

**ASSESSMENT OF SOCIO-ECONOMIC FACTORS INFLUENCING CUSTOMER
SATISFACTION IN THE HOSPITALITY INDUSTRY IN KENYA: FOCUS ON 4-STAR
RATED HOTELS IN KISUMU AND NAKURU CITIES, KENYA**

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FULFILMENT OF THE REQUIREMENTS FOR THE CONFERMENT OF THE
DEGREE OF MASTER OF TOURISM MANAGEMENT OF THE SCHOOL OF
BUSINESS AND ECONOMICS, KISII UNIVERSITY**

AUGUST, 2026

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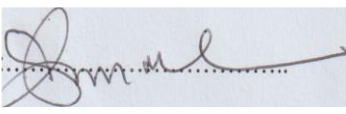
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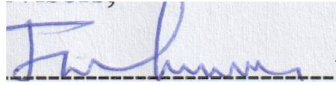
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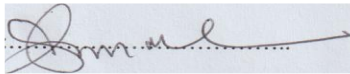
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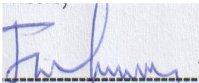
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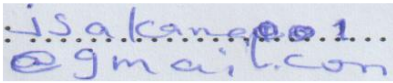
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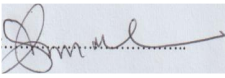
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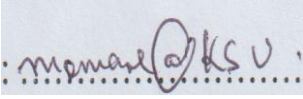
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DEDICATION

This research project work is dedicated to my dear late parents, Naboth E Otieno and Mama Theresa Joan Akinyi, my husband Joseph Okwado for their inspiration and the tireless encouragement from my children Zinma, Tezra, Julia, Isaac and Ivy towards successful completion of my project writing. God bless all.

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ABSTRACT

Despite the growth and increasing competitiveness of Kenya's hospitality sector, the determinants of customer satisfaction in 4-star-rated hotels remain underexplored. This study assessed the socio-economic factors influencing customer satisfaction in 4-star-rated hotels in Kisumu and Nakuru cities, Kenya. Specifically, the study examined the influence of service quality, personality traits, and economic factors on customer satisfaction and established the moderating role of sustainable practices in these relationships. The study was anchored on Cognitive Theory and Stakeholder Theory. The study adopted a descriptive survey research design. The target population comprised 684 respondents, consisting of hotel guests, management, and staff from 4-star-rated hotels in Kisumu and Nakuru cities, from which a sample of 360 respondents was selected. Data were collected using structured questionnaires, whose validity was established through expert review and construct validity assessment, while reliability was confirmed using Cronbach's Alpha reliability testing. Data were analysed using descriptive statistics, Pearson correlation, multiple regression, and hierarchical regression analyses. The findings revealed significant positive relationships between service quality ($r = .501$, $p < .001$), personality traits ($r = .437$, $p < .001$), economic factors ($r = .615$, $p < .001$), and customer satisfaction. Multiple regression analysis established that socio-economic factors significantly predicted customer satisfaction, explaining 47.8% of the variance ($R^2 = .478$, Adjusted $R^2 = .472$, $F(3,267) = 81.483$, $p < .001$). The addition of sustainable practices significantly improved the explanatory power of the model, increasing the explained variance to 56.3% ($\Delta R^2 = .085$, $F\text{-change} = 14.592$, $p < .001$). The study concludes that service quality, personality traits, and economic factors significantly influence customer satisfaction in 4-star-rated hotels, while sustainable practices strengthen this relationship. The study recommends that hotel managers enhance service quality standards, develop employee interpersonal capabilities, consider customer economic value perceptions, and integrate sustainable practices to improve guest experiences, customer loyalty, and competitiveness within Kenya's hospitality sector.

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LIST OF ABBREVIATIONS/ACRONYMS

- CFA** - Confirmatory Factor Analysis
- CPV** - Customer Perceived Value
- COVID 19** - Corona Virus Disease (2019)
- DINESERV** - Dinning Service Quality Model
- GDP** - Gross Domestic Product
- UNWTO** - United Nations World Tourism Organization
- WOM** - Word of Mouth

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Customer satisfaction has become a central performance indicator in the hospitality industry because of its influence on customer retention, loyalty, profitability, and long-term competitiveness. Unlike tangible products, hospitality services are largely experiential, involving continuous interactions between customers and service providers. Consequently, customers evaluate hotels not only based on the physical facilities provided but also on the quality of service encounters, emotional experiences, perceived value, and the extent to which their expectations are fulfilled (Oliver, 1980; Zeithaml, Bitner, & Gremler, 2020). According to the expectation-disconfirmation theory, customer satisfaction results from the comparison between customers' expectations before service consumption and their actual experiences after service delivery. When perceived performance meets or exceeds expectations, customers develop positive satisfaction judgments, while experiences below expectations result in dissatisfaction (Oliver, 1980).

In the contemporary hospitality environment, customer satisfaction has gained increasing strategic importance due to intensified competition, changing customer preferences, and the growing influence of digital platforms where customers share service experiences publicly. Positive satisfaction outcomes enhance customer loyalty, encourage repeat visits, generate favourable word-of-mouth recommendations, and strengthen hotel competitiveness (Kandampully, Zhang, & Bilgihan, 2015). Conversely, dissatisfied customers may switch to competing establishments and negatively influence hotel reputation through online reviews. Therefore, understanding the factors

that shape customer satisfaction remains critical for hospitality organizations seeking sustainable growth.

Globally, the hospitality and tourism sector continues to experience significant transformation driven by changing consumer expectations, technological advancement, and increased demand for personalized experiences. International tourism recovery and growth have intensified competition among accommodation providers, requiring hotels to continuously improve service delivery and customer experience management (UN Tourism, 2024). The World Travel and Tourism Council (WTTC, 2024) further highlights that tourism remains a major contributor to global economic development, supporting employment, investment, and business growth. Within this environment, customer satisfaction has become a strategic resource through which hotels differentiate themselves and maintain market relevance.

In developing economies such as Kenya, the hospitality sector plays an important role in economic development through tourism earnings, employment creation, and investment opportunities. Kenya's tourism industry has continued to recover and expand following disruptions caused by global events, with accommodation facilities increasingly focusing on improving service quality and customer experience to attract both domestic and international visitors (Kenya National Bureau of Statistics [KNBS], 2024). The growth of urban tourism destinations has increased competition among hotels, particularly in cities where business, conference, leisure, and domestic tourism activities create demand for quality accommodation services.

Among accommodation facilities, 4-star-rated hotels occupy an important market segment because they serve customers who expect relatively high standards of comfort, service reliability, professionalism, and value. The classification of hotels through star-rating systems provides

customers with an indication of expected service standards and assists establishments in positioning themselves within competitive markets (World Tourism Organization [UNWTO], 2021). However, achieving a particular star rating does not automatically guarantee customer satisfaction, since satisfaction is influenced by customers' perceptions of actual service experiences and the extent to which hotels respond to evolving expectations.

In Kenya, cities such as Kisumu and Nakuru have experienced increased hospitality investment due to their growing roles as commercial, tourism, and regional service centers.

The expansion of 4-star hotels in these cities has created a competitive environment where establishments must understand the factors influencing customer satisfaction to maintain customer loyalty and improve performance. However, despite the importance of customer satisfaction in hotel competitiveness, limited empirical attention has been directed toward examining the combined influence of socio-economic factors among customers of 4-star-rated hotels in these emerging urban hospitality markets.

One of the major determinants of customer satisfaction in hospitality is service quality. Service quality represents customers' evaluation of the excellence and superiority of services received compared with their expectations. Parasuraman, Zeithaml, and Berry (1988) conceptualized service quality through dimensions including reliability, responsiveness, assurance, empathy, and tangibility, which have remained widely applied in hospitality research. High-quality service delivery enhances customer confidence, improves perceived value, and contributes significantly to satisfaction outcomes (Zeithaml et al., 2020). However, variations in service quality perceptions among hotels suggest the need for continuous assessment of how service delivery practices influence customer satisfaction within specific hospitality contexts.

Beyond service quality, personality traits represent another important psycho-social factor that may influence customer satisfaction in hospitality settings. Hotels are highly people-oriented businesses where employees frequently interact directly with customers throughout the service experience. The attitudes, emotional disposition, interpersonal skills, and behavioural characteristics of employees can shape customers' perceptions of service encounters and influence their overall satisfaction. The hospitality industry depends heavily on employees' ability to demonstrate empathy, responsiveness, courtesy, and emotional intelligence because service experiences are often evaluated through human interactions rather than only through physical facilities (Kim, McGinley, & Choi, 2020).

Personality traits have been widely examined through the Big Five personality framework, which identifies five major dimensions: openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism (Costa & McCrae, 2008). In service environments, employees with higher levels of conscientiousness and agreeableness are more likely to demonstrate reliability, cooperation, and customer-oriented behaviours, which contribute positively to service encounters. Similarly, employees with strong interpersonal attributes and emotional stability are better positioned to manage customer needs and service challenges effectively (Barrick, Mount, & Judge, 2001). However, while previous studies have explored employee personality in relation to job performance and service behaviour, limited attention has been given to how personality-related factors influence customer satisfaction within Kenya's 4-star hotel context.

Another important dimension influencing customer satisfaction is the economic factor, particularly customers' perceptions of price fairness, value for money, and affordability relative to the quality of services received. In hospitality, customers do not evaluate price independently but rather

compare the cost of accommodation and services with the benefits and experiences obtained. Perceived value occurs when customers believe that the benefits received exceed or justify the sacrifices made, including monetary and non-monetary costs such as time and effort (Zeithaml, 1988). Therefore, hotels that provide services perceived as offering good value are more likely to achieve higher levels of customer satisfaction.

Economic considerations have become increasingly significant due to changing consumer purchasing power, inflationary pressures, and increased availability of alternative accommodation options. Customers are becoming more selective and expect hotels to provide services that correspond with the prices charged. Perceived unfair pricing, inconsistent service delivery, or failure to provide value relative to cost may negatively affect satisfaction and customer loyalty (Kotler & Keller, 2016). Although economic factors have been examined in consumer behaviour studies, their combined influence with service quality and personality-related factors on customer satisfaction remains insufficiently explored within Kenya's upscale hotel sector.

In addition to socio-economic factors, sustainable practices have increasingly emerged as an important consideration in hospitality management. Sustainability initiatives such as environmental conservation, responsible resource utilization, community engagement, and ethical business practices have become increasingly relevant due to growing consumer awareness of social and environmental issues. Hotels adopting sustainable practices may enhance their corporate image, improve customer perceptions, and strengthen relationships with environmentally conscious customers (Han, Hsu, & Sheu, 2010).

The relationship between sustainability and customer satisfaction is particularly relevant because customers increasingly incorporate ethical and environmental considerations into their

consumption decisions. Sustainable hotel practices may influence satisfaction by creating positive emotional responses, improving perceived corporate responsibility, and enhancing overall service experiences (Chen & Tung, 2014). However, existing studies have largely focused on green consumer behaviour and environmental attitudes, with limited empirical evidence on whether sustainable practices strengthen the relationship between socio-economic factors and customer satisfaction in 4-star hotels within developing country contexts.

Despite extensive research on customer satisfaction in hospitality, several knowledge gaps remain. First, existing studies have predominantly examined individual determinants of satisfaction, particularly service quality, while giving limited attention to the combined influence of socio-economic factors. Second, much of the available hospitality research has focused on international hotel markets, leaving contextual gaps regarding emerging urban hospitality destinations in developing countries such as Kenya. Third, while sustainability has been increasingly recognized as important in hospitality management, its moderating role in enhancing customer satisfaction relationships remains inadequately understood.

Furthermore, studies focusing on Kenya's hospitality sector have largely concentrated on tourism performance, service quality, and customer loyalty, with limited investigation of how service quality, personality traits, and economic factors jointly influence customer satisfaction among 4-star-rated hotels. Kisumu and Nakuru cities provide important contexts for examining these relationships because they are growing regional economic centres with expanding hospitality sectors serving business travellers, domestic tourists, and international visitors. Understanding these factors is therefore necessary for hotel managers seeking evidence-based strategies to improve customer experiences and maintain competitiveness.

This study therefore sought to assess the influence of socio-economic factors on customer satisfaction in 4-star-rated hotels in Kisumu and Nakuru cities, Kenya. Specifically, the study examined the influence of service quality, personality traits, and economic factors on customer satisfaction and established the moderating role of sustainable practices in the relationship between socio-economic factors and customer satisfaction.

1.2 Statement of the Problem

Ideally, 4-star-rated hotels in Kenya should achieve high levels of customer satisfaction by meeting or exceeding guest expectations through reliable service delivery, professional employee interactions, competitive pricing, and responsible business practices. Given the continued growth of Kenya's tourism and hospitality sector, hotels in emerging urban destinations such as Kisumu and Nakuru are expected to leverage these factors to improve customer experiences, strengthen customer loyalty, and enhance competitiveness. The expansion of hospitality facilities in these cities creates opportunities for improved service delivery and sustainable growth of the accommodation sector (Kenya National Bureau of Statistics [KNBS], 2024).

However, the actual situation indicates that customer satisfaction remains a challenge within the hospitality sector despite increased investment and growth in accommodation facilities. Kenya's hospitality industry continues to experience competitive pressures arising from changing customer expectations, increased availability of alternative accommodation options, economic uncertainties, and the need for hotels to differentiate their services. Although Kisumu and Nakuru have experienced growth as commercial and tourism centres, 4-star-rated hotels continue to face challenges related to maintaining consistent service experiences, achieving customer loyalty, and responding effectively to evolving guest expectations. Variations in customer evaluations of hotel

services suggest that meeting star-rating standards alone does not guarantee customer satisfaction because satisfaction is determined by customers' perceptions of actual experiences, service interactions, and perceived value.

The problem is further demonstrated by the limited understanding of the factors responsible for variations in customer satisfaction among 4-star-rated hotels. Existing evidence shows that service quality significantly influences customer satisfaction; however, many studies have focused predominantly on service quality dimensions without adequately examining other socio-economic factors that may shape customer experiences. In particular, the influence of personality traits, including employee interpersonal characteristics and customer interaction behaviours, remains insufficiently explored within Kenya's hotel context. Similarly, economic factors such as perceived price fairness, affordability, and value for money have received limited attention despite their potential influence on customers' satisfaction judgments.

Furthermore, although sustainable practices have increasingly become important in hospitality management, limited empirical evidence exists regarding their role in strengthening the relationship between socio-economic factors and customer satisfaction. Most previous studies have examined sustainability as an independent factor influencing customer attitudes and behavioural intentions, rather than as a moderating factor that may enhance satisfaction outcomes.

The existing empirical gap is therefore that previous hospitality studies have largely examined isolated determinants of customer satisfaction, particularly service quality, while limited attention has been given to the combined effect of service quality, personality traits, and economic factors within 4-star-rated hotels. The contextual gap is that limited research has focused specifically on Kisumu and Nakuru cities despite their growing importance as hospitality and tourism destinations

in Kenya. The methodological gap is that previous studies have rarely examined the moderating influence of sustainable practices in explaining the relationship between socio-economic factors and customer satisfaction.

Consequently, without adequate empirical understanding of these interacting factors, hotel managers may lack evidence-based strategies for improving customer experiences, increasing customer retention, and strengthening competitiveness. This study therefore sought to address these gaps by examining the influence of socio-economic factors on customer satisfaction in 4-star-rated hotels in Kisumu and Nakuru cities, Kenya, and determining the moderating role of sustainable practices in this relationship.

1.3 Research objectives

The main objective of the study was to Assessment of Socio-Economic Factors That Influence Customer Satisfaction in the Hospitality Industry in Kenya: Focus on 4-Star Rated Hotels in Kisumu and Nakuru Cities.

1.3.1 Specific Objectives

Specific Objectives were to:

- i. Evaluate the role of customer service quality on determining customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities
- ii. Examine influence of personality traits on customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities
- iii. Assess the influence of economic factors on customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities

- iv. To establish the moderating role of sustainable practice in the relationship between psycho socio-economic factors and customer satisfaction on 4-star hotels in Kisumu and Nakuru cities

1.4 Research Hypotheses

H₀₁: Customer service quality does not have a statistically significant effect on customer satisfaction of 4-star hotels in Kisumu and Nakuru

H₀₂: Personality does not have a statistically significant effect on customer satisfaction on 4-star hotels in Kisumu and Nakuru

H₀₃: Economic factors do not have a statistically significant effect on customer satisfaction in 4-star hotels in Kisumu and Nakuru

H₀₄: The moderating role of sustainable practice does not have a statistically significant effect on the relationship between psycho socio-economic factors customer satisfaction on 4-star hotels in Kisumu and Nakuru

1.5 Significance /Justification of the Study

In order to create policies, plan, and implement the best hospitality services and strategies in the current competitive market, hotel stakeholders, managers, policy makers, and owners can benefit from having a thorough understanding of the factors that affect customer satisfaction. Clear knowledge on the socio-economic aspects influencing the customer satisfaction dimension might help achieve this.

Policymakers in the commercial and governmental sectors of Kenya's hospitality industry can benefit greatly from the study's results on the variables affecting customer satisfaction so that they may better shape regulations pertaining to the hotel business.

It is possible that the mediating function of customers' pleasure in the hospitality sector may be determined with the help of this study, therefore it has significance for future research. Furthermore, academics may utilize this to cite prior works and contribute to the existing knowledge base on the topic of customer satisfaction.

1.6 Scope of study

Kisumu and Nakuru served as case studies for this research because of their thriving hotel industries. As a result, the cities of Kisumu and Nakuru served as the focus of this investigation. Kisumu town is the county seat of Kisumu County and the third-largest city in Kenya. It is located on the banks of Lake Victoria, a fresh water lake. Location coordinates for the town are: longitude 33° 20'East, latitude 35° 20'East, and 0° 20'South, 0° 50'West. Kisumu County is located in the center of Kenya and is surrounded by the counties of Homa Bay to the south, Nandi to the north-east, Kericho to the east, Vihiga to the north-west, and Siaya to the west. Acacia, Sunset, Kisumu Hotel, Imperial, Best Western, Royal Swiss, Jumia, and Great Lakes hotels are all examples of suitable 4-star options within the scope of the research.

Instead, Nakuru is the county seat of Nakuru County in Kenya. Its location in the Great Rift Valley makes it notable. Animals including rhinos, giraffes, lions, and leopards may be seen at the nearby Lake Nakuru National Park. Thousands of flamingos' flock to Lake Nakuru every year to feed on the algae that thrive in the soda lake. The lake, the lion hills, the baboon cliffs, and the many animal

species that call Lake Nakuru National Park home are just a few of the highlights of a visit to this Kenyan park. Participating hotels in the research include The Stem Hotel, The Wagon Wheel Hotel, The Grand Winston Hotel, The Merica Hotel, and Hotel Kunste.

1.7 Limitations/Delimitations of the Study

The study was delimited to 4-star-rated hotels located in Kisumu and Nakuru cities, Kenya. Therefore, the findings are interpreted within the context of these two cities and may not be fully generalized to all hospitality establishments in Kenya, particularly hotels operating in different geographical and market contexts.

One limitation of the study was that respondents' levels of education, professional experience, and understanding of hospitality services may have influenced their interpretation and responses to the research instrument. To minimize this limitation, the researcher developed clear and simple questionnaire items and provided necessary clarification to respondents to enhance understanding and accuracy of responses.

Another limitation was the possibility of response bias, particularly due to confidentiality concerns associated with providing information about personal experiences and hotel services. To address this limitation, the researcher assured respondents that all information provided would be treated with confidentiality and used strictly for academic purposes. Ethical research procedures, including informed consent and protection of respondents' privacy, were observed throughout the study.

1.8 Assumptions of the Study

The research proceeded on the presumption that the interviewees provided truthful and open responses. It also assumed that the sample inclusion criteria were acceptable, guaranteeing that all participants encountered the same or comparable event under investigation. In addition, the study presumed that participants engaged out of genuine interest in the research and not out of any desire to impress the researcher or their superiors on the work.

1.9 Operational Definition of Terms

- Economic Factors:** Refers to the financial considerations that influence customers' evaluation of hotel services, including perceived price fairness, affordability, value for money, and the relationship between the cost incurred and the quality of services received. In this study, economic factors were measured based on customers' perceptions of pricing, service value, and the extent to which hotel services met their expectations relative to the costs paid.
- Service Quality:** Service quality is measured by what the consumer takes away from an interaction and is willing to pay for, as opposed to what the seller invests in order to make the sale. As a result, quality of service may be seen as the connecting factor between the idealized version of the service and the actual experience of receiving the service.
- Personality Traits:** Refers to the enduring psychological characteristics, behavioural tendencies, and interpersonal attributes that influence how individuals perceive, respond to, and interact within service environments. In this study, personality traits refer to the characteristics exhibited by hotel employees during customer interactions, including agreeableness, conscientiousness, emotional stability, openness, and extraversion, which influence service encounters and customers' perceptions of satisfaction in 4-star-rated hotels.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Cognitive theory

Cognitive Dissonance Theory was developed by Leon Festinger (1957) to explain how individuals strive for consistency between their beliefs, attitudes, and behaviours. The theory postulates that when individuals experience inconsistency between their expectations and actual experiences, psychological discomfort arises, motivating them to restore cognitive consistency by changing their attitudes, beliefs, or behaviours (Festinger, 1957; Harmon-Jones & Mills, 2019).

Within the hospitality industry, Cognitive Dissonance Theory explains how customers evaluate hotel experiences by comparing prior expectations with actual service encounters. Customers cognitively process information relating to service quality, employee interactions, hotel facilities, and perceived value before forming an overall judgement of satisfaction (Kariru & Aloo, 2014; Kandampully et al., 2015; Zeithaml, Bitner, & Gremler, 2020).

Customers evaluate service quality through perceptions of reliability, responsiveness, assurance, empathy, and tangibility (Parasuraman, Zeithaml, & Berry, 1988; Zeithaml et al., 2020). Likewise, employees' personality traits, including agreeableness, conscientiousness, emotional stability, and empathy, influence customers' perceptions during service encounters (Barrick, Mount, & Judge, 2001; Kim, McGinley, & Choi, 2020). Economic factors such as perceived price fairness, affordability, and value for money also influence customers' cognitive evaluations of hotel services (Zeithaml, 1988; Kotler & Keller, 2016).

Critics argue that Cognitive Dissonance Theory does not adequately explain how individuals select specific mechanisms for reducing dissonance and tends to underestimate the influence of emotions and situational factors on decision-making (Harmon-Jones & Mills, 2019; Cooper, 2019).

Despite these criticisms, the theory remains highly relevant in hospitality research because it explains the cognitive mechanisms through which customers evaluate service experiences and develop satisfaction judgements (Oliver, 1980; Kandampully et al., 2015; Han, Hsu, & Sheu, 2010).

2.1.2 Stakeholder Theory

Stakeholder Theory was developed by R. Edward Freeman (1984) to explain how organizations create value by balancing the interests of multiple stakeholders rather than focusing solely on shareholders. The theory posits that organizations are accountable to all groups that influence or are influenced by their operations, including customers, employees, suppliers, investors, governments, local communities, and the natural environment (Freeman, 1984). It argues that long-term organizational success depends on effectively managing relationships with these stakeholders by creating shared value, fostering trust, and conducting business in a socially, economically, and environmentally responsible manner (Freeman, Harrison, Wicks, Parmar, & De Colle, 2010).

The fundamental assumption of Stakeholder Theory is that organizations that recognize and respond to stakeholder expectations are more likely to achieve sustainable competitive advantage, improved organizational performance, and stronger customer relationships. The theory assumes that customers increasingly evaluate organizations not only on the quality of products and services offered but also on their ethical conduct, environmental stewardship, social responsibility, and

commitment to sustainable development. Consequently, organizations that integrate sustainability into their strategic and operational activities enhance stakeholder confidence, organizational legitimacy, and customer satisfaction (Freeman et al., 2010; Jones, Harrison, & Felps, 2018).

Within the hospitality industry, Stakeholder Theory explains the growing importance of sustainable practices in shaping customer perceptions and behavioural intentions. Hotels interact with numerous stakeholders, including guests, employees, local communities, suppliers, tourism regulators, and environmental agencies. Sustainable practices such as responsible waste management, energy conservation, water efficiency, ethical sourcing, environmental protection, employee welfare, and community engagement demonstrate organizational commitment to responsible business conduct. These initiatives enhance customers' perceptions of hotel credibility, corporate reputation, and service value, thereby strengthening customer satisfaction and loyalty (Han, Hsu, & Sheu, 2010; Chen & Tung, 2014; Font, Elgammal, & Lamond, 2017).

The theory further assumes that sustainability enhances organizational performance by strengthening the effectiveness of existing organizational resources and capabilities. In the context of this study, sustainable practices are expected to strengthen the relationship between service quality, personality traits, economic factors, and customer satisfaction. High-quality services delivered within environmentally and socially responsible hotels are likely to generate higher levels of customer satisfaction than similar services delivered in hotels that do not demonstrate sustainability commitments. Likewise, employees who exhibit desirable personality traits while working within organizations that promote ethical conduct, employee welfare, and environmental responsibility are likely to create more positive customer experiences. Similarly, customers are more likely to perceive hotel prices as fair and receive greater value for money when hotel

operations incorporate sustainable practices that demonstrate long-term value creation and responsible resource utilization (Han et al., 2010; Kim, Lee, & Fairhurst, 2017).

Several scholars have criticized Stakeholder Theory for providing limited guidance on prioritizing competing stakeholder interests, particularly where organizational resources are constrained. Critics argue that the theory does not specify how managers should balance conflicting expectations among different stakeholder groups and that pursuing multiple stakeholder interests simultaneously may create strategic complexity and increase operational costs (Jensen, 2002; Phillips, Freeman, & Wicks, 2003). Furthermore, some scholars contend that implementing sustainability initiatives may require substantial financial investment before tangible organizational benefits are realized, particularly in developing economies where resource limitations may constrain sustainability programmes.

Despite these criticisms, Stakeholder Theory provides an appropriate theoretical foundation for this study because it explains how sustainable practices influence customers' perceptions of hotel operations and strengthen organizational relationships with key stakeholders. The theory underpins Objective IV, which seeks to establish the moderating role of sustainable practices in the relationship between socio-economic factors and customer satisfaction in 4-star-rated hotels in Kisumu and Nakuru cities. Specifically, the theory explains that sustainable practices enhance the positive effects of service quality, personality traits, and economic factors on customer satisfaction by improving customers' perceptions of organizational responsibility, ethical conduct, and long-term value creation. Consequently, Stakeholder Theory provides the theoretical justification for treating sustainable practices as a moderating variable in this study.

2.2 Empirical Review

2.2.1 Service Quality and Customer Satisfaction

Service quality has consistently been identified as one of the most critical determinants of customer satisfaction in the hospitality industry because hotels primarily compete through the experiences they create for customers rather than through tangible products alone. Unlike manufactured goods, hospitality services are characterized by intangibility, heterogeneity, inseparability, and perishability, meaning that customers evaluate quality largely through interactions with employees, service processes, and the overall service environment (Zeithaml, Bitner, & Gremler, 2020). Consequently, service quality represents customers' overall judgment regarding the superiority, excellence, and effectiveness of services received compared with their expectations (Parasuraman, Zeithaml, & Berry, 1988). In the hotel industry, superior service quality enhances customer satisfaction, encourages repeat visits, strengthens loyalty, and improves organizational competitiveness (Kandampully, Zhang, & Bilgihan, 2015).

The relationship between service quality and customer satisfaction has largely been explained through the expectation-disconfirmation perspective. According to Oliver (1980), customers evaluate service experiences by comparing their initial expectations with perceived service performance. When actual service performance exceeds expectations, customers experience positive disconfirmation, resulting in satisfaction. Conversely, when service performance falls below expectations, dissatisfaction occurs. Therefore, service quality influences satisfaction by shaping customers' perceptions regarding whether the hotel has fulfilled its service promises.

A significant contribution to the measurement of service quality was made by Parasuraman et al. (1988), who developed the SERVQUAL model. The model conceptualizes service quality as the difference between customers' expectations and perceptions of actual service performance. It measures service quality through five dimensions: reliability, responsiveness, assurance, empathy, and tangibility. Reliability refers to the ability of a hotel to provide promised services accurately and consistently; responsiveness reflects employees' willingness to assist customers promptly; assurance represents employees' competence, courtesy, and ability to inspire confidence; empathy captures individualized attention provided to customers; while tangibility relates to physical facilities, equipment, appearance of employees, and the overall service environment. The SERVQUAL model has remained one of the most widely applied approaches in hospitality research because it provides a structured framework for examining how different aspects of service delivery influence customer evaluations.

However, SERVQUAL has received criticism because the expectation–performance gap approach may create measurement challenges. Cronin and Taylor (1992) argued that measuring perceived performance alone may provide a more accurate assessment of service quality and therefore developed the SERVPERF model. Unlike SERVQUAL, SERVPERF eliminates expectations and focuses only on customers' perceptions of actual service performance. Subsequent studies have applied both approaches, with findings indicating that perceived service performance is a strong predictor of customer satisfaction, particularly in experience-based industries such as hospitality (Ali, Amin, & Cobanoglu, 2016; Ladhari, 2017).

Empirical studies across different hospitality contexts have consistently demonstrated a positive relationship between service quality and customer satisfaction. For example, Amin, Yahya,

Ismayitim, Nasharuddin, and Kassim (2013) examined service quality and customer satisfaction in Malaysian hotels and found that reliability, responsiveness, assurance, empathy, and tangibility significantly influenced customers' satisfaction evaluations. Similarly, Choi and Kim (2021) established that service quality dimensions significantly affected customer satisfaction among hotel customers, with employee responsiveness and reliability emerging as particularly important predictors. These findings suggest that customers evaluate hospitality services not only based on physical facilities but also on the consistency and professionalism demonstrated during service encounters.

In the context of luxury and upscale hotels, service quality becomes even more critical because customers have higher expectations regarding personalized services, employee competence, comfort, and value received. According to Rather and Sharma (2017), customers of higher-rated hotels are more likely to evaluate service experiences based on emotional attachment, employee interactions, and perceived service excellence. Consequently, hotels operating within the four-star category must continuously monitor service delivery standards because star classification alone does not guarantee customer satisfaction. Customers ultimately judge hotels based on actual experiences rather than formal quality classifications.

Recent hospitality studies have expanded the measurement of service quality beyond traditional SERVQUAL dimensions by incorporating technology-based services, personalization, and customer experience elements. Following the growth of digital platforms, online reviews, and technology-enabled hospitality services, researchers have increasingly examined factors such as electronic service quality, digital responsiveness, online communication, and personalized experiences as components influencing satisfaction (Khan, Garg, & Rahman, 2021). These

developments indicate that contemporary service quality assessment requires consideration of both traditional service encounters and emerging customer expectations influenced by technological advancement.

Within the African hospitality context, studies have similarly demonstrated the importance of service quality in determining customer satisfaction. For instance, Mensah and Mensah (2018) found that service reliability, employee responsiveness, and physical facilities significantly influenced customer satisfaction among hotel customers in Ghana. Likewise, Agyapong and Boamah (2021) reported that service quality remains a major competitive factor within African hospitality markets because customers increasingly compare local hotel experiences with international service standards. However, many African hospitality studies have focused on general hotel categories rather than specific star-rated segments, creating limited understanding of how service quality influences satisfaction among upscale hotels.

In Kenya, service quality has received considerable attention due to the strategic importance of tourism and hospitality to economic development. Kenyan hotels operate in an increasingly competitive environment characterized by changing customer expectations, increased domestic tourism, and growth in alternative accommodation options. Studies conducted within Kenya have shown that service quality dimensions significantly influence customer satisfaction and loyalty. For example, Kinyanjui and Wanjala (2021) established that reliability, responsiveness, and assurance were significant predictors of customer satisfaction among hotel customers in Kenya. Similarly, Wambua and Wambua (2022) reported that employee competence, service reliability, and customer care practices significantly influenced satisfaction levels within Kenyan hospitality establishments.

Despite these findings, several limitations remain evident in existing empirical literature. First, previous studies have largely examined service quality as an independent determinant of customer satisfaction without integrating it with other psychological and economic factors that influence customers' evaluations of hotel experiences. Second, many studies have concentrated on major tourism destinations such as Nairobi and coastal regions, with limited empirical attention given to emerging hospitality destinations such as Kisumu and Nakuru cities. Third, most studies have focused on general hotel populations rather than specifically examining four-star-rated hotels, which serve customers with distinct expectations regarding service standards, value, and experience quality.

Therefore, while existing studies confirm the importance of service quality in influencing customer satisfaction, they provide limited explanation of how service quality interacts with personality traits, economic factors, and sustainable practices in shaping customer satisfaction outcomes. This study contributes new knowledge by developing an integrated assessment of service quality alongside socio-economic factors and examining how sustainable practices moderate these relationships within four-star-rated hotels in Kisumu and Nakuru cities, Kenya.

The measurement of service quality within hospitality research has evolved from assessing basic service delivery attributes to examining broader customer experience dimensions. Earlier approaches, particularly SERVQUAL and SERVPERF, emphasized functional aspects of service delivery, including reliability, responsiveness, assurance, empathy, and tangibility. However, contemporary hospitality research recognizes that customer satisfaction is influenced by both functional and experiential dimensions of service quality. Customers increasingly evaluate hotels based on emotional experiences, personalization, digital interactions, environmental

responsibility, and perceived value in addition to traditional service attributes (Rather, 2020). This development has resulted in researchers incorporating customer experience constructs into service quality models to provide a more comprehensive understanding of satisfaction formation.

Several recent studies have examined the relationship between service quality and customer satisfaction using different measurement approaches. For example, Gopi and Samat (2020) assessed hotel service quality using SERVQUAL dimensions and found that responsiveness, reliability, and assurance were significant predictors of customer satisfaction. Their study measured service quality through customers' perceptions of employees' willingness to assist, ability to provide dependable services, and confidence created during service interactions. Similarly, Abdullah, Hamir, and Krishnaswamy (2021) applied SERVQUAL dimensions within the hospitality context and established that perceived service quality significantly influenced customer satisfaction and behavioural intentions. These findings demonstrate that service quality remains a multidimensional construct whose dimensions contribute differently to satisfaction outcomes depending on the hospitality context.

Other scholars have adopted alternative measurement approaches to capture the complexity of hospitality service quality. For instance, HOLSERV, developed specifically for hotel environments, emphasizes employee performance, tangible aspects, and reliability as important dimensions of customers' evaluations of hotel services (Mei, Dean, & White, 1999). Although less frequently applied than SERVQUAL, HOLSERV recognizes that hospitality services differ from other service industries because customers interact with employees throughout the service experience. Recent studies have combined SERVQUAL and customer experience measures to capture contemporary elements such as personalization, responsiveness through digital platforms,

and emotional engagement (Ali, Amin, & Cobanoglu, 2016). These developments indicate that service quality measurement continues to evolve in response to changes in customer expectations and technological transformation.

Within developing countries, including Kenya, service quality challenges are often associated with resource limitations, inconsistent service delivery, employee training gaps, and differences between expected and actual service standards. Hotels operating in emerging destinations must therefore maintain consistent service delivery to compete with established hospitality markets. According to the Kenya National Bureau of Statistics (2024), the hospitality sector has experienced renewed growth due to increased domestic and international tourism activities, creating pressure for hotels to improve service standards and customer experience management. However, increased competition among accommodation providers has also heightened customer expectations, making service quality a critical determinant of hotel performance.

The significance of service quality is particularly relevant among four-star-rated hotels because customers within this category generally possess higher expectations regarding comfort, professionalism, reliability, and personalized attention. Unlike lower-rated hotels where price considerations may dominate customer decisions, four-star hotel customers often evaluate the complete service experience, including employee behaviour, efficiency of service processes, facility standards, and perceived value. Therefore, understanding how service quality influences satisfaction among four-star hotel customers provides valuable insights for improving competitiveness within this market segment.

Studies conducted in Kenya have confirmed the relationship between service quality and customer satisfaction; however, methodological and contextual limitations remain. For example, several

Kenyan studies have applied SERVQUAL dimensions to examine customer satisfaction but have primarily focused on individual hotels, restaurants, or broad hospitality categories rather than comparing specific hotel rating categories. Additionally, most studies have examined service quality independently without considering how psychological characteristics of customers and employees, economic considerations, and sustainability initiatives jointly influence satisfaction outcomes.

Furthermore, existing studies have mainly relied on quantitative approaches using structured questionnaires, with customer satisfaction measured through indicators such as overall satisfaction, intention to revisit, willingness to recommend, and perceived fulfilment of expectations. Service quality has commonly been measured using SERVQUAL-based indicators assessing reliability, responsiveness, assurance, empathy, and tangibility. While these approaches provide useful insights, they do not fully explain why customers exposed to similar service conditions may report different satisfaction levels. Individual psychological characteristics, perceptions of value, and social considerations may influence how customers interpret service experiences.

This limitation suggests that service quality alone may not sufficiently explain variations in customer satisfaction within hospitality settings. Customers do not evaluate services objectively; rather, they interpret service experiences through personal expectations, personality characteristics, economic circumstances, and broader social influences. Consequently, examining service quality together with personality traits and economic factors provides a more comprehensive understanding of customer satisfaction formation.

The present study extends existing knowledge by moving beyond the traditional examination of service quality as an isolated predictor of satisfaction. It integrates service quality with personality traits and economic factors to provide a socio-economic explanation of customer satisfaction among four-star-rated hotels. In addition, the study introduces sustainable practices as a moderating variable, addressing a gap in existing hospitality research where sustainability has mainly been examined as a direct predictor rather than as a factor that strengthens or weakens the relationship between service-related factors and customer satisfaction.

Therefore, while previous studies have established the importance of service quality in hospitality, limited empirical evidence exists regarding how service quality interacts with psychological, social, economic, and sustainability-related factors in determining customer satisfaction within Kenya's four-star hotel sector. By focusing on four-star-rated hotels in Kisumu and Nakuru cities, this study provides context-specific evidence that contributes to hospitality management theory and practice by explaining the combined mechanisms through which customer satisfaction is developed and sustained.

2.2.2 Personality Traits and Customer Satisfaction

Personality traits represent enduring patterns of thoughts, emotions, attitudes, and behaviours that distinguish individuals and influence how they perceive, interpret, and respond to different situations (Costa & McCrae, 2008). In hospitality environments, personality traits are particularly important because service encounters involve continuous interpersonal interactions between employees and customers. Unlike manufacturing industries where customers primarily evaluate tangible products, hotel customers assess their experiences through interactions with employees, service responsiveness, emotional connection, and the ability of service providers to understand

and respond to individual needs (Kim, McGinley, & Choi, 2020). Consequently, personality-related characteristics influence both customer expectations and employees' ability to deliver satisfactory service experiences.

The relationship between personality traits and customer satisfaction can be explained through psychological theories of consumer behaviour, which suggest that individuals interpret service experiences according to their personal characteristics, beliefs, emotions, and expectations. Customers with different personality profiles may perceive the same service encounter differently because personality influences information processing, emotional responses, decision-making, and evaluation of service outcomes (Matzler, Faullant, Renzl, & Hinterhuber, 2005). Similarly, employees' personality characteristics influence service delivery because hospitality employees represent the organization during customer interactions.

One of the most widely accepted approaches for measuring personality traits is the Five-Factor Model (FFM), commonly referred to as the Big Five Personality Model. Developed through extensive personality research, the model identifies five broad dimensions of personality: openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism (Costa & McCrae, 2008). These dimensions provide a structured framework for examining how personality characteristics influence attitudes, behaviours, and interpersonal relationships. In hospitality research, the Big Five model has been applied to examine employee service orientation, customer interaction behaviours, leadership effectiveness, and consumer decision-making.

Openness to experience reflects creativity, curiosity, flexibility, and willingness to accept new experiences. In hospitality settings, individuals with high openness may appreciate personalized services, innovative hotel experiences, and unique service offerings. Conscientiousness represents

responsibility, dependability, organization, and achievement orientation. Employees with high conscientiousness are more likely to demonstrate reliability, accuracy, and commitment to service standards, which may positively influence customer satisfaction. Extraversion reflects sociability, enthusiasm, and interpersonal engagement, making it particularly relevant in service industries where employee-customer interaction is central to service delivery. Agreeableness involves cooperation, empathy, and consideration for others, qualities that enhance customer relationships. Neuroticism represents emotional instability and sensitivity to stress, which may negatively affect service encounters when employees struggle to manage challenging customer situations (Barrick, Mount, & Judge, 2001).

Previous studies have demonstrated that personality traits influence customer satisfaction through their effect on service interactions. Jani and Han (2014) examined personality traits and behavioural intentions within the hospitality industry and found that personality characteristics influenced customers' perceptions, emotional responses, and behavioural outcomes. Their study applied personality dimensions to understand how individual differences shape hospitality consumption experiences. The findings suggested that customers' personality characteristics influence their expectations and evaluation of hotel services, particularly in environments where experiences and emotions play a significant role.

Similarly, Cohen, Prayag, and Moital (2014) investigated personality and tourist behaviour and established that psychological characteristics significantly influenced tourism-related decision-making and satisfaction evaluations. The study measured personality using psychological characteristics related to motivation, lifestyle, attitudes, and individual differences. The authors argued that understanding tourists' psychological profiles enables hospitality providers to develop

more personalized services and marketing strategies. However, the study focused broadly on tourist behaviour rather than specifically examining customer satisfaction within hotel environments.

Employee personality has also received attention because hospitality service quality depends heavily on human interactions. Barrick, Mount, and Judge (2001) demonstrated that personality traits, particularly conscientiousness and emotional stability, are associated with job performance across service-oriented occupations. Employees who demonstrate responsibility, emotional control, and interpersonal competence are more likely to deliver consistent and customer-oriented services. In the hospitality industry, these characteristics contribute to positive service encounters, which influence customer perceptions and satisfaction.

Recent hospitality studies have extended this perspective by examining emotional intelligence, personality, and customer-oriented behaviours among hotel employees. Kim, McGinley, and Choi (2020) found that employee personality characteristics and emotional capabilities significantly influenced service performance and customer experiences. Their findings suggest that employees who demonstrate empathy, adaptability, and emotional regulation are better positioned to manage customer expectations and create positive interactions. These results reinforce the argument that personality traits represent an important psychological mechanism through which service encounters influence satisfaction.

However, existing empirical literature reveals several limitations. First, most studies examining personality traits in hospitality have focused on employees' job performance, service orientation, or organizational outcomes rather than directly assessing their influence on customer satisfaction. Second, studies examining customer personality have often focused on tourism behaviour,

destination choice, and purchase intentions rather than satisfaction with specific hotel experiences. Third, limited research has integrated personality traits with other determinants of satisfaction, such as service quality and economic considerations.

Within the African hospitality context, research on personality traits and customer satisfaction remains relatively limited compared with studies conducted in developed hospitality markets. Existing African studies have largely focused on service quality, employee performance, and customer relationship management, with less attention given to psychological characteristics that influence customer evaluations. This represents an important research gap because hospitality services are highly dependent on interpersonal interactions, and personality differences may influence how customers perceive and respond to service experiences.

In South Africa, for example, studies examining hospitality employee behaviour have demonstrated that interpersonal characteristics such as emotional intelligence, agreeableness, and conscientiousness influence service delivery effectiveness and customer-oriented behaviours. Employees who possess strong interpersonal skills are more capable of understanding customer needs, managing service failures, and creating positive emotional experiences (Bothma & Roodt, 2013). Although such studies provide evidence regarding employee characteristics, they do not directly establish how personality traits influence customer satisfaction outcomes.

Similarly, research within African hospitality markets has increasingly recognized the importance of customer experience personalization. Due to the experiential nature of hospitality services, customers often evaluate hotels based on the quality of human interactions rather than only physical facilities. Employees' ability to demonstrate empathy, patience, friendliness, and professionalism contributes to customers' emotional responses and overall satisfaction (Rather,

2020). However, limited studies have empirically examined whether personality-related characteristics explain variations in satisfaction among customers exposed to similar service environments.

In Kenya, hospitality research has primarily concentrated on service quality, customer loyalty, destination competitiveness, and hotel performance. While these studies have established that employee behaviour influences customer experiences, personality traits as an independent determinant of customer satisfaction have received limited empirical attention. Most Kenyan hospitality studies have assessed employee-related factors through broader concepts such as service competence, customer care, professionalism, and employee motivation rather than specific personality dimensions.

The measurement of personality traits in previous studies has mainly relied on standardized psychological instruments. The Big Five Inventory (BFI) developed by John, Donahue, and Kentle (1991) and the NEO Personality Inventory developed by Costa and McCrae (2008) are among the most widely used tools for assessing personality characteristics. These instruments measure personality through dimensions including openness, conscientiousness, extraversion, agreeableness, and neuroticism. Other studies have used shorter measures such as the Ten Item Personality Inventory (TIPI) where research contexts require brief assessment tools (Gosling, Rentfrow, & Swann, 2003).

Within hospitality research, personality traits have been measured from two perspectives. The first perspective examines employee personality, focusing on how employee characteristics influence service behaviour, customer orientation, and service performance. Studies using this approach typically assess traits such as conscientiousness, agreeableness, emotional stability, and

extraversion because these characteristics are closely associated with interpersonal effectiveness and service delivery (Barrick et al., 2001). The second perspective examines customer personality, focusing on how individual differences influence expectations, perceptions, preferences, and satisfaction evaluations (Jani & Han, 2014).

Although these approaches have generated valuable insights, previous studies have not adequately addressed the interaction between personality traits and customer satisfaction within four-star-rated hotels. In particular, limited research has examined whether personality characteristics influence customers' interpretation of service quality, perceived value, and overall satisfaction within specific hotel categories. This limitation is significant because customers of four-star hotels generally possess higher expectations and may evaluate service encounters through more complex psychological processes.

Furthermore, previous research has often treated personality traits as a background characteristic rather than as a measurable determinant of customer satisfaction. This creates a theoretical gap because personality influences perception, emotional response, decision-making, and evaluation processes. According to cognitive theories of consumer behaviour, individuals do not respond directly to service experiences; rather, they interpret experiences through personal psychological frameworks (Festinger, 1957). Therefore, personality differences may explain why customers receiving similar services develop different satisfaction judgments.

This study addresses these gaps by examining personality traits as one of the socio-economic factors influencing customer satisfaction in four-star-rated hotels in Kisumu and Nakuru cities. Unlike previous studies that have focused primarily on employee performance or customer behaviour separately, this study integrates personality traits with service quality and economic

factors to provide a more comprehensive explanation of satisfaction formation. The study further contributes by examining these relationships within Kenya's emerging urban hospitality markets, where empirical evidence remains limited.

The novel contribution of this study is therefore the development of a socio-economic perspective of customer satisfaction. While previous studies have established that service quality influences satisfaction, this study advances existing knowledge by demonstrating that customers' satisfaction judgments may also be shaped by psychological characteristics and interpersonal dynamics. By incorporating personality traits into the customer satisfaction model, the study provides hotel managers with deeper insights into how individual differences influence service evaluations and how personalized service strategies can enhance customer experiences.

2.2.3 Economic Factors and Customer Satisfaction

Economic factors represent the financial and market-related conditions that influence customers' ability, willingness, and perception regarding the purchase and consumption of hospitality services. In the hotel industry, economic considerations influence not only whether customers choose a particular hotel but also how they evaluate the value obtained from the services received. Unlike tangible goods where quality can often be physically assessed before purchase, hospitality services are experiential, requiring customers to make judgments regarding whether the benefits obtained justify the financial and non-financial costs incurred (Zeithaml, 1988). Therefore, economic factors influence customer satisfaction through customers' perceptions of affordability, price fairness, value for money, and the relationship between service quality and cost.

The relationship between economic factors and customer satisfaction can be explained through the perceived value concept. Zeithaml (1988) conceptualized perceived value as the customer's overall assessment of the usefulness of a product or service based on perceptions of what is received compared with what is given. In hospitality settings, customers evaluate accommodation prices, food and beverage costs, additional charges, and service benefits to determine whether the experience represents acceptable value. When customers perceive that the benefits received exceed the costs paid, satisfaction increases. Conversely, perceptions of excessive pricing, hidden charges, or poor value for money may reduce satisfaction levels.

Price fairness is another important economic dimension influencing customer satisfaction. Price fairness refers to customers' judgments regarding whether the price charged by an organization is reasonable, acceptable, and justified compared with the service received and prices offered by alternatives (Xia, Monroe, & Cox, 2004). In the hospitality industry, customers frequently compare hotel prices with competitors, previous experiences, online reviews, and expected service standards. Perceived unfair pricing may create negative emotional responses, reduce trust, and negatively affect satisfaction and loyalty intentions (Kukar-Kinney, Xia, & Monroe, 2019).

Previous studies have measured economic factors using different indicators. The most commonly applied measures include perceived price fairness, perceived value, affordability, willingness to pay, disposable income, and price-quality relationship. Perceived value scales often examine whether customers believe that the benefits received from hotel services justify the amount paid. Price fairness measures assess whether customers consider hotel charges reasonable relative to service quality and competitor prices. Other studies have incorporated economic conditions such

as income levels, inflation, exchange rates, and consumer purchasing power to examine how broader economic environments influence hospitality consumption decisions.

The influence of economic factors on customer satisfaction has been widely examined in hospitality research. Kandampully, Zhang, and Bilgihan (2015) observed that perceived value is a critical determinant of customer satisfaction because customers evaluate hotel experiences based on both service outcomes and financial sacrifices. Their findings indicated that even high-quality services may fail to generate satisfaction if customers perceive the price paid as excessive relative to the benefits obtained. Similarly, Ali, Amin, and Cobanoglu (2016) established that perceived value significantly influences customer satisfaction and behavioural intentions among hospitality customers.

In upscale hotels, economic factors become particularly important because customers expect a direct relationship between price and quality. Customers selecting four-star hotels generally anticipate superior facilities, professional services, comfort, and reliability. Therefore, dissatisfaction may occur when the actual experience does not correspond with the financial investment made. According to Kotler and Keller (2016), consumers evaluate purchases based on perceived value, which involves comparing expected benefits with total costs. In hospitality contexts, total costs include not only monetary payments but also time, convenience, effort, and psychological investment.

Studies examining economic factors in different hospitality markets have produced consistent evidence regarding the importance of perceived value. For example, Choi and Kandampully (2019) found that perceived value significantly influenced hotel customer satisfaction because customers evaluate whether service experiences provide benefits that justify the price paid.

Similarly, Rather (2020) reported that perceived value strengthens the relationship between service experiences and customer satisfaction by influencing customers' emotional responses toward hospitality providers.

Economic conditions at the macro level also influence hospitality demand and customer experiences. Factors such as inflation, employment levels, disposable income, exchange rates, and economic stability affect customers' purchasing power and travel decisions. During periods of economic uncertainty, customers may become more price-sensitive and place greater emphasis on affordability and value. Conversely, improved economic conditions increase consumers' ability to spend on leisure, tourism, and premium accommodation services (World Travel & Tourism Council [WTTC], 2024).

Within developing economies such as Kenya, economic considerations are increasingly important because hospitality customers are affected by variations in income levels, inflation, and changing consumption patterns. Kenya's hospitality sector serves diverse customer groups, including domestic tourists, business travellers, international visitors, and conference delegates, each with different purchasing capacities and expectations. As competition among hotels increases, establishments must balance service quality improvements with pricing strategies that maintain customer perceptions of fairness and value.

The importance of economic factors is particularly evident in four-star-rated hotels because these establishments operate within a segment where customers expect premium experiences but remain sensitive to whether services justify the cost. Unlike luxury five-star hotels where exclusivity may dominate purchasing decisions, four-star hotel customers often evaluate the balance between

quality and affordability. Therefore, understanding economic influences on satisfaction is essential for managers seeking to optimize pricing strategies and enhance customer retention.

Empirical evidence from different hospitality contexts demonstrates that economic factors significantly influence customer satisfaction because customers evaluate hotel experiences through the relationship between financial sacrifice and perceived benefits. In developed hospitality markets, studies have consistently established that perceived value and price fairness are important predictors of satisfaction, particularly in higher-rated hotels where customers have elevated expectations regarding service standards. Customers who perceive that the quality of accommodation, facilities, and service delivery corresponds with the amount paid are more likely to report higher satisfaction levels and demonstrate positive behavioural intentions such as repeat visits and recommendations (Rather, 2020).

For instance, Ali, Amin, and Cobanoglu (2016) examined the relationship between perceived value, service quality, and customer satisfaction in hospitality settings and established that perceived value significantly mediated the relationship between service experiences and satisfaction outcomes. The study measured perceived value using indicators related to the benefits received relative to monetary costs, indicating that customers do not assess satisfaction based solely on service performance but also consider economic sacrifice. Similarly, Choi and Kandampully (2019) found that perceived value was a significant predictor of customer satisfaction among hotel customers because customers continuously assess whether hotel services provide worthwhile experiences compared with available alternatives.

Research in emerging markets has also highlighted the importance of economic considerations in hospitality consumption. Customers in developing economies are often more sensitive to pricing

decisions because disposable income levels and economic uncertainty influence purchasing behaviour. Studies have demonstrated that customers tend to evaluate hotel services according to affordability, transparency of pricing, and the extent to which services provide value relative to competing alternatives (Kukar-Kinney et al., 2019). Therefore, economic factors may influence satisfaction not only through direct financial limitations but also through psychological evaluations of fairness and value.

Within the African hospitality industry, economic factors have become increasingly important due to variations in consumer purchasing power, inflationary pressures, and changing tourism patterns. Hotels operating in African markets must serve customers with diverse economic backgrounds, including domestic travellers who are often highly price-conscious and international visitors who compare local services with global hospitality standards. Consequently, effective pricing strategies and value creation have become essential elements of hotel competitiveness.

In Ghana, Mensah and Mensah (2018) found that perceived value and pricing perceptions significantly influenced hotel customers' satisfaction levels. Their study measured economic considerations through customers' perceptions of affordability, service value, and whether hotel charges corresponded with service quality received. The findings suggested that customers were more satisfied when hotels demonstrated fairness in pricing and delivered services consistent with customer expectations. Similarly, Agyapong and Boamah (2021) emphasized that hospitality businesses in developing economies must balance quality improvement with pricing strategies because customers increasingly demand value-oriented experiences.

In Kenya, economic factors have received increasing attention due to changes in tourism demand, inflation, and competition within the accommodation sector. The Kenyan hospitality industry

serves a wide range of customers with different spending capacities, making pricing decisions and value creation critical determinants of competitiveness. According to the Kenya National Bureau of Statistics (2024), growth in domestic tourism has increased demand for accommodation facilities that provide acceptable quality at reasonable prices. This trend has increased the importance of understanding how economic considerations influence satisfaction among hotel customers.

However, existing Kenyan hospitality studies have mainly focused on service quality, customer loyalty, and hotel performance, with limited empirical investigation of economic factors as determinants of customer satisfaction. Where economic considerations have been examined, they have often been treated as components of perceived value rather than as independent factors influencing satisfaction. Consequently, limited evidence exists regarding how economic factors such as price fairness, affordability, and value perception interact with service quality and personality-related factors to influence customer satisfaction within four-star-rated hotels.

The measurement of economic factors in previous studies has also varied considerably. Some researchers have measured economic factors using customer perceptions of price fairness, affordability, and value for money, while others have incorporated objective economic indicators such as income levels, disposable income, and travel expenditure. Although objective economic conditions provide important contextual information, customer satisfaction is primarily determined by subjective perceptions of whether the economic exchange was worthwhile. Therefore, examining customers' perceptions of economic value provides a more direct explanation of satisfaction outcomes in hospitality environments.

Despite evidence linking economic factors with customer satisfaction, several research gaps remain. First, previous studies have often examined economic factors independently without considering their interaction with service quality and psychological factors. Second, many studies have been conducted in developed hospitality markets, limiting their applicability to emerging destinations such as Kisumu and Nakuru cities. Third, limited attention has been given to four-star-rated hotels, despite the fact that this category serves customers who are particularly concerned with balancing quality expectations and financial expenditure.

This study contributes to existing knowledge by conceptualizing economic factors as an integral component of the socio-economic framework influencing customer satisfaction. Rather than viewing customer satisfaction as a function of service delivery alone, the study recognizes that customers evaluate hotel experiences through economic judgments regarding fairness, affordability, and value. By integrating economic factors with service quality and personality traits, the study provides a broader explanation of customer satisfaction formation within Kenya's four-star hotel sector.

Furthermore, the study extends hospitality literature by examining sustainable practices as a moderating factor in the relationship between socio-economic factors and customer satisfaction. While previous studies have primarily examined sustainability as a direct influence on customer attitudes, this study investigates whether sustainable practices strengthen the effect of service quality, personality traits, and economic factors on satisfaction outcomes. This provides new insights into how responsible hotel management practices can enhance customer experiences and competitiveness.

2.3 Summary of Research Gaps

From the foregoing empirical studies reviewed and as summarized in Table 2.3, theoretical, conceptual, contextual, and methodological gaps can be identified. The theoretical gaps emerging from the reviewed studies indicate that although several theories have been applied to explain customer satisfaction in hospitality, including Expectancy Disconfirmation Theory (Oliver, 1980), Cognitive Dissonance Theory (Festinger, 1957), and service quality frameworks such as SERVQUAL (Parasuraman, Zeithaml, & Berry, 1988), most empirical studies have primarily focused on validating direct relationships between individual variables and customer satisfaction. Few studies have attempted to integrate psychological, social, and economic dimensions into a unified framework explaining customer satisfaction formation. Furthermore, limited studies have examined whether sustainability-related theories and practices can extend existing customer satisfaction theories by explaining how sustainable practices strengthen the relationship between antecedent factors and satisfaction outcomes. This omission provides an opportunity for the current study to integrate socio-economic perspectives with sustainability considerations in explaining customer satisfaction among four-star-rated hotels.

The conceptual gaps identified from the reviewed empirical literature relate to the fragmented examination of determinants of customer satisfaction. Most reviewed studies have investigated individual factors, particularly service quality, as the primary predictor of customer satisfaction (Parasuraman et al., 1988; Zeithaml et al., 2020). Although service quality remains an important determinant, customer satisfaction in hospitality is a multidimensional outcome influenced by customers' psychological perceptions, social interactions, and economic evaluations. Existing studies have inadequately examined the combined influence of service quality, personality traits,

and economic factors on customer satisfaction within a single analytical framework. Consequently, limited understanding exists regarding the relative contribution and interaction effects of socio-economic factors in determining customer satisfaction.

Further conceptual gaps relate to the limited examination of sustainable practices as a moderating variable. Existing hospitality studies have largely examined sustainability as an independent predictor influencing customer attitudes, behavioural intentions, and hotel image (Han, Hsu, & Sheu, 2010; Chen & Tung, 2014). However, limited empirical evidence exists on whether sustainable practices strengthen or alter the relationship between service quality, personality traits, economic factors, and customer satisfaction. This study therefore addresses this gap by examining sustainable practices as a moderator rather than merely an independent determinant of satisfaction.

Contextual gaps are also evident from the reviewed empirical studies. A substantial proportion of previous research on customer satisfaction has been conducted in developed hospitality markets such as Europe, Asia, and North America, where customer expectations, economic conditions, and sustainability awareness may differ from those in developing economies. Although some studies have examined hospitality experiences in African countries, limited empirical evidence exists on four-star-rated hotels within emerging urban destinations in Kenya, particularly Kisumu and Nakuru cities. Existing Kenyan hospitality studies have mainly focused on service quality, customer loyalty, tourism performance, or general hotel performance, with limited attention to the combined influence of socio-economic factors on customer satisfaction.

Additionally, the reviewed literature reveals limited evidence regarding the unique characteristics of four-star-rated hotels. While previous studies have examined hotels across different categories, fewer studies have focused specifically on four-star establishments, which occupy a unique

position between luxury and mid-range accommodation. Customers within this category often have relatively high expectations regarding service standards, professionalism, value for money, and responsible business practices. Therefore, findings from other hotel categories may not adequately explain satisfaction determinants within four-star-rated hotels in Kisumu and Nakuru cities.

Methodological gaps can also be identified from the reviewed studies. First, many previous studies have employed descriptive and correlational research designs focusing mainly on direct relationships between service quality and customer satisfaction. Limited studies have applied advanced analytical approaches to examine complex relationships involving multiple predictors and moderating variables. In particular, few hospitality studies have employed hierarchical regression analysis to determine whether sustainable practices significantly moderate the relationship between socio-economic factors and customer satisfaction.

Second, most reviewed studies have relied on either customer perceptions or employee perspectives independently, limiting comprehensive understanding of satisfaction outcomes. Since hospitality experiences involve interactions between service providers and customers, examining both guests and hotel employees provides a more balanced understanding of factors influencing satisfaction. Third, variations exist in measurement approaches, with studies adopting different indicators for service quality, personality traits, economic factors, and sustainability practices. This creates inconsistencies in explaining customer satisfaction across different hospitality contexts.

The theoretical, conceptual, contextual, and methodological gaps identified demonstrate the need for further research to enhance understanding of customer satisfaction within the hospitality industry. This study contributes to existing knowledge by developing and empirically testing an

integrated framework that combines service quality, personality traits, and economic factors as socio-economic determinants of customer satisfaction while incorporating sustainable practices as a moderating variable. By focusing on four-star-rated hotels in Kisumu and Nakuru cities, the study provides context-specific evidence that can guide hospitality managers in developing strategies for improving customer experiences, strengthening competitiveness, and promoting sustainable hotel operations.

Table 2.1

Gap Matrix: Summary of Research Gaps

Author	Thematic area	Findings	Research Gaps	Focus of current study
Parasuraman, Zeithaml, & Berry (1988).	Limited Focus on 4-Star Hotels	Existing studies may have predominantly focused on customer satisfaction in the hospitality industry in Kenya without specifically examining the factors influencing customer satisfaction in 4-star hotels.	Longitudinal study No control variable	The research gap lies in the lack of in-depth investigations that target this specific hotel category, which caters to a distinct clientele and offers a higher level of service and amenities.
Mok, Sparks & Kadampully (2007)	Lack of Comprehensive Assessment	While some research may have explored certain factors affecting customer satisfaction in hotels, there may be a lack of comprehensive	No moderating variable	This gap points to the need for a holistic approach that recognizes the interconnectedness of these factors in shaping guest satisfaction levels

			assessments that consider the combined impact of socio-economic elements.		
Karatepe (2013).	Neglect of Social Media Impact		The research gap extends to the limited attention given to social media monitoring in influencing customer satisfaction in the hospitality industry of Kenya.	Longitudinal study No moderating variable	Social media interactions have become increasingly relevant in modern hospitality, and their potential impact on customer satisfaction deserves examination.
Lam, Zhang & Baum, (2019).	Regional Variation		The research gap may lie in the limited representation of Kisumu and Nakuru cities in existing studies.	Longitudinal study	These cities may have unique characteristics and guest preferences compared to other regions in Kenya, making it essential to study customer satisfaction factors in these specific locations to gain more localized insights.

2.4 Conceptual Framework

The Figure below is a conceptual framework for factors influencing customer satisfaction in 4-star hotels in Kisumu and Nakuru towns. It illustrates the interrelationships between various socio-economic factors and their impact on customer satisfaction in 4-star hotels in Kisumu and Nakuru cities. The framework is designed to guide the study's data collection, analysis, and interpretation. The main components of the conceptual framework are as follows:

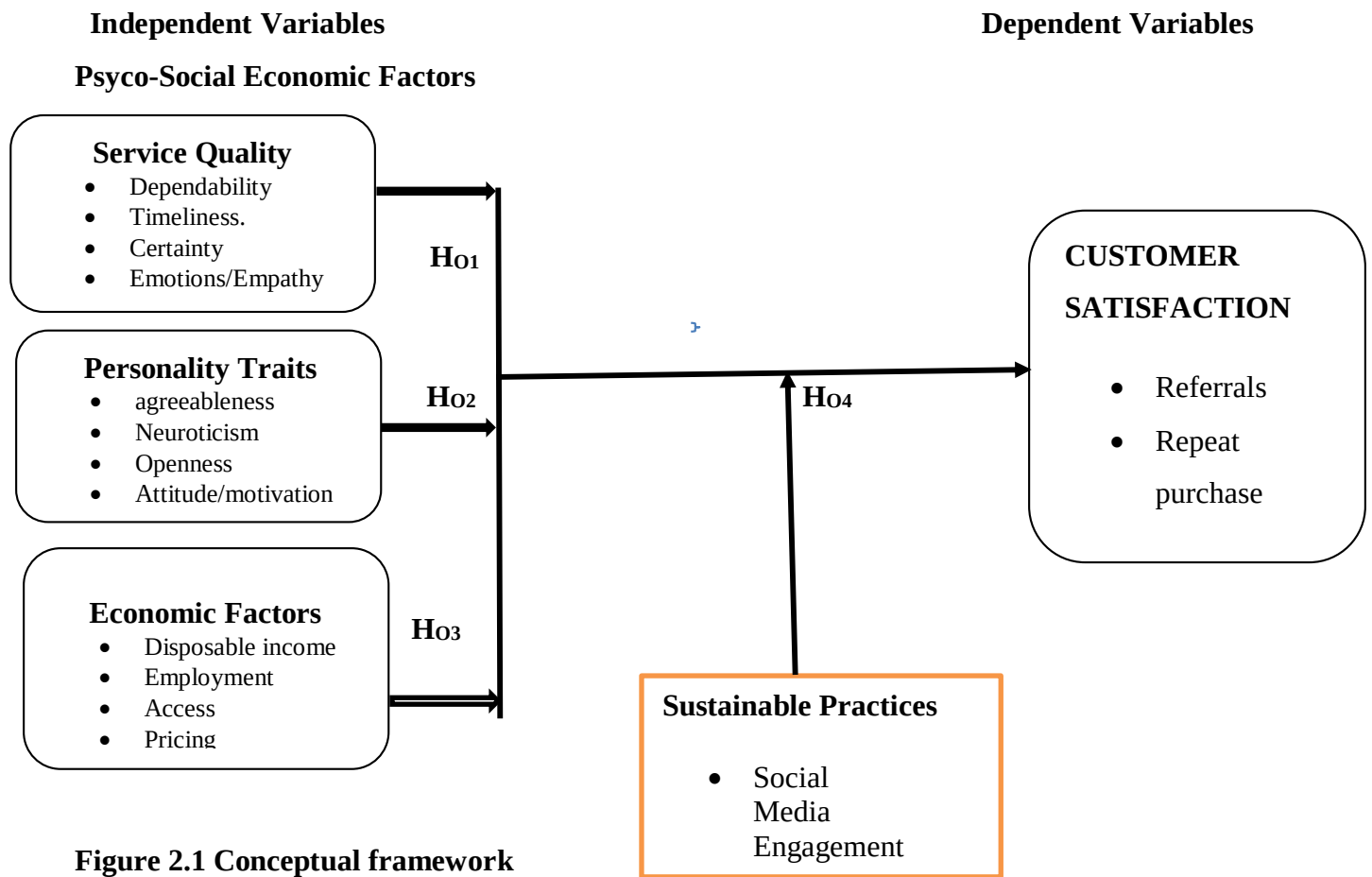


Figure 2.1 Conceptual framework

Source: Researcher,2023

The conceptual framework for this study consists of socio-economic factors as the independent variables, customer satisfaction as the dependent variable, and sustainable practices as the moderating variable. The framework conceptualizes that service quality, personality traits, and economic factors influence customer satisfaction among four-star-rated hotels in Kisumu and Nakuru cities.

Service quality is conceptualized as the first independent variable and is expected to influence customer satisfaction through customers' evaluations of reliability, responsiveness, assurance, empathy, and tangibility of hotel services. The study hypothesizes that effective service delivery,

professional interactions, and consistent fulfilment of customer expectations enhance positive evaluations of hotel experiences, thereby improving customer satisfaction.

Personality traits represent the second independent variable and are conceptualized as psychological and behavioural characteristics that influence customer satisfaction. The framework recognizes that personality-related attributes of service providers, including emotional stability, agreeableness, conscientiousness, and interpersonal orientation, may shape customer perceptions of service encounters and influence satisfaction outcomes. Additionally, differences in customer personality characteristics may influence how guests perceive, interpret, and evaluate hotel experiences.

Economic factors constitute the third independent variable and are conceptualized as financial and value-related considerations influencing customer satisfaction. These include perceived price fairness, affordability, value for money, customers' purchasing power, and the relationship between the cost of services and benefits received. The framework assumes that customers are more likely to experience satisfaction when hotel services provide value that corresponds with their economic expectations and financial investment.

The study further conceptualizes sustainable practices as a moderating variable influencing the relationship between socio-economic factors and customer satisfaction. Sustainable practices include environmentally responsible operations, efficient resource utilization, community involvement, ethical business practices, and corporate social responsibility initiatives. The framework proposes that sustainable practices may strengthen the influence of service quality, personality traits, and economic factors on customer satisfaction by enhancing customers' perceptions of hotel reputation, responsibility, and overall value.

Customer satisfaction is conceptualized as the dependent variable representing guests' overall evaluation and contentment with their hotel experience. It reflects customers' perceptions regarding the extent to which hotel services, facilities, interactions, and overall experiences meet or exceed their expectations. Customer satisfaction is measured through indicators such as perceived fulfilment of expectations, willingness to revisit, recommendation intentions, and overall satisfaction with hotel services.

The relationships between the variables are hypothesized as follows: service quality, personality traits, and economic factors are expected to have direct influences on customer satisfaction, represented by hypotheses H01, H02, and H03, respectively. The moderating influence of sustainable practices on the relationship between socio-economic factors and customer satisfaction is hypothesized under H04. Specifically, the study examines whether sustainable practices strengthen the relationship between service quality and customer satisfaction (H04a), personality traits and customer satisfaction (H04b), and economic factors and customer satisfaction (H04c).

Therefore, the conceptual framework provides the basis for examining how socio-economic factors individually and collectively influence customer satisfaction while determining the extent to which sustainable practices modify these relationships within four-star-rated hotels in Kisumu and Nakuru cities. The framework guides the study design, measurement of variables, data analysis, and interpretation of findings, thereby contributing empirical evidence on strategies that can enhance customer satisfaction and competitiveness within Kenya's hospitality industry.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study adopted a descriptive research design using a quantitative approach to examine the socio-economic factors influencing customer satisfaction in four-star-rated hotels in Kisumu and Nakuru cities. A descriptive research design is appropriate when the purpose of a study is to systematically describe characteristics, relationships, perceptions, and trends within a given population without manipulating the study variables (Creswell & Creswell, 2023). The design enables researchers to establish patterns, determine the extent of relationships among variables, and generate empirical evidence that can inform decision-making.

The choice of a descriptive research design was justified by the nature of the study, which sought to assess the influence of service quality, personality traits, and economic factors on customer satisfaction, while also determining the moderating role of sustainable practices. The design allowed the researcher to collect data on respondents' perceptions, experiences, and evaluations regarding hotel services and their overall satisfaction. Through quantitative analysis, the study was able to determine the strength and direction of relationships between the independent variables and customer satisfaction.

The study employed a quantitative research approach because it facilitates the collection of numerical data and the application of statistical techniques to test relationships among variables. Quantitative research enables researchers to measure variables objectively, test hypotheses, and make generalizations from a sample to the target population (Creswell & Creswell, 2023).

In this study, structured questionnaires were used as the main data collection instrument, allowing systematic measurement of service quality, personality traits, economic factors, sustainable practices, and customer satisfaction.

The design was also suitable because the study sought to establish whether statistically significant relationships existed between socio-economic factors and customer satisfaction. Inferential statistical techniques were applied to determine the predictive influence of the independent variables on the dependent variable. The findings were used to test the formulated hypotheses and draw conclusions regarding customer satisfaction among four-star-rated hotels in Kisumu and Nakuru cities.

3.2 Area of study

The geographical scope of this study was limited to four-star-rated hotels located in Kisumu and Nakuru cities, Kenya. The two cities were selected because they are emerging hospitality and tourism centres with increasing demand for accommodation services from business travellers, domestic tourists, and international visitors. Kisumu, a major urban and commercial centre in western Kenya, and Nakuru, a rapidly growing city within the Great Rift Valley region, host several four-star-rated hotels that provide an appropriate context for examining factors influencing customer satisfaction.

The population scope comprised guests and hotel employees within four-star-rated hotels in Kisumu and Nakuru cities. The respondents included hotel guests who had experienced accommodation services, hotel managers, customer service managers, and hotel staff involved in service delivery. These respondents were considered appropriate because they possess direct

experience and knowledge regarding service quality, customer interactions, economic considerations, sustainable practices, and customer satisfaction within the hospitality sector.

The study focused specifically on four-star-rated hotels because these establishments serve a customer segment that expects relatively high standards of service, comfort, professionalism, and value for money. Their operations therefore provide an appropriate setting for assessing how socio-economic factors influence customer satisfaction and how sustainable practices moderate these relationships.

Kisumu and Nakuru cities were selected because of their strategic importance within Kenya's hospitality and tourism sector. The cities attract visitors due to their commercial activities, cultural attractions, conferences, and proximity to major tourist destinations. The presence of established hospitality facilities in both locations provides a suitable environment for generating empirical evidence on customer satisfaction among four-star-rated hotels.

The geographical scope was therefore appropriate in providing context-specific findings on the relationship between socio-economic factors and customer satisfaction within Kenya's four-star hotel sector, while also offering insights that may inform hospitality management practices in similar urban tourism destinations.

3.3 Target Population

In this study, the target population comprised respondents drawn from four-star-rated hotels in Kisumu and Nakuru cities. The population included hotel guests, hotel managers, customer service managers, and hotel employees involved in service delivery. These categories of respondents were

selected because they provided relevant information regarding service quality, personality traits, economic factors, sustainable practices, and customer satisfaction within the hospitality context.

The inclusion of hotel guests was particularly important because customer satisfaction represents the dependent variable of the study and is based on guests' perceptions, experiences, and evaluations of hotel services. Hotel managers and employees were included because they provide insights into service delivery processes, staff interactions, pricing considerations, and sustainability initiatives implemented within the hotels.

Based on the available records from the Economic Survey (2021), the accessible target population for the study comprised 684 respondents from four-star-rated hotels in Kisumu and Nakuru cities. The distribution of the target population according to the category of respondents and location is presented in Table 3.1. During the data collection period, questionnaires were administered to the identified respondents within the selected hotels to obtain information relevant to the study objectives.

Table 3.1
Target Population –Kisumu and Nakuru

4 –Star rated Hotels	Management/staff	Guests
Kisumu		
Acacia	12	60
Ciala Resort	20	40
Grand Royal Swiss	30	20
Sarova Imperial	16	30
Nakuru		
Sarova Woodlands	20	80
Sarova Lion Hill	40	100
Viena Woods Hotel	30	96
The Alps Hotel	20	70
Total	188	496

Source: Hotel administrative records (2023).

3.4 Sampling Design and Sample Size

Sampling design refers to the systematic procedure used by a researcher to select a representative subset of a target population for purposes of data collection and analysis, with the intention of making valid inferences about the entire population (Cooper & Schindler, 2018). This study adopted a probability sampling design because it provides each element within the target population with a known chance of being selected, thereby reducing selection bias and enhancing the generalizability of the findings (Creswell & Creswell, 2023).

3.4.1. Sample Size

This study adopted the formula developed by Yamane 1967 to determine the sample size.

$$n = \frac{N}{1 + N(e)^2}$$

Legend

The variables in this formular are;

n = The Sample Size

N = The Population of the Study

e = Margin of error in the calculation

With the assumption of 90% of the population having used 4-star hotels, p = 0.9,
95% confidence, with at least 5% (0.05) plus or minus precision.

$$n = \frac{684}{1 + 684 (0.05)^2}$$

$$= \frac{684}{1 + 684 (0.05)^2} = 252$$

So, the formula yielded a sample of 252 from our target population of guests and staff.

However, as recommended by Israel (1992), the sample size also is often increased by 30% to compensate for nonresponse. Hence the actual study sample size was as calculated below;

Tabulated sample size (Yamane) representing 70%	= 252
Additional 30% for non-response	= 108
Actual sample size for the study (252x100/70)	= 360

Table 3.2
Sample Size –Kisumu and Nakuru

4 –Star rated Hotels	Management/staff	Guests	Sample size
Kisumu			
Acacia	6	32	38
Ciala Resort	10	21	31
Grand Royal Swiss	16	11	27
Sarova Imperial	8	16	24
Nakuru			
Sarova Woodlands	10	42	52
Sarova Lion Hill	21	53	74
Viena Woods Hotel	16	51	67
The Alps Hotel	10	37	47
Total	97	263	360

Source: Researcher, 2023

3.4.2 Sampling Procedure

The study adopted a multistage sampling procedure to select respondents from the 4-star-rated hotels in Kisumu and Nakuru cities. First, a census approach was used to identify all 4-star-rated

hotels operating within the two cities, resulting in the inclusion of eight hotels that formed the study units. The hotels were selected because they represent a category of accommodation facilities that provide relatively standardized services and serve both domestic and international customers.

After identifying the hotels, stratified random sampling was employed to select respondents. The respondents were stratified into two main categories: hotel management/staff and hotel guests. The stratification was necessary because the two groups possess different experiences and perspectives regarding customer satisfaction. Hotel managers and staff provided information related to service delivery practices, employee characteristics, economic considerations, and sustainable practices, while guests provided information regarding their perceptions of service quality, satisfaction, value for money, and overall hotel experience.

Within each stratum, simple random sampling was applied to select individual respondents. This approach ensured that each member of the identified respondent categories had an equal opportunity of being included in the study, thereby reducing selection bias and enhancing the representativeness of the sample. The use of stratified random sampling was considered appropriate because it allowed adequate representation of the key stakeholder groups involved in the delivery and consumption of hospitality services.

The unit of analysis for the study was the 4-star-rated hotel, while the units of observation comprised hotel managers, employees, and guests in Kisumu and Nakuru cities. The sampling procedure enabled the researcher to obtain diverse perspectives necessary for assessing the influence of socio-economic factors on customer satisfaction and the moderating role of sustainable practices in the relationship.

3.5 Data Collection

This study made use of primary data. A standardized questionnaire was used to gather the data. A section measuring the psycho-socioeconomic elements impacting customer satisfaction was added to the questionnaires. There were three sections to the questionnaires. The responders had to provide their demographic data in the first section. This section was meant to give information on the kind of customer. In the subsequent section, participants were asked to rank the degree to which they think the listed criteria affect customer satisfaction. In the third section of the survey, participants were asked to score how satisfied they were with the hotel's services on a Likert scale that went from 1 to 5.

3.5.1 Validity of Instruments

This study established validity through content validity and construct validity procedures. Content validity was assessed through expert review involving supervisors and specialists in hospitality management and research methodology. The experts examined the questionnaire items to determine their relevance, clarity, adequacy, and alignment with the study objectives and conceptual framework. Their recommendations were incorporated to improve the wording, sequencing, and coverage of the research items.

Construct validity was assessed through Exploratory Factor Analysis (EFA), which was conducted to determine whether the questionnaire items appropriately measured the underlying constructs of the study variables. Factor analysis was considered appropriate because the study examined multiple latent constructs, including service quality, personality traits, economic factors, sustainable practices, and customer satisfaction. The suitability of the data for factor analysis was

assessed using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity.

The suitability of the data for factor analysis was examined using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity. The KMO value obtained was 0.842, which exceeded the recommended minimum threshold of 0.50, indicating that the sample size was adequate for factor analysis. Bartlett's Test of Sphericity was statistically significant ($\chi^2 = 3,426.581$, $df = 406$, $p < 0.001$), confirming that the correlation matrix was suitable for factor extraction.

The factor analysis results indicated that the extracted factors accounted for 68.47% of the total variance in the observed variables, demonstrating adequate representation of the underlying constructs. The factor loadings for all retained items ranged between 0.612 and 0.874, exceeding the recommended minimum loading of 0.50 (Hair et al., 2019). This confirmed that the measurement items had strong associations with their respective constructs.

Therefore, the validity assessment confirmed that the research instrument adequately captured the constructs under investigation and was appropriate for examining the influence of socio-economic factors on customer satisfaction in 4-star-rated hotels in Kisumu and Nakuru cities.

3.5.2 Reliability of Instruments and instrumentation

Reliability refers to the extent to which a research instrument consistently measures the intended constructs and produces stable results when applied under similar conditions. In this study, the internal consistency of the research instrument was assessed using Cronbach's alpha coefficient. Cronbach's alpha is widely applied in quantitative studies to determine the reliability of multi-item

scales by examining the degree to which items measuring the same construct are correlated. A coefficient value of 0.70 and above is generally considered acceptable for establishing internal consistency, although the acceptable threshold may vary depending on the nature and purpose of the study (Hair et al., 2019).

Before the actual data collection, a pilot study was conducted to test the reliability, clarity, and suitability of the research instrument. The pilot study was carried out in Eldoret town involving two 4-star-rated hotels, namely Sirikwa Hotel and Boma Hotel. These hotels were purposively selected because they share similar operational characteristics with the hotels included in the main study in Kisumu and Nakuru cities. Specifically, the selected hotels serve comparable categories of domestic and international guests, provide similar accommodation and hospitality services, operate within the upscale hotel segment, and employ service delivery structures similar to those of 4-star-rated hotels in the study area. However, they were excluded from the main study to minimize the possibility of respondent contamination and ensure that the pilot exercise did not influence the final findings.

A total of 36 respondents, representing approximately 10% of the study sample size, participated in the pilot study. The sample comprised hotel guests and hotel staff to ensure that the instrument captured perspectives from both service providers and service consumers. The use of a pilot sample of between 1% and 10% of the total sample size is considered adequate for assessing the reliability and feasibility of research instruments (Bryman & Bell, 2015). Feedback obtained during the pilot study was used to refine ambiguous questions, improve the clarity of statements, and enhance the overall effectiveness of the data collection instrument before the final administration. The results are attached in table 3.3.

Table 3.3:*Reliability Analysis Results*

Study Variables	Reliability Statistics		N of Items
	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	
Service Quality	0.842	0.845	6
Personality Traits	0.781	0.784	5
Economic Factors	0.764	0.768	6
Sustainable Practices	0.816	0.819	4
Customer Satisfaction	0.873	0.875	7
Overall Mean	0.815	0.818	28

Source: Researcher (2023)

3.6. Data Collection Procedures

In order to simplify the issuing of a research permit, the researcher requested a research authorization letter from Kisii University's School of Post-Graduate Studies, which was then submitted to NACOSTI, the National Commission for Science, Technology, and Innovation. Data collection was done through delivering the questionnaires to the respondents (both customers and the hotel employees) then picking the filled questionnaires after two weeks. The customers who completed filling the questionnaires were requested to drop them at the hotel's reception.

The period of two weeks was deemed appropriate in giving the respondents time to fill the questionnaires.

3.7 Data Analysis and Presentation

Statistical Packages for Social Sciences (SPSS) version 25 was utilized to apply descriptive statistical techniques to the data, including mean, standard deviation, and frequency distribution.

Furthermore, kurtosis and skewness were calculated. The findings were displayed as graphs, tables, pie charts, percentages, and frequencies.

To establish the causal relationships as conceptualized, inferential statistical method was used to test first, the influence of the independent variable (psycho socio-economic factors) on the dependent variable (customer satisfaction). Second the inferential method was used to test the moderating role of sustainable practices in the relationship between psycho socio-economic factors and customer satisfaction on 4-star hotels in Kisumu and Nakuru cities.

Simple linear regression was used to test direct relationships between two variables, using the model indicated below;

$$Y = \beta_0 + \beta_1 X_1 + \epsilon \dots \text{customer service quality}$$

$$Y = \beta_0 + \beta_2 X_2 + \epsilon \dots \text{personality traits}$$

$$Y = \beta_0 + \beta_3 X_3 + \epsilon \dots \text{economic factors}$$

Whereby;

Y ; is Customer Satisfaction

β_0 ; is a Constant

β_{1-3} ; are coefficients

X_1 ; is customer service quality

X_2 ; is personality traits

X_3 ; is . economic factors

ϵ ; is the error term

Multiple regression analysis was used to test direct relationships involving more than two variables as indicated in the model below;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Whereby;

Y: is Customer Satisfaction

β_0 : is a Constant

β_{1-3} : are coefficients

X_1 : is customer service quality

X_2 : is personality traits

X_3 : is . economic factors

ϵ : is the error term

Hierarchical regression analysis was used to test the moderating role of sustainable practice in the relationship between psycho socio-economic factors and customer satisfaction as indicated by the model below;

$$Y = \beta_0 + \beta_1 X_1 M + \beta_2 X_2 M + \beta_3 X_3 M + \epsilon$$

Whereby;

Y: Customer Satisfaction

β_0 : is a Constant

β_{1-3} : are coefficients

X_1 : is customer service quality

X_2 : is personality traits

X_3 : is. economic factors

M: is the moderating variable

ϵ : is the error term

The inferential statistics output was presented in the form of regression coefficients (R and R^2) to illustrate the nature and extent of the influence. The Pearson's product moment correlation coefficient (r), was used to determine the strength of the relationships between different variables as conceptualized, at a 95% confidence level. The correlation coefficient (r) of 0.1- 0.29 was deemed weak, 0.3-0.59, moderate and 0.6 and above was deemed strong.

3.7.1. Assumptions of Linear Regression

The regression analysis model work with the following assumptions.

3.7.1.1: Assumption of Linearity

Regression analysis was based on the assumption that there is a linear relationship between the independent and dependent variables. The study utilized scatter plots to test the assumption of linearity in order to eliminate outlier effects (Casson *et al.*, 2014).

3.7.1.2: Assumption of Normality

The analysis assumed that both dependent and independent variables are normally distributed since anomaly in distribution of the variables distorts significance tests of the relationships (Schmidt & Finan, 2018). Visual inspection of data plots (p-p plots) was used to check normality and identify outliers.

3.7.1.3: Assumption of Homoscedasticity

The variance of the errors (residuals) is constant across all levels of the independent variable(s) in order to test the homoscedasticity assumption. Over the range of predictor values, the distribution of data points around the regression line should be nearly constant. A scatter plot was used to

measure homoscedasticity; the residuals, or the discrepancies between the observed and anticipated values from the regression model, were usually plotted against the predicted values.

3.7.1.4: Assumption of Multicollinearity

In order to determine the level of correlation between predictor and dependent variables, the multicollinearity test was used. According to Kim (2019), multicollinearity is commonly defined as the existence of an approximately linear relationship between the predictor variables in the data. To test for multicollinearity, this study used both tolerance and the Variable Inflation Factor (VIF). To indicate the problem in Multicollinearity, the tolerance statistics values would have to lie below 0.10 ($1/VIF < 0.10$) and when the inter-correlation among predictor variables is above 0.9 will signal high Multicollinearity.

3.8 Ethical Considerations

Understanding research ethics is crucial for all researchers. Ethics pertain to both the respondent, who has an obligation to participate and provide accurate information during an interview or survey, and the researcher, who is carrying out the study and should be aware of basic responsibilities and obligations. Thus, every effort was made to mitigate any possible risk in order to conduct the study in a fair and just manner. Kisii University and the participants needed to grant permission for the study to be conducted. Respect for those participating was attained because it is their right to decide whether or not to participate. Consent and the respondents' privacy and confidentiality will be given careful consideration. Following a thorough description of the study's purpose, participants were asked to indicate verbally whether or not they would like to take part in it.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Response Rate

The researcher distributed questionnaires for both 4-star hotel staff and customers. Table 4.1 displays the response rates.

Table 4.1

<i>Response Rate</i>		
Sample size	Number	Percent
Distributed Questionnaires	360	100.00
Returned questionnaires	271	75.3
Questionnaires Not returned	89	24.7
Usable Questionnaires	271	75.3

Source: Researcher,2023

As depicted in table 4.1, three hundred and sixty (360) questionnaires were administered to respondents (customers and staff). Two hundred and seventy-one (271) were successfully filled and returned which translated to a response rate of 75.3 %. Eighty-nine (89) respondents (50 for customers and 39 for the staff) did not return their questionnaires translating to 24.7 % Mugenda and Mugenda (2003) posits that a response rate of 50% is adequate.

4.2 Demographics of the Respondents

Demographic for the respondents included gender, age, customer's visits, level of education of the staff and years that the employees have worked in the hotel.

4.2.1 Respondents Gender

This section of the questionnaire sort to establish respondents' gender for the customers and staff in the hotels. The results were generated in table 4.2.

Table 4.2
Respondents Gender

	Frequency		Percent	
	Customers	Staff	Customers	Staff
Male	110	30	51.6	51.7
Female	103	28	48.4	48.3
Total	213	58	100.0	100.0

Source: Researcher,2023

The research results in table 4.2 show that 110 (51.6%) of the customers were male while 103 (48.4%) were female. Further, 30(51.7%) of the staff respondents were male and 28 (48.3%) were female. Balanced gender distribution in a study is essential for ensuring representativeness, validity, fairness, and social relevance.

4.2.2 Respondents Age

Table 4.3a and b shows the distribution of the respondents according to their age groups.

Table 4.3a
Customer's Age

	Frequency	Percent
26-30	8	3.8
31-35	27	12.7
36-40	23	10.8
41-45	25	11.7
46-50	42	19.7
51 -55	42	19.7
56- 60	46	21.6
Total	213	100.0

Source: Researcher,2023

Table 4.3a revealed that, majority (55.6%) of the respondents were between 31 – 45 years of age while the minorities (3.7%) were between 56- 60 years of age. This shows that majority of the respondents were in their middle age and at the peak of their career therefore in a better position to implement psycho socio-economic factors.

Table 4.3b
Staffs' Age

	Frequency	Percent
20 – 25	14	24.1
26-30	19	32.8
31-35	13	22.4
36-40	8	13.8
41-45	2	3.4
46-50	2	3.4
Total	58	100.0

Source: Researcher,2023

Table 4.3b revealed that, majority (79.3%) of the staff were between 20 – 35 years of age while the minorities (21.7%) were between 36 years of age and above. This implies that most 4-star rated hotels prefer young staff.

4.2.3 Customer's Number of Visits

Respondents were asked to state approximate number of times they have visited the hotel and findings presented in table 4.4

Table 4.4:
Number of Visits

	Frequency	Percent
Daily	103	48.4
Weekly	63	29.6
Every time I have toured this county	29	13.6
Once in a month	18	8.5
Total	213	100.0

Source: Researcher,2023

Results in table 4.4 shows that majority customers visit the hotel daily 48.4%, followed by those who visit weekly at 29.6%, those visit every time they tour the county were 13.6%, and customers who visited once in a month were 8.5%.

4.2.4 Education Background of Staff

Respondent's highest level of education was as presented in table 4.5. The level of education of hotel staff, plays a significant role in the quality of service and overall customer satisfaction.

Table 4.5

Staffs' Education Background

	Frequency	Percent
Primary	1	1.7
Secondary	4	6.9
Diploma	21	36.2
Bachelor's Degree	25	43.1
Post Graduate Degree	7	12.1
Total	58	100.0

Source: Researcher,2023

The findings in table 4.5 shows that majority (43.1%) of the respondents were bachelor's degree holders as their highest level of education; 36.2% were Diploma holders, 12.1% were post graduate degree holders while 8.6% were secondary and primary certificate holders. This implied that the personnel in the 4-star hotels have got necessary qualifications to enable them hold key positions within the hotel management and perform key functions.

4.2.5 Number of Year's Worked

To determine the number of years worked, the respondents were asked to state years in which they have served in the hotel. Experienced staff members bring valuable knowledge and expertise

contributing to the hotel's success and reputation. Table 4.6 gives the summaries by the respondents.

Table 4.6

Years Worked

		Frequency	Percent
Valid	More than 5 years	7	12.1
	5 years	12	20.7
	4 years	14	24.1
	3 years	11	19.0
	2 years	9	15.5
	Less than 1 year	5	8.6
	Total	58	100.0

Source: Researcher,2023

The distribution of years worked as shown on table 4.6 indicated that 12.1% of the staff have worked for more than 5 years, 20.7% have worked for 5years experience, 24.1% have worked for 4 years and while 19% have worked for 3 years. Further, the results revealed that 15.5% of the staff have worked for 2years and 8.6% of the staff have worked for less than 1 year. Majority of the hotel personnel have served for a long period and therefore understood their job description well.

4.3 Descriptive Statistics of the Study Variables

Using descriptive statistical methods, the researcher sought to understand respondents' opinion using a five-point Likert scale to generate minimum and maximum values, means and standard deviations. (Where: 1= Strongly Disagree; 2 = Disagree; 3 =Undecided; 4 = Agree; 5 = Strongly Agree).

4.3.1 Descriptive on Service Quality

The respondents were asked to indicate the extent to which service quality is delivered in the hotel to enhance customer satisfaction and the results are as shown in table 4.7.

Table 4.7*Descriptive Statistics on Service Quality*

	N	Minimum	Maximum	Mean	Std. Deviation
B1:The Hotel's physical facilities are visually appealing.	271	1	5	4.10	.961
B2:When you have a problem, the hotel shows a sincere interest in solving it.	271	1	5	4.01	.878
B3:The behavior of hotel employees instils confidence in customers.	271	1	5	3.88	1.022
B4:The hotel employees understand your specific needs.	271	1	5	3.93	1.009
B5:The Hotel's employees are neat appearing	271	1	5	3.82	1.060
B6: You feel safe in your transactions with the hotel.	271	1	5	4.01	.871
B7: Hotels services and menus are available at the right place	271	1	5	2.93	1.296
B8: Hotel staff give prompt service to customers	271	1	5	3.00	1.199
B9: Hotel staff are always available to serve customers anytime	271	1	5	3.29	1.124
B10: Customers are always certain of getting prompt services from our hotel	271	1	5	3.16	1.225
B11: The hotel has the customers best interests at heart	271	1	5	3.47	1.203
B12: The hotel staff understand the specific needs and preferences of their customers	271	1	5	3.59	1.185
Average Mean				3.60	1.086

Source: Researcher,2023

The result in table 4.7 indicated that to a great extent, the hotel's physical facilities are visually appealing (Mean = 4.10, SD = .961). Most respondents further agreed when you have a problem, the hotel shows a sincere interest in solving it. (Mean = 4.01, SD = .878). Majority of the respondents agreed to the statement 'the behavior of hotel employees instils confidence in customers.' (Mean = 3.88, SD = 1.022). The hotel employees also understand customer's specific

needs (mean = 3.93, SD = 1.009) also the hotel's employees are neat appearing (Mean = 3.82, SD = 1.060). The findings also revealed that customers feel safe in their transactions with the hotel (Mean = 4.01, SD = .871). Respondents also were in agreement that hotels services and menus are available at the right place (Mean = 2.93, SD = 1.296). In the same breath, it was noted that hotel staff give prompt service to customers (mean = 3.00, SD = 1.199). In addition, hotel staff are always available to serve customers anytime (Mean = 3.29, SD = 1.124). The findings also found out that customers are always certain of getting prompt services from our hotel (Mean = 3.16, SD = 1.225). The hotel also has the customer's best interests at heart (Mean = 3.47, SD = 1.203). Most 4-star hotel staff understand the specific needs and preferences of their customers (Mean = 3.59, SD = 1.185). The average mean of 3.60 for service quality shows a greater use of these strategy among 4-star hotels. The values on service quality standard deviation were greater than 1. This suggests that the components in the dataset have varying degrees of dispersion around the mean.

The study findings concur with that of Lam, Zhang, & Baum, (2019) who discovered that there was a connection between quality of service, guest satisfaction, and loyalty which are separate but connected. According to Kim & Kim, (2017), customer satisfaction is directly correlated with factors like professionalism, service attitude, efficiency, and amenities. The findings further agree with Kim, Lee & Jang (2010), who alluded that customers' contentment and discontent are mostly determined by their perceptions of the quality of the product or service they received.

4.3.2 Descriptive Statistics on Personality Traits

Respondents were asked different questions with an aim to determine the effect of personality traits on customer satisfaction in the 4-star restaurants. Their responses were rated on a 5 points

likert-scale in which they either stated strongly disagreed, disagreed, undecided, agreed or strongly agreed.

Table 4.8

Descriptive Statistics on Personality Traits					
	N	Minimum	Maximum	Mean	Std. Deviation
C1:I always like to be with charming and attentive restaurant employees when dining out	271	1	5	4.08	.936
C2:Employees tend to share stressful situations to me	271	1	5	3.95	1.083
C3:Employees showed a willingness to listen and address my concerns or requests	271	1	5	3.92	1.043
C4:The hotel employees demonstrate a genuine interest in ensuring my satisfaction	271	1	5	4.11	.856
C5:I perceive the hotel employees to be professional in their appearance, behavior, and communication	271	1	4	4.07	.890
C6: There's openness by the hotel staff	271	1	5	3.74	1.292
C7: The motivation from the hotel staff encourages customers frequent visits	271	1	5	3.60	1.283
C8: The hotel management has created a perception of good will hence encouraging customers frequent visits	271	1	5	3.97	1.008
Average Mean				3.90	0.936

Source: Researcher,2023

As evidenced in table 4.8, customers prefer charming and attentive restaurant employees when dining out (Mean = 4.08, SD = .936). Customer also acknowledged that employees tend to share stressful situations with them (Mean = 3.95, SD = 1.083). Further, employees showed a willingness to listen and address customers concerns or requests (Mean = 3.92, SD = 1.043). Similarly, hotel employees demonstrate a genuine interest in ensuring customer satisfaction (Mean = 4.11, SD = .856). Respondents also agreed that customers perceive the hotel employees to be professional in

their appearance, behavior, and communication (Mean = 4.07, SD = .890). Respondents also acknowledged that there's openness by the hotel staff (Mean = 3.74, SD = 1.292). Further, the motivation from the hotel staff encourages customer's frequent visits (Mean = 3.60, SD = 1.283). Finally, the hotel management has created a perception of good will hence encouraging customer's frequent visits (Mean = 3.97, SD = 1.008).

Overall, the items on personality traits are summed up to a mean of 3.90. The findings suggest that personality traits play a significant role of 4-star hotels customer satisfaction. The standard deviation for personality traits had an average mean of 0.936 with most of its values being greater than 1. This indicates that the dataset contains elements with different levels of dispersion around the mean.

The study's findings are consistent with those of Jani & Han (2015), who observed that personality traits, personnel, service quality, and the physical environment are important factors that influence guests' satisfaction in the hotel industry. Therefore, a company's customers' behavior and attitude toward its goods or services might be related to their personality types. Furthermore, Cohen et al. (2014) draw the conclusion that a variety of psychological elements, such as the customers' perceptions of the goods, may have an impact on their behavior. A consumer's motivation, education, viewpoint, character, and way of life are other influences.

4.3.3 Descriptive Statistics on Economic Factors

Respondents were probed on various indicators of economic factors. The findings were generated in table 4.9.

Table 4.9*Descriptive Statistics on Economic Factors*

	N	Minimum	Maximum	Mean	Std. Deviation
D1:My disposable income influences my perception of the hotel's affordability	271	1	5	3.90	1.149
D2:The employees always look smart and well managed	271	1	5	4.09	.864
D3:The hotels food prices are affordable	271	1	5	4.09	.911
D4:The competition among the hotels in town always leads to the delivery of best services	271	1	5	4.05	.842
D5:Inflation in the country has led to low turnout in the hotels	271	1	5	4.07	.749
D6: The hotel has employed manageable staff	271	1	5	3.59	1.200
D7: The hotel's high-quality food and service has managed to contain competition from our rivals	271	1	5	3.55	1.157
Average Mean				3.83	1.02

Source: Researcher,2023

From the results in table 4.9, findings show that most customers disposable income influences their perception on the hotel's affordability (Mean = 3.90, SD = 1.149). Other than that, employees always look smart and well managed (Mean = 4.09, SD = .864). Moreover, the study findings revealed that the hotels food prices are affordable (Mean = 4.09, SD = .911). This was further

supported by the statement ‘The competition among the hotels in town always leads to the delivery of best services’(Mean = 4.05, SD = .842). Majority of respondents also concurred Inflation in the country has led to low turnout in the hotels (mean = 4.07, SD = .749).

In addition, the hotel has employed manageable staff (Mean = 3.59, SD = .749). Most respondents observed that the hotel’s high-quality food and service has managed to contain competition from our rivals (Mean = 3.55, SD = 1.157). Overall, the items on economic factors had an average mean of 3.83. This implied that the economic factors contribute greatly to 4-star hotels customer satisfaction. The standard deviation had an average mean of 1.02 with its indicators having values of less and more than 1 indicating greater variability of data points around the mean.

The study findings are in line with Tasci, & Gartner (2017), who found that in 4- and 5-star hotels, that is, more expensive, value was the factor which was most correlated with satisfaction. The findings also affirm with those of Kandampully (2012) who found that the ability of the attributes considered to explain consumer satisfaction varied according to the establishment, being more efficient among the budget hotels. Tasci, & Gartner (2017 findings concluded that When people feel optimistic about the economy, they are more likely to spend on hospitality services, leading to increased customer satisfaction as they are more willing to indulge in experiences.

4.3.4 Descriptive Statistics on Sustainable Practices

Respondents were asked different questions pertaining sustainable practices. Their responses were rated on a 5 points likert-scale in which they either stated strongly disagreed, disagreed, undecided, agreed or strongly agreed. The findings were as generated in table 4.10.

Table 4.10

Descriptive Statistics on Sustainable Practices					
	N	Minimum	Maximum	Mean	Std. Deviation
E1:I knew the hotel through their social media platform	271	1	5	3.99	.919
E2:The conference facilities offered by the hotels are up to standard	271	1	5	4.06	.888
E3: The hotel usually engages with local communities through partnerships, charitable initiatives, and community outreach programs.	271	1	5	4.02	.841
E4:There's awareness among guests about the hotel's sustainability initiatives, encouraging participation in eco-friendly activities and programs,	271	1	5	4.06	.836
E5: The hotel has managed to reduce energy consumption, and utilizing renewable energy sources like solar power.	271	1	5	3.09	1.328
E6: The hotel has focused on reducing water usage and promoting efficient water management.	271	1	5	3.43	1.156
E7: There's Provision of training and education to staff on fostering a culture of environmental responsibility	271	1	5	3.34	1.319
Average Mean				3.71	1.041

Source: Researcher, 2023

Table 4.10 shows that majority respondents knew the hotel through their social media platform (Mean = 3.99, SD = .919). Respondents also agreed that conference facilities offered by the hotels are up to standard (Mean = 4.06, SD = .888). Respondents further agreed the hotel usually engages

with local communities through partnerships, charitable initiatives, and community outreach programs. (Mean = 4.02, SD = .841). Moreover, there's awareness among guests about the hotel's sustainability initiatives, encouraging participation in eco-friendly activities and programs, (Mean = 4.06, SD = .836).

Respondents were also in agreement that the hotel has managed to reduce energy consumption, and utilizing renewable energy sources like solar power (Mean = 3.09, SD = 1.328). The study findings further indicated that the hotel has focused on reducing water usage and promoting efficient water management. (Mean = 3.43, SD = 1.156). There's also a Provision of training and education to staff on fostering a culture of environmental responsibility (Mean = 3.34, SD = 1.319).

Overall, the items on sustainable practice summed up to a mean of 3.71. This implied that sustainable practice has a greater influence on relationship between psycho-social economic factors and customer's satisfaction. The standard deviation had an average mean of 1.041 with its indicators having values of less and more than 1 indicating greater variability of data points around the mean.

4.3.5 Descriptive Statistics on Customer Satisfaction

Respondents were asked different questions with an aim to ascertain customer satisfaction. Their responses were rated on a 5 points likert-scale in which they either stated strongly disagreed, disagreed, undecided, agreed or strongly agreed. They were generated in table 4.11.

Table 4.11

Descriptive Statistics on Customer Satisfaction					
	N	Minimum	Maximum	Mean	Std. Deviation
F1:Understanding guest specific needs	271	1	5	4.12	.749
F2:The hotel has individualized attention	271	1	5	3.88	1.016
F3:There is safety and security	271	1	5	3.85	.865
F4:The hotel has consistency of service	271	1	5	4.03	.879
F5:There's flexibility of employees	271	1	5	4.10	.710
F6:Convenient operating hours	271	1	5	4.12	.730
F7:There's Prompt attention to guest's requests	271	1	5	4.23	.753
F8: The hotel has gotten numerous referrals from customers who have enjoyed our services	271	1	5	4.33	.473
F9: Customers always do repeat purchase for hotel's products and services	271	1	5	4.24	.601
Average Mean				4.12	0.735

Source: Researcher,2023

Table 4.11 indicates that the hotels understood specific customer needs (Mean = 4.12, SD = .749), as well as giving individualized attention (Mean = 3.88, SD = 1.016). Customers were also satisfied in terms there is safety and security (Mean = 3.85, SD = .865). Further findings revealed that the hotel has consistency of service (Mean = 4.03, SD = .879). In addition, There's flexibility of employees (Mean = 4.10, SD = .710). As well, the hotels have convenient operating hours (Mean = 4.12, SD = .730). Further, respondents agreed that there's Prompt attention to guest's requests (Mean = 4.23, SD = .753). The hotel has also gotten numerous referrals from customers who have enjoyed their services (Mean = 4.33, SD = .473). Most respondents also agreed customers always do repeat purchase for hotel's products and services (Mean = 4.24, SD = .601).

Overall, the items on customer satisfaction gave an average mean of 4.12 implying that psycho-social economic factors are important in influencing customer satisfaction. The standard deviation for all indicators were less than 1 except (F2: The hotel has individualized attention,1.016) indicating less variation in the responses.

4.4 Diagnostic Tests

In order to get the best results possible, Hair et al. (2010) state that the regression analysis assumptions must be met in order to guarantee that the results were truly representative of the sample. Normality, linearity, multicollinearity, and homoscedasticity were the main hypotheses that were examined (Hair et al., 2010).

4.4.1 Linearity Test

Multiple regression can assess the relationship between dependent and independent variables when they are linearly connected, as the assumption of linearity characterizes the response variable as a function of the predictor variables. Scatter plots of the standardized residuals of the dependent and independent variables are used to verify the linearity of the test (Casson et al., 2014).

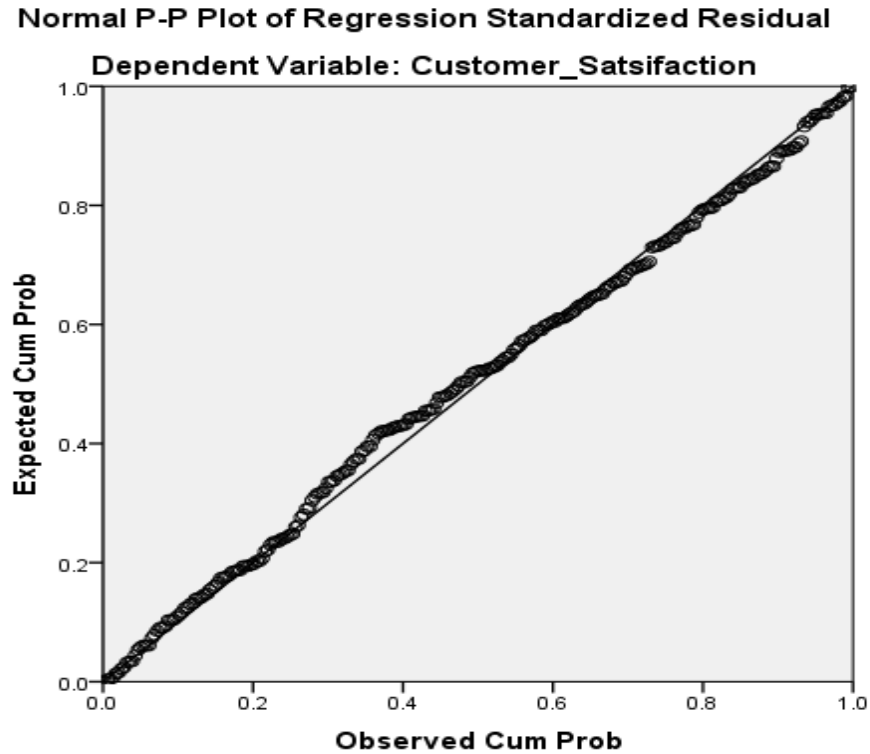


Figure 4.1: Normal P-P Plot

4.4.2 Normality Test

The skewness and kurtosis of the data distribution are used to determine the normalcy of the data distribution. Extreme kurtosis and skewness scores suggest that the data distribution may be aberrant. According to researchers (Kline, 2011), skewness levels more than three and kurtosis values greater than ten may be signs of potential problems with the data's normalcy.

Table 4.12

Normality

Variable	Mean	Std. Deviation	Skewness	Kurtosis
Service Quality	12.473	0.5245	-1.534	0.963
Personality Traits	9.482	0.5306	0.267	0.346

Economic Factors	18.738	.42868	.066	.560
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Source: Researcher,2023

When skewness and kurtosis values above 3 and 10 were examined in Table 4.12, it was discovered that all of the variables produced values below these cutoff points. This guarantees that the study's data are normal.

4.4.3 Homoscedasticity Test

Plotting normalized residuals against the anticipated values of the predicted variable will reveal heteroscedasticity Osborne and Waters (2002). According to Schmidt and Finan (2018), homoscedasticity means that the variance of the errors is same at every level of the predictor variables. Heteroscedasticity in this study was assessed by looking at the scatter plots of the independent and dependent variables' standardized residuals. A scatter plot of the regression standardized residual is displayed in Figure 4.3.

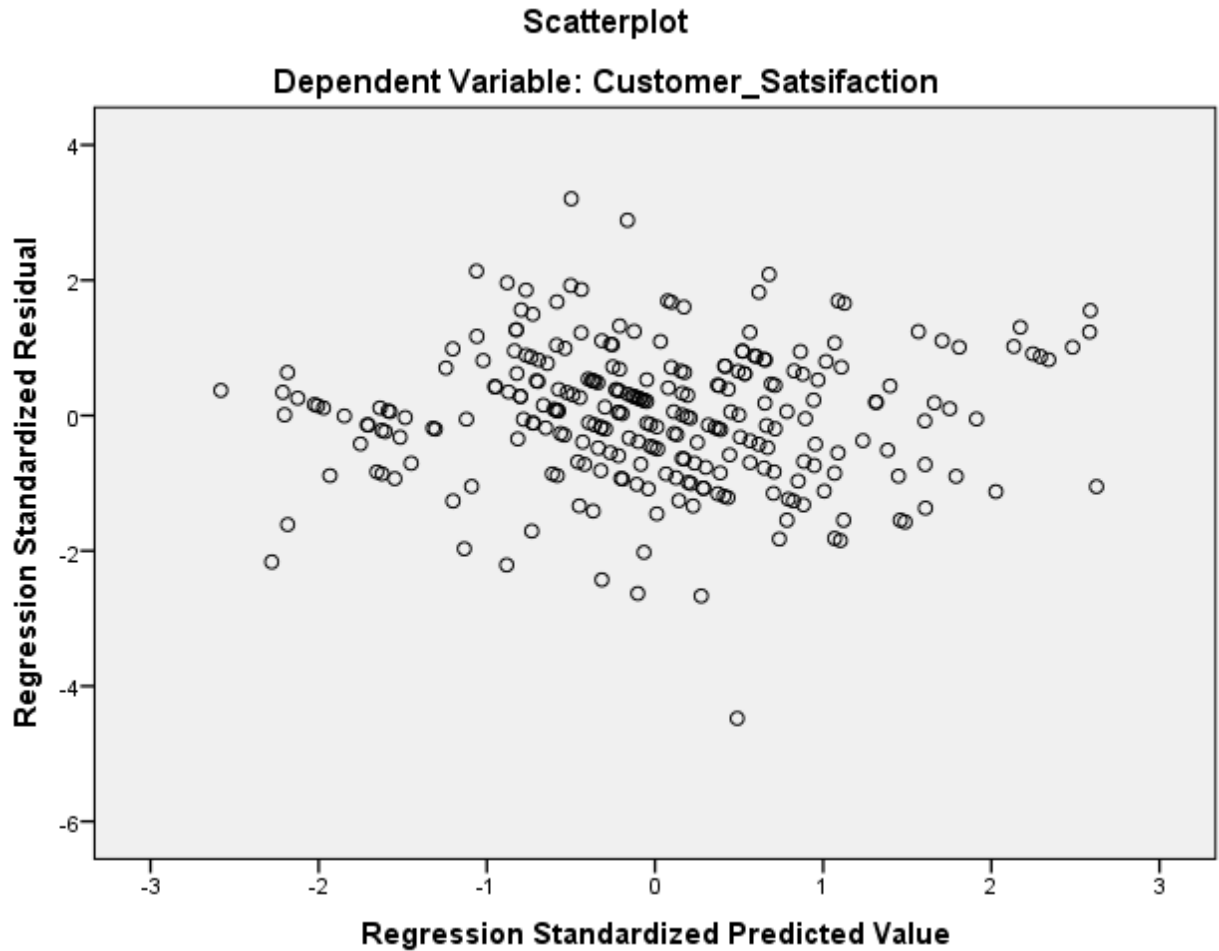


Figure 4.2: Scatter plot

The circles in Figure 4.2 are uniformly distributed to the left and right on the y-axis, as well as above and below 0 on the x-axis, suggesting that the heteroscedasticity condition was satisfied.

4.4.4 Multicollinearity Test

When two or more of the independent variables exhibit strong correlation, it is referred to as multicollinearity, and it can negatively impact the outcomes of multiple regression analyses (Cooper & Schindler, 2006). With the use of tolerance and its reciprocal Variance Inflation Factor (VIF), multi-collinearity can be found. According to Hair et al. (2006) and Ghazali (2005), a

tolerance value of less than 0.10 and a VIF value of more than 10 are the cut-off points for determining multi-collinearity. When two or more of the independent variables exhibit strong correlation, it is referred to as multicollinearity, and it can negatively impact the outcomes of multiple regression analyses.

Table 4.13

Multicollinearity

		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	Service Quality	.749	1.334
	Personality Traits	.874	1.144
	Economic Factors	.700	1.429

Source: Researcher,2023

The VIF values in Table 4.13 below were less than four (>4) meaning that there was no multicollinearity.

4.5 Correlation Analysis

This section displays the results of the study variables' correlation analysis using Pearson's product-moment correlation. The degree of a linear relationship between two variables is indicated by the Pearson product-moment correlation coefficient, or r .

Table 4.14**Pearson correlation Statistic**

		Service Quality	Personality Traits	Economic Factors	Customer Satisfaction
Service Quality	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	271			
Personality Traits	Pearson Correlation	.240**	1		
	Sig. (2-tailed)	.000			
	N	271	271		
Economic Factors	Pearson Correlation	.495**	.346**	1	
	Sig. (2-tailed)	.000	.000		
	N	271	271	271	
Customer Satisfaction	Pearson Correlation	.501**	.437**	.615**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	271	271	271	271

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher,2023

Pearson correlation results in the table 4.14 showed that service quality has a moderate, positive and significant relationship with customer satisfaction with a Pearson Correlation coefficient of $r = .501$ which is significant at $p < 0.01$. The output also shows that Personality traits is moderately and positively related with customer satisfaction, with a coefficient of $r = .437$ which is also significant at $p < 0.01$. The correlation results also indicated that economic factors are strongly and positively related with customer satisfaction as shown by a coefficient of $r = .615$ which is significant at $p < 0.01$. From the foregoing, there is a linear relationship between service quality, Personality traits, economic factors and customer satisfaction. This provided more ground to perform regression analysis.

4.6 Regression Analysis

A quantitative research method called regression analysis is applied when modeling and analysing many variables is part of the investigation. Regression analysis is used to ascertain how service quality, personality qualities, and economic considerations relate to one another and how much of an influence they have on customer satisfaction. To evaluate the particular study hypotheses, the linear regression's regression weight was employed. These were the study's hypotheses:

H₀₁: Customer service quality does not have a statistically significant effect on customer satisfaction of 4-star hotels in Kisumu and Nakuru

H₀₂: Personality does not have a statistically significant effect on customer satisfaction on 4-star hotels in Kisumu and Nakuru

H₀₃: Economic factors do not have a statistically significant effect on customer satisfaction in 4-star hotels in Kisumu and Nakuru

H₀₄: The moderating role of sustainable practice does not have a statistically significant effect on the relationship between psycho socio-economic factors customer satisfaction on 4-star hotels in Kisumu and Nakuru

4.6.1. Effect of Service Quality on Customer Satisfaction in the 4-Star Hotel

Objective one of the study was designed to evaluate the role of customer service quality on determining customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities.

Simple linear regression was used to test the hypothesis;

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Table 4.15a shows the model summary results

Table 4.15a

Model Summary of Service Quality on Customer Satisfaction					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.501 ^a	.251	.249	.37159	1.412

a. Predictors: (Constant), Service Quality

b. Dependent Variable: Customer_Satisfaction

Source: Researcher,2023

Results from table 4.15a shows a moderate and significant relationship between service quality and customer satisfaction outcome, implying that service quality explain 25.1% (R^2 was 0.251) of the changes in service quality in 4-star rated hotels in Kisumu and Nakuru cities.

Table 4.15b show the Anova results

Table 4.15b

ANOVA^a of Service Quality on Customer Satisfaction						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.473	1	12.473	90.331	.000 ^b
	Residual	37.144	269	.138		
	Total	49.617	270			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Service Quality

Source: Researcher,2023

Results from table 4.15b shows that $P < 0.05$ meaning that the model is fit. This also implies that null hypothesis is rejected. Hence service quality has statistically significant effect on customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities.

Regression coefficients were generated as indicated in table 4.15c.

Table 4.15c

Coefficients^a of Service Quality on Customer Satisfaction					
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	2.247	.118		19.009
	Service Quality	.326	.034	.501	9.504
					Sig.

a. Dependent Variable: Customer_Satsifaction

Source: Researcher,2023

The coefficient of estimate in table 4.15c show that service quality was positive and significant basing on $\beta_1 = 0.501$ (p-value 0.000 which is less than $p < 0.05$). This implies that for every unit change in service quality, there was a resultant 0.501 change in customer satisfaction. Further, a t-test value = 9.504 affirms that service quality is a significant predictor of customer satisfaction since its effect is 9 times relative to its standard error. Based on the above results the results derived the following simple linear regression model as shown below.

$$Y = 2.247 + 0.326X_1 + \varepsilon$$

These findings concur with previous findings by Kim & Kim, (2017) who recommended that happy customers are more likely to pay a premium for a service, to repurchase that service, and to suggest that service to others. Hence, customer satisfaction with hotels has been the topic of much research. In a similar vein, Zhang, & Baum, (2019) recommended that it is crucial for hotel staff to focus more on ensuring consistent, high-quality service by investing in the development of their own skills and knowledge. Ladhari, (2017) concluded that **an** organization's ability to compete in the market is directly tied to the satisfaction of its consumers. As a result of the positive effects

that pleased clients might have on a business, many enterprises work tirelessly to guarantee their patrons' contentment.

4.6.2. Effect of Personality Traits on Customer Satisfaction in the 4-Star Hotel

Objective two of the study sought to examine influence of personality traits on customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities.

Simple linear regression was used to test the hypothesis;

$$Y = \beta_0 + \beta_2 + X_2 + \varepsilon$$

Table 4.16a shows the model summary results

Table 4.16a

Model Summary of Personality Traits on Customer Satisfaction				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.437 ^a	.191	.188	.38627

a. Predictors: (Constant), Personality Traits

Source: Researcher,2023

The findings in table 4.16a shows that personality traits explain 19.1% (R^2 was 0.191) of the changes in customer satisfaction.

The ANOVA results are as presented in table 4.16b.

Table 4.16b**ANOVA^a of Personality Traits on Customer Satisfaction**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.482	1	9.482	63.553	.000 ^b
	Residual	40.135	269	.149		
	Total	49.617	270			

a. Dependent Variable: Customer_Satsifaction

b. Predictors: (Constant), Personality Traits

Source: Researcher,2023

Table 4.16b shows that personality traits significantly predicted c customer satisfaction ($F = 63.553$, $p < 0.05$). Therefore, the null hypothesis which predicted that personality traits does not have a statistically significant effect on customer satisfaction on 4-star hotels in Kisumu and Nakuru was rejected.

Regression coefficients were generated as indicated in table 4.16c.

Table 4.16c**Coefficients^a of Personality Traits on Customer Satisfaction**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.505	.108		23.089	.000
	Personality Traits	.275	.035	.437	7.972	.000

a. Dependent Variable: Customer_Satsifaction

Source: Researcher,2023

The coefficient of estimate in Table 4.16c show that personality traits was positive and significant basing on $\beta_1 = 0.437$ (p -value 0.000 which is less than $p < 0.05$). This implies that for every unit change in personality traits, there was a resultant 0.437 change in customer satisfaction. Further, a

t-test value = 7.972 affirms that cost personality traits is a significant predictor of customer satisfaction since its effect is 7 times relative to its standard error. Based on the above results the results derived the following simple linear regression model as shown below.

$$Y = 2.505 + 0.275X_2 + \varepsilon$$

The findings are in agreement with Lee et al., (2016) conclusion that by neglecting to pay attention to those hotel attributes considered most important by guests leads to negative evaluations of the hotel, thus restricting the chance of repeat patronage. They further alluded that when visitors feel that the hotel's staff isn't paying attention to the details they care about, they're less likely to stay there again. Cohen et al., 2014, found out that personality trait is one of the most essential psychological components of tourist behavior.

4.6.3. Effect of Economic Factors on Customer Satisfaction in the 4-Star Hotel

The third objective of the study assessed the influence of economic factors on customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities

Simple linear regression was used to test the hypothesis;

$$Y = \beta_0 + \beta_3 + X_3 + \varepsilon$$

Table 4.17a

Model Summary of Economic Factors on Customer Satisfaction				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.615 ^a	.378	.375	.33881

a. Predictors: (Constant), Economic Factors

Source: Researcher, 2023

Results in table 4.17a revealed that 37.8% percent variation of customer satisfaction was explained by economic factors ($R^2 = .378$).

Table 4.17b

ANOVA^a of Economic Factors on Customer Satisfaction						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.738	1	18.738	163.227	.000 ^b
	Residual	30.880	269	.115		
	Total	49.617	270			

a. Dependent Variable: Customer_Satisfaction

b. Predictors: (Constant), Economic Factors

Source: Researcher,2023

The study results in table 4.17b revealed that economic factors significantly predicted 4-star rated hotels in Kisumu and Nakuru cities customer satisfaction ($F = 163.227$, $p < 0.05$). Therefore, the null hypothesis which predicted that economic factors do not have a statistically significant effect on customer satisfaction in 4-star hotels in Kisumu and Nakuru was rejected.

Table 4.17c

Coefficients^a of Economic Factors on Customer Satisfaction					
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	1.494	.147		10.182
	Economic Factors	.506	.040	.615	12.776

a. Dependent Variable: Customer_Satisfaction

Source: Researcher,2023

The coefficient of estimate in table 4.17c show that economic factors was positive and significant basing on $\beta_1 = 0.615$ (p-value 0.000 which is less than $p < 0.05$). This implies that for every unit change in economic factors, there was a resultant 0.615 change in customer satisfaction. Further,

a t-test value = 12.776 affirms that economic factors is a significant predictor of customer satisfaction since its effect is 12 times relative to its standard error. Based on the above results the results derived the following simple linear regression model as shown below.

$$Y = 1.494 + 0.5063X_3 + \varepsilon$$

The findings are in tandem with Tasci, & Gartner (2017) who contend that the disposable income of consumers directly affects their ability to spend on hospitality services like hotels, restaurants, and travel. During periods of economic growth and rising incomes, people tend to spend more on leisure and travel, leading to higher customer satisfaction as they can afford better-quality services and experiences.

4.6.4. Multiple Regression Analysis on psycho socio-economic factors and customer satisfaction

The researcher sought to find out the impact of psycho socio-economic factors (service quality, personality traits and economic factors) on customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities. Multiple regression analysis was performed and the findings presented on table 4.18a, b and c respectively.

Table 4.18a

Model Summary on psycho socio-economic factors and customer satisfaction				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.691 ^a	.478	.472	.31147

a. Predictors: (Constant), Economic Factors, Personality Traits, Service Quality

Source: Researcher,2023

A multiple regression model in table 4.18a shows psycho socio-economic factors explain 47.8% (R^2 was 0.478) of the on customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities. while the remaining 52.2% are explained by other factors that are not covered in this study.

Table 4.18b

ANOVA^a on psycho socio-economic factors and customer satisfaction						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.715	3	7.905	81.483	.000 ^b
	Residual	25.903	267	.097		
	Total	49.617	270			

a. Dependent Variable: Customer_Satsifaction

b. Predictors: (Constant), Economic Factors, Personality Traits, Service Quality

Source: Researcher,2023

The ANOVA model showed that the combined prediction of the independent variables in Table 4.18b were statistically significant ($F = 81.483$, $\rho=.000$). Thus, the model was fit to predict customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities using service quality, personality traits, and economic factors.

Table 4.18c:**Coefficients^a on psycho socio-economic factors and customer satisfaction**

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.115	.145		7.699	.000
	Service Quality	.156	.033	.240	4.692	.000
	Personality Traits	.149	.030	.236	5.000	.000
	Economic Factors	.341	.043	.414	7.832	.000

a. Dependent Variable: Customer_Satsifaction

Source: Researcher,2023

The coefficient of estimate in Table 4.18c show that service quality had ($\beta_1=0.240$, sig.000, $p<0.05$), personality traits ($\beta_2=0.236$, sig.000, $p<0.05$) and economic factors $\beta_3= 0.414$ sig. .000, $p < 0.05$). The findings further indicated that economic factors had the highest effect on customer satisfaction followed by personality traits and service quality respectively. A multiple linear regression model was generated as shown below.

$$Y = 1.115 + 0.156X_1 + 0.149X_2 + 0.341X_3$$

4.7 Moderating Role of sustainable practice on the Relationship between psycho socio-economic factors and customer satisfaction

The moderating role of sustainable practice on the relationship between psycho socio-economic factors and customer satisfaction by testing the following hypothesis.

H₀₄: The moderating role of sustainable practice does not have a statistically significant effect on the relationship between psycho socio-economic factors customer satisfaction on 4-star hotels in Kisumu and Nakuru

The hierarchical regression analysis was presented in Table 4.19a, Table 4.19b and Table 4.19c.

The model summary is in Table 4.19a.

Table 4.19a**Model Summary sustainable practice on the Relationship between psycho socio-economic factors and customer satisfaction**

Model	R	Change Statistics							
		R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.691 ^a	.478	.472	.31147	.478	81.483	3	267	.000
2	.750 ^b	.563	.553	.30832	.085	14.592	4	369	.000

a. Predictors: (Constant), Economic Factors, Personality Traits, Service Quality

b. Predictors: (Constant), Economic Factors, Personality Traits, Service Quality, Sustainable practice

Source: Researcher,2023

The results in table 4.30a shows that psycho socio-economic factors alone were able explain 47.8% of the variance on the relationship between psycho socio-economic factors and customer satisfaction. When combined with the sustainable practices they explain 56.3% of the variations in customer satisfaction., hence sustainable practice contributed 8.5% of the changes.

Table 4.19b*ANOVA^a sustainable practice on the Relationship between psycho socio-economic factors and customer satisfaction*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.715	3	7.905	81.483	.000 ^b
	Residual	25.903	267	.097		
	Total	49.617	270			
2	Regression	23.802	4	5.950	61.312	.000 ^c
	Residual	25.816	266	.097		
	Total	49.617	270			

a. Dependent Variable: Customer_Satsifaction

b. Predictors: (Constant), Economic Factors, Personality Traits, Service Quality

c. Predictors: (Constant), Economic Factors, Personality Traits, Service Quality, Sustainable practice

Source: Researcher,2023

Table 4.19b show that psycho socio-economic factors and sustainable practice significantly predicted customer satisfaction ($F = 61.312$, $p < 0.05$). Therefore, the null hypothesis which predicted that the moderating role of sustainable practice does not have a statistically significant

effect on the relationship between psycho socio-economic factors customer satisfaction on 4-star hotels in Kisumu and Nakuru was rejected.

Table 4.19c

Coefficients^a sustainable practice on the Relationship between psycho socio-economic factors and customer satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.115	.145		7.699	.000
	Service Quality	.156	.033	.240	4.692	.000
	Personality Traits	.149	.030	.236	5.000	.000
	Economic Factors	.341	.043	.414	7.832	.000
2	(Constant)	.959	.220		4.365	.000
	Service Quality	.152	.033	.234	4.536	.000
	Personality Traits	.147	.030	.233	4.909	.000
	Economic Factors	.347	.044	.422	7.883	.000
	X ₁ M	.221	.139	.230	.251	.010
	X ₂ M	.228	.092	.331	.192	.025
	X ₃ M	.442	.122	.714	.536	.013

a. Dependent Variable: Customer_Satsifaction

Source: Researcher,2023

The coefficient of estimate in table 4.19c show that service quality and Sustainable practice (X₁M=0.350, sig.010, p<0.05), personality traits and sustainable practice (X₂M =0.331, sig.025, p<0.05) economic factors and sustainable practice (X₃M=0.714, sig.013, p<0.05) The findings indicated that the economic factors and sustainable practice contributed highly to the model, followed by personality traits and sustainable practice, service quality and Sustainable practice respectively. A multiple linear regression model was generated as shown below.

$$Y = 0.999 + 0.221X_1M + 0.228X_2 M + 0.442X_3M + \epsilon$$

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

This study's main goal was to assess the psycho socio-economic factors that influence customer satisfaction in hospitality industry in Kenya, focus on 4 star rated hotels in Kisumu and Nakuru cities. An overview of the findings for each of the objectives is given in this chapter. The respondents' degree of agreement with statements connecting the variables was determined using descriptive statistics. Additionally, single- and multiple-linear regression analyses were performed to verify the hypothesis findings.

5.1.1 The Service Quality on Customer Satisfaction

The initial goal was to assess how customer satisfaction at 4-star hotels in Kisumu and Nakuru is influenced by the quality of the customer service provided. The majority of respondents concurred that the hotel's physical spaces are aesthetically pleasing, that if you have an issue, the hotel genuinely wants to help you solve it, that hotel staff members' demeanor gives you confidence, and that hotel staff members are aware of the individual needs of each client.

At a significance level of 5%, the correlation analysis revealed a moderate, positive, and statistically significant link. An additional finding of the basic linear regression study was that the service quality, positively and statistically significantly impacted customer satisfaction. According to the coefficient of determination, the service quality accounted for 25.1% of the variation in customer satisfaction.

5.1.2 The Personality Traits on Customer Satisfaction

The second objective examined influence of personality traits on customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities. Majority of respondents agreed that they always like to be with charming and attentive restaurant employees when dining out, they also noted that staff tend to share stressful situations with them, employees also showed a willingness to listen and they demonstrate a genuine interest in ensuring customer's satisfaction.

At a significance level of 5%, the correlation analysis revealed a moderate, positive, and statistically significant link. An additional finding of the basic linear regression study was that the personality traits, positively and statistically significantly impacted customer satisfaction. According to the coefficient of determination, the personality traits accounted for 19.1% of the variation in customer satisfaction.

5.1.3 Economic Factors on Customer Satisfaction

The third objective assessed the influence of economic factors on customer satisfaction in 4-star rated hotels in Kisumu and Nakuru cities. Respondents agreed that their disposable income influenced their perception on the hotel's affordability, employees always look smart and well managed, they also concurred that hotels food prices are affordable and the competition among the hotels in town always leads to the delivery of best services.

At a significance level of 5%, the correlation analysis revealed a strong, positive, and statistically significant relationship. An additional finding of the basic linear regression study was that the personality traits, positively and statistically significantly impacted customer satisfaction. According to the coefficient of determination, the personality traits accounted for 37.8% of the variation on customer satisfaction.

5.1.4 Moderating Role of Sustainable Practice on the Relationship between Psycho Socio-Economic Factors and Customer Satisfaction

The fourth objective was to establish the moderating role of sustainable practice in the relationship between psycho socio-economic factors and customer satisfaction on 4-star hotels in Kisumu and Nakuru cities. Respondents agreed that they knew the hotel through their social media platform, the conference facilities offered by the hotels are up to standard and there's awareness among guests about the hotel's sustainability initiatives, encouraging participation in eco-friendly activities and programs.

The hierarchical regression analysis indicated a statistically significant effect of sustainable practices in the relationship between psycho socio-economic factors and customer satisfaction on 4-star hotels in Kisumu and Nakuru cities. According to the coefficient of determination, the sustainable practices accounted for 8.5% of the variation.

5.2 Conclusion

This study set out to determine the relationship among psycho socio-economic factors, sustainable practices and customer satisfaction on 4-star hotels in Kisumu and Nakuru cities. The study was anchored on Cognitive theory, expectation disconfirmation and contrast theory. Data was collected from eight 4-star rated hotels in in Kisumu and Nakuru counties to test the conceptual model in this study empirically. The study has yielded a very high empirical validity for its theoretical model that was to establish the moderating role of sustainable practices on the relationship between psycho socio-economic factors and customer satisfaction.

In conclusion, there is a strong and significant relationship between psycho socio-economic factors and customer satisfaction. Psycho socio-economic factors explain 47.8% of the variance on customer satisfaction. Secondly, a combination of Psycho socio-economic factors and sustainable practices accounts for 56.3 % of the changes on customer satisfaction. This implies that sustainable practices play significant role on how Psycho socio-economic factors influences customer satisfaction in the 4-star rated hotels.

5.3 Recommendations

5.3.1 Recommendation for Policy and Managerial Practice

The findings of this study contribute to the knowledge in the realm of tourism (hotel industry). The results of the hypotheses tested, contribute to the knowledge based on how Psycho socio-economic factors can be explored to optimize customer satisfaction. The study recommends that hotels management structures service provision around service quality; personality traits; and economic factors. These factors optimize customers making frequent visits and hence high customer satisfaction. In addition, the study recommends that hotel management adopts sustainable practices, so as to match the sustainable practices according to the competence and willingness on the workforce. Application of this paradigm promises optimization of the customer satisfaction.

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APPENDICES

APPENDIX I: Introduction Letter

OTIENO WILKISTER OTIENO

2nd November, 2023

Dear Sir/Madam,

I am a postgraduate student undertaking a Master's degree in Tourism and Hospitality Management at The Kisii University. One of my academic outputs before graduating is a thesis and for this, I have chosen the research topic entitled: “psycho socio-economic factors that influence customer satisfaction in 4-star hotels in Western and Central Kenya (a case of Kisumu and Nakuru cities)”.

You have been selected to form part of the study. This is to kindly request you to assist me collect the data by responding to the questionnaires. The information you provide will be strictly for academic purposes and will be treated with utmost confidence. A copy of the final report will be available to you upon request. Your assistance will be highly appreciated.

Yours sincerely,

Otieno Wilkister Atieno

CBM14/10059/15

APPENDIX II: Questionnaire for Staff

Questionnaire

Section 1: Demographic Information

1) Gender: Male [] Female []

2) Respondents' Age:

20 – 25 [] 26-30 [] 31-35 [] 36-40 [] 41-45 [] 46-50 []

51 years and Above []

3) Educational Background:

Primary []

Bachelor's Degree []

Secondary []

Post Graduate Degree []

Diploma []

4) For how long have you worked in the Hotel?

More than 5 years []

5 years []

4 years []

3 years []

2 years []

Less than 1 year []

SECTION B: SERVICE QUALITY

Indicate with a tick (✓) the extent to which service quality have been integrated in customer satisfaction in the 4- Star rated hotels. Use the following scale; 1=strongly disagree (SD), 2=disagree (D), 3=undecided (U), 4=agree (A), 5=strongly agree (SA).

	Service Quality	1 SD	2 D	3 U	4 A	5 SA
B1	Hotels services and menus are available at the right place					
B2	Hotel staff give prompt service to customers					
B3	Hotel staff are always available to serve customers anytime					
B4	Customers are always certain of getting prompt services from our hotel					
B5	The hotel has the customers best interests at heart					
B6	The hotel staff understand the specific needs and preferences of their customers					
B7	The hotel staff gives customers individual attention					

SECTION C: PERSONALITY TRAITS

Indicate with a tick (✓) the extent to which personality traits have been integrated in customer satisfaction in the 4- Star rated hotels. Use the following scale; 1=strongly disagree (SD), 2=disagree (D), 3=undecided (U), 4=agree (A), 5=strongly agree (SA).

	Personality Traits	1 SD	2 D	3 U	4 A	5 SA
C1	Customers generally agree that the hotel staff offer good service					
C2	What is the timeline in service quality (Neuroticism)					
C3	There's openness by the hotel staff					
C4	The motivation from the hotel staff encourages customers frequent visits					
C5	The hotel management has created a perception of good will hence encouraging customers frequent visits					

SECTION D: ECONOMIC FACTORS

Indicate with a tick (✓) the extent to which economic factors have been integrated in customer satisfaction in the 4- Star rated hotels. Use the following scale; 1=strongly disagree (SD), 2=disagree (D), 3=undecided (U), 4=agree (A), 5=strongly agree (SA).

	Economic Factors	1 SD	2 D	3 U	4 A	5 SA
D1	The Hotel has good value for money					
D2	The hotel has employed manageable staff					
D3	Our esteemed customers have access to quality food and services					
D4	The hotel pricing is up to standard					
D5	The hotel's high-quality food and service has managed to contain competition from our rivals					

SECTION E: SUSTAINABLE PRACTICE

Indicate with a tick (✓) the extent to which you agree or disagree with the following statements regarding sustainable practice. Use the following scale; 1=strongly disagree (SD), 2=disagree (D), 3=undecided (U), 4=agree (A), 5=strongly agree (SA).

	Sustainable Practice	1 SD	2 D	3 U	4 A	5 SA
E1	The hotel has managed to reduce energy consumption, by implementing smart energy management systems, and utilizing renewable energy sources like solar power.					
E2	The hotel has focused on reducing water usage and promoting efficient water management.					
E3	There's Provision of training and education to staff on sustainable practices, fostering a culture of environmental responsibility among employees.					

SECTION F: CUSTOMER SATISFACTION

Indicate with a tick (✓) the extent to which you agree or disagree with the following statements regarding customer satisfaction. Use the following scale; 1=strongly disagree (SD), 2=disagree (D), 3=undecided (U), 4=agree (A), 5=strongly agree (SA).

	Customer Satisfaction	1 SD	2 D	3 U	4 A	5 SA
F1	The hotel as gotten numerous referrals from customers who have enjoyed our services					
F2	Customers always do repeat purchase for hotel's products and services					
F3	The hotel's business performance has grown due to frequent visits from our regular customers					
F4	The hotel meals are of high quality					
F5	Our Staff always give fast attention to customers' problems and complaints					
F6	Most customers prefer this restaurant because we always satisfy their needs					

APPENDIX III: Questionnaire for Customer

SECTION A: DEMOGRAPHIC INFORMATION

1) Gender: Male ☐ Female ☐

2) Respondents' Age:

20 – 25 ☐ 26-30 ☐ 31-35 ☐ 36-40 ☐ 41-45 ☐ 46-50 ☐

51 -55 ☐ 56- 60 ☐

3) How many times do you visit this restaurant?

☐ Daily ☐ Weekly ☐ Every time I have toured this county ☐ Once in a month

SECTION B: SERVICE QUALITY

Indicate with a tick (✓) the extent to which service quality have been integrated in customer satisfaction in the 4- Star rated hotels. Use the following scale; 1=strongly disagree (SD), 2=disagree (D), 3=undecided (U), 4=agree (A), 5=strongly agree (SA).

	Service Quality	1 SD	2 D	3 U	4 A	5 SA
B1	The Hotel's physical facilities are visually appealing.					
B2	When you have a problem, the hotel shows a sincere interest in solving it.					
B3	The behavior of hotel employees instills confidence in customers.					
B4	The hotel employees understand your specific needs.					

B5	The Hotel's employees are neat appearing					
B6	You feel safe in your transactions with the hotel.					

SECTION C: PERSONALITY TRAITS

Indicate with a tick (✓) the extent to which personality traits have been integrated in customer satisfaction in the 4- Star rated hotels. Use the following scale; 1=strongly disagree (SD), 2=disagree (D), 3=undecided (U), 4=agree (A), 5=strongly agree (SA).

	Statements on Personality Traits	1 SD	2 D	3 U	4 A	5 SA
C1	I always like to be with charming and attentive restaurant employees when dining out					
C2	Employees tend to share stressful situations to me					
C3	Employees showed a willingness to listen and address my concerns or requests					
C4	The hotel employees demonstrate a genuine interest in ensuring my satisfaction					
C5	I perceive the hotel employees to be professional in their appearance, behavior, and communication					

SECTION D: ECONOMIC FACTORS

Indicate with a tick (✓) the extent to which economic factors have been integrated in customer satisfaction in the 4- Star rated hotels. Use the following scale; 1=Not at all Slightly Influential (SD), 2= Slightly Influential (D), 3=Moderately Influential (U), 4= Influential (A), 5=Extremely influential (SA).

	Statements on Economic Factors	1 SD	2 D	3 U	4 A	5 SA
D1	My disposable income influences my perception of the hotel's affordability					
D2	The employees always look smart and well managed					
D3	I always have access to the hotel's best services and facilities					
D4	The hotels food prices are affordable					
D5	The competition among the hotels in town always leads to the delivery of best services					
D6	Inflation in the country has led to low turnout in the hotels					

SECTION E: SUSTAINABLE PRACTICE

Indicate with a tick (✓) the extent to which you agree or disagree with the following statements regarding sustainable practice. Use the following scale; 1=strongly disagree (SD), 2=disagree (D), 3=undecided (U), 4=agree (A), 5=strongly agree (SA).

	Sustainable Practice	1 SD	2 D	3 U	4 A	5 SA
E1	I knew the hotel through their social media platform					
E2	The conference facilities offered by the hotels are up to standard					
E3	The hotel usually engages with local communities through partnerships, charitable initiatives, and community outreach programs.					
E4	There's awareness among guests about the hotel's sustainability initiatives, encouraging participation in eco-friendly activities and programs,					

SECTION F: CUSTOMER SATISFACTION

Indicate with a tick (✓) the extent to which you agree or disagree with the following statements regarding customer satisfaction. Use the following scale; 1=strongly disagree (SD), 2=disagree (D), 3=undecided (U), 4=agree (A), 5=strongly agree (SA).

	Customer Satisfaction	1 SD	2 D	3 U	4 A	5 SA
F1	Understanding guest specific needs					
F2	The hotel has individualized attention					
F3	There is safety and security					
F4	The hotel has consistency of service					
F5	There's flexibility of employees					
F6	Convenient operating hours					
F7	There's Prompt attention to guest's requests					

APPENDIX IV Facilities and Service Required for 4 Start Hotel Classification

Facilities and Service Required for 4 Start Hotel Classification

4 Star Hotels are an important component of the tourism product. And they contribute to the overall tourism experience through the standards of facilities and services offered by them.

Below mentioned list of facilities and service provide the required standards of getting a 4 Star classification or 4 Start certification for your hotel.

General Facilities for 4 Star Hotel:

Full-time operation 7 days a week in season.

Establishment to have all necessary trading licenses.

Establishment to have public liability insurance.

24 hr. lifts for buildings higher than ground plus two floors.

Bedrooms, Bathroom, Public areas and kitchen fully serviced daily.

All floor surfaces clean and in good shape.

Floors can be of any surface or materials.

Power backup or Diesel Generator - DG sets.

Guest Room Facilities For 4 Star Hotel

Minimum 10 lettable rooms, all rooms with outside windows / Ventilation.

Minimum size of bedroom excluding bathroom in 140 sq. ft

Air-conditioning should be done on 100% of Rooms

A clean change of bed and bath linen daily & between check-in.

Minimum bed width for a single 90 cm and double 180 cm.

Mattress minimum 10 cm thickness.

Minimum bedding 2 sheets, pillow & case, blanket, mattress protector/bed cover.

Suite room - 2% of room block with a minimum of 1 suite room.

4 Star deluxe hotels shall provide a hairdryer facility in the room on a complimentary basis.

In-Room Safe should be provided in a room.

Minibar / Fridge - the items kept in minibar should conform to local laws.

Drinking water minimum one tumbler per guest with Glass.

All category hotels to provide two sealed bottles of branded bottled water of a minimum 400 ml. per person per day on a complimentary basis.

Clean and good quality linen should be provided to the guest.

Shelves /drawer space for 4 star hotel.

Wardrobe with a minimum of 4 clothes hangers per bedding.

Sufficient lighting, 1 per bed

A 4amp earthed socket power near bedside and USB charger.

A bedside table and drawer.

TV - cable or satellite channels if available.

A writing table or surface with sufficient light

A wastepaper basket in the room.

Opaque curtains or screening at all windows.

A mirror at least half-length (3”).

A folder specifically designed for holding stationery.

There has been posted a "do not disturb" sign.

A "clean my room" sign.

A bedcover/nightgown

Lights that use less power.

A well-ventilated linen closet or storage space.

Toll-free and intercom-equipped phones.

Required Bathroom Facilities For 4 Star Hotel

Each room must have its own private bathroom.

The smallest acceptable bathroom size is 36 square feet.

There must be at least one bath towel and one hand towel each person.

A bath mat will be supplied.

Each visitor should get at least one new bar of soap among their other brand-new toiletry items.

There will be bottled hygiene items available.

Hooks for hanging clothes in every bathroom or shower.

A covered trash can for hygiene purposes must be supplied.

Towels and toilet paper should be provided in addition to each western-style toilet seat.

Water sprays, bidets, wash lets, and other contemporary water-based post-toilet-paper hygiene amenities are mandatory in all 4-star hotels.

Nonporous surfaces must be used on the floor and walls.

The use of both hot and cold water is guaranteed at all times.

- A stall-style shower enclosure, often known as a "shower cubicle," or a tub with a curtain.

The installation of low-flow sink and shower fixtures is planned.

The bathroom will soon get new, more energy-efficient lighting.

Public Area Facilities for 4 Star Hotel

A reception desk opens around the clock.

Parking valets will be on hand for guests.

Accommodations, food, and drink, and other bundled services are all on the table.

Public spaces will have climate control.

Lobby sitting area or lounge

Soap and paper towels in the public facilities for all sexes.

Unisex and women's restrooms include a sink with hot and cold water, a mirror, and a trash can with a cover.

Room and Other Facilities for the Differently Abled Guest

Provide at least one accessible accommodation for guests with special needs.

Accessible washroom has special equipment for those with special needs.

Wheelchair accessible ramps with nonslip surfaces at the front door.

Wheelchair accessibility requires a door width of at least one meter.

The disabled should be allowed to use public restrooms with the same ease as the rest of the public.

Food and Beverage Facilities for 4 Star Classification.

Cafeteria serving a variety of cuisines open around the clock: one.

It has one restaurant that specializes on a particular cuisine and is open around the clock.

Access to in-room dining and/or room service around-the-clock.

Access to a fully-stocked bar.

All eating spaces must have crockery and glassware.

Stainless steel or EPNS cutlery is required (Electro Plated Nickel Silver).

Only high-quality metal cutlery, not aluminum, is permitted.

Only disposables are allowed at the pool.

Required Kitchen Facilities for 4 Star Classification.

Large freezer and fridge compartments.

Separate coolers for perishables including meat, seafood, and produce.

Color-coded plastic cutting boards.

In this bathroom, you'll find tiled walls and nonslip flooring.

Everyone working in the kitchen or the food and beverage manufacturing department must wear a hairnet.

It is recommended that floors be disinfected with an antibacterial solution every day.

Excellent pots, pans, and other kitchen implements.

Aluminum containers are banned, with the exception of bakeries.

Use only equipment and containers approved for contact with food at all times.

Ultraviolet light and filtration will be used to purify the water supply.

It's important to have a high-quality ventilation system at your disposal.

The trash must be separated into two piles: damp and dry.

Air conditioning in the wet trash room is required.

Separate the trash cans and recycling bins from the receiving and storage spaces.

The F&B production team should have checkups every six months.

Everyone who works in the kitchen should get first aid instruction.

Scheduled periodic pest inspections and treatments are required.

Required Staff Qualifications, Skills and staff welfare for 4 Star Classification.

Front-of-house staff uniforms, for example.

The front desk agents all speak English.

At least 40 percent of your personnel should consist of managers and higher-ups.

The optimum ratio of skilled workers to non-skilled workers is 30:70.

All uniforms must be neat and in excellent shape.

Departmental Managers with appropriate credentials.

There may be formal education or certification requirements for supervisory or expert workers.

Certificate or degree from an accredited institution in the field of hospitality management.

Bunk beds, good lighting, and fresh air may all be found in the staff bathrooms, which are gender-specific and located on different floors.

Staff Locker Room - Full-length mirror, hand dryer with liquid soap dispenser.

Including a full-length mirror, a hand drier, and liquid soap, the locker room also has a toilet and a separate room for the staff to use.

Guest Facilities for 4 Star Classification.

Accessible features include: Wheelchair rental for the disabled visitor.

Access to valet parking will be provided.

The possibility of outsourcing washing and dry cleaning (In-house facility is not mandatory).

The room has a coffee/tea maker for your convenience.

Access to Iron and Iron Board.

Access to on-call, cost-effective transportation service.

Accessories: slippers, shoehorn, and shoe cleaner

Free ice (made from potable water) whenever you need it.

The ability to use standard credit cards and the infrastructure to process and receive payments electronically.

Help with bags is available on demand.

Included: a public telephone service and a public restroom.

Guests are informed of per-unit costs.

Optional wake-up call service (Both Automated and Manual by the Operators.)

The ability to record and send greetings to visitors.

Keep the front desk updated with physicians' names, addresses, and contact information (Doctor on Call services)

A post office with postage stamps.

Newspapers.

Provides use of a dedicated travel desk.

Services for abandoned bags include storage spaces.

Medicines, toiletries, and a first aid kit should be on hand in case of an emergency.

Fitness centers for improving health.

Florist.

A phone that is within easy reach of the toilet.

A minimum of two additional adapter plugs should be provided.

In- and outgoing calling capabilities through the in-room telephone.

Internet-connected computers and a business center are provided for visitor use.

All hotel rooms and common spaces provide complimentary wireless Internet connection.

Access to the Internet and a data port in the room.

Pay television, internet streaming, and other in-room entertainment options.

Email service is included.

Services in printing, copying, and faxing.

Parking Structures.

Safety and Security Facilities for 4 Star Classification.

Instruments for locating metal: (door frame or handheld).

Installing surveillance cameras in key areas.

Luggage screening through X-ray machine located at the lobby door.

At certain access points, personnel and vendors may be subject to manual inspections.

In order to check the contents of cars, scanners may be placed below them.

Guests must provide a valid form of identification (driver's license, passport, visa, .) at check-in.

Everyone on staff has participated in a fire safety drill.

All hotel entrances will be equipped with security measures.

Locks, peepholes, and other means of safeguarding the inside of every door in the house are standard.

The police and private security firms should check the backgrounds of all hotel employees and vendors.

A peephole, spyglass, or safety chain.

A) Smoke Detectors.

The area behind the door has fire and emergency procedures posted and an evacuation map posted.

Both visible and auditory alerts must be provided by fire and emergency alarms.

There is an over-the-counter medication and first aid kit at the front desk.

Emergency/backup power for fire exit signs on guest rooms' upper levels.

Maintain disaster, first aid, and fire safety procedures manuals and conduct regular drills.

Safety exercises must be held at least once every three months as required by law..

Other facilities and requirements.

Collecting water from the sky.

Disposal of garbage.

Techniques for reducing light, water, and air pollution.

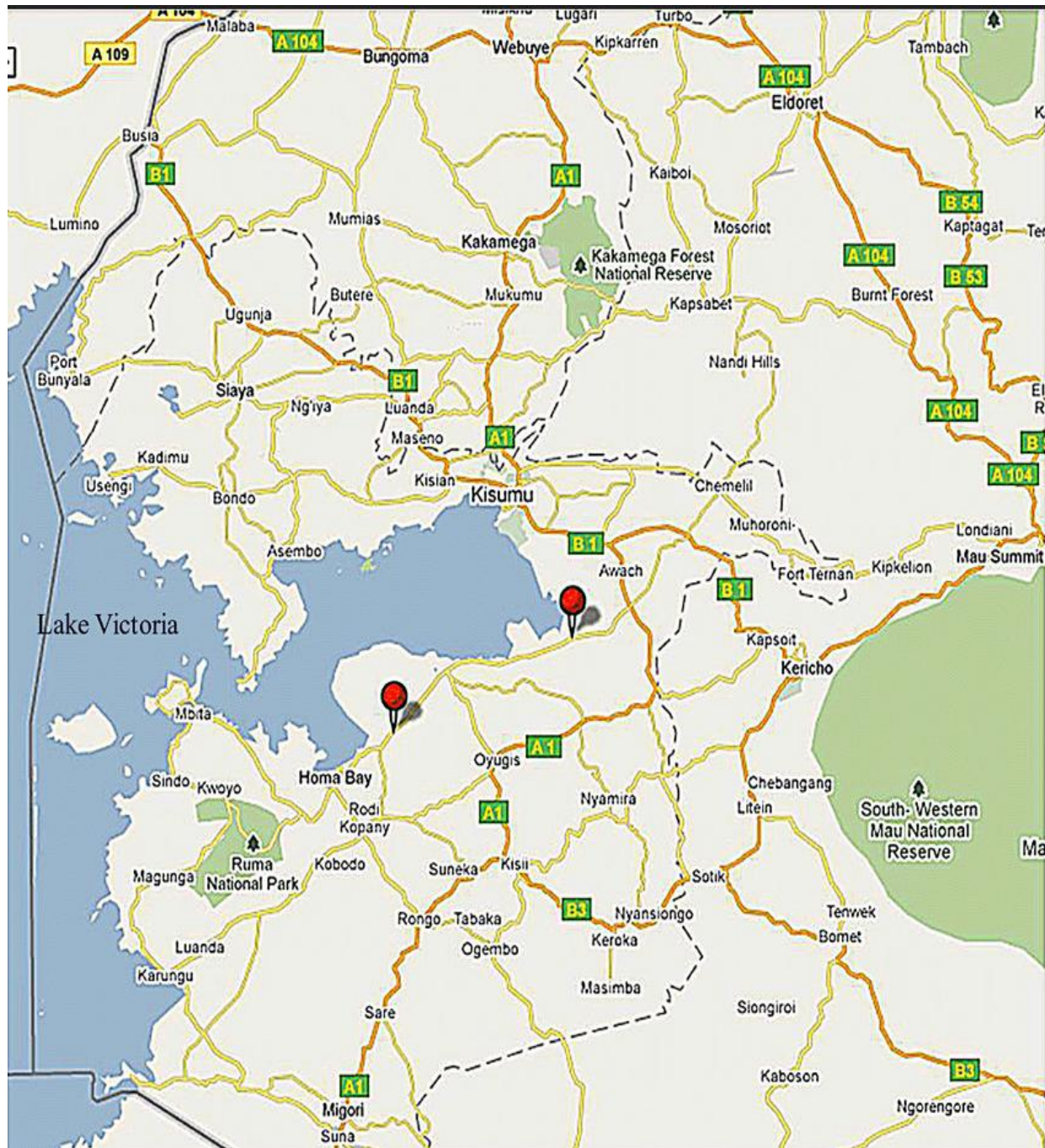
Adopting eco-friendly practices, such as using non-CFC refrigerants and air conditioners.

Solar panels.

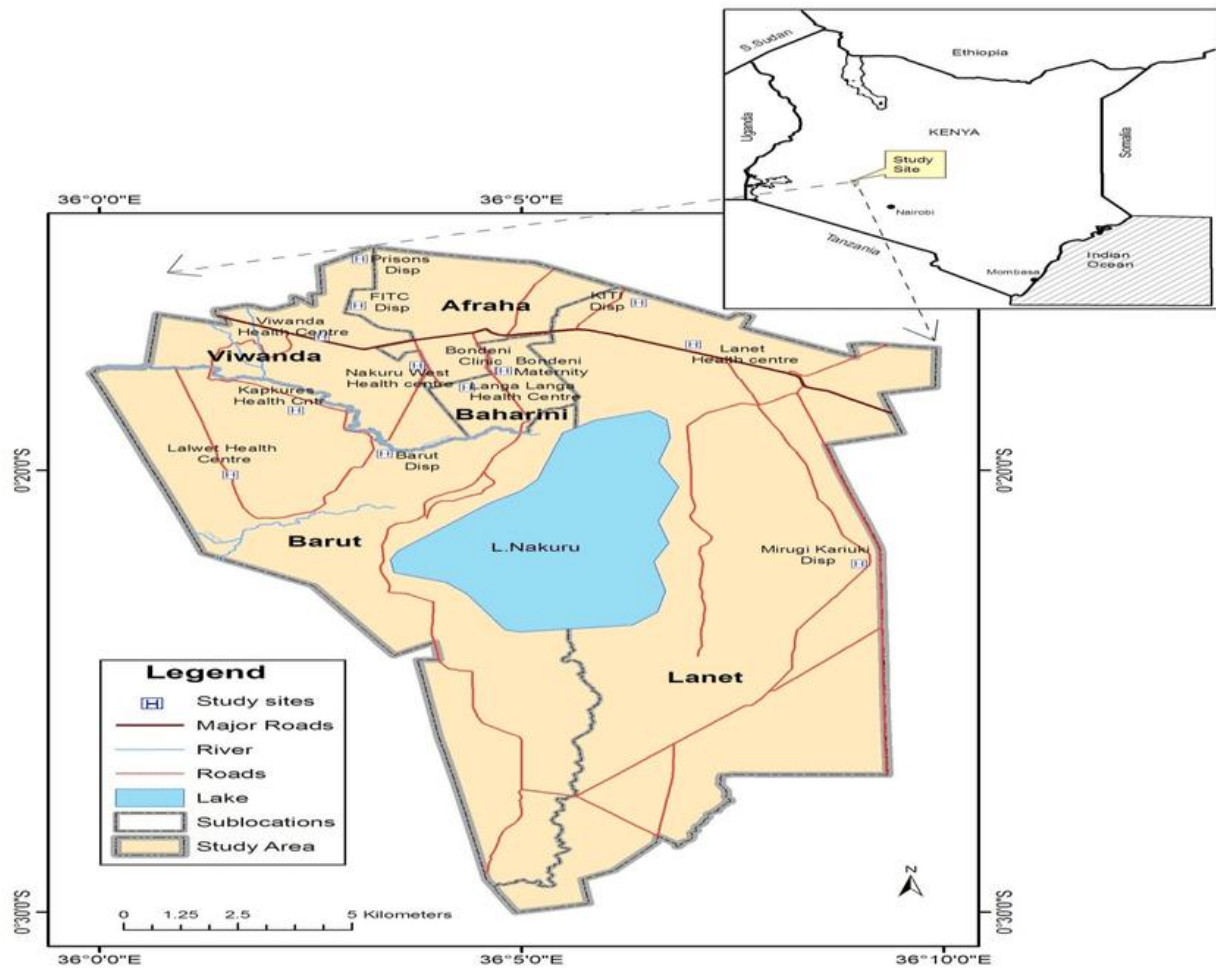
APPENDIX V: Nacosti Letter

 REPUBLIC OF KENYA	
	
	

APPENDIX VI: Study Area- Map



STUDY AREA -NAKURU



APPENDIX VII: Plagiarism Report

School Of Postgraduate

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