

# 1 Global Journal of HUMAN-SOCIAL SCIENCE: H 2 Interdisciplinary

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5 *Received: 8 December 2017 Accepted: 2 January 2018 Published: 15 January 2018*

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## 6 **Abstract**

7 The objective of the study was to investigate the impact of terrorism incidences on hotels in  
8 Kenya and the survival strategies used by the destination. The study hypothesized that there  
9 was no significant relationship between the respondent's work experience and their opinion on  
10 the effect of terror attacks. It also hypothesized that there was no significant difference  
11 between the respondent's gender and their emotional reactions to a terror attack. Qualitative  
12 data was collected through interviews while quantitative data was collected using researcher  
13 administered questionnaires. A total of 200 questionnaires were distributed from which 138  
14 were successfully completed. The study noted that although there was a weak positive  
15 correlation between respondents work experience, and opinions on the effect of the terror  
16 attacks to their business this relationship was insignificant at  $p=0.05$  ( $r=0.04$ ,  $p=0.273$ )  
17 meaning work experience had little influence. Likewise, 41

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19 *Index terms*— terrorism, insecurity, effects, strategic plan, performance.

## 21 **1 Introduction**

22 his paper investigated the impact of terror incidences on strategic plans and operations of hotels and tour  
23 companies located in Nairobi and Mombasa. It is divided into two sections. Section one examined the consequence  
24 of terror attacks in the year 2012 and consequent uncertainty associated with 2013 and 2017 election. It observed  
25 that the tourism industry has remained resilient despite all these challenges faced and the recovery took about  
26 5 years. Section two evaluates the recovery strategies applied by Kenya as a destination. Research has been  
27 conducted in different parts of the world on how terrorism affects destinations but little has been documented in  
28 Kenya. This study intends to fill this gap.

29 Available data indicate that from 2013 to 2016 the number of tourist arrival to Kenya had stagnated due to  
30 terror attacks, adverse travel advisories, election tension and the outbreak of Ebola in West African countries  
31 GOK, (2015). It was observed that from the year 2012, the number of tourists decreased by 11.2% (1, ??10,  
32 ??00) in 2012 to 1,519,600 in 2013. At the same period tourism earning dropped by 2.1 from Ksh 96 billion in  
33 2012 to Ksh 94 billion in 2013.

34 But by 2017, five years after a series of terror attacks, the earnings from the tourism sector had improved  
35 by 17.8 percent from KSh 84.6 billion in 2015 to KSh 99.7 billion in 2016 slightly more than 97.9 billion in 2011  
36 before the terror attacks. Similarly, the number of international visitor arrivals rose by 13.5 percent to 1,339.7  
37 thousand in 2016. The sector's rebound was partly due to the improvement in security and successful high profile  
38 conferences and finally aggressive marketing in the domestic and international markets GOK, (2017).

### 39 2 II.

### 40 3 Background of the Study

41 Within the year 2012 alone, Kenya witnessed nineteen incidences of terror attacks, ten of them being between  
42 August and December 2012. Al-Shabaab claimed responsibility for these attacks, with the worst being the 2013  
43 West Gate Mall siege (table 1.1). It is believed that their frequency of occurrence affected tourism in one way or  
44 another. This could not be ignored. Although most of these attacks targeted innocent Kenyans, the frequency in  
45 which they took place was worrying since they received wide media coverage from both local and international  
46 media thus having a negative impact on tourism. Intensive media coverage of security incidences in Kenya had  
47 detrimental effects on tourist's perception of Kenya and has contributed to declining of tourist. Newspaper  
48 headlines between March 2014 and July 2014 for instance depicted Kenya as unsafe destination (table ??3).  
49 High frequency of these attacks caused significant changes in tourist bookings where cancellations were witnessed  
50 by those offering accommodation, transport and other travel related services. The insurance cost has also gone  
51 up.

52 Print media shapes the image of destination and most reader take the reporter's opinion to represent others  
53 who might not have a media to give their opinion (Tasci, 2006). The print media in Kenya reported effects of  
54 terrorist attacks on the tourism industry. The banking industry shunned away from loaning tourism investments  
55 which were classified as high-risk ventures. The US and other countries warned its citizens on using some Kenyan  
56 airports which were labelled as unsafe. These print media reports on table 1.3 gives a summary of some headline  
57 report of Kenya's situation. The headlines presented Kenya as a risky destination to visit. The repercussions  
58 were major lay off by hotels as the number of visitors reduced. Whenever there was any report on security  
59 incidences travel advisories were issued by generating countries warning their citizen to avoid visiting Kenya.

60 Tourism professionals and scholars have avoided addressing the issue of safety and security in Kenya and have  
61 left it to politicians and government representatives who make political statements on the impact of terrorism  
62 without research backing. As discussed later in the literature review section ,there is some data to show the  
63 impact of terrorist attacks in Bali, United States of America, Israel, Morocco to name a few. There is need to  
64 have the same for Kenya and other Africa countries affected by terrorists.

### 65 4 Literature Review

66 Research on insecurity and its effects on tourism have been conducted in different parts of the world but little  
67 has been documented in Kenya. Whenever any terror incidence was reported in Kenya, most of the local and  
68 international media gave it a lot of coverage showing Kenya as a high-risk destination. This section gives a review  
69 of what has been documented in other parts of the world the main aim being to invites scholars from Africa to  
70 investigate how terrorism is destroying African economies. The researcher further examined how Kenya's tourism  
71 industry survived terrorist attacks and its effects on short term and long term strategies.

72 Although a lot has been documented on terrorism and security incidences in other parts of the world, little  
73 attention has been given to Africa. Whenever Kenya experienced terrorist attacks, most of the visitors either  
74 diverted to Tanzania and Uganda while others visit South Africa. In other words, terrorist's attacks to Kenya  
75 benefited other countries in Africa. Kenya has remained a big hub for flights to Central Africa and Western  
76 African countries and any insecurity reported may have affected the tourist flow for most African countries. A  
77 wider study may be necessary to investigate how terrorist attacks affect Africa's economies.

78 The literature on travel survey consistently find safety and security as important to tourism and determines  
79 whether a destination is visited or not, (George, & Booyens, 2014; ??loyd, et al., 2003 The concept on relationship  
80 between tourism and security has been categorized by Piza, A., and Mansfield. (2006) in to three groups: concepts  
81 relating to the nature of tourism-related security incidents and crises, concepts relating to the impacts of security  
82 incident and crises on the tourism industry and finally concepts relating to short, medium and long-term reactions  
83 by tourism stakeholders to existing and potential security incidences and crises.

84 This paper borrows from the third concept and investigates the impact of terrorism incidences in Kenya on  
85 the implementation of strategic plans of selected stakeholders in tourism. Security not only affects individual  
86 decision-making but also have a broader influence on economic and political confidence .This in turn affects the  
87 wider environment within which tourism industry and destinations survive, Halle al., ??2003).

88 Accumulated evidence throughout the world has shown the impact of security incidences to destination growth.  
89 In a micro level, security incidences affect tourist arrival, intention to travel, which might in turn affect booking  
90 due to cancellations , ??Pizam,A., and Mansfield.,2006; ??haw and Williams, 2002; ??aulkner, 2003). Whenever  
91 incidences of insecurity are reported, in a destination, it caused panic and tour operators and other tourism  
92 stakeholders judge the magnitude to guide them on what to do.

93 Terror incidences normally affect company's cash flow and profitability (Muthoka, 2014;Mohammad,  
94 2014;Pizam, 1999;Sonmez, 1998, andBar-on 1996). The profitability of the business that partially relies on  
95 tourism is negatively affected by security incidences. These incidents may make these businesses insolvent and  
96 hence negatively affect the quality of life of the entire host community. The high cost involved in providing  
97 security for both the private and public sectors increase the cost of providing services to tourists which in turn  
98 makes the affected area less competitive.

99 Instability of the tourism industry affects destination image and force investors to pull out which finally affect  
100 the economy of such a destination. Kenya witnessed the closure of about 20 hotels along the coast as by May  
101 2014. More than 7,500 employees had lost their jobs from 2012 to July 2014.

102 Effects of insecurity have been examined in Malaysia (de Saumarez, 2004), in Nepal (Thapa, 2004), in Bali  
103 ??Hitchcock, 2001, Henderson, 2003), in Gali island, (Soemodinoto, Wong and Saleh, 2001) and in Lombok  
104 (Fallon, 2004) located in Indonesia. For all of the above destinations the findings indicated that when a  
105 destination was reported by media as having security incidences it affected travel decision-making process and  
106 caused alteration of travel plans, substitution of the destinations and in some cases visitors postponed travel  
107 plans, (Sonmez, et al., 1999). Media interpretation and reporting affected people's perception and their intention  
108 to travel, (Nuttal and Theocharous, 2001; Gibson and Pennington-Gray Thapa, 2004). What affects tourism  
109 industry even more is not having a mechanism of giving the public and the tourist accurate information, from  
110 which a decision is made, Richie, et al., 2004. Information on security incidence and the communication strategy  
111 acts as a mitigation and crisis management tool as well as recovery strategy for such destinations, ??itroff and  
112 Pearson, (1993).

113 Kenya has had several security incidences most of which are related to terrorism targeting civilians and security  
114 agents Otiso, (2009) and Paraskevas, & Arendell, (2007). Whenever such incidence occurs, a further disaster  
115 has been associated with the manner in which media reports these incidences and result in a decline in visitors  
116 and subsequent tourism-related income (Pizam, 1999). Tourists avoid destinations which are perceived to have  
117 high risks. Security incidences in any destination are associated therefore with negative effects. ??oodrich,2002;  
118 ??ate,2002;Hall , et al.,2003;Mcckercher, and Hui, 2003; ??hapa, 2003; ??nd Fallon, 2003 noted that employment  
119 and layoff are associated with security incidences if not well managed.

120 Likewise, Hui,(2003) observed that insecurity caused by terrorists exert psychological impacts spreading fear  
121 and intimidation amongst tourist. This has also been the case in Kenya. As pleasure travellers, most tourists are  
122 risks averse and seek destinations that provide maximum personal benefits at the lowest personal risks (Sonmez,  
123 et al., 1999). Some findings in response to tourism insecurity suggest that the impact varies depending on  
124 information management and the recovery strategy taken by those affected directly or indirectly. This was the  
125 finding by Alderighi and Cento, 2004 As will be observed in the next section of data finding and analysis, the  
126 challenges related to terrorism is the same in different destination and even big economies such as the United  
127 States of America which has not recovered from the September 11 terrorist attack. The impact of terrorism is  
128 more hurting on the developing nations such as Kenya which does not have the financial capability to accelerate  
129 the recovery process.

130 IV.

## 131 5 Research Methodology

132 The study used descriptive research design to explore impacts of terrorist attacks on hotel and tour companies in  
133 Kenya. Qualitative data was collected through interviews while quantitative data was collected using researcher  
134 administered questionnaires. The study area covered seven administrative regions. These were Central, Nairobi,  
135 and Western, Coastal region Nyanza and Rift Valley province. These were the regions where more than 90  
136 percent of the target population was located.

137 The target populations were managers or supervisors in hotels and tour/travel operator who could respond  
138 to the questions. The stratified sampling method was used in determining the sample size. A total of 200  
139 questionnaires were distributed where 138 were successfully completed while seven got spoilt and were not  
140 replaced. This gave a success rate of 69 percent which was considered adequate for analysis. To check the  
141 reliability of the data collection tools test-retest method was used to assess external consistency while Cronbach's  
142 coefficient alpha was conducted and gave 0.955 and was considered efficient. Content validity was conducted to  
143 assess the adequacy of the samples used to represent the universe.

144 V.

## 145 6 Data Findings, Analysis and Discussion

146 a) Research hypothesis and discussion and implication of findings i. The first hypothesis of the study stated that  
147 H1 H0: There is no significant relationship between the respondent's work experience and their opinion on the  
148 effect of attacks on the operation of their establishments

149 The study hypothesized that there is no significant difference between the respondents work experience and  
150 their opinion on the effect of attacks to the operation of their establishments. To be more specific, respondents  
151 were asked to give the financial implication of the attacks to their businesses. Ten opinion statements were  
152 given from which they were to agree or disagree (table 3.2). All respondents agreed that in one way or another,  
153 they were affected by any all terror cases that reported irrespective of their work experience. Later, respondents  
154 were given thirteen opinion statements where they gave their opinions using a 5 point Likert scale Strongly  
155 agree (SA), Agree, (A) Not Sure,(NS) Disagree (D) and Strongly Disagree(SD). Descriptive data were analyzed  
156 followed by Chi-Square test of independence and Pearson's Product Moment Correlation. The study noted that  
157 there was a significant difference ( $\chi^2 = 86$ , df=2,  $p<0.001$ ) between the respondent's gender where the majority  
158 (66%) of respondents were males as compared to 34% ladies. The study observed significant age difference ( $\chi^2$

## 8 B) INFLUENCE OF RESPONDENTS GENDER ON THEIR EMOTIONAL FEELINGS ON THE TERRORIST ATTACKS

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159 = 162.00, df=5, p<0.001) of the respondents where about 85% were aged between 26 years to 45 years and most  
160 of them(49%) had work experience of about 15years.

161 The study noted that the highest frequency of those who agreed that their company have invested a lot in  
162 the installation of security equipment and facilities were those who have worked between 16 to 20 year ( 87%) of  
163 them as compared to 82% for those who had worked for less than 5 years. Although there was a weak positive  
164 relationship between respondents opinion and their work experience, this relationship was not significant at  
165 p=0.05 (r=0.04, p=0.273) meaning work experience had little influence.

166 There was a weak positive relationship between respondents work experience and their opinion on the financial  
167 implication of the attacks on their business. About 87% of those with work experience of 16 years to 20 years  
168 agreed that their company had invested heavily in security personnel and equipment such as metal detectors  
169 which ate into their annual budget. Although there was some positive relationship between the response and the  
170 work experience, the relationship was not significant (r=0.087, p=0.309) meaning that their work experience had  
171 insignificant influence on this response.

172 Most 82% of the respondents who had worked for 6 years to 10 years) strongly agreed that their company  
173 lost some customers due to fear of insecurity. This relationship was insignificant at p= 0.05(r=0.034, p=0.091)  
174 meaning that respondents work experience had insignificant influence on fear and loose of business. About 64%  
175 of respondents said that their profit margin had reduced drastically while 75% of the respondent with over 20  
176 years of work experience said that their marketing budget increased. It was however important to note that  
177 although most respondents had different work experience most them irrespective of how long they had worked  
178 they shared most of the opinion. They agreed that their company had increased the number of security personnel  
179 (82%), insecurity had affected the investment growth and projection of the company (64%), and had reduced  
180 company's profit margin (67%), while most customers were forced to reduce the number of bed night in the  
181 hotel(59%). It was also noted that some charter companies cancelled their flights due to security threats and  
182 finally the marketing budget has increased. (Table ???.2)

183 From these findings, the study failed to reject the null hypothesis and concluded that there was an insignificant  
184 relationship between respondent's opinion of the effect of terror attacks on their business and the number of years  
185 one had worked. Although work experience had some positive correlation, such relationship was not significant  
186 at p=0.05. ii.

187 Hotel increased the number of security personnel ? 2 = 17.30, df=25, p=0.871 R=0.087,p=309

188 iii.

189 The hotel trained its security personnel on terrorism threats ? 2 = 9.57, df=25, p=0.975 R= -0.060,p=0.484  
190 iv.

191 It ii.

## 192 7 Interpretation of finding

193 The study noted that respondents work experience had an insignificant positive correlation with respondent's  
194 opinion on the effect of terror on their operation. More than 79% of respondents agreed that have invested a lot  
195 of money in security-related equipment such as CCTV, and metal and explosive detectors which have in turn  
196 interfered with their operations budget. This gave their customers a sense of security while in the hotel. More  
197 than 80% reported that their hotel had increased security personnel while 82% reported that their hotel had  
198 lost some customers due to fear and security risks. Others noticeable effects were a reduction of profits increase  
199 in insurance premiums, reduced customer bed nights, cancellations of bookings, reduced employees salary and  
200 the cash flow. Although most of the attacks were targeting soft non-tourism assets such as churches, bus stops,  
201 border towns and some parts of Nairobi and Mombasa, the media coverage they received displayed Kenya as a  
202 risky destination and made some tourists to cancel their bookings.

203 The frequency in which these attacks occurred continued to raise some concern to the stakeholders in tourism.  
204 The most affected were hotels located along the coastal towns of Mombasa, Malindi and Lamu. Other areas that  
205 were badly affected are lodges in national parks that rely wholly on a tourist visiting these wildernesses to watch  
206 wildlife.

## 207 8 b) Influence of respondents gender on their emotional feelings 208 on the terrorist attacks

209 i. The second hypothesis of the study stated that H2H0: There was no significant difference between the  
210 respondent's gender and their emotional (anger, fear, sadness, sorrow) reactions to a terror attack. This  
211 hypothesis tested whether there was a significant difference between the way males and females reacted to  
212 the new son terror attack. The researcher hypothesized that once there was an attack reported by the media,  
213 respondent's gender significantly influenced the emotional reaction to the report and employees reactions in the  
214 hotels. Some employees felt scared while others were fearful. Other employees said they were sympathetic, angry,  
215 traumatized, and hopeless while others were sorrowful. Nine statements were given and the respondents were  
216 asked to state their expression and their responses were later tested using Chi-Square test of independence (cross  
217 tabulation). Whenever there was any terrorist case reported, different categories of employees in the tourism  
218 reacted differently.

219 Descriptive analysis followed by Mann-Whitney U test was conducted to test the difference in the level of  
220 agreement to the statements that tested respondent's emotion towards terror attacks. The finding indicated  
221 more males with a Mean Rank (M=70) said they were angry whenever there was any report of any attack as  
222 compared to (M=66) of females. However, this difference was insignificant at  $p=0.05$  ( $U=1966.5$ ,  $p=0.468$ ). Hence  
223 the null hypothesis which eluded that there was a significant difference between the respondent's gender and their  
224 reactions to terror attack was not rejected.

225 Likewise majority (62%) of males with a mean rank of 70 (M=70) strongly agreed that they were sorrowful  
226 as compared to female (M=68). These findings were insignificant ( $U=2065$ ,  $P=0.812$ ) meaning that gender had  
227 insignificant influence on these emotional feeling after any attacks. It was also noted that the same number  
228 of males and females strongly agreed that they were sympathetic to the victims after an attack (M=69) but  
229 the difference was not significant ( $U=2105.5$ ,  $P=0.963$ ) meaning that the number of those who agreed to the  
230 statement was different for both males and females. In relation to a sense of fear more male (M=70) strongly  
231 agreed that they fear for the lives as they do their daily duties as compare to the female respondent (M=68).  
232 Once again this feeling of fear was not significant ( $U=2055$ ,  $P=0.777$ ).

233 Likewise, 41% of male strongly agreed that they were traumatized even as they continued with their duties  
234 as compared to 51% of female respondents. The finding indicated that gender did not influence their feelings on  
235 trauma ( $U=1923$ ,  $P=0.37$ ). It worth noting that 36% of males and 49% of females felt helpless but the majority  
236 of both genders never gave up. There was a lot of hope that irrespective of the attacks the security situation  
237 would improve and this keeps the industry going despite negative messages from the media. It is worth noting  
238 that 33% of male respondent disagreed that they at any time felt helpless but said that they were positive the  
239 situations would be managed. A majority of males (70%) and females (68%) agreed that they were scared to as  
240 they continued with their work. In this case, more males felt scared as compared to the female. The researcher  
241 expected that in all cases more male would be scared, fearful, sorrowful and angry as compared to the female.  
242 The reasons that in most cases the terrorist would target the males either maim or kill them or force them to be  
243 recruited as militia and them hostage. For most of the attacks, there were more male's causalities than females.  
244 These findings were not significant at  $p=0.05$  thus the null hypothesis that said that there was no significant  
245 difference between the respondent's gender and their reactions toward media report on terror attacks was not  
246 rejected. This means that gender did not significantly influence their response Table ??3. ii. Interpretation of  
247 finding This study noted that there no significant difference between respondents gender and the way they reacted  
248 toward information on terror attacks. Most of them were angry while other was traumatized. Others indicated  
249 that they were sorrowful for the affected families despite them being kilometre way from where most hotels were  
250 located. The majority said felt helpless since they could nothing to help the victim. All of them agreed that  
251 these attacks affected their concentration at work, their effectiveness and efficiency. They were scared since they  
252 were not sure whether the terrorist may target them. In summary, the null hypothesis that said that there was  
253 a significant difference between the respondent's gender and their reactions to the terror attack as reported by  
254 media was upheld.

## 255 9 c) Other effects of insecurity on hotels/lodges operations

256 Asked to give the effect of the terror attack on their hotel business, about 66% of respondents strongly agreed  
257 that it reduces their sales volume while 61% claimed that customer growth had reduced significantly due to the  
258 cancellation of bookings. About 44% agreed that they have reduced the cost of their service as compared to 32%  
259 who disagreed. About 54% said that their promotional cost has increased as compared to 49% who said that  
260 their distribution cost has increased. Majority of the respondents disagreed that insecurity affected the brand  
261 of their product and services (Table ??4).It was noted that 62% of firms reported that their companies did not  
262 face negative publicity even when security incidences occurred. These are the hotels that are located far away  
263 from the areas where attacks took place. But one year later, the finding indicates that all stakeholders were  
264 affected either directly or indirectly. The reason was that they normally kept their customers updated on these  
265 incidences giving them detailed information of the actual location of any incidence assuring them that Kenya is  
266 a safe destination. These details are also shared with their overseas sales agents and wholesalers who act as their  
267 representatives.

268 From the findings, it can be concluded that most firms in Kenya have been affected by security incidences.  
269 Among the areas badly affected are: sales volume, increased in marketing budget and finally the brand name of  
270 the destination has been affected. To ascertain the actual amount of money lost by the industry, another research  
271 would be recommended. About 36% of respondents agree to have lost between 6 to 15 % of the annual revenue  
272 while 18% agreed to have lost between 16 to 30% of their annual revenue. Strongly agree (SA), Agree, (A) Not  
273 Sure, (NS) Disagree (D) and Strongly Disagree (SD)

## 274 10 d) Effect of Terror on short, medium and Long-Term Strategies

275 There was a need to examine how security incidences have impacted on company's annual goals and targets.  
276 Respondent's opinion was sought to describe how insecurity has affected their short term, medium and long-term  
277 goals and respondents were give how their companies have adjusted their goals to reflect the changing business

279 environment. Majority of the respondent 66% agreed that it's taking more time to achieve short-term goals while  
280 a 63% of them concurred and said that it also takes longer time than anticipated for the firms to achieve medium-  
281 term goals. More than 62% agreed that their long-term goals have been affected and 71% of them have had their  
282 companies adjust their strategic plans to cope with the changing environment (Table ??,5).

283 **11 Table 3.5: Effect of insecurity on short, medium and long  
284 -term objectives of hotels and lodges**

285 Company goals and objectives It has taken more time to achieve Short terms goals It has taken more time to  
286 achieve Medium terms It has taken more time to achieve Long terms goals The company has been forced to  
287 adjust its strategic plans to cater to the changing business environment Strongly agree (SA), Agree, (A) Not  
288 Sure,(NS) Disagree (D) and Strongly Disagree(SD).

289 **12 VI. Tourism Recovery Marketing Strategy used by Kenya**

290 This section gives some of the recovery strategies that were used by Kenya that saw the tourism industry  
291 rejuvenate from reduced tourist arrival in 2013 to the increase in 2017. The industry took five years to recover.  
292 Different countries have applied different strategies to rejuvenate their tourism industry after crises. Literature  
293 is available on recovery strategies in Israel by (Mansfeld, 1999), Cyprus by (Ioannides, & Apostolopoulos, 1999),  
294 Maldives by (Carlsen, 2006) and the USA by South Asia, Africa and the Middle East and concluded that there  
295 is no any uniform strategy and each destination used their suitable one depending on the nature of crises and  
296 the magnitude of destruction they intend to manage.

297 In Kenya, the government through responsible ministries embarked on tourism recovery strategy dumped as  
298 "Tourism Sector Master Plan 2013-2017".

299 **13 a) International Marketing**

300 Kenya Tourist Board (KTB) led the industry in implementing Tourism Market Recovery initiatives dubbed  
301 "TMRP II" which included a global electronic media advertising campaign with CNN and BBC and later Euro  
302 news, covering Europe, Middle East, Asia and Africa, with the USA is covered by CNN online, an outdoor  
303 advertising in five key markets as well as new and emerging markets to address concerns of market diversification  
304 to UK, Italy, France, Germany, Switzerland, India and South Africa. The government has well been participating  
305 in global exhibitions such as World Travel Market -WTM, International Travel Bourse -ITB and many more.  
306 The integrated campaigns addressed the first objective of rebuilding the destination image, and the second, of  
307 driving sales GOK, (2013).

308 **14 b) Domestic Tourism Marketing**

309 The government together with the private investors launched series of programs targeting domestic market  
310 through cultural festivals, events sponsorships, regional exhibitions and media advertising. Currently Kenya  
311 has regional Cultural festivals such as the Lamu Cultural Festival, Lake Turkana cultural festival, Maralal  
312 International Carmel Derby, domestic exhibitions and events such as Magical Kenya Tourism expo, Getaway  
313 Holiday expo at Sarit Centre, Magical Kenya Jockey Club Race, and the Kenya Open Golf sponsorship were also  
314 pursued.

315 **15 c) Market expansion and diversification**

316 Kenya expanded and diversified its tourist source markets with an additional 20 markets. Some of the latest  
317 entrants were Brazil, China, Japan, India, UAE, Uganda, South Africa, Nigeria, Russia and Australia, among  
318 others. The growth of the arrivals from the new markets has been equally at a fast rate among the new markets.

319 **16 d) Marketing of a more diversified tourism product mix**

320 During the plan period the marketing programs involved a more diversified tourism product beyond the traditional  
321 wildlife and beach. Thus marketing of cultural tourism, sports tourism, eco-tourism and many others became  
322 more pronounced than in the past.

323 **17 e) Route development**

324 The government also worked with industry stakeholders, global airlines and international charter companies in  
325 a bid to enhance air connectivity flights between key tourist markets such as India, Korea, China, African states  
326 etc

327 **18 f) Niche Products Development Programs**

328 On the niche products, the government continued to engage private investors to develop western Kenya Eco-  
329 tourism hub, provide additional beds in Kakamega forest, Mt. Elgon, Lake Victoria and launch high-value

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330 cultural products and cultural festivals and license homestays. Construction of new cottages in Kakamega  
331 Forest National Reserve was completed and is now operational. In Chyulu accessibility to Kisyula cave was  
332 improved while in Tsavo Conservation Area several sites were identified for development. National Parks have  
333 been segmented by product and price. The premium park initiative is aimed at reducing pressure on the two  
334 highly visited Parks (L. Nakuru and Amboseli). It also aimed at improving visitor facilities and roads to ensure  
335 tourists get value for their money. Infrastructure has been upgraded. Park entry fees for Amboseli and Nakuru  
336 has been reviewed upwards. The review is meant to regulate demand for these Parks which are made up of fragile  
337 ecosystems. The Kenya Wildlife Services (KWS) is also carrying out various product development activities with  
338 the aim of improving the competitiveness of the wildlife product within Parks. Amongst this products are:  
339 Therapeutic tourism, Via Ferrate climbing trail on Mt. Kenya, Improvement of campsites and visitor facilities  
340 and, Parks Branding and Beach Management program.

## 341 **19 VII. Conclusion and Recommendations**

342 The study noted that respondents work experience had some positive correlation with respondent's opinion on  
343 the effect of terror on their operation. However the relationship was not significant at  $p=0.05$

344 There was some dependence between respondents' gender and their reaction to terror attacks. However these  
345 relationships were not significant at  $p=0.05$  thus the null hypothesis that said that there was a significant difference  
346 between the respondent's gender and their reactions toward media report on terror attacks was rejected. This  
347 means that gender did not influence their response. Respondent's opinions were independent of their gender.

348 The objective of the study was to investigate the effect of terror attacks on the operation of hotels, lodges  
349 and tour operators in Kenya. The finding indicated that though the targets for these attacks were not at tourist,  
350 nevertheless, it affected the tourism industry and other industries in Kenya. Most companies have been forced  
351 to invest more in marketing in order to assure the potential customers that Kenya is a safe destination. This has  
352 not been very easy since most firms have a limited budget for such extensive marketing. Some insurance firms are  
353 shunning away from tourism investments which they categorize as a risky venture. Perception of Kenya as a risk  
354 destination has cause booking cancellation for accommodation providers in the Kenyan coast the most affected  
355 being Mombasa, Malindi and Lamu where some terror attack has taken place. As per May 2014 more than 20  
356 hotels along the coast had closed while those located in the wildlife sanctuaries, parks and reserves witnessed low  
357 booking and massive cancellation.

358 Insecurity has affected sales volume, customer growth, and implementation of short and long-term strategies  
359 for most firms. This in turn has reduced their revenue where most firms have reduced the number of employees  
360 to the lowest.

361 Kenya as a destination is currently facing serious competition from other East African countries such as  
362 Tanzania, South Africa Morocco and Tunisia which are perceived as a safe destination. Most firms have spent  
363 substantial amounts of resource in training their employees on terrorism and purchase of security equipment.

## 364 **20 VIII. Lessons from the Terror Attack in Kenya**

365 Terrorism-related attacks unless well managed is capable of bringing down the economy of Kenya. A joint effort  
366 is needed between African nations and the world at large to combat terror attacks. Al-Shabaab terror group has  
367 taken a new twist of training Kenyan youths and are using them for the attacks. This kind of targeting soft target  
368 has proved successful to them and might easily be replicated in other countries. Terrorism is not a problem for  
369 the Kenya government alone but a global threat. The Kenyan government should empower Kenya Tourist Board  
370 so that they can effectively manage communication centre that will disburse information in time any crises that  
371 may affect tourism. Management and coordination of media reporting are necessary since if not well managed  
372 to give biased and exaggerated information which scares visitors and other investors in Kenya. A join Tourism  
373 recovery strategy is needed to coordinate recovery process whenever cases of insecurity are experienced in Kenya.

374 In conclusion, the following must be managed for Kenya tourism industry to thrive; a) Actual and perceived  
375 concerns regarding safety and security, with resulting negative publicity in the international and local media. b)  
376 Negative travel advisories against travel to Kenya issued by the Governments in the main international source  
377 markets. <sup>1</sup>

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<sup>1</sup>Terrorism and Tourism: Kenya's Resilient Tourism Industry Survival Strategies

11

Date	Terror attack location	Town
Jan 2012	Hagedera camp	Garissa
Mar 2012	Machakos bus station	Nairobi
29 April 2012	Gods house of miracle	Nairobi
15 May 2012	Bella Vista	Mombasa
28 th Ma 2012	Sasa Boutique	Nairobi
24 th June 2012	Jericho Bar	Mombasa
1 st Jul 2012	Central Cathedral and AIC churches	Garisa
18 July 2012	Barbershop	Wajir
3 rd Aug 2012	East Leigh	Nairobi
28 th Au 2012	Mombasa outskirt	Mombasa
21 st Sep	General Service Unit (GSU) lorry	Garisa
30 th Sep 2012	St. Polycarp Anglican	Nairobi

Figure 1: Table 1 . 1 :

13

Date	Daily Nation Newspaper headlines reporting reactions to terror attacks Reporter	
30 Jul 2014	Banks shun tourism and agriculture as a highly risky sector	Ringa
29 Jul 2014	Insecurity Ogre killing coast golden goose.	Atieno,
23 Jul 2014	Lamu hotels closing down and lay off workers after a month of violence.	Sanga,
22 Jul 2014	Kenya airports unsafe, warns the US its citizens.	Mwakio,
21 Jul 2014	Tourists fear visiting coast due to attacks .( Nation correspondence),	
09 Jul 2014	Group seeks escort for tourists to parks. ( Nation correspondence)	
24 Jun 2014	Insecurity signals major fall in hotels occupancy and rates.	Mwaniki
28 May 2014	Terror alert bites as 20 hotels closedown at the coast.	Sanga,
27 May 2014	Over 7,500 hotel jobs lost as security alert hits coast bookings.	(Ringa, Ringa, Ringa)
23 May 2014	The Netherlands pledges to help boost security in Kenya,	Omollo
16 May 2014	Tourists leave Kwale and Mombasa hotels.	Mwita,
16 May 2014	Britain evacuates citizens over the fear of terrorist attacks.	Maina,
03 Mar 2014	Coast tourism alarmed over low numbers of a charter flight.	Mwakio,
III.		

Figure 2: Table 1 . 3 :

Figure 3:

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**32**

Opinion statements	Chi -square test of inter-dependence	Pearson's Cross Tabulation
i. The hotel invested immensely on security equipments such as metal detectors that was not in the budget	? $2 = 14.74$ , df=25, p=0.947	R=0.094,p=0.273

Figure 4: Table 3 . 2 :

**33**

Respondents Emotional feeling per gender	Male	Female	Total	6359	3095	U=1966.5,p=0.468	
I Felt Scared	90	47	71	66	6359	3095	U=1966.5,p=0.468
	Total	137					
I Felt Sorrow Full	90	47	70	68	6260	3193	U=2065,P=0.812
I Felt Sympathetic	90	47	69	69	6201	3253	U=2105.5,P=0.963
I Felt Fearless	90	47	70	68	6270	3183	U=2055,P=0.777
I Felt Helpless	90	47	73	62	6538	2915	U=1787,P=0.126
I Felt Angry	90	47	71	65	6402	3051	U=1923,P=0.37
I Felt Traumatized	90	47	71	65	6415	3039	U=1910.5,P=0.342

Figure 5: Table 3 . 3 :

**34**

Effect on marketing efforts	SA	A	NS	D	SD
Sales volume has reduced	22%	44%	5%	12%	2%
Customer growth has reduced	22	39	8	14	3
The company has some customer cancelling their bookings	23	41	10	8	3
The prices of products and services are forced to be reduced to attract visitors	14	30	12	25	7
The marketing strategy has been affected negatively	17	38	9	17	4
The promotion cost have gone up drastically	20	36	11	18	2
The marketing plan has been affected negatively and reflecting reduced demand	16	36	11	19	4
The company is getting more competition from source market which is affecting growth projection	15	38	12	17	1
The promotional methods (mix) has been affected	10	44	15	13	2
The distribution costs has gone up	9	40	16	11	4
The companies brand name has been negatively affected	6	14	15	36	14
The demandfor services from customers has reduced	12	30	10	25	6

Figure 6: Table 3 . 4 :



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