

CUSTOMER RELATIONS STRATEGIES IN ENTREPRENEURIAL SURVIVAL FOR KENYAN ONE AND TWO STAR HOTELS

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ABSTRACT

The goal of this mixed study was to explore the importance customer relations as business strategy in encouraging enterprise survival in the hotel industry and minimize start-up failure rates. To achieve this, the researchers determined practices adopted by one and two star hotels that have been in operation for more than five years and translated it into a model that determines the weight of importance to be applied. The study was conducted in Nairobi, Eastern, Central and Coast Region, the survey was completed by 60 hotel owners and/or managers. The axiomatic prescriptive research used inferential statistics to analyze the data and test the hypothesis. Structured Equation Modeling was applied. It was found that responsiveness to customer needs is crucial and personalized services determine customer retention. Owners/Managers who reported high practices of being systematic in their approach towards levels of customer services and satisfaction also reported high rates of repeat customers. The study will aid the Kenyan government in designing an effective programme that foster entrepreneurial spirit. It also helps propel the eradication of extreme poverty through the creation of sustainable jobs which increase the incomes of families and improves primary health care. This is in-line with MDGs goals 1 and 5. It provides a motivational tool that facilitates the long term objective of sustainable development at local, national and regional level.

Keywords: *Customer relations, entrepreneurial survival, strategy, hotels and entrepreneurial practices*