THE STATE OF TELEMARKETING AS A COMMUNICATIONS TOOL IN THE HOTEL INDUSTRY.

The Case of Nairobi's 4 and 5 Star hotels

BY: JIGNASHA PATEL

A Project Report Submitted to the School of Business in Partial fulfillment of the Requirement for the Degree of Masters In Management and Organisation Development.

UNITED STATES INTERNATIONAL UNIVERSITY -NAIROBI-

WINTER 2002
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A Research Project Submitted to the School of Business Administration and Management in Partial Fulfilment of the Requirement of the Masters Degree in Management and Organizational Development. (M.O.D)

WINTER 2002
STUDENTS DECLARATION

I, the undersigned declare that this is my original work and has not been submitted to any college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: __________________________ Date: __25-04-02__________

Jignasha Hiten Patel

This project has been presented for examination with my approval as appointed supervisor.

Signed: __________________________ Date: __25-04-02__________

Ms Margaret Ombok

Signed: __________________________ Date: __5-2002__________

Dean, School of Business Administration

Signed: __________________________ Date: __8 May 2002__________

Deputy Vice Chancellor- Academic Affairs
ACKNOWLEDGEMENTS

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In particular, I would like to thank my supervisor, Ms Margaret Ombok in guiding me shape the project as I would like it to be. I appreciate your critical comments, suggestions and advice throughout my research.
DEDICATION

I dedicate this Project to all my family and friends without whom I would not have reached this far. I thank them for honouring my studies with great respect and admiration. I appreciate all it has taken them for making this journey an easy sail all through.
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ABSTRACT

Marketing is a critical factor in every organisation. Without this function companies, will not be able to achieve their goals. As countries are adapting to enter into a global village, new marketing strategies lead companies to provide customers with executive service and products. As a result of this, the research is a study, to find out the state of telemarketing as a communications tool in the hotel industry. The survey was carried out among four and five star hotels within the city of Nairobi. A selection of eleven hotels was used in the research. The objectives of the study were

i) to find out whether the telephone is being used as communications tool among other strategies.
ii) To determine the main objectives of using the telephone as communications tool.
iii) To determine the specific requirements needed to handle telephone operations.
iv) To establish whether any special programs are carried out using the telephone.

To achieve these objectives, primary data was collected using a self-administered questionnaire. The data was analysed using simple descriptive analysis. The analysis revealed that the telephone is among other communication strategies used by hotels. Hotels practice two forms of telemarketing, these are inbound telemarketing and outbound telemarketing. These two areas are the key branches of any telemarketing operations. (Jobber David 1997). Hotels have several objectives to achieve in using the telephone as a communications tool. These objectives range from increasing sales, increasing awareness, and introducing a product or service. Six hotels carried out special telemarketing operations to achieve their objectives.

Telemarketing could provide the service industry with a new approach in communication with customers for efficient and personalised service. The telephone provides a fast and efficient way to get in touch with customers. In order to do this, hotel and other businesses likewise can adopt telemarketing along with their current strategies.
CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND

Today the hospitality industry is among the fastest growing industry. The growth of this industry has been closely linked to the demands of tourism promotion, travel and provision of accommodation, entertainment, recreation and food. Hospitality means kindness in welcoming strangers or guests. (Wearne & Morrisson 1996). They further add, that this industry is the world’s largest employer of people and a vast consumer of physical resources.

In some countries, like Kenya, the hospitality industry accounts for the major earnings of the economy. Developed countries also depend upon hospitality for part of their earnings.

1.2 STRATEGIES USED BY HOTELS TO MARKET/COMMUNICATE

The hotel industry has in the past used various strategies to communicate with customers. The Television has been used as a medium for purposes of invitations to restaurants, new offers or any special events that may be taking place in the hotel.
Radio Advertising has also been another option, where hotels offer opportunities to customers for various theme nights, new restaurant openings and special food festivals.

The Newspaper is another medium, where advertisements and promotional material are printed. The message may vary from special foods available, to new restaurant service or product.

Some hotels regularly send Direct Mail to potential customers as well as frequent customers. This is normally done via the post or through personal delivery, where brochures, new letters or pamphlets explain current events of the hotel.

Through the public relations officers, hotels may have Direct Sales Representatives who represent the hotel. Sales executives go to customers on a one to one basis for promotions/advertisement of the establishment. They may also go to companies affiliated with the hotel for example, travel agents, airline companies or tour operators.

Trade fairs/ exhibitions are another way of approaching customers. Hotels participate in hospitality fairs to directly represent the establishment. At trade fairs, the hotel offers its services through brochures and a brief introduction by sales representatives.

The look of an establishment and its staff is another communications strategy that hotels have used to customers. The image and look of a hotel encourages customers to frequent a hotel. A beautiful structure and welcoming staff is always a plus in gaining new customers and retaining the old.
Hotels have also produced signature items, which feature the name of the property. These items range from pens, towels, writing pads, calendars, as well as clothing items.

1.3 MARKETING IN THE HOSPITALITY INDUSTRY

As the cost of advertising increases, many hotels use direct marketing approach to increase their business. Sometimes a hotel may have so much to offer but constraints in terms of limited resources and lack of skilled personnel may oversee vital opportunities in generating additional revenue. In a competitive world, a hotel strives to offer competitive service in terms of quality and at the same time achieve considerable profits in its operations.

As consumers opt for the highest quality due to constraints of time on the pressure brought about by work loads and rapid changes in lifestyles, hotels are trying to attract and retain customers by a more direct marketing approach rather than the traditional methods. The most effective approach used in many hotels around the world has been through the use of the telephone. (Kotler et al 1996)

The growth of promotions and advertisement in the hospitality industry has moved far by adapting a totally new concept. (Profit Solutions,Hotel Dynamics 1998). Outsourcing telemarketing to specialists is an established and popular method of generating efficiency to improve results.
Current beneficiaries of telemarketing programs in the hotel industry include Hyatt Hotels, Shangri-La Hotels, Conrad Internationals Hotels and the Intercontinental Hotels and resorts. (www.hotdyn.com)

The Chartered Institute of Marketing dictionary defines telemarketing or telephone selling as a selling operation in which the telephone is used to contact potential customers and to solicit orders without any personal call upon customer’s premises.

Organizations from the banking industry to the hotel industry are trying to be more close to the customer than ever before. Using telemarketing to communicate with customers, the study aims at discovering the State of Telemarketing as a communications tool in the hotel industry. Due to increased competition and the introduction of various promotion strategies by hotels in the city, the study with concentrate on the major four and five star hotels in Nairobi City.

1.4 STATEMENT OF THE PROBLEM

The tourism sector plays a crucial role in Kenya’s economy. After agriculture, the tourism industry stands second in generating revenue for the country. (Economic Survey – 1999). The hotel industry constitutes a vital share in the tourism sector. Hotels provide accommodation and other services for both local and international tourists.

Major hotels in Nairobi are considering various marketing communications strategies in order to increase their business. As advertising costs are on the
increase, a more direct marketing approach is being sought in the hospitality industry. (Donaldson Bill 1998).

Telemarketing is a new concept that was embraced by companies in the UK and USA. The most prominent users include banking industry and insurance service providers, (Jobber, David 1997).

If business continues to ignore the clear demands from their customers for the use of telephone and fail to put customer care interaction and response at the heart of the organization, using today’s technologies, then there is no guarantee they will survive into the 21st Century. (The Henley Centre 1994)

The business sector is growing closer to the consumer thereby making communication strategies a vital component in the marketing function of every enterprise. Considering other forms of direct communications strategies already practiced in the industry, the study seeks to find out whether, Telemarketing is used and implemented in the operations of major hotels in Nairobi.

1.5 OBJECTIVE OF THE STUDY

The objectives of this study were:

(i) To find out whether the telephone is being used as a communications tool, among other strategies within the hotel industry.

(ii) To determine the main objectives of using the telephone, as a communications tool.
(iii) To determine the specific requirements needed to handle telephone operations.

(iv) To establish whether any special programs are carried out, using the telephone.

   (a) What objectives the programs seek to address.

   (b) The effects of the programs on sales and marketing objectives and hotel operations.

1.6 IMPORTANCE OF THE STUDY

The study may be of a benefit to the following groups of people.

1. Marketing professionals who may be interested in the use of telemarketing as a tool for communications in the hotel industry. The knowledge got from the study may also be useful for other industries if telemarketing is considered for implementation.

2. Scholars and others in the business sector may benefit from the findings of the study. Telemarketing may provide a new approach in today's marketing strategy.

3. Graduates may be curious to carry out further studies in other industries.

1.7 OPERATIONAL VARIABLES

Mercer, David et al (1999) contribute their views on the concept of inbound telemarketing as well as outbound telemarketing.
1.7.1 INBOUND TELEMARKETING

- Telesales (or enquiry handling) team receives calls from customers and prospects. This can be
  - in direct response to an advertisement or
  - part of "business as usual" which is usually handled by in-house teams.
- Use in promotional campaign and/or other marketing activities, for example
  - use of a ‘freephone’ number

- Enquiry Handling
  - well planned formal systems, as used to handle all enquiries
    (Telephone systems here are controlled and monitored)

1.7.2 OUTBOUND TELEMARKETING

- Telephone calls made by a firm to customers/potential customers for various marketing purposes.
- Use of bureaus to perform an operation or program – also known as ‘Outsourcing’
- Build an in-house operation to carry out the telemarketing program/s.

In his book, How to Master the Art of Selling, Tom Hopkins comes up with his contribution on Lead Generation / Prospect Qualification as follows:
1.7.3 LEAD GENERATION

- Qualification of potential customers;
  - retaining existing customers
  - building new clientele
- Lead sources can be obtained from;
  - advertisements
  - lapsed customers
  - contact names on database
  - use of telephone to qualify potential customers
  - use of other departments in the organisation.

Jobber David (1997) and Mercer David (1999) have the following on telesales as applied to telemarketing.

1.7.4 TELESALES

- Use of telephone in marketing
- Specialist telesales personnel
- Adequate equipment – telephone lines, computers, stationery
- Promotional aids – incentives, discounts, give-aways, special offers, gifts…..
- Customer list – target audience
An article by Egan and Thomas on marketing communications in their book *Strategic Marketing (CIM Handbook)* (1998), they broadly categorise the concept Database and customer care/service as applied to telemarketing

### 1.7.5 DATABASE BUILDING

- Compiled list of prospective customers and their details.
- Databases may be external (purchased from 3rd party) or internal (got from within the organization)
- Provide channel for development of loyalty and relationship marketing programs

### 1.7.6 CUSTOMER CARE/SERVICE

- Carelines – for adequate information and queries on product/service offered by the firm
- Customer care representatives – available at all times to handle any complaints/suggestions or queries brought in by a customer.
- Maintain loyalty through contact with customer service
- Helps in crisis management
- Builds relationship marketing
1.7.7 OPERATIONAL DEFINITION

Applying type (a) calls

- All calls that are inbound where;
  - Hotel staff answer the telephone
  - Provision of a freephone number
  - An outside agent is hired

Applying type (b) calls

- All calls that are outbound where;
  - Staff are hired to carry out an operation
  - A bureau is hired to perform an operation
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 TElemARKETING

According to the direct marketing Association in the booklet called, “What is Telemarketing?” ‘More and more companies are using the telephone as a means of hearing from or contacting people who are or who may become their customers. Stevens Michael (1995) contributes his thoughts on telemarketing by providing a broad definition—“Telemarketing is the planned and controlled use of the telephone communication to build profitable long term relationships with members of influential audiences who impact on an organization’s success.”

2.1.1 THE DEVELOPMENT OF TElemARKETING

During the period between 1950 – 1960’s, telephone selling became an effective method for advertising in the USA. (Jobber David 1997). The first ever telemarketing program was started by Murray Roman. He is said to the father of modern telemarketing. In the 1960s Murray set up a program for Ford Motor Company. The objective of the strategy was to identify and qualify prospective buyers who may want to purchase a new car in the next 3 –6 months. The program was operated from home through the use of local telephone call rates. The program proved so successful, that to date it holds
the record for the biggest outbound telemarketing program. (Henley centre 1994 – Teleculture 2000 – Report)

A wide number of companies are opting for telemarketing as a direct communications tool for marketing and advertisement purposes. Astroff and Abbey (1998) note that besides individual telephone calls, the hospitality industry is making extensive use of telemarketing for advertisement and promotions purposes. In the hospitality industry, a sales blitz campaign was used to saturate a city with the promotion of Sheraton Hotels. Sales people from a wide area converged, and in a team effort called upon hundreds of potential Sheraton customers. The approach led to hundreds of customers to purchase Sheraton discount cards. This program success led to additional revenue for the hotel group.

Global corporations have all adopted business to business telemarketing. Corporations such as IBM, Procter and Gamble and Chase Manhattan Bank have their own telemarketing systems.

2.1.2 TYPES OF TELEMARKETING

Telemarketing can be broken down into 2 areas:

(i)  Outbound telemarketing

(ii) Inbound Telemarketing

**Outbound telemarketing** refers, when telephone calls made by a firm to a customer or potential customer. A firm may hire a telemarketing company for this operation or may use its own staff.
Likewise **Inbound Telemarketing** refers to the direct response received by an organization when a freephone number is provided in newspaper/television or radio commercials. (Jobber David, 1997)

The purpose and objectives for the use of telemarketing programs differs from business to business. Authors in marketing and business have come up with some common objectives, Stone Bob (1993) and Jobber David (1997) define the range from identifying leads and the qualification of prospects to order taking and customer service activities.

There are options available for setting up telemarketing operations.

1. Set up an in-house operation to handle inbound and out-bound telephone calls.

   This requires sufficient amount of capital to purchase telephone equipment, computer hardware and software applications and recruitment and hiring of telemarketing agents.

2. Buy in activities from a third party bureau

   Hiring of a telemarketing service provider to handle all activities, is the other option. This bureau performs all the functions from, selection of clients, setting the program to generating the required sales. Some of common telemarketing bureaus in the UK and US include the LR Group, Telemart, and the Henley centre.

   A bureau may be used when an organization,

   - Does not have experience in a specific application
   - When there are employment constraints
   - For short term projects
2.2 Lead Generation

For every business, a key success factor remains a strong customer base. Retaining customers is more simple than looking for new ones every so often. Lead sources for potential customers and current clients can be obtained through the telephone. This approach enables careful selection, screening and qualification of customers needed for the organization. Jobber (1997) gives an example of the automobile industry, which uses telemarketing programs to generate sales leads. Jutkins et al (1993) point out a strong customer base lies in the way customers behave.

Companies may fail, merge or divide. Along with this, customers will also follow in the same direction. Once this diversion takes place, you lose your customer. Customers are in a constant move to look for better jobs and housing, with these phenomena, customers move from their current position to a new location. Maintaining new customers and keeping track of old customers becomes a vital objective for companies to stay in business. Competitors may offer a better product/service than your company. Customers will therefore drift in search of what they need.

Lead generation therefore becomes a foundation to act as satisfactory customer base.

The better qualified a prospect is, the greater the sales call’s potential for success. When a prospect is prequalified by phone, telemarketing helps to direct sales personnel to where the highest sales potential exists. (Yeshin, Tony 1998)
2.3 Database Building

The database is becoming a vital element in sales and marketing strategies. A database is a compiled list of named individuals who form a customer base for an organization.

As Global competition grows, products and services become more and more tougher to be in the market place. Companies and managers in all business sectors are paying more attention to building relationships with their customers. As technology advances, companies are now able to create sophisticated databases that capture detailed customer information. Through databases companies can understand customers needs more completely which enables careful design of products, services and communication to match those needs.

Databases provide companies to develop loyalty and relationship marketing programs, e-commerce capabilities and database marketing.

The finances required in maintaining a strong accurate data on customers escalates, as business becomes more competitive. The telephone is now an approach that companies are using to acquire and build a database. Jobber (1997) contributes to this by adding that using the telephone than direct mail will attain a higher response rate.

Databases, may be external i.e. purchased from third party sources or internal which includes names and details of customers who use, the organization.
Databases provide a major opportunity for organizations to adapt a marketing communication strategy. The major benefit databases provide is the ability to achieve some of the benefits that is associated with personal selling without having the cost of attendance. An active database represents ongoing profit opportunities for every business organization. (Profit Solutions, Hotel Dynamics 1998)

2.4 Customer Care/Service

2.4.1 Customer Carelines

Carelines are relatively common features in the developed countries. They are basically telephone numbers printed on brochures or products on which consumers can contact for information or queries.

In the business world, there is much talk about customer satisfaction. Of course, this is the key important issue in dealing with customes today, but effort must be made to ensure that their needs are completely satisfied when purchasing a product/service.

Many corporations aim for customer satisfaction, mainly due to the fact that not all customers requirements are accomplished.

Hartley and Starkey (1996) in their book, Management of Sales and Customer Relations, point out that world class companies are going beyond customer satisfaction as they realise that customer satisfaction alone is not sufficient and that satisfied customers may defect to the competition. These companies then, appreciate to retain customers and develop relationships with customers.
Telemarketing systems begin with providing a "telephone" number for prompting customer or prospect action. This free phone number are toll free, therefore no charge is incurred to the customer. By using outbound telemarketing, an organization can call on prospective customers on new product launches, offers and rebates, renewals or invitations to special functions /events. Customers are probed to inquire more about what is being offered, thereby guaranteeing a sale or further follow up.

In cases of crisis within an organization, customers may be helped via the telephone for queries. The 1996 case of the beef crisis in Europe brought about a major downfall in the beef Industry around Europe. Had these companies put up telemarketing programs to handle the hundreds of queries regarding the link of the virus CJD and BSE in beef products, sales drop in the beef industry would have been controlled. (Hartley and Starkey 1996).

If organizations were faced with a crisis, similar to this, what solution does Management have? This presents a case for attending customers via the telephone for handling questions and information.

2.5 Telesales

Traditionally telesales may have received a negative response in the business environment. However as business evolves, it is now generally accepted by both customers and supplies. (Dalrymple and Cron 1998). Some companies face difficulty in keeping sales people on the field. The costs are no longer enough to meet the objectives. During the 1995 Telemarketing awards, Simon Jersey won the award for replacing their entire field staff with telemarketing agents. (The Henley Centre (1996) Teleculture Futures)
As organizations thrive under competition, they are faced with product/service decisions on promotions, advertising and marketing. With telemarketing programs, specially trained sales representatives probe customers needs. Personalised solutions are designed during the telephone contact.

Personal Telemarketing is on the cutting edge of direct marketing. (Profit Solutions- Hotel Dynamics – Handbook 1998)

To start off a telemarketing program, some basic components are needed by an organization, some of these are:

2.5.1 Competent Personnel

Michael Starkey in his article Telemarketing points out that telemarketing people need to have the right knowledge, skills and attitude just as ordinary field sales representatives. Training is essential for telesales agents by the organization.

The Henley Centre has shown that customers would prefer not to do business again with a company after a call has been handled badly. Some of the skills and methods used in high value sales are applicable to telephone sales as well. In a booklet by Hotel Dynamics titled Profit Solutions, the company states that “Training and Development of all sales consultants is an essential and integral part of our commitment.”

2.5.2 Equipment

Equipment include all the necessary components that will enable teleagents perform their duties. This includes installation of telephone lines; fax
machines computerised systems any other equipment that may boost operations.

2.5.3 An Up-To-Date Customer/prospect List

To enable sales representatives implement a program; a data file containing all prospective customers is needed. The list can be already available through various departments of the organizations, or telemarketing personnel can obtain a new list by calling prospective customers.

2.5.4 Promotional Support

Along with other components, the telemarketing operation must have promotional items that are to be directed at the customer. When approaching prospective customers, incentives and privileges must be forwarded to the customer to enable the product/service sound worthwhile.
CHAPTER 3

3.0 RESEARCH METHODOLOGY

3.1 SCOPE OF THE STUDY

This is an exploratory study on the state of telemarketing as a communications tool in the hotel industry in Nairobi. It will give in depth information on the use and application of telemarketing in the major four and five star hotels in the city.

3.2 POPULATION

The population of interest in the study consists of all major four and five star hotels in Nairobi. The list of these hotels can be obtained from (appendix 1). A survey method will be used to conduct the research of eleven hotel establishments.

3.3 DATA COLLECTION

Both primary and secondary data was collected. Secondary data was collected from relevant literature pertaining to each organization of the population of interest. Primary data was collected by the use of an interview along with a questionnaire.
Sales/ Marketing Manager or other authorised senior member of the hotel filled the questionnaire with knowledge in the marketing operations.

3.3 DATA ANALYSIS TECHNIQUE

Data in this study was analysed using descriptive statistics, which includes the use of tables and its respective description. This method gives the study in depth information on the use of telemarketing.

3.4 SAMPLING TECHNIQUE METHOD

All major four and five star hotels within Nairobi were selected for the study. A list of the hotels is available from Appendix 1.
CHAPTER 4

4.0 DATA ANALYSIS AND FINDINGS

The aim of the study was to find out the state of telemarketing as a communication tool in the hotel industry. The survey used eleven hotels to participate in the study. Nine hotels were five star hotels while two were four star hotels. In this chapter, the results of the research are presented.

SECTION A

4.1 CURRENT COMMUNICATION STRATEGIES USED BY HOTELS.

In order to reach out to customers, hotels use various communication strategies in order to capture their audience. There was need to establish the current strategies applied by the hotels and find out which of them are commonly practiced in the industry.

Findings from this question are tabulated below.
TABLE 1: CURRENT COMMUNICATION STRATEGIES USED BY HOTELS.

<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>RESPONSE</th>
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<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>a) Television</td>
<td>6</td>
</tr>
<tr>
<td>b) Radio</td>
<td>9</td>
</tr>
<tr>
<td>c) Public Relations</td>
<td>9</td>
</tr>
<tr>
<td>d) Trade fairs/Exhibitions</td>
<td>8</td>
</tr>
<tr>
<td>e) Print Media</td>
<td>10</td>
</tr>
<tr>
<td>f) Direct Mail</td>
<td>10</td>
</tr>
<tr>
<td>g) Others</td>
<td>6</td>
</tr>
</tbody>
</table>

N = 11

The results show that much emphasis is applied in using print media and direct mail as communication strategies. Ten hotels use these two strategies to communicate with their customers more than they use other strategies. The second favourable strategies are radio and public relations. (See Option (b) and (c) from the table above.) Nine Hotels used these two strategies.

Trade fairs/exhibitions is becoming a growing strategy in the hospitality industry. Eight hotels participated in trade fairs to communicate with the customers. Six Hotels from the survey applied the television as a communication strategy.

Six hotels chose the option (g) “other”. In this category, hotels used websites via the Internet, personal selling and membership clubs.
Classifying the negative response (N) from the table, each hotel used at least one strategy to reach out to the customer. The numbers on this column (N) indicate the number of hotels, which prefer not to comply with the particular communication strategy. Reasons behind their choice is reflected on the use of other communications strategies that are reflective of their budget and objectives.

4.2 THE TELEPHONE AS A COMMUNICATION TOOL

Participating hotels were asked to indicate whether they used the telephone in their operations. The response from this question would then aid in analysing the particular objectives and effects the telephone had on the hotel. The results are presented on the table below:

<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used the telephone as a communications tool.</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>N = 11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results prove that the telephone is widely used as a tool for communicating with customers. All eleven hotels responded positively to applying the telephone. The acceptance by all the hotels, used in the survey
indicates the narrow gap between the customer and the hotel in the hospitality industry.

4.3 TYPE OF TELEPHONE CALLS
On the use of the telephone, hotels were asked to indicate whether the telephone calls were either made by the hotel or received from outside. The results obtained would then provide information on the nature of the calls. The response from this would then help establish further, the specific aspects involved in the type of calls made.

The table below summarises the type of calls made by the hotels.

**TABLE 3: TYPE OF CALLS**

<table>
<thead>
<tr>
<th>TYPE OF TELEPHONE CALL</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>a) Received calls from customers in response to an advertisement/ freephone number</td>
<td>7</td>
</tr>
<tr>
<td>b) Made calls to prospective customers for various marketing purpose.</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>N = 11</td>
</tr>
</tbody>
</table>

From the findings the telephone is either used to receive calls or make calls from the hotels to customers. Seven of the eleven hotels, used type (a) calls. This response indicates that **Inbound Telemarketing** is practiced favourably within the hospitality industry. Four hotels responded negatively to this type of calls, which may indicate that type (b) calls were preferred instead.
In response to type (b) calls, all eleven hotels responded positively to their use. This signifies that **Outbound Telemarketing** as a communications strategy is widely used within hotels in Nairobi.

### 4.4 SYSTEMS USED IN OPERATING THE TYPE OF TELEPHONE CALLS

This part of the survey seeks to obtain data on the various specialists hired to handle the telephone operation/s. The choice would enable the study explore the extent to which the hotels in the city select systems to use the telephone as a communications strategy.

The choice selection is tabulated below:

#### TABLE 4: APPLYING TYPE (a) CALLS

<table>
<thead>
<tr>
<th>APPLICATION</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Hotel Staff to answer telephone/s</td>
<td>7</td>
</tr>
<tr>
<td>(b) Provision of a freephone number</td>
<td>0</td>
</tr>
<tr>
<td>(c) An outside agent is hired</td>
<td>1</td>
</tr>
</tbody>
</table>

\[ N = 11 \]

Most hotels preferred to use hotel staff to handle the telephone calls. Seven of the eleven hotels preferred choice (a) – hotel staff will be hired to answer
telephone calls. In relation, four hotels responded negatively, which proves that they may have opted for other choices.
No response was got from choice (b), which provides the use of a freephone number.

For option (c), One hotel responded positively to using an outside agent to perform the telephone operation. In relation to the 10 negative responses for option (c), this would indicate that the hotels were not yet in a position to seek an outside agent for the telephone operation/program.

**TABLE 5 : APPLYING TYPE (b) CALLS**

<table>
<thead>
<tr>
<th>APPLICATION</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>(a) Hire in staff to carry out operation</td>
<td>10</td>
</tr>
<tr>
<td>(b) Hire a bureau to perform operation</td>
<td>1</td>
</tr>
<tr>
<td>(c) Others</td>
<td>1</td>
</tr>
</tbody>
</table>

N = 11

In applying type (b) calls, ten hotels, chose option (a), hire in – house staff to carry out the operation. Only one hotel responded negatively, which would indicate that the hotel chose another option.

The preference of choice (a) by most hotels indicates the continuous application of outbound marketing in the hotel industry.
The option (b) and (c) received only one response each. While one hotel preferred to use a bureau to perform the operation, the other used management trainees to handle the operation. Ten hotels in comparison, responded negatively to these two options.

4.5 OBJECTIVES OF THE HOTEL IN USING THE TELEPHONE AS A COMMUNICATIONS TOOL

There are various objectives that hotels have in order to capture their customers. This range from increasing sales to establishing loyalty with customers. Hotels were asked to indicate any approaches it had taken to use the telephone as a communication tool to accomplish various objectives. Tabulated below, are the responses got from the survey:

**TABLE 6: OBJECTIVES ACHIEVED IN USING THE TELEPHONE AS A COMMUNICATIONS TOOL**

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>RESPONSE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Increase awareness</td>
<td>YES: 10</td>
<td>NO: 1</td>
</tr>
<tr>
<td>(b) Promote Services</td>
<td>YES: 10</td>
<td>NO: 1</td>
</tr>
<tr>
<td>(c) Introduce product/service</td>
<td>YES: 8</td>
<td>NO: 3</td>
</tr>
<tr>
<td>(d) Increase Sales</td>
<td>YES: 11</td>
<td>NO: 0</td>
</tr>
<tr>
<td>(e) Establish Loyalty</td>
<td>YES: 7</td>
<td>NO: 4</td>
</tr>
<tr>
<td>(f) Others</td>
<td>YES: 1</td>
<td>NO: 10</td>
</tr>
</tbody>
</table>

N = 11
The main objectives hotels achieved in the use of the telephone as a communications tool, are to increase sales, increase awareness and promote services (see option (a), (b) and (d) in the table 6, above). This data proves that all eleven hotels chose to increase their sales through the use of the telephone.

Ten hotels used the telephone to increase awareness as well as promote services. As seen in the table above, One hotel responded negatively to both objective (a) and (b).

Eight hotels used the telephone to introduce product/service while seven hotels used the telephone to establish loyalty with customers. One hotel used the telephone for feedback from customers. (See option (f) others).

In relation to the negative responses got from the data, three hotels did not apply option (b) – promote services, while 4 hotels did not consider establishing loyalty (option d).
Ten hotels, had no comment on the other category (f) ‘others’ indicating the objectives outlined (a) to (e) were sufficient enough for the hotels to use the telephone as a communications tool.

4.6 QUALIFICATION OF CUSTOMERS

For any telephone operation/program, the need to have qualified customers for contact is the initial step in achieving goals set by the hotel. The survey aimed at obtaining information on how hotels got their clientele. This data
would then provide the study with details on the use of the telephone as a means to obtain names and contacts of customers. The results are reflected on the table below.

**TABLE 7: QUALIFICATION OF CUSTOMERS**

<table>
<thead>
<tr>
<th>METHOD OF QUALIFYING</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Qualification of prospective customers - building new clientele</td>
<td>Yes: 10, No: 1</td>
</tr>
<tr>
<td>(b) Retaining existing customers through list (database)</td>
<td>Yes: 7, No: 4</td>
</tr>
</tbody>
</table>

N = 11

The results show that, ten hotels responded positively to using option (a) qualification of prospective customers for future and present use – building new clientele. In comparison, seven hotels preferred to retain their customers. (Option b).

The negative response by one hotel in not choosing option (a) from the table may indicate the use of retaining customers with a database already available, is practiced at the hotel.

Four negative responses, got from not applying (b) may conclude that these hotels preferred building new customers and thus were satisfied with option (a).
4.7 LEAD SOURCES/ SOURCES FOR CUSTOMER NAMES/CONTACT

To obtain names and contacts of qualifies/potential customers, there is need to identify areas for sourcing. Once this is obtained, hotels are in a position to initialise the program/operation. The sources available are vital for the set up of any telephone program. The extent to which hotels make their choices would provide data on the most widely used method of obtaining names and contacts.

The options and their use are tabulated below,

**TABLE 8: LEAD SOURCES AND THEIR USE**

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>RATE OF USE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>(a) Advertisements</td>
<td>9</td>
</tr>
<tr>
<td>(b) Lapsed Customers</td>
<td>1</td>
</tr>
<tr>
<td>(c) Contact names (database)</td>
<td>10</td>
</tr>
<tr>
<td>(d) Others</td>
<td>4</td>
</tr>
</tbody>
</table>

\[ N = 11 \]

Majority of the hotels used a database and advertisements in obtaining lead sources for names and contacts of customers. (See option (a) and (c) above). Ten hotels preferred to use the database while nine hotels used
advertisements. One hotel chose to contact lapsed customers, to re-generate relations.

The data indicates, four hotels used the option (d) others. These hotels obtained their lead sources from company profiles, mails, sales calls and private membership clubs.

A high rate of negative response received from option (b) – lapsed customers, where ten hotels preferred not to use this option to source names. Seven hotels responded negatively to option (d) others.

In relation, to the negative response got from option (a) and (c), the hotels in this case may have opted to use other methods, which proved successful in their operations.

4.8 PERSONNEL V/S TELEPHONE HANDLING

Another factor for any successful telephone operation, are the personnel involved in handling the telephone/s. The survey therefore obtained data on the kind of personnel the hotels will recruit for telephone operations. The choice selection will establish the level of telephone programs and their success. The table below, summarises the results,
### TABLE 9: RECRUITMENT OF PERSONNEL

<table>
<thead>
<tr>
<th>PERSONNEL</th>
<th>RATE OF USE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>(a) Trained telegats</td>
<td>2</td>
</tr>
<tr>
<td>(b) In-house staff</td>
<td>7</td>
</tr>
<tr>
<td>(c) University/College Graduates</td>
<td>7</td>
</tr>
<tr>
<td>(d) Others</td>
<td>1</td>
</tr>
</tbody>
</table>

N = 11

The table indicates the preference by hotels in using in-house staff and university/college graduates to handle telephone calls. (Seven hotels responded positively to option (b) and (c).)

Four hotels responded negatively in each case, which may suggest that they used trained telegats or other personnel.

Two hotels were in a position to hire trained telegats. This may explain the negative response got from nine hotels. Hotels who responded negatively to this may have used other personnel to accomplish the program's objectives.

### 4.9 MAINTENANCE OF A CUSTOMER LIST

The most crucial of any telephone program, is the maintenance of a customer list. It is through the names and contacts, that the programs begins its operation. This part of the survey, aims at finding out, whether hotels maintain a customer list for their operation.
The results are tabulated as follows:

**TABLE 10: MAINTENACE OF A CUSTOMER LIST**

<table>
<thead>
<tr>
<th></th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>Maintenance of Customer list by hotel</td>
<td>10</td>
</tr>
</tbody>
</table>

N = 11

Nearly all hotels maintained a customer list for the telephone operation/program. Ten hotels responded positively.
One hotel did not maintain a customer’s list for its program/operation.

**4.10 USE/S OF A CUSTOMER LIST**

Once a customer list has been materialised, the hotel may have various uses for it. This uses may range from, use by other departments in the hotel or market research. The data will enable, the study accomplish the various areas, where customer contacts are applied.
The table below summarises the results:
TABLE 11 : USES OF A CUSTOMER LIST

<table>
<thead>
<tr>
<th>USE/S</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>(a) Sales/marketing team</td>
<td>7</td>
</tr>
<tr>
<td>(b) Other departments</td>
<td>2</td>
</tr>
<tr>
<td>(c) Market Research</td>
<td>4</td>
</tr>
</tbody>
</table>

N = 11

The results, indicates that hotels use customer list for sales and marketing departments more than for other departments or market research. Seven hotels that responded positively while four hotels did not use it for sales/marketing.

Two hotels however, used customer lists for use by other departments, while four hotels used the list for market research. The negative responses from option (b) and (c) may suggest that hotels then used the lists for sales purposes, or other hotel operations.

4.11 THE AIM OF USING THE TELEPHONE TO COMMUNICATE WITH CUSTOMERS

At the beginning of any telephone operation/program, the hotel as a business organisation, has a set of goals that need to be accomplished. These goals are materialised into telephone operations for communication purposes. Data on these, goals will seek to explore the main areas hotels are interested in
accomplishing at the end of the telephone program. The results are tabulated below:

TABLE 12: AIMS IN USING THE TELEPHONE TO COMMUNICATE

<table>
<thead>
<tr>
<th>MAJOR AIMS</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Create loyalty toward customers</td>
<td>YES: 9</td>
</tr>
<tr>
<td></td>
<td>NO: 2</td>
</tr>
<tr>
<td>(b) Carry out after sales service</td>
<td>YES: 6</td>
</tr>
<tr>
<td></td>
<td>NO: 5</td>
</tr>
<tr>
<td>(c) Provide any information on queries</td>
<td>YES: 5</td>
</tr>
<tr>
<td></td>
<td>NO: 6</td>
</tr>
<tr>
<td>(d) Build relationship with customers/potential customers</td>
<td>YES: 11</td>
</tr>
<tr>
<td></td>
<td>NO: 0</td>
</tr>
</tbody>
</table>

N = 11

From the results obtained, the data shows that the major aim hotels had in communicating via the telephone were to, build relationship with customers and create loyalty towards customers (see option (a) and (d). Nine hotels chose option (a) – create loyalty towards customers, while all eleven hotels aimed at building relationships with customers (option d).

There was an average positive response from option (b) and (c), where hotels used the telephone to carry out after sales service and provide information on queries. This may indicate that an alternative communication tool is applied. Five hotels did not apply after sales hence via the telephone, while six hotels responded negatively in using the telephone to provide information.
4.12 ADEQUACY OF EQUIPMENT

To enable run a telephone program, there is need for the availability of equipment facilities. Once the facilities are available, the personnel handling the operation are in a position to better run the program. The various equipment that hotels use to aid telephone programs are listed below,

**TABLE 13: ADEQUATE EQUIPMENT**

<table>
<thead>
<tr>
<th>EQUIPMENT</th>
<th>AVAILABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Access customer records via computers</td>
<td>10 1</td>
</tr>
<tr>
<td>(b) Computerised telephone systems</td>
<td>4 7</td>
</tr>
</tbody>
</table>

N =11

In running the telephone program, majority of the hotels has adequate equipment to run the program. While ten hotels opted to use the telephone in addition to computer assistance – option (a), seven hotels used computerised telephone systems – option (b). The negative response of one hotel to option (a) may suggest the hotel chose to use option (b). Likewise seven hotels were not in a position to have computerised telephone systems installed in their hotels, this attributes to the negative response got in option (b)
4.13 COMPLETE LIST OF CUSTOMERS

Another factor that contributes to the initial running of the telephone program includes the availability of contact names to call. Results obtained are necessary in establishing whether telephone programs are provided a complete list of prospective customers to call upon. The results are as follows:

**TABLE 14: AVAILABILITY OF CUSTOMER LIST**

<table>
<thead>
<tr>
<th>Availability of customer list</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>9</td>
</tr>
</tbody>
</table>

N = 11

The data obtained from all hotels, indicates that nine hotels had a complete list of customers to call upon when initialising the telephone program. Only two hotels responded negatively, suggesting that customers be contacted using other means. In such a case, Inbound telemarketing is practiced within the hotel/s, where calls are received from outside and the hotel responds to queries.
4.14 PROMOTIONAL AIDS

To enable run a telephone, it is necessary to offer some promotional material in order to capture the customers attention. This strategy offers a quick response in gaining customer audience. Various aids can be used to do so; these range from special offers to vouchers. The data from the results will provide information on which promotional aid, best applies while communicating via the telephone. The results are tabulated as follows:

**TABLE 15: PROMOTIONAL AIDS OFFERED**

<table>
<thead>
<tr>
<th>PROMOTIONAL AIDS</th>
<th>BEING OFFERED OR NOT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>(a) Special offers</td>
<td>11</td>
</tr>
<tr>
<td>(b) Incentives</td>
<td>8</td>
</tr>
<tr>
<td>(c) Give aways/gifts</td>
<td>6</td>
</tr>
<tr>
<td>(d) Discounts</td>
<td>10</td>
</tr>
<tr>
<td>(e) Vouchers</td>
<td>7</td>
</tr>
<tr>
<td>(f) None</td>
<td>0</td>
</tr>
</tbody>
</table>

N = 11

The tabulated results above, indicate that hotels which carried out telephone operations/programs provided customers with some form of promotion The majority of the hotels gave special offers and discount. (see option (a) and (d).)

Eleven Hotels gave special offers while ten hotels gave discounts. Eight hotels gave customers incentives, which include, special preference, privileges in using hotel facilities, etc. Other hotels gave vouchers and
giveaways / gifts. (See option (c) and (e) from the table above.) The negative responses from the table indicate that these hotels chose other forms of promotional aids from the range of options (a) and (e) available from the list on the table above.

4.15 FREQUENCY OF PROGRAMS

Businesses that run telephone programs, have their own objectives to accomplish at the end of the program. The program may be a one-time event, for example, when an important product/service is being launched or may be a continuous exercise practiced within the firm/hotel.

The result will provide the survey with analysis to whether the telephone has been accepted as a communications tool for the marketing function in the hotel industry. The results are tabulated as follows:

TABLE 16: FREQUENCY OF TELEPHONE PROGRAMS

<table>
<thead>
<tr>
<th>FREQUENCY</th>
<th>RATE OF USE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>(a) One - Time event</td>
<td>0</td>
</tr>
<tr>
<td>(b) Continuous Use</td>
<td>11</td>
</tr>
</tbody>
</table>

N = 11
The result indicates that all eleven hotels in the survey intended to use the telephone for continuous use in their hotel operations.
SECTION B

This section in the data analysis seeks to analyse and interpret the second half of the survey questionnaire. Hotels were asked to indicate whether they carried out any special programs using the telephones as a communications tool. A total of six hotels in the survey carried out special telephone program/operations. The specific program carried out by each hotel is presented below. It indicates the program and its objectives, the results of the program and the effect it had on the sales and marketing departments of the hotel as well as the effect on the general operations of the hotel.

(I) TELEPHONE PROGRAM : MEMBERSHIP CLUBS

Two hotels ran telephone programs for a period of approximately four to six months using Outbound Telemarketing, that is, calls were made by the hotel to customers. Both Hotels were launching special membership clubs. The membership served as a dining and accommodation discount card. Both hotels used an outside agent – Professional telemarketing agencies to carry out the telephone program. To initialise the operation, university and college students were recruited by the agencies and successful candidates served as teleagents (telemarketers) to sell/market the membership cards until the program concluded.
OBJECTIVES OF THE PROGRAM

The objective of one of the hotel was promoting the Food and Beverage (F&B) use within the hotel. The restaurants within the hotel needed awareness, which would ultimately boost sales.

Another Hotel offered a similar membership to promote the hotel services in Nairobi as well as their sister hotel in Mombasa. Due to the frequent travel of businessmen to and from Nairobi and Mombasa, this membership allows members to use both hotels for discounted accommodation as well as privileges in using the hotel restaurants and other facilities.

Both Hotels achieved what they had anticipated for, meaning that the objectives set at the beginning of the program were accomplished.

RESULTS OF THE PROGRAM

The results of the program, were positive from the membership subscription. Both hotels started increasing covers in the restaurant gradually. Revenue got from the sales in the hotel also showed a positive change.

EFFECT ON SALES AND MARKETING OBJECTIVES

The membership card by one of the hotel’s provided the sales team, achieve all the set objectives. The program had a budget to accommodate nine hundred members by the end of the program. However, the hotel managed to
over achieve this target by subscribing more than one thousand members to
date. By launching this product the sales team increased the number of covers
in the hotel’s exclusive restaurants. In addition to the revenue got from the
Food and Beverage sales, hotel accommodation bookings also improved.

The other hotel, ran programs in Nairobi as well as Mombasa. The
membership subscription achieved satisfactory results. There was a definite
rise in sales from the Food and Beverage section as well as reservations made
for accommodation.

**EFFECT ON HOTEL OPERATIONS**

The program at one hotel, created some complications at the initial stages.
This was due to the new concept of using Outbound Telemarketing that was
operated solely by an outside agent. The product being launched was unique
in the hospitality industry. After intensive training in all departments, the
nature and use of the card was appreciated and adapted by all staff. The hotel
generated an increase in revenue got from the sale of restaurant bookings as
well as accommodation reservations.

The other hotel generated increased business for both its operations. The
increased use of the card by members of this hotel brought in a boost in sales,
which consequently affected the hotels operations in a positive note.
(II) **TELEPHONE PROGRAM : SPECIAL OFFER ON ACCOMODATION**

This program was initialised specifically for the purpose of increasing accommodation reservations at the hotel.

**OBJECTIVE OF THE PROGRAM.**

The main focus for the hotel was aimed at targeting Non-Governmental Organisations (NGO’s). The objective was to sell them a special accommodation offer lower than the hotels rack rate. The hotel received a positive feedback for this operation, since the contacted NGO’s, made effort to liase with the hotel for its services.

**RESULTS OF THE PROGRAM**

The hotel received an increase in the number of bookings made on accommodation, after the sale of the special offer. Several NGO’s are now constant guests at this particular hotel.

**EFFECT ON SALES AND MARKETING OBJECTIVES**

The hotel received an increment in terms of awareness. Many services provided by the hotel were boosted due to the offer on accommodation. The revenue generated from the special offer were a positive achievement to the sales department. From this offer the sales staff were also able to find out specific improvements and ideas from the clients. By learning their likes it
was possible to provide more excellence in terms of the products and services offered by the hotel.

**EFFECT ON HOTEL OPERATIONS**

The hotel received an automatic increase of revenue from the special offer on accommodation. The Food and Beverage department generated revenue from guests who took up the special offer by the hotel.

**(III) TELEPHONE PROGRAM : MONTHLY PROMOTIONS AT THE RESTAURANT**

From the survey one hotel runs a monthly promotion to boost their in-house restaurant. This restaurant provides a twenty-four-hour coffee and snack bar to businessmen and other guests who frequent the hotel.

**OBJECTIVES OF THE PROGRAM**

The main objective of promoting the restaurant is to create awareness of the different themes and menus offered at the hotel. Every month the restaurant promotes delicacies from different countries. By promoting the restaurant, the hotel aims at increasing sales in this particular Food and Beverage (F&B) outlet.

The monthly promotion has so far shown positive results and has received feedback from guests.
RESULTS OF THE PROGRAM
The number of covers and the sales measures the monthly promotion results generated from the restaurant. The feedback from the guests enables management measure the strengths and weaknesses. All feedback from the guests is aimed at improving the restaurants operations in providing excellent services.

EFFECT ON HOTEL’S SALES AND MARKETING OBJECTIVES
The sales department found the use of the telephone as an effective communication’s strategy. The telephone provided a much quicker way of creating awareness on new products and promotions taking place at the restaurant. The sales team also got immediate feedback from guests and staff at the restaurant – a vital instrument in improving services and maintaining guest/client relationship.

EFFECT ON HOTEL’S OPERATIONS
The hotel received feedback from guests which gives the management ample time to maintain and improve services as well as offer training where necessary. Revenue generated from this F & B outlet also means a positive effect on the hotel. These telephone programs achieve an improvement in the overall hotel sales.
(IV) TELEPHONE PROGRAM : UPDATING MAILING LISTS

From the survey one of the Hotels runs telephone programs aimed at updating mailing lists for loyal guests of the hotel.

OBJECTIVES OF THE PROGRAM
The telephone is used to contact clients/guests to get an update of their contact addresses. By doing so, the hotel offers clients, the current promotions at the hotel as well as other hotel facilities.

RESULTS OF THE PROGRAM
Since the clients are loyal guests of the hotel, feedback generated from the telephone program are materialised to client needs and preferences.

EFFECT ON HOTEL'S SALES AND MARKETING OBJECTIVES AND HOTEL OPERATIONS.
The Sales and marketing department receives bookings on accommodation, dining reservations as well as conference and banquet inquiries. This leads to an increase in the overall sales figures, which consequently generates the hotel with additional revenue.

(V) TELEPHONE PROGRAM : TELEPHONE ADVERTISER

One particular hotel uses the telephone advertiser. This operation is a system that programs message/s into the telephone system. Every time a call is put on hold, the system automatically plays the message installed in the system. The telephone advertiser increases awareness on all the hotel's products and services.
OBJECTIVES OF THE PROGRAM

The hotel uses the telephone advertiser as a way of creating awareness of the different products and services available at the hotel. The system is revised and updated constantly to ensure the hotel facilities are well marketed.

RESULTS OF THE PROGRAM

The hotel measures the results of the program, through enquiries received by customers, who listen to messages. Feedback from guests eventually materialises into actual business that generates revenue for the hotel.

EFFECT ON SALES/ MARKETING OBJECTIVES AND HOTEL OPERATIONS

The feedback from guests, as well as enquiries on the facilities offered, provides the sales team a chance to offer and negotiate business for the hotel, through the sales of reservations for the Food and Beverage department as well as accommodation. In generating business for the hotel by the sales team, the revenue from these sales is reflected on the overall hotel operations.
CHAPTER 5

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 DISCUSSION

The study sought to determine the State of Telemarketing as a communications strategy in the hotel industry. As seen from the research findings, hotels in the survey, used various communications strategies for their sales and marketing objectives. The telephone as a communications tool was generally accepted and applied by all eleven hotels. From the findings by Stone Bob (1993) and Jobber (1997), telephone operations are divided into (i) Outbound Telemarketing (ii) Inbound Telemarketing. The research clearly identifies these two areas and their respective use and application. Data from Table 3 shows that Outbound telemarketing is practised by all hotels.

From the data analysed, it was evident that hotels were willing to hire in-house staff to handle telephone calls in their inbound telemarketing operations (table 4). Similarly, outbound telemarketing received a positive response. The Study identifies the need to have competent staff in carrying out such operations. Michael Starkey in his article contributes that the right knowledge, skills and attitude is needed for handling telemarketing operations. Hotels in the survey used in-house staff that were well trained and equipped to handle telephone operations. From the data obtained, most hotels preferred to use their own staff to perform the operations. While two hotels from the survey hired a bureau or management trainees. (Table5). The Henley centre Report
1994 indicate that high skills and methods used in high value sales are applicable to telephone sales and operations.

The survey therefore indicates the use of extensive training and familiarization of the product before beginning the program/operations. As with only business organization, hotels used in the survey applied the telephone as a tool for specific hotel objectives. Astroff and Abbey (1994) point out that besides individual telephone calls, the hospitality industry is making extensive use of telemarketing or advertising and promotional purpose. The data analysed (as seen on Table 6) reflects three main objectives of using the telephone as a communications tool. These are: promote services, to increase awareness and ultimately to increase hotel sales. Another vital objective for hotels was to establish loyalty. Hartley and Starkey (1996) Clearly define this element in their book Management of Sales and Customer Relations where they explain the need to go beyond customer satisfaction through relationship building.

The survey highlighted the most widely accepted method of qualifying customers, as building new clientele through prospective customers. Table 7 provides a breakdown whereby majority of the hotels obtained relied on new clientele. From the data obtained it is also important to retain existing customers through a database. The availability of an active database for purposes of sales and Marketing in the hotel provides ongoing profits opportunities. (Profit Solutions, Hotel Dynamics 1999)
The use of databases provides hotels with an opportunity to carry out marketing operations without having to attend to customers directly or apply other strategies, which may require more time and effort in terms of distance and availability of appointments. The provision of promotional aids, along this telephone operation also forms ground upon which successful telemarketing operations are handled. (Michael Starkey 1996). The data analysed reveals the most common promotional aid as provision of special offers and discounts. Table 15 breaks down other promotional material the hotel industry uses when communicating with customers via the telephone as an incentive.

Six hotels carried out special telemarketing operations. Two Hotels carried out similar programs. They applied Outbound telemarketing to launch their new products – Dining/Accommodation Discount Cards. Their major aim was to increase their Food & Beverage sales within the hotel, as well as increase room occupancy. Members were qualified via the telephone and subscription was finalised through confirmation by a prospective customer during the sales call.

Both hotels achieved an increase in the Food & Beverage sales as well as overall Hotel revenue eventually increased.

Another Outbound telemarketing program was carried out by a different hotel, whose main objective was to capture the large Non Governmental Organizations (NGO) in Nairobi, as their target audience. The aim was to offer a special offer on accommodation. The sales team, used the telephone to
contact prospective NGO’s for them to be eligible for the offer. To date, Windsor has obtained a rise in accommodation reservations from the contacted NGO’s, who are now loyal guests at the hotel.

One Hotel from the survey, runs a monthly outbound telephone program to promote its restaurant. The aim is to offer guest various delicacies from all over the world. The hotel has different themes and menus each month. This particular restaurant has a favourable sales output each month.

Another telephone program uses the telephone to update mailing lists. Through this operation, any special events/programs at the hotel promoted to loyal guests/users of the hotel. This operation leads to an increase in hotel awareness, restaurant bookings and accommodation reservations. All these contribute to generating revenue for the hotel.

The telephone advertiser, used by one hotel prompts customers to call the hotel for further inquiries. By doing so, the hotel carries out Inbound telemarketing to boost the hotel’s products and services.

5.2 CONCLUSION

Hotels within Nairobi are aware of the application of telemarketing in their operations. This survey aimed at analysing how this communication strategy has had an impact on the sales and marketing function of hotels. The use of telemarketing in Nairobi hotels as a strategy can be said to be at its initial
stages. Studies from developed countries such as that by Ray Harris and R Pullin may have reached a stage where, customers as well as businessmen commonly accept telemarketing. Their experience with world recognised hotels mainly lie within developed nations where adequate funds and facilities available to carry out telephone programs.

Both groups that carried out Outbound telemarketing programs to launch their discount cards have world class reputation, in terms of excellence as well as sufficient resources for marketing on huge scale.

Telemarketing can not easily replace other communication strategies. Alternatively, hotels can adapt the strategy along with their current strategies to achieve improved success in accomplishing sales and marketing objectives. Several authors may provide grounds for telemarketing as an effective approach to be used in hotel operations, careful analysis on the objectives of the program, the costs involved and the effects on hotel operations, need to be assessed before beginning such a task. This is particularly an important marketing decision if such programs are carried out in developing countries like Kenya, where telemarketing as a communications tool is at its initial stages of acceptance and adaptability.

5.3 RECOMMENDATIONS

The Hotel industry and especially upscale hotels (Four & Five Star) that aim at providing excellent service to customers via several communications strategies, should look into telemarketing programs as a vital marketing and
promotional tool. From the survey, the hotels that have carried out telemarketing programs have achieved their set objectives as well as gained revenue from the operation.

The need to set up telemarketing agencies within the country may provide the industry with more affordable and expert advice when seeking for marketing options for their organisation. Firms will be able to solicit and recognise the various approaches available in carrying out telephone programs. A similar research could be conducted in another industry where customer contact and relationship building are key components of the industry. The Banking sector could be an area of study. This would enrich the current research by comparing results of the findings from both industries.

However a same research is proposed at a much later period. As technology advances by the day new approaches and strategies are being applied to achieve maximum results. Future researchers could therefore carry out the same research at a much later period. The research would by then perhaps have a larger population as well as more familiarity to this new strategy – Telemarketing. The results would shed more light on the state telemarketing will have taken in the coming period.
5.4 LIMITATIONS OF THE STUDY

The study was conducted by way of a survey, due to time and financial constraints. The population targeted was thus limited to four and five star hotels in the city of Nairobi. The short duration of the study may provide a generalisation of its application since some of the hotels may in future take up Telemarketing as a major communication strategy in their operations. Given a much longer period, different results could arise from the study.
REFERENCES


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The Henley Center (1994) - Teleculture 2000 – USA – 1995

The Henley Centre (1996) - Teleculture Futures.


APPENDIX 1

NAIROBI - 5 STAR AND 4 STAR HOTELS

1. GRAND REGENCY HOTEL
2. HOLIDAY INN NAIROBI
3. HOTEL INTERCONTINENTAL NAIROBI
4. THE HILTON – NAIROBI
5. THE STANLEY – (SAROVA HOTELS LTD)
6. THE NORFOLK – ( LONRHO HOTELS KENYA)
7. NAIROBI SAFARI CLUB
8. NAIROBI SERENA HOTEL
9. BLOCK HOTELS KENYA
10. SAFARI PARK HOTEL
11. WINDSOR GOLF & COUNTRY CLUB
APPENDIX 2

USIU – AFRICA
P.O.BOX 14634
TEL: 861940/802532
FAX: 803764
NAIROBI

Dear Sales Marketing/Director/Manager,

I am a graduate student from United States International University – Africa carrying out a research on the **State of Telemarketing as a communications tool in the Hotel Industry in Nairobi**. The study is a requirement of the degree of Masters in Management and Organization Development. (M.O.D.)

I thereby, request your participation to respond to some questions, pertaining to the subject, Any information revealed will be treated in utmost confidence.

Your co-operation and participation in this study will be highly appreciated.

Thank-you,

Yours sincerely,

*JIGNASHA PATEL*
APPENDIX 3

QUESTIONNAIRE

SECTION A

This questionnaire seeks to obtain information, regarding the use of the telephone as a communication tool in your hotel.

Please tick where appropriate, and answer in the spaces provided.

1. Name of your firm / hotel?

2. In the hospitality industry, under which category does your hotel fall in?

   a) a 4 Star Hotel. [  ]
   b) a 5 Star Hotel.  [  ]

3. Please tick, the current communication strategies used by your hotel.

   a) Television [  ]
   b) Radio  [  ]
c) Public Relations [  ]

d) Trade fairs/exhibitions [  ]

e) Print Media (Newspapers, Magazines...........) [  ]

f) Direct Mail [  ]

g) Other – please specify

______________________________

4. Does your firm use the telephone as a Communication’s tool in your hotel operations?

a) Yes. [  ]
b) No [  ]

5. On the use of the telephone, which of the following does your hotel apply/have applied or wish to apply?

a) The sales department receives calls from customers/prospective customers, in response to an advertisement or a ‘freephone’ number. [  ]
b) The sales department makes calls to prospective customers for various marketing purposes. [  ]

(If answer a, then go to Q 6, otherwise skip and go to Q 7. If answer is (b) or both (a & b), answer Q 6 and proceed)
6. In applying (a) above, which one of the following will your hotel make use of?

a) hotel staff will be hired to answer telephone calls. [ ]

b) Provision of a freephone number will be available to customers. [ ]

c) An outside agent will be hired by the hotel to perform the activity. [ ]

7. In applying, (b) above which of the following will your hotel make use of?

a) Hire in-house staff to carry out the operation [ ]

b) Hire a bureau to perform the operation/program [ ]

c) Any other – Please specify

________________________________________________________________________

8. Please tick in the appropriate brackets the primary objectives of the hotel in using the telephone as a means of communication.

a) Increase hotels awareness [ ]

b) Promote services [ ]

c) Introduce new product/service [ ]

d) Increase sales [ ]

e) Establish loyalty [ ]
f) Any other please specify

9. In applying, the telephone as a medium to communicate and carry out various marketing functions, please tick whether the operation will include the following:

(a) qualification of prospective customers for future and present use – building new clientele.  [  ]
(b) retaining existing customers through list already available.[  ]

10. Does your hotel make use of the following to aid the telephone operations/program?

a) Advertisement  [  ]
b) lapsed customers  [  ]
c) contact names on a database  [  ]
d) use of other sources to obtain customer list eg.

11. Please indicate the personnel your hotel will recruit when using the telephone as a communication tool.

a) Trained and recruited teleagents / telephone agents (marketers)  [  ]
b) In-house sales representatives [ ]
c) University / college students with careers in Public relations and marketing [ ]
d) Any other – Please specify

12. Does your hotel maintain an up to date customer list?

a) Yes - [ ]
b) No - [ ]

If Yes, go to Q.13, otherwise proceed to Q 14

13. In maintaining a customer list, for what purpose will it be used for, please tick in the appropriate box?

a) For use by the sales team for hotel’s operations. [ ]
b) For use by other departments in the hotel [ ]
c) For market research purposes [ ]

14. Using the telephone to communicate with customers, what does your hotel aim at accomplishing at the end of the operation?

a) Create loyalty towards customers [ ]
b) Carryout after sales service [ ]
c) Provide any information on queries [ ]
d) Build relationships with customers and potential customers [ ]

15. To aid the program/operation, along with the telephone as a medium of communication, what other equipment or aids will the hotel be using?

a) access customer records via computer [ ]

b) computerised telephone systems [ ]

c) None [ ]

16. Will the operation provide staff with a complete list of customers or prospective clients?

a) Yes - [ ]

b) No - [ ]

17. Using the telephone to communicate, which of the following will your hotel offer to the customers?

a) Special Offers [ ]

b) Incentives [ ]

c) give aways/ gifts [ ]

d) discounts [ ]

e) vouchers [ ]

f) none. [ ]
18. Will the telephone be used as a one-time communication tool or is the idea to make a commitment to continue calling on all or most projects?
SECTION B

This part of the questionnaire seeks to find out, any particular program the hotel has or wishes to implement using the telephone as a tool of communication.

(Please fill this section upon your confirmation and will)

19. Please state any program the hotel has undertaken using the telephone as a communication tool?

20. What were the objectives of the Program? Please state:
21. Have you achieved what was anticipated?
   a) YES - [ ]
   b) NO - [ ]

22. How do you measure the results of the program?

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

23. Applying the telephone as a communication tool, what were the effects on the hotel's sales and marketing objectives?

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

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24) Please indicate whether the telephone program/operation had an effect on the Hotels operations?

Thankyou very much for your cooperation.