of the findings. Contemporary hospitality research emphasizes the importance of achieving high response rates to ensure representative findings in hotel marketing studies (Lopez & Martinez, 2021). The consistent 90% response rate across all management categories indicates balanced representation from different hotel departments. Recent studies by hospitality researchers suggest that response rates above 80% provide sufficient data for meaningful statistical analysis and generalization of findings (Kotler & Armstrong, 2022). The high response rate also minimizes non-response bias, ensuring that the collected data accurately reflects the target population's characteristics and opinions. This level of participation demonstrates the willingness of hotel professionals to contribute to research that could potentially improve industry practices and performance outcomes.

B. Descriptive Analysis

Descriptive analysis summarizes and organizes data using statistical measures such as mean and standard deviation, providing insights into patterns, trends, and distributions within the dataset.

Promotional Activities

The study examines the influence of promotional activities on the performance of Four-Star Hotels in Mombasa County. The results are displayed in Table 2 below.

Table 2: Promotional Activities

Statement	N	Mean	Std. Deviation
Hotel management actively develops and implements comprehensive promotional campaigns to attract guests	90	4.12	.876
There is significant investment in digital marketing platforms including social media and online advertising	90	3.95	.945
The hotel effectively utilizes loyalty programs and special offers to encourage repeat bookings	90	4.08	.823
Promotional materials and campaigns effectively communicate the hotel's unique value proposition to target markets	90	3.87	.956
Promotional activities have led to measurable increases in occupancy rates and revenue generation	90	4.21	.798
Marketing staff are adequately trained and equipped to execute effective promotional strategies	90	3.73	1.087
Promotional budget allocation is sufficient to support comprehensive marketing campaigns	90	3.56	1.134

Source: Field Data (2025)

Table 2 indicates that the majority of respondents strongly agreed that hotel management actively develops and implements comprehensive promotional campaigns to attract guests, as shown by the mean of 4.12 and standard deviation of 0.876. This suggests that promotional campaign development is highly prioritized by hotel management, with relatively consistent responses across participants. The majority also strongly agreed that there is significant investment in digital marketing platforms including social media and online advertising, as shown by the mean of 3.95 and standard deviation of 0.945. This implies that respondents recognize substantial digital marketing investments, although there is moderate variation in perceptions of investment levels. The study revealed that respondents strongly agreed that the hotel effectively utilizes loyalty programs and special offers to encourage repeat bookings, as shown by the mean of 4.08 and standard deviation of 0.823. This indicates strong consensus on the effectiveness of customer retention strategies through promotional activities.

Respondents agreed that promotional materials and campaigns effectively communicate the hotel's unique value proposition to target markets, as shown by the mean of 3.87 and standard deviation of 0.956. This result highlights general agreement on promotional communication effectiveness, with moderate variation in responses. The study revealed that respondents strongly agreed that promotional activities have led to measurable increases in occupancy rates and revenue generation, as shown by the mean of 4.21 and standard deviation of 0.798. This indicates strong perception of promotional activities' positive impact on key performance indicators, with low variation in responses. Respondents agreed that marketing staff are adequately trained and equipped to execute

effective promotional strategies, as shown by the mean of 3.73 and standard deviation of 1.087. However, the higher standard deviation suggests varied opinions on staff preparedness levels.

Finally, respondents moderately agreed that promotional budget allocation is sufficient to support comprehensive marketing campaigns, as shown by the mean of 3.56 and standard deviation of 1.134. The higher variation indicates differing views on budget adequacy across different hotels.

Hotel Performance Outcomes

The study also examined hotel performance outcomes as the dependent variable to understand how promotional activities influence overall hotel success. The results are displayed in Table 3 below.

Table 3: Hotel Performance Outcomes

Statement	N	Mean	Std. Deviation
The hotel consistently achieves target occupancy rates throughout different seasons	90	4.03	0.892
Revenue per available room (RevPAR) has shown consistent improvement over the past two years	90	4.15	0.823
Customer satisfaction scores and reviews have improved significantly due to enhanced service delivery	90	4.28	0.756
The hotel maintains competitive advantage over other four-star properties in Mombasa County	90	3.89	0.967
Repeat customer rates and guest loyalty have increased substantially	90	4.06	0.834
Overall profitability margins have improved compared to previous years	90	3.94	0.912
The hotel's market share within the four-star segment has grown steadily	90	3.78	1.045

Source: Field Data (2025)

Table 3 indicates that respondents strongly agreed that the hotel consistently achieves target occupancy rates throughout different seasons, as shown by the mean of 4.03 and standard deviation of 0.892. This suggests that most four-star hotels in Mombasa County are successfully meeting their occupancy targets, with relatively consistent performance across establishments. The majority of respondents strongly agreed that Revenue per available room (RevPAR) has shown consistent improvement over the past two years, as shown by the mean of 4.15 and standard deviation of 0.823. This indicates strong financial performance improvement, with low variation in responses suggesting widespread revenue growth across the surveyed hotels.

Respondents demonstrated the strongest agreement that customer satisfaction scores and reviews have improved significantly due to enhanced service delivery, as shown by the mean of 4.28 and standard deviation of 0.756. This represents the highest mean score among performance indicators, with minimal variation, indicating consistent excellence in customer satisfaction across four-star

hotels. The study revealed that respondents agreed that the hotel maintains competitive advantage over other four-star properties in Mombasa County, as shown by the mean of 3.89 and standard deviation of 0.967. However, the slightly higher standard deviation suggests some variation in perceived competitive positioning among different hotels. Respondents strongly agreed that repeat customer rates and guest loyalty have increased substantially, as shown by the mean of 4.06 and standard deviation of 0.834. This indicates successful customer retention strategies, with relatively consistent results across participating hotels.

The analysis shows that respondents agreed that overall profitability margins have improved compared to previous years, as shown by the mean of 3.94 and standard deviation of 0.912. This suggests general financial improvement, though with moderate variation in profitability outcomes across different properties. Finally, respondents moderately agreed that the hotel's market share within the four-star segment has grown steadily, as shown by the mean of 3.78 and standard deviation of 1.045. The higher standard deviation indicates the most variation in this performance indicator, suggesting that while some hotels have experienced market share growth, others may be maintaining or facing challenges in market positioning.

C. Inferential Analysis

This section presents the inferential analysis used to determine the relationship between promotional activities and hotel performance outcomes. It is important as it allows for the generalization of findings from the sample to the entire population. Statistical methods like regression, ANOVA, and coefficients provide insight into the strength and significance of promotional activities affecting hotel performance.

Model Summary

Table 4 investigates the goodness of fit of the regression model, assessing how well promotional activities explain the variance in hotel performance Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.742a	.551	.546	1.2847

a. Predictors: (Constant), Promotional Activities

Source: Field Data (2025)

The R value of 0.742 suggests a strong positive relationship between promotional activities and hotel performance outcomes. The R Square value of 0.551 indicates that approximately 55.1% of the variation in hotel performance outcomes is explained by promotional activities. The Adjusted R Square value of 0.546 accounts for the number of predictors in the model, indicating that the model is fairly accurate in predicting hotel performance outcomes. The standard error of estimate (1.2847) suggests the model has a reasonable fit, with relatively small residuals.

ANOVA a of the Regression Model

Table 5 investigates the overall significance of the regression model, assessing whether promotional activities have a significant impact on hotel performance outcomes.

Table 5: ANOVAa

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	178.456	1	178.456	108.123	.000b
Residual	145.234	88	1.650		
Total	323.690	89			

a. Dependent Variable: Hotel Performance Outcomes

b. Predictors: (Constant), Promotional Activities

Source: Field Data (2025)

The ANOVA results show that the regression model is statistically significant, with an F value of 108.123 and a significance level of 0.000 ($p < 0.001$). This indicates that promotional activities significantly contribute to explaining the variation in hotel performance outcomes. The p-value confirms that the regression model is an excellent fit for the data, suggesting that promotional activities have a substantial impact on hotel performance.

5.0 SUMMARY OF THE STUDY

The analysis reveals strong implementation of promotional activities in four-star hotels in Mombasa County, with a mean score of 4.12 (SD=0.876) for comprehensive promotional campaign development. Promotional activities significantly influence hotel performance outcomes ($\beta=0.742$, $p=0.000$), indicating that for each unit increase in promotional activities, performance outcomes improve by 0.742 units. Investment in digital marketing platforms shows particularly strong results (M=3.95, SD=0.945), suggesting effective utilization of modern marketing channels.

The regression analysis supports these findings, with promotional activities explaining 55.1% of the variance in hotel performance outcomes ($R^2=0.551$). The strongest impact was observed in measurable increases in occupancy rates and revenue generation (M=4.21, SD=0.798). These results demonstrate that promotional activities are crucial determinants of successful hotel performance in Mombasa County's four-star hotel sector.

6.0 CONCLUSION

The study concluded that promotional activities are fundamental drivers of successful hotel performance in Mombasa County's four-star hotel sector. Active implementation of comprehensive promotional campaigns demonstrated strong effectiveness, particularly in generating measurable increases in occupancy rates and revenue. The findings revealed that when hotels invest significantly in promotional activities, including digital marketing and customer loyalty programs, the likelihood of achieving superior performance outcomes increases substantially. The strong

relationship between promotional activities and hotel performance emerged as a critical factor in competitive positioning. This underscores the importance of maintaining and strengthening promotional investments in all aspects of hotel marketing planning and implementation. Hotels that prioritize promotional activities consistently achieve better performance metrics compared to those with limited promotional efforts.

7.0 RECOMMENDATIONS

The study recommended that four-star hotels in Mombasa County should strengthen their promotional activity frameworks by increasing budget allocation for comprehensive marketing campaigns. This should include enhancing digital marketing investments, implementing systematic customer loyalty programs, and developing integrated promotional strategies that align with target market preferences. Hotels should ensure continuous staff training in promotional strategy execution, invest in modern marketing technologies, and establish regular performance monitoring systems to measure promotional effectiveness. These initiatives should focus on sustainable promotional approaches that generate long-term performance improvements and competitive advantages in the coastal tourism market.

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