**THE INFLUENCE OF MARKET SEGMENTATION ON CUSTOMER SATISFACTION WITHIN KILIFI COUNTY, KENYA**

**BY**

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**A SENIOR PROJECT PROPOSAL SUBMITED IN PARTIAL FULFILMENT OF REQUIREMENT FOR THE AWARD OF THE DEGREE IN BARCHELOR OF TOURISM MANAGMENT, SCHOOL OF BUSINESS AND MANAGMENT SCIENCES, DEPARTMENT OF TOURISM AND TOUR OPERATIONS MANAGMENT, UNIVERSITY OF ELDORET**

**NOVEMBER, 2022**

# DECLARATION

**STUDENT’S DECLARATION**

I declare that this is my original work and has not been submitted for a degree or diploma in any institution of higher learning.

Joyce Wambui Kimani

BTO/066/18 Sign……………. Date…………….

**SUPERVISOR’S DECLARATION**

This project has been submitted for examination with my approval as the university supervisor,

Ms. Stella Ayunga Sign………… date…………….

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# DEDICATION

This study is dedicated to my parent’s Humphrey and Winnie Kimani for the continuous support and encouragement throughout the program. Without them I would not be here today.

# ACKNOWLEDGMENT

This finalization of this project would not have been possible without the assistance accorded to me by the following;

Madam Stella Ayunga, my supervisor for her advice and insightful support and guidance that enriched the results of this study.

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Finally, to my parents for providing both emotional and financial support during my study period.

Above all, I am grateful to God who gave me strength, good health and sound mind throughout my study period. Thank you, God, for your everlasting kindness and mercy.

# ABSTRACT

Implementation of market segmentation as a marketing concept in tourism can be used to maximize the positive economic, social and cultural effects. In addition to, it can facilitate the willingness to recognize consumer’s needs and wants, and a willingness to adjust marketing mix elements including products to satisfy those needs and wants which in turn brings about the element of customer satisfaction. The main objective of the study is to establish the influence of market segmentation on customer satisfaction with specific reference to Kilifi County, Kenya. The study will be guided by three objectives, to identify how tourism enterprises within Kilifi County segment their markets, to establish the importance of segmentation for the tourism enterprises within Kilifi county, and the to identify the challenges the enterprises face while segmenting their markets within Kilifi county.

The study will be carried out in Kilifi County, Kenya. The target population will consist of all tourism enterprises within Kilifi County such as sale officers, marketers, tour operators, hoteliers. The sample size of 456 respondents will be used which includes 456 registered hotels within Kilifi county (according to TRA 2022 Kilifi county data base) and out of 100 will be selected which includes both hotels and tour operators. The main data collection instruments will be the use of both open ended and closed ended questionnaires, together with survey and interviews. Quantitative data will be collected by structured questions and emphasized on the numerical data and after analysis presented in table, graph and charts form.( clearly state how this will be done

The research will also aid in coming up with recommendations on what and where exactly needs to be implemented, improved or done in on order to bring about customer satisfaction and means of overcoming the challenges as a result of segmentation.

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# CHAPTER ONE

## INTRODUCTION

This chapter introduces the background information, the statement of the problem, objectives of the study, research questions, purpose of the study, scope of the study, limitations, and delimitations and finally the conceptual framework. ( comes at the end of chapter 2)

## 1.1 BACKGROUND OF INFORMATION

The concept of market segmentation is a recent marketing thinking and strategy, based on the natural variations found in a general or total market (Camilllieri M, 2018) According to (Philip Kotler, 2006) market segmentation is the sub-diving of a market into homogeneous segments. At its core the process of dividing the total heterogeneous market for a product or service into approachable groups or segments, each being homogeneous in all significant aspects, allowing for one to learn about their prospective customers. Because people have individual needs, tastes and attributes as well as different life stages and lifestyles, no single variable can be used to segment markets and in the case of this study specific travel markets. The primary bases for segmentation include, demography, geography, behavior, lifestyle, personality motivations. While some basic characteristics (e.g., demographic and behavior) are sometimes criticized for their failure to adequately predict customer behavior, employing multiple variables should yield greater explanatory power than a single variable. (Mwenda J. Gichuru, Market Segmentation as a Strategy of Customer Satisfaction and Retention, 2017)

Market segmentation is a valuable instrument in planning appropriate marketing strategies and can assist in framing management thinking. Segmentation is justified on the grounds of achieving greater efficiency in the supply of products in order to meet identified demand and increased cost of effectiveness in the marketing process and maximize financial resources (Perdue 1985). Numerous methods of tourist segmentation exist, including a posterior or factor-cluster segmentation, a priori or criterion segmentation and neutral network models (Mazanec, 1992). A priori market segmentation can be less time consuming and more effective for separating markets at lesser costs. In the tourism industry, the importance of segmentation is widely acknowledged (Bieger and Laesser 2002; Cha et al. 1995; Kastenholz 1999), this has been used to understand which bases can be used by tourist destinations, markets and operators to effectively segment tourist markets which have largely centered upon building tourist profiles for various destinations.

By understanding your market and recognizing segmentation bases closely associated with travel motivation one can leverage this, targeting in products, sales, and formulating marketing strategies and market segmentation approaches. Market segments can also improve your product development cycles by informing how to create product offering for different segments such as high-income earners vs low-income earners. This can be a key marketing strategy within the tourism industry, as tourism takes place in a complex, dynamic and constantly changing environment, that must be monitored and adapted to.

## 1.2 STATEMENT OF THE PROBLEM

Market segmentation concept can be used to identify the needs and wants, helping in the formation of tourist products. However, there is a gap as research as most of the research that has been done on the relationship between customer satisfaction and market segmentation have been focused on different industries for example Effect of on market segmentation on customer satisfaction (by [Professor Olalekan Asikhia](https://www.researchgate.net/profile/Professor-Asikhia?enrichId=rgreq-a5ac520332454af5af49652eb316bb33-XXX&enrichSource=Y292ZXJQYWdlOzM1NTk4Njg4OTtBUzoxMDg3ODcyODc4ODE3MjgzQDE2MzYzODA1MTQ3NjE%3D&el=1_x_5&_esc=publicationCoverPdf), 2016), Customer analysis on banks: The role of market segmentation by Francis etal, 2021), Market Segmentation and its Impact on Customer Satisfaction With Especial Reference to Commercial Bank of Ceylon PLC (by Puwanenthiren Pratheepkanth,2015). Looking at this data we can indicate that most of the research on the topic has been done on banks therefore the relevance of this study on the tourism industry and can be used within the local tourism enterprise and help with customer satisfaction.

## 1.3 PURPOSE OF THE STUDY

This study is aimed at providing information on the means to which market segmentation concept influences customer satisfaction. It points out the relevance of market segmentation within the tourism industry and means of conducting it.

## 1.4 OBJECTIVES OF THE STUDY

The general objective of the study is to establish the influence of market segmentation on customer satisfaction with specific reference to Kilifi county, Kenya

### 1.4.1 SPECIFIC OBJECTIVES

* To identify how tourism enterprises within Kilifi county segment their market
* To identify the importance of market segmentation by tourism enterprises within Kilifi county
* To establish the challenges faced by the tourism enterprise within Kilifi county segmenting while segmenting their markets

## 1.5 REASERCH QUESTIONS

They include

* What are the means or methods used by tourism enterprises in Kilifi in segmenting markets?
* What is the importance of market segmentation by tourism enterprises within Kilifi county?
* What challenges do tourism enterprise in Kilifi county face while trying to segment the market and how do they overcome it?

## 1.6 JUSTIFICATION

## 1.7 SCOPE OF THE STUDY

The study is aimed at assessing the influence market segmentation has on customer satisfaction. The study therefore focuses on analyzing importance of market segmentation in influencing customer satisfaction within the tourism industry while focusing on Kilifi county, Kenya. The study will focus on assessing the objectives (as given in **1.4)** and will be carried out between the months of April to July months.

## 1.7 LIMITATIONS OF THE STUDY

The research focuses mainly at the local level mainly Kilifi county and not nationally or even regionally. Furthermore, information acquired is limited to the tourism enterprises as the data is collected from hoteliers.

## 1.8 DELIMITATION OF THE STUDY

The research is delimited in terms of accessibility as Kilifi is a large in size in term of km2 (it is 12,246km2) and it is thus hard to be able to reach all the respondents necessary for the study. However, I will tackle this by using a sample size group made up of relatively 100 respondents. Making it easier to acquire information. Language barrier is also another delimitation when it comes to the study as tourists may be of a foreign speaking language that I will not be able to understand hence I will be require to use language interpreters. Enterprises may also be reluctant in providing of information on the means of segmentation as it is their organizations marketing strategy, informing them that the research is mainly to aid in educational purposes and will not be used for marketing purposes.

# CHAPTER TWO

## 2.0 LITERATURE REVIEW

As established in the previous chapter this study aims at showcasing the influence of segmentation on customer satisfaction. This chapter aims at going into key details on market segmentation and focuses on the objectives of the study.

## 2.1 MARKET SEGMENTATION

According to (Victor T C Middleton, 2009) "Market segmentation is the process whereby producers organize their knowledge of customer groups and select for particular attention, those whose needs and wants they are best able to supply with their products" Hence, Market segmentation involves a division of the prospective market into identifiable groups. In simple words it can be defined as the division of a market into groups of segments having similar wants (Hoek et al , 1996) It is based on a realization of the fact that a product can be sold more effectively if efforts are concentrated towards those groups which are most potential.

For marketers to effectively understand means and how to segment the market they need to ask a series of various questions such as what, how, where, who and why. However, this list of questions are only suggestive and the nature of questions often will depend on the nature of your product and certain specific situations. (Kolter 1997). Examples of these questions may include

**What**

* services do the customer expect?
* is the basis of the customer comparing your product with other products?
* benefits do the customer seek?
* risks do the customer perceive?
* are the tastes of the customer?

**How :**

* does customer buy?
* much are the customers willing to spend?
* frequent do the customer purchase the product?
* does promotion and advertising effect the customers demand?
* does the product fit into the life styles of tourists?

**When:**

* do the customer make a decision to buy the product?
* is the product repurchased?

**Why :**

* do the customer buy your product?
* do the customer choose one product over the other?
* does the customer prefer one type of service and not the other?

**Who**

* buys your product?
* buys your competitor's products?
* are likely to buy your product?
* may not be interested in your product?

In order for practical, effective and actionable segmentation marketers are required to profile both past and prospective clients or customers. This is done to properly match and determine the actual size of each high potential segment. According to Kotler and, in order to make any segment actionable for marketing, each segment must be: 1) Discrete, i.e., the separate identity of the sub-group must be established by using any criteria like income, purpose, interest, etc. 2) Measurable, i.e., the characteristics that distinguish the sub-groups should be measurable through the available data. 3) Viable, i.e., the projected earnings to be achieved should be more than the costs of designing the market mix4) Appropriate, i.e., showing the inseparability of the various product which should contribute to the overall image in the market.

### 2.1.1 MARKET SEGMENTATION BASES

According to Kotler, there is "no single way to segment a market. A marketer has to try different segmentation variables, singly and in combination, hoping to find an insightful way to view the market structure".  The major variables used for segmenting the market for tourism products and services are (The international journal of economics, by (Mwendia.J.Gichuru, 2017)

1. Geographic Segmentation.
2. Demographic Segmentation.
3. Psychographic Segmentation.
4. Behavioral Segmentation.
5. Price Segmentation.

**2.2.1.1 Geographic Segmentation** Dividing a market into geographic segments is one of the oldest ways to perform market segmentation. The underlying assumption is that people have different needs and wants based on where they live. Commonly, a geographical segmentation divides a market into units such as nations, states, regions, counties, cities or neighborhoods. A organization can decide to operate in only a few of the segments, or in all of them but customize their offering according to the geographical differences in needs and wants said by Kotler & Armstrong (2003). Marla Royne Stafford (1996) stated that demographics continue to be one of the most popular and well-accepted bases for segmenting markets and customers. Even if others types of segmentation variables are used a marketer must know and understand demographics to assess the size, reach and efficiency of the market.

An organization can decide to operate in one or a few geographic areas or operate in all but pay attention to local variations in geographic needs and preferences. The market is hence segmented in various geographic variables such as region, size of the metropolitan area, population density and climate. This segmentation is based on the idea that customer needs differ according to various geographic variables.

**2.2.1.2 Demographic Segmentation**

This is the division of a market into groups based on demographic variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, generation and nationality by Kotler &Armstrong (2003). Demographics have gained much popularity because they are easily measured and often vary closely with consumer needs and usage rates. The complexity and costs of the scheme also stay relatively low.

Demographic variables must, however, be handled carefully. Critique from Cahill (2006) points out that although there generally are behavioral differences between e.g. men and women or teenagers and elders, they are at best displayed by only a large majority of the group. Consequently, the remaining individuals whose behavior does not fit into the framework of the demographic group (older people who behave younger or chase youthfulness) might not fit into the designated age demographic. However it is also argued that the demographic segmentation is probably the one most frequently used method of market segmentation since,

i) Consumer wants, preferences, and usage rates are associated with demographic variables.

ii) This method is easy in measurement and interpretation of the data, as information as consumers are placed int definite scales of measurement (T.P. Beane, D.M. Eniss, 1987 “Market Segmentation: A Review”, European Journal of Marketing)

**2.2.1.3 Psychographic Segmentation** Under this category psychographic segmentation mainly refers to dividing the market into different groups based on various psychological characteristics of the buyers, such as social class, lifestyle or personality. Marketers have understood that to attract or motivate a particular group of consumers, it is necessary to know how they think and what their values and attitudes are, as well as who they are in terms of the traditional demographic variables Ziff (1971). The power of psychographics is that it identifies basic beliefs and attitudes that influence consumer behavior in various situations. Ziff's study (1971) suggests that by finding a core of attitudes and values that affects the buying behavior for a class of products, one can gain general understanding that can be applied to other related products or even completely different classes of products. Because the changes in person, family and occupation throughout life affect buying behaviour, psychographic and demographic segmentation bases are often used in combination to better identify market segments. Behavioral variables, e.g. usage rates, can also be used to complement a psychographic segmentation scheme. **2.2.1.4 Behavioral Segmentation**

In this type of segmentation, prospective buyers of products are segmented on the basis of their knowledge, attitude, use, or response to the product. A number of behavioristic variables are used for market segmentation: i) Occasions: Buyers may be divided according to occasions for which they may need a product. For example, a person usually travels on an occasion concerning business, vacation or family.

Sometimes the customers are classified on the basis of critical events which mark life's passages such as marriage, separation, divorce, acquisition of home, injury, illness, change in career, retirement, etc. Imaginative tour operators have, therefore, created packages like honeymoon tours for those who have recently been married; natural therapy or Ayurvedic treatment tours for those who are looking for improvement of health after illness or stressful life; or spiritual tours to Ashrams, etc. for those who look for spiritual enlightenment.ii) Benefits: Benefit segmentation identifies the:

* major benefits that the consumers look for in the product,
* kinds of people who look for each benefit, and
* major brands that deliver each benefit.

According to Kotler many products are made up of three "core benefit segments": i) quality buyers, ii) service buyers, and iii) economy buyers. A quality buyer is more concerned by the product image and not the cost whereas, a service buyer would choose a product that provides a good service. In other words, they look for the best value for their money and accordingly want a service that matches the product. Lastly an economy buyer would like to keep the costs down. Besides the benefits sought by the customers certain other associated characteristics also help in devising the marketing strategies. These include: 1) User Status: Customers may be segmented as Fist time or repeat customers, ex- customers or potential customers etc. on the basis of user status. 2) Usage Rate: This is the segmentation on the frequency or degree to which a customer’s uses a product or service. For example, Airlines and hotels classify their clients as Frequent Travelers or less frequent traveler’s or one-time travelers.

3) Loyalty status: This describes the tourists’ preference for a particular product or service in spite of allurements to shift to other products. An organization should study the characteristics of its own hard-core loyals and devise marketing strategies to maintain their loyalty. For example, some airlines have Frequent Traveler Programmers in which they offer benefits like excess baggage allowance, priority in confirmation of seats or special waiting lounge for their frequent travelers’ clients. An organization should also aim to study customers who are shifting away from its brand as it will give the organization and marketers valuable insights into its product and marketing weaknesses. However, the effort should always be to treat every customer as special and make him or her feel special in order to bring about loyalties for your product.

4) Buyer-Readiness Stage: At any given time, people are in different stages of readiness to buy a product. Smart marketeers always know when to launch their product.According to Kotler among the potential buyers some are: unaware of the product, aware, informed, interested, desirous, or intending to buy. This distribution of prospective customers into stages of readiness helps in designing the marketing programme. 5) Attitude: Customers in a market can be classified by their degree of enthusiasm for the product. They may be enthusiastic, positive, indifferent, negative or hostile. If a company can correlate attitudes with demographic descriptions, then it can increase its efficiency in locating the best prospects. For example, all tour operators and travel agents will find it much easier to sell Kenyan tours to those who have an enthusiastic or positive attitude towards Kenya

**2.2.1.5 Price Segmentation**

Price ranges often come handy in segmenting the markets. For example, there are: those who are high spenders and are prepared to pay high prices. They are those who rather spend a low price, and example of such are budget travelers who rather spend moderately or low on travel According to Middleton, when deciding to market new products, or enter a market for the first time, producers have to make a fundamental strategic choice as to where on the prevailing price spectrum they should aim their marketing effort. It is this choice that largely determines which segments they will be dealing with, and has immediate implications for the nature of the products to be provided and the form of any promotion and distribution. Price ranges communicate to the consumers the quality expectations of a product along with the producer’s image.

## 2.1.2 BENEFITS OF MARKET SGMENTATION

Market segmentation has become key to the success of a company and a critical part of business strategy, allowing for benefit many benefits to companies and organizations. These benefits include (Simkin, 2008, pp. 45):

* focusing on customers’ needs, expectations, aspirations, and share of the wallet.
* building relationships with the most attractive customers.
* creating barriers for competitors.
* delivering focused product and service propositions.
* differentiated from rivals’ propositions
* increasing revenues and share of their wallet from targeted customers;
* determining whom not to chase for business.
* prioritizing resource allocation and marketing spent on the most worthwhile opportunities.
* establishing commitment and single-mindedness within the organization – one vision, one voice, harmonized messages.

### 2.1.3 CHALLENGES OF MARKET SEGMENTATION write the refernces)

Despite market segmentation being incredibly useful, various challenges can arise during conducting and implementing the process, such challenges may include

1. Cost factor – segmentation can be seen as an investment. Splitting your market into groups requires organizations to have various marketing campaigns for various segments and, in different ways and mediums which can be very costly. Hence organizations can see it as an investment and if done correctly revenue generated from targeting the segments that will yield the best benefits will be able to compensate for the cost. However, this is not always the case as organizations do not always yield the best results leading to losses
2. Understanding that people can belong to multiple segments – Marketers should be able to understand that potential clients do not solely fall under one specific segment. They could fall under various segments depending on the situations and factors at hand as human beings in nature change their habits and desires depending on their environment, situation and mindset. Hence when approaching segmentation, it is better to consider various scenarios to ensure customers divers needs are represented.
3. Keeping the segments precise- segmentation only work where they are clearly defined and are distinct from one another. If the segment it’s too broad and vague, it may not beneficial as you will have failed on precisely focusing on your target group. To mitigate these markets should ensure segments are narrow and clearly defined while creating a detailed profiled on who exactly is their target clientele.
4. Selecting the right segment to focus on- it is easy to disproportionally target one segment, and overlook some potentially promising groups when segmenting. Focusing on one that might make up a big section of your market and overlook one that might actually be a better fit for your product or service. Thus, it is important to take enough time in the segmentation phase or risk missing out on lucrative areas of growth.

## 2.1.4 CONCEPTUAL FRAMEWORK

Based on the literature review, the relationship between role market segmentation and customer satisfaction can be conceptualized as below

DEPENDENT VARIABLES

INTERVENING VARIABLES

INDEPENDENT VARIABLE

Customer satisfaction

Market segmentation

Customer preferences and wants

Figure : Conceptual Framework

# CHAPTER THREE

# 3.0 RESEARCH METHODOLOGY.

## 3.1 Study area

The study area will mainly involve respondents and information gathered specifically from Kilifi county. Here, I will try to analyze and identify the influence of segmentation on customer satisfaction in Kilifi County and also identify ways in which the tourism enterprises from the county will ensure that they are able to meet customer satisfaction using the concept of segmentation. The main aim will be to provide an insight on the different segmentation used to develop products and services that meet the need of the tourist in turn leading up to their satisfaction. This study will take an explanatory approach, which is a research method aimed at exploring a topic when limited information is available.

## 3.2 Research Design

This research utilized a case study design. This was narrowed down to a specific unit thus the Kilifi county case study in order for it to be comprehensive enough to give representative information for similar units operating in the same environment. The use of the case study in the research also had the advantage of being the easiest research free from material bias and enabled one to study intensively on a particular unit. It uses procedural format for collecting, analyzing and reporting research by both qualitative and quantitative means. The researcher will employ explanatory research design due to its effectiveness in the study, which involves broad ranging of both local and international data collection design to maximize discovery of generalization based on description and lead to the understanding of an area.

## 3.3 Data collection

For the purpose of this research and in order to achieve the objective I will use both secondary and primary methods of data collection. Secondary data will be contributing toward formation of background information needed by the researcher in order to build constructively the project and enhance more understanding through the survey outcome.

Primary data will be collected in two ways first questionnaires and second interviews. Questionnaire’s survey will be conducted with tourists visiting Kilifi. Secondly interviews will be carried out with providers of tourism enterprises

## 3.4 Sampling design

Ideally what one wants to study is the entire population and region, but it is impossible hence leaving me with the only option of settling for a sample. According to black and champion (1776) sampling is a portion of element taken from a population which is believed to be a representative of the whole population.in order to collect data the questionnaires survey technique will be used. For the purpose of this study random probability will be used, a sample size of both tourists and tourist enterprise larger than 20 and less than 100 with appropriate for most research. Furthermore, survey interview survey technique will be used.

## 3.5 Questionnaires

Questionnaire can be defined as a self-report instrument seed for gathering information about variables of interest to an investigation.

For this study both open ended and closed ended questions will be designed. Open ended questions will be used in order to gauge how satisfied the tourist is and where needs to be improved upon while close ended in order to call for responses which narrow down the field of enquiry since the respondents (the tourist and enterprise) choses among fixed responses they also help the researcher to analyze easier the data since the response can be directly compared survey can be employed among people of all ages and they are replicated from one subject to another.

The interview survey; the technique of personal interviewing is undertaken in order to reach the objective since it is the most versatile and productive method of communication enabled spontaneity and also provided with the skill of guiding the discussion back to the topic outlined when discussions are unfruitful.

## 3.6 Target Population

The target population will include tourism enterprises within Kilifi county such as marketers, hoteliers and travel agencies. I will carry out both survey and issues questionaries via means of email.

## 3.7 Survey process

Survey is statistical process of selecting a sample representative of the population in a way that all the elements represent the entire population. For this research simple random sampling techniques will be used; where the respondents representing the sample size will be chosen randomly and each member of the target population will have an equal chance of being selected.

### 3.8.1 Data collection

I will use both primary and secondary sources for data collection for this study. For primary data questionnaires will be given to the tourism enterprises within Kilifi county either face to face or via email. Secondary data will be sourced from journals, e-books, internet and other similar studies that have been conducted regarding the topic at hand.

### 3.8.2 Instruments for data collection

Data collection tools to be used in this research is a questionnaire’s research instrument consisting of a list of questions. Both open ended and closed ended questionnaires will be issued so as to get more and exact feed backs. The method is chosen because questionnaires give respondents an opportunity to answer questions and also give their own opinion on the subject matter.

### 3.8.3 Validity and reliability of instruments of data collection

To ensure validity in the research I will use my research objectives to come up with questionnaires so as to ensure that the correct and valid information regarding the research will be collated. For reliability I will ensure expert check whereby I will present the questionnaire to my project supervisor to confirm if it has been well constructed. Furthermore, I will conduct a pilot test and give out questionnaires to different people and see if they are able to answer the questions and readjust if needed be.

### 3.8.4 Method of data analysis and presentation

Data collected from questionnaires will be transcribed and entered into spread sheets and emphasized in numerical data.

# 4.0 CHAPTER FOUR : DATA FINDINGS AND DISCUSSION

## 4.1 INTRODUCTION

The purpose of this study was to examine the influence market segmentation has on customer satisfaction within Kilifi county, Kenya. To achieve this purpose, various tools were used to solicit for information, and data collected and keyed in for analysis. Presentation was done through tables, pie charts and bar graphs. Simple descriptive analysis was used using Statistical Package for Social Scientists (SPSS). The following are the outcomes from the various respondents.

## 4.2 RESPONSE RATE

A total of 120 questionnaires were issued out to 100 hotels within Kilifi county. Out of this, 20 questionnaires were used for pre-testing and were not included in the final analysis making a total of 100 viable for the research study. The number of questionnaires sent out via both mail and WhatsApp 100, representing a response rate of 62%. Data was gathered from 100 respondents sampled for the study.

**Table 4.1 Response Rate**

|  |  |  |
| --- | --- | --- |
| Response | Frequency | Percentage (%) |
| Filled-in questionnaires | 62 | 62 |
| Unreturned questionnaires | 38 | 38 |
| Total | 100 | 100 |

Table : Response rate

Source; research data

The high response rate is attributed to the high number of respondents which was as a result of the researcher’s own attempt to gain consent and explain the relevance of the study prior to response.

**4.3 DEMOGRAPHIC ANALYSIS**

## 4.3.1. AGE DEMOGRAPHICS

Out of the 62 respondents that answered 56 stated that majority of their customer based consisted of tourist above 50 years (90.3%) and (9.7%) stated that their customer included mainly middle-aged people ranging between 35-45 years old.

findings were as indicated in table 4.2

**Table 4.2 Age bracket of the clients**

|  |  |
| --- | --- |
| Age | Percentage |
| Above 50 years | 90.3% |
| 35-45 years old | 9.7% |
| **Total** | 100% |

Table : Age bracket of clients

Source; research data

## 4.3.2. NATIONALITY DEMOGRAPHIC

The findings of this study showed that 38(61.3%) of the respondents reported that their customers were of Italian nationality, 18(29.1%) were of British nationality and 6(9.6%) were of other nationalities.

Figure : Pie Chart for Nationality of Tourists in Kilifi

**4.3.3. ATTRACTION PREFERENCE**

In this section the respondents gave out information on the level of performance of various attractions within Kilifi County. The respondents noted that out of a rating of five being the highest , 48 stated that coastal beaches were the most preferred , 38 stated entertainment giving it a 5 rating, 20 stated heritage and cultural events which had a rating on 3 while 12 responded to historical sites which were given a 2 rating .(It is important to note that out of the 62 respondents 36 respondents gave more than one answer to the question hence the data.)

Figure : Tourist Attraction preference Chart

# CHAPTER FIVE:

# SUMMARY, CONCLUSION AND RECCOMENDATIONS

## 5.1 INTRODUCTION

This chapter presents the summary of the study findings, discussions based on the literature review, conclusion and recommendation of the research. Recommendations are on the areas of for further studies and also recommendations on how market segmentation can be used better within the tourism industry within Kenya.

## 5.2 STUDY SUMMURY

The main purpose of this study was to establish the influence of market segmentation on customer satisfaction with specific reference to Kilifi County, Kenya. The specific objectives of the study were;

* To identify how tourism enterprises within Kilifi County segment their market
* To identify the importance of market segmentation by tourism enterprises within Kilifi County
* To establish the challenges faced by the tourism enterprise within Kilifi County segmenting while segmenting their markets

Out of these I derived my questionnaire which I used to acquire my research data from, As I was aimed at answering the questions brought about by my main objectives. Once I acquired my finding I represented the data in various data representation methods such as pie chart, tables and bar graphs. One of the challenges which I faced in the research process was being able acquire data from the setout respondents who were hoteliers and the target number was 100 I was able to get 62 number of respondents instead. This challenge was attributed to lack of willingness to respond and lack of face-to-face interaction as questionnaires where given out via email and WhatsApp means. All in all, I was able to compile the data and come up with findings for my research.

## 5.3 CONCLUSION

The study was aimed at highlighting the influence of market segmentation on customer satisfaction looking closely at Kilifi County tourism. The study aimed at highlighting how market segmentation can bring about customer satisfaction and the various method and variables while conducting the segmentation process.

Furthermore, age and nationality demographics are not the only variable to consider while segmentation a market and often or not customers and clients may fall into more that one demographic. Customers wants also place a crucial role one in segmentation, for one to successfully be able to segments a market they should first understand that since meeting their preference contributes to achieving a degree of customer satisfaction.( Ziffs 1977)

## 5.4 RECOMMENDATION

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# APPENDICES : QUESTIONAIRES

**PART A : General Information**

1. What is your name?.......................................................

2. What is your gender?

Male female

3.Do you, in any way, provide services or products to tourists?

No

If Yes

Explain ……………………………………………………………………………………………………………………………………………………………………………………

4What type of tourism enterprise do you provide

Accommodation

Guide

Shop

Restaurant

Other, namely …………………………………………….

**PART B: Participation in Tourism**

1..Do you offer products and services that are target specific to your clients. If yes specify

………………………………………………………………………………………………...

……………………………………………………….

2.What age range do majority of your clients range?

Between 18-25

Between 25-35

Between 35-45

Between 45-50

Above 50 years

3.In your opinion what is most preferred when it comes to the following by tourists?

1. Packaged (Multiple attractions.)
2. Single (only one attraction at a time.)

4.How would you rate the level of preference of the following tourist attraction within Kilifi county? (Scale 1 - 5): 1- Least 5- Greatest

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | **3** | **4** | **5** |
| 1. Coastal Beaches |  |  |  |  |  |
| 1. Museum/ Historical Site |  |  |  |  |  |
| 1. Cultural Events/Heritage |  |  |  |  |  |
| 1. Entertainment |  |  |  |  |  |
| 1. If other specify |  |  |  |  |  |

Provide additional information for above………………………………………

……………………………………………………………………………………….

5. After filling the above information in your opinion will you say that your organization carries out market segmentation. ………………………………………………………………………….

6.From a scale (1 – 5), how would you rate your performance before the implementation of market segmentation?

a) 1 b) 2 c) 3 d) 4 e)5

7.From a scale of (1 - 5), how would you rate your performance after the implementation of market segmentation?

a) 1 b) 2 c) 3 d) 4 e)5

8.What are the most significant improvements that market segmentation has contributed to your enterprise?

9. With a scale of (1 - 5), how you rate customer satisfaction regarding how you have segmented your market?

a) 1 b) 2 c) 3 d) 4 e) 5

10. What are the biggest challenges that you have faced in segmenting the market in Kilifi county?

11. What recommendations would you give to help other enterprises segment the tourism market in Kilifi?