

Journal of

# Business and Strategic Management


(JBSM)

Antecedents of Travel Advisories on Performance of the  
Hotel Industry in Kenya: A Case of Five-Star Hotels in  
Nairobi County



CARI  
Journals

## Antecedents of Travel Advisories on Performance of the Hotel Industry in Kenya: A Case of Five-Star Hotels in Nairobi County

 <sup>1\*</sup>Jane Gakonyo, <sup>2</sup>Prof. Allan Kihara

<sup>1\*,2</sup>Chandaria School of Business, United States International University

P. O. Box 14634 - 00800 Nairobi, Kenya

*Accepted: 26<sup>th</sup> Aug 2024 Received in Revised Form: 26<sup>th</sup> Sep 2024 Published: 26<sup>th</sup> Oct 2024*

### Abstract

**Purpose:** The general objective of this study was to examine the antecedents of travel advisories on the performance of the hotel industry in Kenya by focusing on five-star hotels in Nairobi County. The specific objectives that guided the study were to examine the effect of political instability advisory, pandemic advisory and terrorism advisory on the performance of five-star hotels in Nairobi County.

**Methodology:** The explanatory research design was employed in this study. The population of this study were the managers of five-star hotels in Nairobi County and were 426 in total. A stratified sample technique was employed in the study, while Simple Random Sampling (SRS) was used to select samples from each study stratum. The Yamane formula was applied in selecting 206 respondents who made the sample size of the study. The study used primary data that was gathered using self-administered and structured questionnaires. These questionnaires were pilot tested for reliability, and were distributed electronically for data collection. Descriptive and inferential analyses were applied during analysis and both tables and figures were used to display the findings.

**Findings:** The results of the study showed that guest safety was a significant element for guests when choosing a destination to visit. Correlation analysis revealed that there existed a significant and negative statistical association between political instability advisory and hotel performance. The regression coefficients showed that a unit increase in political instability advisory provided resulted in a 37.7% decrease in performance of five-star hotels in Nairobi County. The outcome of the study indicated that hotels observed precipitous declines in occupancy rates during the COVID-19 pandemic. Correlation analysis showed that there existed a significant and negative statistical association between pandemic advisory and hotel performance. Regression coefficients indicated that a unit increase in pandemic advisory provided resulted in a 57.7% decrease in performance of five-star hotels in Nairobi County. The findings of the study revealed that a lack of resources had turned the attention of terrorists to target luxury hotels. Correlation analysis demonstrated that there existed a significant and negative statistical association between terrorism advisory and hotel performance. The study concludes that political incidents had a serious effect on the hotels' performance compared to natural disasters since guest safety was a significant element when choosing a destination to visit.

**Unique Contribution to Theory, Policy and Practice:** The study recommends the managers of five-star hotels in Nairobi County use available media both digital and traditional to provide factual information to their potential guests during times of political unrest. They need to create flexible corporate policies that would allow them to face new circumstances.

**Keywords:** *Political Instability Advisory, Pandemic Advisory, Terrorism Advisory and Performance of Five-Star Hotels*



## Background of the Study

The world over, the hotel industry has been recognized as one of the most important sectors that have a significant positive correlation to the tourism industry, and therefore no country or region can expect to attract tourists unless it has a robust and efficient hospitality industry (Seyfi & Hall, 2019). The hotel industry is said to be powered by the tourism industry, this is due to their close relationship, and any change in either of the two industries will have an almost relative change in the other (Akamavi, Ibrahim, & Swaray, 2022). The tourism industry draws the clientele into the country or certain regions and the hotels have to provide accommodation services (Eisen & Resco, 2020). Tourism in many countries is a major contributor to exports through cross-border flows of people and capital which significantly affects the hotel industry of that particular nation/ country (Lock, 2022). As a result, the hotel industry has become one of the major employers and one of the largest traders of foreign currency, through the movement of human capital, the industry plays an important role in bringing people together (Deep & Johnston, 2017). The industry also helps countries with trade imbalances to bridge the gap (Seyfi & Hall, 2019). Globally, the hotel industry has grown as the world has become a global village in terms of how business is conducted, and so has the demand for better services which affects the performance of the hotel industry as a whole (Buigut, Udo, & Disna, 2017).

Performance measurements in the hotel industry are comprehensively arranged into financial and non-financial related measures yet all focus on a similar objective of assessing the achievement of business goals (Deep & Johnston, 2017). Financial measures or measurements present business performance based on financial pointers. Non-financial measures or measurements do not put accentuation on financial-related pointers of performance but depend upon the business performance of the hotels such as consumer satisfaction, product differentiation, and the market share in the overall hospitality industry (Akamavi et al., 2022). In this study, the proxies of hotel performance are based on key performance indicators used in the hotel industry which are the percentage of occupancy, Average Daily Rate (ADR), Revenue per Available Room (RevPAR), and customer satisfaction particularly from tourists (Deep & Johnston, 2017). The tourism industry has been recognized as one of the most important sectors that have a significant positive correlation to the performance of the hotel industry, and therefore no country or region can expect to attract tourists unless it has a robust and efficient hospitality industry (Segal, 2015). However, a region or country may have a robust and efficient hospitality industry but can still be affected by its internal and external environment which may lead to tourists being warned to stay away from through travel advisories (Buigut et al., 2017).

A travel advisory also referred to as a travel warning, or travel alert is an official warning statement issued by government agencies to provide information about the relative safety of traveling to or visiting one or more specific foreign countries or destinations (Deep & Johnston, 2017). According to Babey (2019), travel advisories are issued by a governmental or an international body like the United Nations Organisation (UNO) that draws travelers' attention to concrete destinations for several reasons, like armed violence, popular revolutions or political unrest, high crime rates



(particularly abductions or/and crimes), natural disasters or outbreaks of contagious diseases. The term alone reveals a lot of problems, since in the tourism sector the terms travel advice, travel advisory, travel warning, and travel alert are used, but not with the same meaning (Deep & Johnston, 2017). Accordingly, there are no uniform levels of the guidelines, so, the advisory's level extends from simply preventive, and for example a piece of advice that refers to simple safety-related measures that every person away from their residence complies with, to bits of advice for a trip's cancellation (Lock, 2022). According to Babey (2019), the foremost adverse outcome of travel advisories is economic harm, especially through the disruption of tourist flows and the industries that depend on them. These industries include air travel, travel service providers, hospitality, insurance, and a wide variety of local businesses that depend on tourist flows such as restaurants, marketplaces, and venues (Deep and Johnston, 2017).

### **Statement of the Problem**

The Kenyan hospitality industry is facing the challenges of social change, cultural change, competition, economic reform, technological hibernation, and security change and therefore, there is a need for the implementation of better strategies to counter these challenges and recover the declining trend of hotel industry performance (Kimani, 2021). The five-star hotels in Nairobi have experienced dwindling customer numbers as a result of several declining tourists after the 2017 repeat election declaration and the unrest of demonstrations after the 2022 general election (Mwangi & Ngari, 2022). This declining number of tourists also resulted from terrorism attacks in Dusit D2 and the Coronavirus (COVID-19) pandemic (Wachira & Kandie, 2021). As many hotels depend on foreign tourists, the COVID-19 pandemic and the constant looming terrorist attacks have threatened the hotel industry in Kenya (Global Tourism Forum, 2019). As a result, many hotels have been closed down, leading to a decline in occupancy of the beds, resulting in a worse-off situation (Nzisa et al., 2021). According to Eisen and Resco (2020), luxury hotels need an occupancy rate of 30-40% to break even. five-star hotels in Kenya experienced a low occupancy rate of 21-24% between 2017 and 2019 (KNBS, 2021) which compares poorly to hotels in Italy at an average of 72% and Spain at 86% occupancy rate for the same period (Lock, 2022). Additionally, there have been several press articles that have reported the closure of several hotels between 2019 and 2021 due to financial distress (Wachira & Kandie, 2021). While some hotels have turned to ownership changes to avoid foreclosure owing to their massive debt loads, involving both individual properties and hotel groups (Nzisa et al., 2021). Thus, it is imperative to understand how factors like political instability advisory, pandemic advisory, and terrorism advisory affect the performance of hotels.

There are minimal studies that have been conducted on travel advisories and their effect on hotel performance. The study by Mylonopoulos, Moira, and Papagrigoriou (2016) showed that the impact of travel advisories on a country's or a broader region's tourism is intensified by the way the former is presented by the media at the local and international level. The study by Babey (2019) showed that inconsistent travel advisories run the risk of misinforming travelers, and deterring their travel or putting them at risk unwittingly. Buigut et al. (2017) found that absent travel advice

significantly reduced tourism demand. These studies were more focused on tourism than hotel performance. The study by Vitisia (2015) showed that travel advisories have adverse effects on the tourism industry and the economy of Kenya at large as tourists opt for other destinations resulting in reduced levels of employment and loss of income for many families. Kiprono and Buigut's (2018) study showed that terrorism events, represented by fatalities, significantly reduce tourism demand. Travel warnings also harmed tourist arrivals in the country. However, the evolution of its effect over time seems to depend on which country issued the warning. The study by Kimani (2021) showed that tourists were less likely to travel to countries or areas where they felt threatened. These studies although indicating the negative effect of travel advisory on tourism destinations, did not focus on hotel performance. The majority of the studies conducted on the effect of travel advisories have mainly focused on tourism travel and not hotel performance. This has led to the availability of travel advisories on hotel industry performance becoming scanty, more so, in the five-star hotel section. Studies conducted globally were focused on the travel advisory itself and its impact on the tourism industry. The ones conducted in Kenya were all focused on the tourism industry as well. This provides a research gap that this study aimed to fill by examining the antecedents of travel advisories on the performance of five-star hotels in Nairobi County.

### **Specific Objectives**

- i To examine the effect of political instability advisory on the performance of five-star hotels in Nairobi County.
- ii To assess the effect of pandemic advisory on the performance of five-star hotels in Nairobi County.
- iii To determine the effect of terrorism advisory on the performance of five-star hotels in Nairobi County.

### **Literature Review**

#### **Political Instability Advisory and the Performance of Five-Star Hotels**

The political environment has a significant impact on the hotel industry, Chiang, Zlateva, and Ivanov (2020), revealed that the political environment includes many variables and issues, such as wars, revolutions, terrorist attacks, safety and security aspects, relevant legislation, and political stability. It also determines how an industry or organization succeeds and expands nationally and internationally. Bollyky (2018) pointed out that political incidents have a longer and more serious effect on destinations than natural disasters that is because the media focuses on political events, such as protests, clashes, and violent incidents, which eventually impact a destination's image. According to Tomczewska-Popowycz and Quirini-Popławski (2021), political instability can severely impact tourism in any destination because eventually, tourists may become victims of these events. Factors like political protests, violence, civil and international war as well as political coups or incidents of terrorism can have a major impact on image, perceptions of safety, and ultimately tourism demand, plunging destinations into tourism crises. Wen, Lockyer, and Zhang (2018) emphasized that safety is a key element when choosing a destination to visit and

political instability damages tourists' perceptions of their safety. Political instability refers to a situation in which conditions and mechanisms of governance and rule are challenged as to their political legitimacy by elements operating from outside the normal operations of the political system (Njoya, Efthymiou, Nikitas, & O'Connell, 2022). It is described as a condition of a country where a government has been toppled or is controlled by factions following a coup, or where basic functional prerequisites for social-order control and maintenance are unstable and periodically disrupted (Seyi, Kolawole, Chigozie, & Avci, 2020). According to Gunasekar, Patri, and Narayanan (2018), political stability is not a valid judgment as to the democratic nature, or otherwise, of a state. Indeed, it may be the case that certain authoritarian states that limit formal opposition to government may provide extremely stable political environments in which tourism and hotel performance can flourish. For example, the perceived nature of the political regime as repressive may not necessarily deter international tourism: both Spain and Portugal developed their very considerable international tourism industries under what many would regard as fascist dictatorship.

#### **i. Political Travel Advisory**

One of the side effects of political instability on tourism and the performance of destination hotels has been the increasing influence of government travel advisories on the destination choice of travelers. Travel advisories are issued or bans are imposed from time to time for political reasons (Al-Dhoun, Masa'deh, & Al-Lozi, 2017). It is common, for example for governments to prohibit travel to war zones or to territories of hostile nations in which the government has no means of protecting the life and property of its citizens (Erdinc, Corbet, Efthymiou, Guimard, O'Connell, & Sensoy, 2020). Particularly the Western governments issue regular travel advisories for their citizens warning them to stay away from certain destinations. Apart from the obvious 'trouble spots', such as Iraq, where there is a real threat to the safety of visitors, travel advisories are often criticized for perceived bias. The opponents of those advisories point to the fact that the threats are often exaggerated in the case of those destinations where the ruling governments have some type of diplomatic conflict with the West (Njoya et al., 2022). Seyi et al. (2020) pointed out the government has the prerogative to issue travel advisories against countries it chooses - in response to political or environmental occurrences to protect its citizens. Also, governments can and do exert political pressure through tourism and use it as a promotional vehicle to convey a positive image or as a sanction against other countries. For example, cases that invite cynicism of detractors are the approach of the US and its allies, taking drastic action at the slightest provocation in distributing intelligence gathering when it comes to perceived 'hostile' nations, such as Indonesia, Iraq, North Korea, and Zimbabwe, while underplaying similar information in the case of 'friendly' powers such as Pakistan, Egypt and Saudi Arabia (Gunasekar et al., 2018).

#### **ii. Relationship between Political Instability Advisory and Hotel Performance**

Political instability negatively impacts the hotel industry in many ways. Charfeddine and Goaid (2019) explained the devastating consequences that can result from political instability and directly affect the internal and external environments of a destination, seriously damaging the hotel

industry. For example, politically unstable countries suffer a range of negative consequences, including reduced cash loss, loss of foreign investment, perceptions of hostility by potential visitors, unstable demand, negative image and reputation, low quality of infrastructure, and safety and security concerns. Perles-Ribes, Ramon-Rodriguez, Such-Devesa, and Moreno-Izquierdo (2019) explained that political unrest in tourist destinations leads to a decrease in the number of international tourist arrivals, a shortening of the duration of stay and tourist nights, a reduction in hotel room occupancy rates, declining tourism revenues and increasing the percentage of unemployment. Abrupt Street protests, social unrest, civil war, acts of terrorism, discernible violations of human rights, and even the very threat of such problems may cause tourists to change their travel plans (Walters, Wallin, & Hartley, 2019). Mylonopoulos et al. (2016) observed that the impact of political unrest on tourism is much greater than that of single incidents such as assassinations and terrorist attacks. Countries that experience a high level of political risk also experience significant tourist interest both in terms of numbers of tourists and income. A lot of research notes that unstable political conditions negatively affect tourism, especially if they last over an extended period and affect developing countries (Eisen & Resco, 2020). However, research by Seyi et al. (2020) indicates that the number of tourists has increased in the long term despite an unstable situation (Middle East) or acts of terrorism (India, Turkey). Charfeddine and Goaid (2019) argue that there exists a certain minimum long-term impact of terrorism on global tourism. The study was based on 95 countries. Demand for tourism is resistant to terrorism if a certain number of exceptions are discounted including Nepal, Colombia, and Thailand.

### **Pandemic Advisory and the Performance of Five-Star Hotels**

Whenever a new virus is quite contagious and can spread asymptotically, it normally leads to almost all countries introducing travel bans, declaring a state of emergency, and implementing curfews (Chen, Demir, García-Gomez, & Zaremba, 2020). In such a negative scenario, the tourism and hospitality industry become the worst affected of all major economic industries by the outbreak of a pandemic. The reason is that people are not allowed to travel domestically/overseas; go to restaurants/cafes and most work from home while cutting their spending except for basic needs (Thams, Zech, Rempel, & Ayia-Koi, 2020). International tourist arrivals normally fall by 70-75% (United Nations World Tourism Organization [UNWTO], 2020). Among all the hospitality industries, hotels are the first to be affected by pandemic advisory since the restrictions for domestic/overseas traveling directly affect their core business. For example, restaurant activity can be partially maintained with delivery or takeaway services (Rutynskyi & Kushniruk, 2020). Although the Coronavirus (COVID-19) medical effects were more related to the SARS or the Middle East Respiratory Syndrome (MERS) outbreaks, there are several reasons for comparing it with the salmonella disease. The SARS and MERS epidemics were rapidly controlled and did not affect the hospitality industry beyond Eastern Asia in the short run (Ceylan & Ozkan, 2020). Although the COVID-19 outbreak affected the core business of the hotel companies, since people were not allowed to travel even inside the country, corporate strategies acted as barriers to mitigate the negative effects, at least at first (Novelli, Gussing, Jones, & Ritchie, 2018). Li and Singal (2019) state that those hotels that had more flexible corporate policies were in a better position to

face the new circumstances in the short run compared to those that did not easily undo their decisions. The Assets-Light, Fee-Orientated (ALFO) strategy, which is gaining more attention in the hospitality industry may serve as a useful tool to mitigate the huge drop in returns (Demir, Díez-Esteban, & García-Goomez, 2019). Hospitality companies have traditionally held high fixed costs due to investments in land and buildings. Such inflexibility to face economic shocks has led some managers to modify their corporate strategies from a fixed assets-based model to a fee-based income one. Companies can implement this asset-light strategy by either spending less to acquire new property or selling properties to reduce the amount of fixed assets they have (Kim, Kim, Lee, & Tang, 2020).

#### **i. Pandemic Outbreak**

Pandemics are large-scale outbreaks of infectious diseases that can greatly increase morbidity and mortality over a wide geographic area and cause significant economic, social, and political disruption. Evidence suggests that the likelihood of pandemics has increased over the past century because of increased global travel and integration, urbanization, changes in land use, and greater exploitation of the natural environment (Njoya, 2021). These trends likely may continue and may intensify. Significant policy attention has focused on the need to identify and limit emerging outbreaks that might lead to pandemics and to expand and sustain investment to build preparedness and health capacity (Warnock-Smith, Graham, O'Connell, & Efthymiou, 2021). The international community has made progress toward preparing for and mitigating the impacts of pandemics. The 2003 SARS pandemic and growing concerns about the threat posed by avian influenza led many countries to devise pandemic plans (Lock, 2022). Delayed reporting of early SARS cases also led the World Health Assembly (WHA) to update the International Health Regulations (IHR) to compel all WHO member states to meet specific standards for detecting, reporting on, and responding to outbreaks (WHO 2005). The framework put into place by the updated IHR contributed to a more coordinated global response during the 2009 influenza pandemic (Yang, Zhang, & Chen, 2020). International donors also have begun to invest in improving preparedness through refined standards and funding for building health capacity (Warnock-Smith et al., 2021). Despite these improvements, significant gaps and challenges exist in global pandemic preparedness. Progress toward meeting the IHR has been uneven, and many countries have been unable to meet basic requirements for compliance (Kim et al., 2020). Multiple outbreaks, including avian influenza (H5N1) flu outbreaks (2007), the influenza A (H1N1) flu pandemic (2009), the Ebola virus epidemic in West Africa (2013-2014), the Zika epidemic in the Americas (2015-2016), the Ebola virus epidemic, again, in the Democratic Republic of Congo (DRC) (2018), and the COVID-19 pandemic in China (2019), have exposed gaps related to the timely detection of disease, availability of basic care, tracing of contacts, quarantine and isolation procedures, and preparedness outside the health sector, including global coordination and response mobilization (UNWTO, 2020).



## ii. Relationship between Pandemic Advisory and Hotel Performance

During the COVID-19 global pandemic in March 2020, hotels worldwide saw precipitous declines in occupancy. North American hotels closed in 2020 with a 43% occupancy and a RevPAR decline of 48% in the same year (Chen et al., 2020). Hotel closures, layoffs, and furloughs resulted in 8.3 million lost jobs in just March and April 2020, and 498,000 jobs lost in December 2020. With reduced staff, service levels were bound to be affected and the American Customer Satisfaction Index (ACSI) clearly shows a decline in satisfaction scores and an increase in customer complaints after the outbreak of the pandemic (WTO, 2019). As one of the most impacted industries by the pandemic, the lodging industry has seen several prominent hotels in major destinations close. About 200 of the 700 hotels located in the US closed since COVID-19 hit, and many of those closures are expected to be permanent as debts mount (Wu, Lee, Xing, & Ho, 2021). While the hotel industry is no stranger to event-induced down cycles, the pernicious nature of the pandemic has been particularly challenging as business managers reflected on specific business impacts of COVID-19 on hotel companies and asset managers, examined the issues, tactics, and strategies they needed to implement to remain resilient and reframe their near- and long-term prospects (Rutynskyi & Kushniruk, 2020). The hospitality industry and hotels reacted remarkably well to the COVID-19 challenge and rolled out industry, corporate, and property-level safety policies, procedures, and measures. They established and enhanced cleaning guidelines (Li & Singal, 2019). These guidelines were based on benchmarks established by public health authorities, such as the CDC, to instill a sense of confidence in hotel guests and employees that the industry was united behind a common set of cleaning and safety practices (Wu et al., 2021). This was a timely and excellent starting point. Since the launch of safety policies, procedures, and measures, all the major hotel companies launched their safety protocols to assure their associates and guests that they were taking added precautionary measures as they started to open for business (Demir et al., 2019). Implementation of these protocols may continue to be a challenge due to the diversity of owners, reduction of staff, limited brand oversight, and range of hotel products, size, and location and design elements. Being largely a human contact business with multiple guest and employee touch points, ongoing monitoring of these protocols may be vital for instilling a perception of safety, particularly as travel slowly returns to normal (Kim et al., 2020).

### **Terrorism Advisory and the Performance of Five-Star Hotels**

The global terrorism landscape has undergone a fundamental shift in recent years, today's terrorist threat emanates from a more complex constellation of subnational groups driven by both political and economic prerogatives (Corbet, O'Connell, Efthymiou, Guiomard, & Lucey, 2019). But perhaps the single biggest terrorism-related worry for multinational managers these days emanates from "dark networks" of religiously inspired militants, which target foreign political and business interests as part of their jihad against the West (Seyi et al., 2020). These clandestine global networks differ from the terrorist groups of the 1970s and 1980s in their motivations, strategy, tactics, and form (Veréb, Nobre, & Farhangmehr, 2020). Luxury hotels - particularly Western-branded properties - are normally in the terrorists' crosshairs. The reasons for this are myriad:

First, hotels are symbolic targets of Western affluence and influence that attract precisely the kind of people the militants seek to eliminate - foreign diplomats, businesspeople, tourists, and local elites (Adeloye, Carr, & Andrea, 2019). Second, luxury hotels, like restaurants, nightclubs, shopping malls, and public transportation systems, are “soft targets,” presenting few obstacles to determined terrorists. Indeed, hotels are open environments with multiple points of entrance and egress and a constant flow of traffic, including hotel guests and visitors, staff, merchants, and delivery people. Hotels also lend themselves to pre-attack reconnaissance, with floor plans, photos, and panoramic video clips of public areas often available over the Internet (World Travel & Tourism Council, 2019). Third, the terrorists have discovered that a successful attack on a five-star property can yield rewards equivalent to an attack on an embassy, including scores of casualties, widespread panic, and extensive media attention - all of which are a boon to recruitment (Corbet et al., 2019). And while these types of “spectaculars” have rarely succeeded in winning the terrorists' concessions, they do tend to cause both great harm to a country's collective psyche and economic disruption, and thereby support the terrorists' strategic aim of bankrupting the US and its allies (Farmaki et al., 2019). A fourth reason for the upsurge in hotel attacks has to do with the changing organizational composition of the terrorist groups themselves. Following the US-led coalition intervention in Afghanistan after 9/11, al Qaeda evolved from a highly centralized organization to a much flatter entity (Njoya et al., 2022). Today, the global jihadist movement founded by Osama bin Laden comprises the remnants of the Saudi exile's al Qaeda organization ensconced along Pakistan's rugged northwest frontier; loosely affiliated regional franchises such as LeT in Pakistan, Jemaah Islamiyah (JI) in Indonesia, and the Abu Sayyaf Group in the Philippines; “homegrown” militants such as those that carried out the July 2005 (7/7) London transportation system bombings; and legions of sympathizers around the globe connected via the Web or in spirit. These affiliated groups typically lack the resources and training to mount a successful attack on a Western embassy or airline, and so have turned their attention to easier targets like luxury five-star hotels (Walters et al., 2019).

### **i. Terrorism**

According to the United Nations (UN), terrorism is defined as having the intent to kill or seriously hurt civilians or non-combatants to intimidate the populace or pressure a government or international organization to act or not act; this definition incorporates both local and international organizations and provides a comprehensive understanding of international law (Al-Dhoun et al., 2017). Both state and non-state actors have historically been involved in acts of terrorism, yet non-state actors have received a lot more attention. For example, some of the first examples of state terrorism are Nazi Germany, the Stalinist Soviet Union, and Pol Pot's Cambodia. On the other hand, one of the earliest instances of non-state terrorism was committed by Jewish zealots who killed opponents in their fight against the Roman Empire (Veréb et al., 2020). Domestic terrorism refers to acts of terror that involve the perpetrators, victims, and audience of the country in which the incident occurs; transnational terrorism, on the other hand, refers to acts of terror that occur in one country but involve the perpetrators, victims, institutions, governments, or citizens of another country (Gunasekar et al., 2018). However, according to Erdinc et al. (2020), the majority of

transnational terrorism developed as a result of external factors like globalization, which made it easier for like-minded people to connect and plot against common enemies. As a result, most transnational terrorist organizations operating in Africa today, including Al Qaeda, Boko Haram, and Alshabaab, were born out of intra-state grievances such as economic deprivation, political and government oppression, and religious and ethnic persecution. While there are several definitions of what drives terrorists, their acts always follow a similar pattern and can take many different forms, such as bombs, kidnappings, threats, suicide assaults, and hijackings of airplanes (Seyi et al., 2020). The majority of the time, the goal of terrorist acts is to put enough pressure on a government to make political compromises. A besieged government may make certain accommodations if it believes that the costs of giving in to terrorist demands will be higher than the consequences of predicted future terrorist activities (Veréb et al., 2020). Therefore, if a terrorist organization can increase the campaign's consequences, it should be able to accomplish its goal more quickly. These repercussions could take many different forms, such as fatalities, demolished structures, increased worry, and numerous financial expenses (Adeloye et al., 2019).

## ii. Relationship between Terrorism Advisory and Hotel Performance

Travelers' decision-making is heavily influenced by worries about safety (Das, Dutta, Bhadra, & Uddin, 2020). According to Seyi et al. (2020), travelers choose places based on how well they meet their needs, how many benefits they offer, and how low the prices and dangers are. A visitor's perception of a place is likely to be negatively impacted if they feel unsafe or intimidated there (Karabulut, Bilgin, Demir, & Doker, 2020). According to Erdinc et al. (2020), travelers evaluate destinations based on perceived benefits and costs when making decisions. Certain locations may be excluded from consideration during the decision-making process because of the possible expenses or perceived hazards connected with them, particularly if they are linked to unfavorable media representations of terrorist threats (Seyi et al., 2020). According to Gunasekar et al. (2018), travelers' decisions about where to go and how secure their travels are influenced by their sense of risk. In a similar vein, Veréb et al. (2020) assert that risk perception plays a major role in destination selection and that high-cost dangers, like terrorism, seem to elicit strong responses from customers. According to Adeloye et al. (2019), when tourists evaluate the dangers of terrorism, they often make decisions based on worst-case scenarios. Furthermore, they emphasize the horrifying ramifications of a terrorist assault rather than the likelihood that it may happen (Karabulut et al., 2020). Travelers use their freedom to choose different places when they believe that there are real or perceived risks that would make their trip less enjoyable, according to Stergiou and Farmaki (2021). Global travel statistics unmistakably indicate that when people perceive a destination to be riskier, they travel less (Farmaki et al., 2019). The existence of risk, perceived or actual, affects travelers' decision-making when it comes to travel, according to a prevalent finding in the literature on tourism (World Travel & Tourism Council, (2019).

## Research Methodology

The explanatory research design was employed in this study. The population of this study were the managers of five-star hotels in Nairobi County and were 426 in total. A stratified sample

technique was employed in the study, while Simple Random Sampling (SRS) was used to select samples from each study stratum. The Yamane formula was applied in selecting 206 respondents who made the sample size of the study. The study used primary data that was gathered using self-administered and structured questionnaires. These questionnaires were pilot tested for reliability, and were distributed electronically for data collection. Descriptive and inferential analyses were applied during analysis and both tables and figures were used to display the findings. The linear regression model applied was as shown:

$$\gamma = \alpha + \beta_1\chi_1 + \beta_2\chi_2 + \beta_3\chi_3 + \varepsilon$$

Where;  $\gamma$  = Performance,  $\alpha$  = Constant (Level of Intercept),  $\beta_{(1,2,3)}$  = Independent Variable Coefficients,  $\chi_1$  = Political Instability Advisory,  $\chi_2$  = Pandemic Advisory,  $\chi_3$  = Terrorism Advisory and  $\varepsilon$  = Standard Error

## Results

The researcher utilized 161 responses. This indicates that out of the 206 questionnaires that the researcher had distributed to the study participants, only 161 provided feedback. This illustrates that the response rate obtained for this study was 78.2%.

### Descriptive Findings and Analysis

#### Political Instability Advisory and the Performance of Five-Star Hotels

##### Descriptive Analysis for Political Instability Advisory and Performance

Table 1 shows that political incidents did have a serious effect on the hotel's performance compared to natural disasters as shown by 87% of the respondents, while 13% were neutral, and none disagreed (mean=1.73; standard deviation=0.678). Guest safety was a significant element for guests when choosing a destination to visit as shown by 87% of the respondents, while 7.5% were neutral, and 5.6% disagreed (mean=4.22; standard deviation=0.901). Political instability had impacted the hotel as shown by 85.7% of the respondents, while 8.1% disagreed, and 6.2% were neutral (mean=1.93; standard deviation=0.826). Political unrest in the country had decreased the number of international guests for the hotel as shown by 93.8% of the respondents, while 6.2% were neutral, and none disagreed (mean=1.63; standard deviation=0.599). Abrupt street protests had caused international guests to change their travel plans as shown by 80.1% of the respondents, while 19.9% were neutral, and none disagreed (mean=1.87; standard deviation=0.717). Prolonged unstable political situations had decreased the number of hotel guests as shown by 89.4% of the respondents, while 10.6% were neutral, and none disagreed (mean=1.80; standard deviation=0.611). Political turmoil in the country had decreased the hotel's occupancy rate as shown by 93.8% of the respondents, while 6.2% were neutral, and none disagreed (mean=1.83; standard deviation=1.519). Declining occupancy rates led to the need for cutting down on the operating costs of the hotel as shown by 82% of the respondents, while 12.4% were neutral, and 5.6% disagreed (mean=4.01; standard deviation=0.840). Hotel managers reduced the room rates as a strategy of handling low occupancy rates as shown by 87% of the respondents, while 11.2%



were neutral, and 1.9% disagreed (mean=4.09; standard deviation=0.731). Managers did increase the hotel's occupancy rates through targeting new market segments as shown by 93.8% of the respondents, while 6.2% were neutral, and none disagreed (mean=2.07; standard deviation=0.818).

**Table 1 Descriptive Analysis for Political Instability Advisory and Performance**

	SD	D	N	A	SA	M	SD
	%	%	%	%	%		
Political incidents do not have a serious effect on the hotel's performance compared to natural disasters	39.8	47.2	13	0	0	1.73	.678
Guest safety is a significant element for guests when choosing a destination to visit	2.5	3.1	7.5	43.5	43.5	4.22	.901
Political instability has not impacted our hotel	29.8	55.9	6.2	8.1	0	1.93	.826
Political unrest in the country has not decreased the number of international guests for the hotel	42.9	50.9	6.2	0	0	1.63	.599
Abrupt street protests have not caused international guests to change their travel plans	32.9	47.2	19.9	0	0	1.87	.717
Prolonged unstable political situations have not decreased the number of hotel guests	30.4	59	10.6	0	0	1.80	.611
Political turmoil in the country has not decreased the hotel's occupancy rate	23.6	70.2	6.2	0	0	1.83	.519
Declining occupancy rates led to the need to cut down on the operating costs of the hotel	1.9	3.7	12.4	55.9	26.1	4.01	.840
Hotel managers reduce the room rates as a strategy for handling low occupancy rates	1.9	0	11.2	60.9	26.1	4.09	.731
Managers did not increase the hotel's occupancy rates through targeting new market segments	11.2	82.6	6.2	0	0	2.07	.818

### Correlations Analysis between Political Instability Advisory and Performance

To determine the direction and intensity of the association between political instability advisory and the performance of five-star hotels, the study performed a Pearson correlation analysis. The outcomes displayed in Table 2 demonstrate that there existed a significant, but negative statistical association between political instability advisory and the performance of five-star hotels in Nairobi County ( $r = -.168$ ,  $p < 0.05$ ). The negative coefficient indicates a tendency for the performance of five-star hotels to decrease as political instability advisories increase.

**Table 2 Correlation between Political Instability Advisory and Performance**

	Performance	Political Instability Advisory
Performance	1	
Political Instability Advisory	-.168*	1
	.033	

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

### Regression Analysis between Political Instability Advisory and Performance

#### Model Summary

The regression analysis model summary between political instability advisory and five-star hotel performance is shown in Table 3. The model summary results indicate that 2.2% of the variation in five-star hotel performance was explained by political instability advisory variables (adjusted  $R^2 = .022$ ).

**Table 3 Model Summary between Political Instability Advisory and Performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.168 <sup>a</sup>	.028	.022	.74820

a. Predictors: (Constant), Political Instability Advisory

### ANOVA between Political Instability Advisory and Performance

The results for the regression Analysis of Variance (ANOVA) between political instability advisory and five-star hotel performance are shown in Table 4. The results indicate that there existed a significant and positive statistical association between political instability advisory and the performance of five-star hotels in Nairobi County ( $F(1,160) = 4.638$ ,  $p < .05$ ). The F critical value (4.638) was found to be greater than the value of F calculated (2.597), which indicates that political instability advisory was a significant determinant of the performance of five-star hotels in Nairobi County.

**Table 4 ANOVA between Political Instability Advisory and Performance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.597	1	2.597	4.638	.033 <sup>b</sup>
	Residual	89.009	159	.560		
	Total	91.606	160			

a. Predictors: (Constant), Political Instability Advisory

b. Dependent Variable: Performance

### Regression Coefficients between Political Instability Advisory and Performance

The results for the regression coefficients between political instability advisory and five-star hotel performance are shown in Table 5. The results indicate that the performance of five-star hotels could be significantly and negatively influenced by political instability advisory ( $\beta = -0.377$ ,  $t(161) = -2.154$ ,  $p < .05$ ). The projected regression equation was as follows: Performance = 4.857 – 0.377 Political Instability Advisory + 0.445. This indicates that political instability advisory factors had a negative effect on the performance of five-star hotels in Nairobi County; that is, a unit increase in political instability advisory provided resulted in a 37.7% decrease in the performance of five-star hotels in Nairobi County. As a result, it can be concluded that political instability advisory was a significant determinant of the hotels' performance ( $t(161) = -2.154$ ,  $p < .05$ ).

**Table 5 Regression Coefficients between Political Instability Advisory and Performance**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.857	.445		10.924	.000
Political Instability Advisory	-.377	.175	-.168	-2.154	.033

a. Dependent Variable: Performance

### Pandemic Advisory and the Performance of Five-Star Hotels

#### Descriptive Analysis for Pandemic Advisory and Performance

Table 6 shows that the hospitality industry was the worst affected industry by pandemics as shown by 100% of the respondents, while none were neutral, and none disagreed (mean=1.69; standard deviation=0.464). Travel advisories did affect the core business of the hospitality industry as shown by 100% of the respondents, while none were neutral, and neither none disagreed

(mean=1.67; standard deviation=0.471). The hotel did not have flexible corporate policies that gave it a better position to face the COVID-19 challenges as shown by 54% of the respondents, while 24.2% were neutral, and 21.7% disagreed (mean=2.68; standard deviation=0.811). The hotel had not invested in building staff preparedness and health capacity to deal with an outbreak as shown by 89.5% of the respondents, while 6.2% disagreed, and 4.3% were neutral (mean=2.09; standard deviation=0.857). The hotel did not have a framework in place that facilitated better coordination of its response during the pandemic outbreak as shown by 82.6% of the respondents, while 11.2% were neutral, and 6.2% disagreed (mean=2.23; standard deviation=0.831). The hotel did not have enough PPE for its staff to contain and deal with the outbreak as shown by 81.3% of the respondents, while 11.8% disagreed, and 6.8% were neutral (mean=2.09; standard deviation=1.208).

**Table 6 Descriptive Analysis for Pandemic Advisory and Performance**

	SD %	D %	N %	A %	SA %	M	SD
The hospitality industry is not the worst affected industry by pandemics	31.1	68.9	0	0	0	1.69	.464
Travel advisories do not affect the core business of the hospitality industry	32.9	67.1	0	0	0	1.67	.471
The hotel has flexible corporate policies that give it a better position to face the COVID-19 challenges	0	54	24.2	21.7	0	2.68	.811
The hotel had invested in building staff preparedness and health capacity to deal with an outbreak	13.7	75.8	4.3	0	6.2	2.09	.857
The hotel has in place a framework that facilitated better coordination of its response during the pandemic outbreak	6.8	75.8	11.2	0	6.2	2.23	.831
The hotel had enough PPE for its staff to contain and deal with the outbreak	32.9	48.4	6.8	0	11.8	2.09	1.208
Our hotel observed precipitous declines in occupancy rates during the COVID-19 pandemic	0.6	0	6.2	52.2	41	4.33	.650
Hotel managers had to restructure their strategies to remain resilient during the pandemic period	1.2	0	4.3	65.2	29.2	4.21	.636
The hotel managers rolled out safety policies, procedures, and measures to curb the effect of the COVID-19 pandemic	3.7	3.7	3.7	56.5	32.3	4.10	.917
The reduction of staff made it very challenging for the hotel to implement safety policies	10.6	58.4	19.9	11.2	0	2.32	.809

The hotels observed precipitous declines in occupancy rates during the COVID-19 pandemic as shown by 93.2% of the respondents, while 6.2% were neutral, and 0.6% disagreed (mean=4.33; standard deviation=0.650). Hotel managers had to restructure their strategies to remain resilient



during the pandemic period as shown by 94.4% of the respondents, while 4.3% were neutral, and 1.2% disagreed (mean=4.21; standard deviation=0.636). The hotel managers rolled out safety policies, procedures, and measures to curb the effect of the COVID-19 pandemic as shown by 88.9% of the respondents, while 7.4% disagreed, and 3.7% were neutral (mean=4.10; standard deviation=0.917). The reduction of staff did not make it very challenging for the hotel to implement safety policies as shown by 69% of the respondents, while 19.9% were neutral, and 11.2% disagreed (mean=2.32; standard deviation=0.809).

### Correlations Analysis between Pandemic Advisory and Performance

To determine the direction and intensity of the association between pandemic advisory and the performance of five-star hotels, the study performed a Pearson correlation analysis. The outcomes displayed in Table 7 demonstrate that there existed a significant and negative statistical association between pandemic advisory and the performance of five-star hotels in Nairobi County ( $r=-.257$ ,  $p<0.05$ ). The negative coefficient indicates a tendency for the performance of five-star hotels to decrease as pandemic advisories increase.

**Table 7 Correlation between Pandemic Advisory and Performance**

	Performance	Pandemic Advisory
Performance	1	
Pandemic Advisory	-.257**	1
	.001	

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

### Regression Analysis between Pandemic Advisory and Performance

#### Model Summary

The regression analysis model summary between pandemic advisory and five-star hotel performance is shown in Table 8. The model summary results indicate that 6% of the variation in five-star hotel performance was explained by pandemic advisory variables (adjusted  $R^2 = .060$ ).

**Table 8 Model Summary between Pandemic Advisory and Performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.257 <sup>a</sup>	.066	.060	.73359

a. Predictors: (Constant), Pandemic Advisory

### ANOVA between Pandemic Advisory and Performance

The results for the regression's ANOVA between pandemic advisory and five-star hotel performance are shown in Table 9. The results indicate that there existed a significant and positive statistical association between pandemic advisory and the performance of five-star hotels in Nairobi County ( $F(1,160) = 11.222, p < .05$ ). The F critical value (11.222) was found to be greater than the value of F calculated (6.039), which indicates that pandemic advisory was a significant determinant of the performance of five-star hotels in Nairobi County.

**Table 9 ANOVA between Pandemic Advisory and Performance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.039	1	6.039	11.222	.001 <sup>b</sup>
	Residual	85.566	159	.538		
	Total	91.606	160			

a. Predictors: (Constant), Pandemic Advisory

b. Dependent Variable: Performance

### Regression Coefficients between Pandemic Advisory and Performance

The results for the regression coefficients between pandemic advisory and five-star hotel performance are shown in Table 10. The results indicate that the performance of five-star hotels could be significantly and negatively influenced by pandemic advisory ( $\beta = -0.577, t(161) = -3.350, p < .05$ ). The projected regression equation was as follows: Performance = 5.488 – 0.577 Pandemic Advisory + 0.475. This indicates that pandemic advisory factors had a negative effect on the performance of five-star hotels in Nairobi County; that is, a unit increase in pandemic advisory provided resulted in a 57.7% decrease in the performance of five-star hotels in Nairobi County. As a result, it can be concluded that pandemic advisory was a significant determinant of the hotels' performance ( $t(161) = -3.350, p < .05$ ).

**Table 10 Regression Coefficients between Pandemic Advisory and Performance**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.488	.475		11.548	.000
Pandemic Advisory	-.577	.172	-.257	-3.350	.001

a. Dependent Variable: Performance

### Terrorism Advisory and the Performance of Five-Star Hotels

### Descriptive Analysis for Terrorism Advisory and Performance

Table 11 shows that luxury hotels were in the terrorists' crosshairs as shown by 98.1% of the respondents, while 1.9% were neutral, and none disagreed (mean=1.71; standard deviation=0.493). Luxury hotels were not hard targets for terrorist attacks as shown by 98.1% of the respondents, while 1.9% were neutral, and none disagreed (mean=1.70; standard deviation=0.501). Successful attacks on five-star properties yielded rewards equivalent to an attack on an embassy for terrorists as shown by 53.4% of the respondents, while 24.2% were neutral, and 22.4% disagreed (mean=2.68; standard deviation=0.825). Lack the resources had turned the attention of terrorists to target luxury hotels as shown by 92.6% of the respondents, while 6.2% were neutral, and 1.2% disagreed (mean=4.32; standard deviation=0.675). Guests' decision-making was heavily influenced by their concern about safety as shown by 92.6% of the respondents, while 6.2% were neutral, and 1.2% disagreed (mean=4.19; standard deviation=0.654).

**Table 11 Descriptive Analysis for Terrorism Advisory and Performance**

	SD	D	N	A	SA	M	SD
	%	%	%	%	%		
Luxury hotels are not in the terrorists' crosshairs	30.4	67.7	1.9	0	0	1.71	.493
Luxury hotels are hard targets for terrorist attacks	32.3	65.8	1.9	0	0	1.70	.501
Successful attacks on five-star properties do not yield rewards equivalent to an attack on an embassy for terrorists	0.6	52.8	24.2	0	22.4	2.68	.825
Lack the resources has turned the attention of terrorists to target luxury hotels	0.6	0.6	6.2	51.6	41	4.32	.675
Guest's decision-making is heavily influenced by their concern about safety	1.2	0	6.2	64	28.6	4.19	.654
High-cost dangers like terrorism elicit weak responses from hotel guests	13.7	75.8	3.7	0.6	6.2	2.10	.868
Risk perception plays an insignificant role in destination selection among international travelers	7.5	75.8	10.6	0	6.2	2.22	.834
Locations that are perceived as having too much danger are somewhat appealing to travelers	32.9	47.2	8.1	0	11.8	2.11	1.212
Visitors who enjoy adventure and risk-taking look for a lot of information concerning risk	9.9	58.4	21.1	0	10.6	2.32	.795
Terrorism advisories have made hotel guests postpone their visit	3.7	3.7	5	54.7	32.9	4.09	.927

High-cost dangers like terrorism did not elicit weak responses from hotel guests as shown by 89.5% of the respondents, while 3.7% were neutral, and 1.2% disagreed (mean=2.10; standard deviation=0.868). Risk perception played a significant role in destination selection among international travelers as shown by 83.3% of the respondents, while 10.6% were neutral, and 6.2% agreed (mean=2.22; standard deviation=0.834). Locations that were perceived as having too much danger were not appealing to travelers as shown by 80.1% of the respondents, while 11.8% disagreed, and 8.1% were neutral (mean=2.11; standard deviation=1.212). Visitors who enjoy adventure and risk-taking do not look for a lot of information concerning risk as shown by 68.3% of the respondents, while 21.1% were neutral, and 10.6% disagreed (mean=2.32; standard deviation=0.795). Terrorism advisories had made hotel guests postpone their visit as shown by 87.6% of the respondents, while 7.4% agreed, and 5% were neutral (mean=4.09; standard deviation=0.927).

### Correlations Analysis between Terrorism Advisory and Performance

To determine the direction and intensity of the association between terrorism advisory and the performance of five-star hotels, the study performed a Pearson correlation analysis. The outcomes displayed in Table 12 demonstrate that there existed a significant and negative statistical association between terrorism advisory and the performance of five-star hotels in Nairobi County ( $r=-.244$ ,  $p<0.05$ ). The negative coefficient indicates a tendency for the performance of five-star hotels to decrease as terrorism advisories increase.

**Table 12 Correlation between Terrorism Advisory and Performance**

	Performance	Terrorism Advisory
Performance	1	
Terrorism Advisory	-.244**	1
	.002	

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

### Regression Analysis between Terrorism Advisory and Performance

#### Model Summary

The regression analysis model summary between terrorism advisory and five-star hotel performance is shown in Table 13. The model summary results indicate that 5.3% of the variation in five-star hotel performance was explained by terrorism advisory variables (adjusted  $R^2 = .053$ ).



**Table 13 Model Summary between Terrorism Advisory and Performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.244 <sup>a</sup>	.059	.053	.73618

a. Predictors: (Constant), Terrorism Advisory

### ANOVA between Pandemic Advisory and Performance

The results for the regression's ANOVA between terrorism advisory and five-star hotel performance are shown in Table 14. The results indicate that there existed a significant and positive statistical association between pandemic advisory and the performance of five-star hotels in Nairobi County ( $F(1,160) = 10.028, p < .05$ ). The F critical value (10.028) was found to be greater than the value of F calculated (5.435), which indicates that terrorism advisory was a significant determinant of the performance of five-star hotels in Nairobi County.

**Table 14 ANOVA between Terrorism Advisory and Performance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.435	1	5.435	10.028	.002 <sup>b</sup>
	Residual	86.171	159	.542		
	Total	91.606	160			

a. Predictors: (Constant), Terrorism Advisory

b. Dependent Variable: Performance

### Regression Coefficients between Terrorism Advisory and Performance

The results for the regression coefficients between terrorism advisory and five-star hotel performance are shown in Table 15. The results indicate that the performance of five-star hotels could be significantly and negatively influenced by terrorism advisory ( $\beta = -0.545, t(161) = -3.167, p < .05$ ). The projected regression equation was as follows: Performance = 5.403 – 0.545 Terrorism Advisory + 0.476. This indicates that terrorism advisory factors had a negative effect on the performance of five-star hotels in Nairobi County; that is, a unit increase in terrorism advisory provided resulted in a 54.5% decrease in the performance of five-star hotels in Nairobi County. As a result, it can be concluded that terrorism advisory was an insignificant determinant of the hotels' performance ( $t(161) = -3.167, p < .05$ ).

**Table 15 Regression Coefficients between Terrorism Advisory and Performance**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.403	.476		11.358	.000
Terrorism Advisory	-.545	.172	-.244	-3.167	.002

a. Dependent Variable: Performance

## Conclusions

### Political Instability Advisory and the Performance of Five-Star Hotels

The study concludes that political incidents had a serious effect on the hotels' performance compared to natural disasters since guest safety was a significant element when choosing a destination to visit. Political instability had impacted the hotel and the political unrest in the country had decreased the number of international guests for the hotels. The abrupt street protests caused international guests to change their travel plans since prolonged unstable political situations decreased the number of hotel guests. Political turmoil in the country had decreased the hotels' occupancy rate and this declining occupancy rate had led to the need for cutting down on the hotels' operating costs. This situation forced hotel managers to reduce the room rates as a strategy of handling low occupancy rates, as well as increase the occupancy rates through targeting new market segments.

### Pandemic Advisory and the Performance of Five-Star Hotels

The study concludes that the hospitality industry was the worst affected industry by the pandemic since travel advisories affected their core business. The hotels did not have flexible corporate policies that gave them a better position to face the COVID-19 challenges since they had not invested in building staff preparedness and health capacity to deal with an outbreak. The hotels did not have a framework in place that facilitated better coordination of their response during the pandemic outbreak, and neither did they have enough PPE for their staff to contain and deal with the outbreak. The hotels observed precipitous declines in occupancy rates during the COVID-19 pandemic, and the managers had to restructure their strategies to remain resilient during the period. These managers rolled out safety policies, procedures, and measures to curb the effect of the COVID-19 pandemic, however, the reduction of staff did not make it very challenging for the hotel to implement safety policies.

### Terrorism Advisory and the Performance of Five-Star Hotels

This study concludes that luxury hotels were in the terrorists' crosshairs since they were 'soft targets' for them. Successful attacks on five-star properties yielded rewards equivalent to an attack

on an embassy for terrorists, where a lack the resources had turned their attention to luxury hotels as targets. Guests' decision-making was heavily influenced by their concern about safety, and high-cost dangers like terrorism did not elicit weak responses from hotel guests. Risk perception played a significant role in destination selection among international travelers, since locations that were perceived as having too much danger were not appealing to them. Visitors who enjoyed adventure and risk-taking did not look for a lot of information concerning risk, but terrorism advisories made hotel guests postpone their visits.

### Recommendations

The study recommends the managers of five-star hotels in Nairobi County use available media both digital and traditional to provide factual information to their potential guests during times of political unrest. This would enable them to ensure that they minimize and contain the negative effects of biased travel advisories that are often exaggerated. The study recommends the managers of five-star hotels in Nairobi County create flexible corporate policies that would allow them to face new circumstances like pandemic outbreaks on both small and large scale. This could involve the provision of regular training of managers and core staff on how to handle such cases, in terms of utilizing PPEs and isolation centers within their premises. The study recommends the managers of five-star hotels in Nairobi County minimize their susceptibility to pre-attack reconnaissance from terrorists. They could achieve this by protecting the photos of their floor plans, and panoramic video clips that are in the public spaces over the Internet. They could hire Information Technology (IT) specialists to monitor the people accessing these photos, and also track the ones downloading these images, and report any suspicious activity to the authorities.

### References

- Adeloye, D., Carr, N. & Andrea, I. (2019). Domestic tourism and terrorism: An ignored field. *Tourism Recreation Research*, 44, 382-386.
- Akamavi, R. K., Ibrahim, F. & Swaray, R. (2022). Tourism and Troubles: Effects of Security Threats on the Global Travel and Tourism Industry Performance. *Journal of Travel Research*, 62(2), 1-27.
- Al-Dhoun, D. R. M., Masa'deh, D. R. & Al-Lozi, P. M. (2017). The Impact of the September 11<sup>th</sup> and Amman Hotel Explosion Incidents: The Case on the Incoming Tourism in Jordan. *Journal of Social Sciences*, 6, 869-885.
- Babey, N. G. (2019). The Politics of Travel Advisories: Foreign Policy and Error in Canada's Traveler Information Program. *The Journal of Intelligence, Conflict, and Warfare*, 2(1), 1-23.
- Bollyky, T. J. (2018). *Plagues and the Paradoxes of Progress: Why the World Is Getting Healthier in Worrisome Ways*. Cambridge, MA: MIT Press.
- Buigut, S., Udo, B. & Disna, S. (2017). Terrorism and travel advisory effects on international

- tourism. *Asia Pacific Journal of Tourism Research*, 22(10), 991-1004.
- Ceylan, R. F. & Ozkan, B. (2020). The economic effects of epidemics: from SARS and MERS to COVID-19. *Research Journal in Advanced Humanities*, 1(2), 21-29.
- Charfeddine, L. & Goaid, M. (2019). Tourism, terrorism, and political violence in Tunisia: Evidence from Markov-switching models. *Tourism Management*, 70, 404-418.
- Chen, M. H., Demir, E., García-Gomez, C. D. & Zaremba, A. (2020). The Impact of Policy Responses to COVID-19 on U.S. Travel and Leisure Companies. *Annals of Tourism Research Empirical Insights*, 3(2), 100003.
- Chiang, A. C., Zlateva, N. & Ivanov, S. (2020). Political instability and its impact on the hospitality industry in Honduras. *Yearbook of Varna University of Management*, 13, 389-404.
- Corbet, S., O'Connell, J. F., Efthymiou, M., Guiomard, C. & Lucey, B. (2019). The Impact of Terrorism on European Tourism. *Annals of Tourism Research*, 75, 1-17.
- Das, D., Dutta, A., Bhadra, A. & Uddin, G. S. (2020). Role of presidential uncertainties on the hotel industry. *Annals of Tourism Research*, 81(2), 1-4.
- Deep, A. & Johnston, C. S. (2017). Travel advisories—destabilizing diplomacy in disguise. *Journal of Policy Research in Tourism, Leisure and Events*, 9(1), 82-99.
- Demir, E., Díez-Esteban, J. M. & García-Goomez, C. D. (2019). The impact of geopolitical risks on cash holdings of hospitality companies: evidence from emerging countries. *Journal of Hospitality and Tourism Management*, 39(2), 166-174.
- Eisen, D. & Resco, L. (2020). *Analysis: At what point can a hotel break even?* Retrieved from <https://www.hotstats.com/blog/analysis-at-what-occupancy-rate-can-a-hotel-break-even> (Accessed 04/10/2023).
- Elsayed, S. F. (2020). The Effect of Political Instability and Terrorism on the Migration of Egyptian Hospitality Manpower. *International Journal of Recent Trends in Business and Tourism*, 1(2), 55-68.
- Erdinc, A., Corbet, S., Efthymiou, M., Guiomard, C., O'Connell, J. F. & Sensoy, A. (2020). The financial market effects of international aviation disasters. *International Review of Financial Analysis* 69, 101468.
- Farmaki, A., Khalilzadeh, J. & Altinay, L. (2019). Travel motivation and demotivation within politically unstable nations. *Tourism Management Perspectives*, 29, 118-130.
- Global Tourism Forum. (2019). *Kenya tourism sector, performance in 2019*. Retrieved at <https://www.globaltourismforum.org/blog/2020/01/16/kenya-tourism-sector-performance-in-2019/> (Accessed 04/10/2023).
- Gunasekar, S., Patri, R. & Narayanan, B. (2018). International Tourist Arrival in India. *Foreign Trade Review*, 53, 12-28.

- Karabulut, G., Bilgin, M. H., Demir, E. & Doker, A. C. (2020). How pandemics affect tourism: international evidence. *Annals of Tourism Research*, 84(1), 102991.
- Kenya National Bureau of Statistics [KNBS]. (2021). *Economic survey, 2021*. Retrieved from <https://www.knbs.or.ke/wpcontent/uploads/2021/09/Economic-Survey-2021.pdf> (Accessed 04/10/2023).
- Kim, J., Kim, J., Lee, S. K. & Tang, L. (2020). Effects of epidemic disease outbreaks on the financial performance of restaurants: event study method approach. *Journal of Hospitality and Tourism Management*, 43(1), 32-41.
- Kimani, J. (2021). Effect of Civil War on the Performance of Tourism Industry in Africa: A Critical Literature Review. *International Journal of Modern Hospitality and Tourism*, 1(1), 1-15.
- Kiprono, B. M. & Buigut, S. (2018). Effect of Terrorism and Travel Warning on Kenyan Tourism Demand. *Tourism Analysis*, 23(2), 283-288.
- Lee, C. & Chen, M. (2020). The impact of COVID-19 on the travel and leisure industry returns: Some international evidence. *Tourism Economic*, 28(2) 451-472.
- Li, Y. & Singal, M. (2019). Capital structure in the hospitality industry: the role of the asset-light and fee-oriented strategy. *Tourism Managers*, 70(1), 124-133.
- Lock, S. (2022). *The occupancy rate for the hotel industry worldwide from 2008 to 2019, by region*. Retrieved from <https://www.statista.com/statistics/266741/occupancy-rate-of-hotels-worldwide-byregion/> (Accessed 04/10/2023).
- Mwangi, Z. M. & Ngari, J. M. (2022). Technology Orientation and Sustained Competitive Advantage in Star-Rated Hotels in Kenya. *The University Journal*, 5(1), 131-142.
- Mylonopoulos, D., Moira, P. & Papagrigoriou, A. (2016). The Travel Advisory as an Obstacle to Travel and Tourism. Case Study-The Greek Economic Crisis. *International Journal of Culture Tourism and Hospitality Research*, 2(2), 1-13.
- Njoya, E. T. (2021). Assessing the poverty impact of the COVID-19-induced tourism crisis in Tanzania: A social accounting matrix micro-simulation analysis. *Journal of Sustainable Tourism*, 1-20.
- Njoya, E. T., Efthymiou, M., Nikitas, A. & O'Connell, J. F. (2022). The Effects of Diminished Tourism Arrivals and Expenditures Caused by Terrorism and Political Unrest on the Kenyan Economy. *Economies*, 10, 191-196.
- Novelli, M., Gussing, L. B., Jones, A. & Ritchie, B. W. (2018). 'No Ebola... still doomed' - The Ebola-induced tourism crisis. *Annals of Tourism Research*, 70, 76-87.
- Nzisa, J., Gitahi, N. & Kiprop, S. (2021). Hotel industry competitiveness in the COVID-19 pandemic environment in Kenya: How technologically ready are the hotels? *European Journal of Management and Marketing Studies*, 6(4), 132-146.



- Perles-Ribes, J. F., Ramon-Rodriguez, A. B., Such-Devesa, M. J. & Moreno-Izquierdo, L. (2019). Effects of political instability in consolidated destinations: The case of Catalonia (Spain). *Tourism Management*, 70, 134-139.
- Rutynskiy, M. & Kushniruk, H. (2020). The Impact of Quarantine Due to COVID-19 Pandemic on the Tourism Industry in Lviv (Ukraine). *Problems and Perspectives in Management*, 18, 194-205.
- Seyfi, S. & Hall, C. M. (2019). Sanctions and tourism: Effects, complexities, and research. *Tourism Geographies*, 1(1), 1-19.
- Seyi, A. S., Kolawole, K. E., Chigozie, A. A. & Avci, T. (2020). Does causality between geopolitical risk, tourism, and economic growth matter? Evidence from Turkey. *Journal of Hospitality and Tourism Management*, 43, 273-377.
- Stergiou, D. P. & Farmaki, A. (2021). Ability and willingness to work during COVID-19 pandemic: perspectives of front-line hotel employees. *International Journal of Hospitality Management*, 93, 102770.
- Thams, A., Zech, N., Rempel, D. & Ayia-Koi, A. (2020). *An Initial Assessment of Economic Impacts and Operational Challenges for the Tourism & Hospitality Industry Due to COVID-19*. IUBH Discussion Papers-Tourism & Hospitality, 2020.
- Tomczewska-Popowycz, N. & Quirini-Popławski Ł. (2021). Political Instability Equals the Collapse of Tourism in Ukraine? *Sustainability*, 13(8), 126-136.
- Tourism Regulation Authority [TRA]. (2021). *Classified establishments register*. Sourced from <https://www.tourismauthority.go.ke/classificationand-grading/> (Accessed 04/10/2023).
- United Nations World Tourism Organization [UNWTO]. (2020). *COVID-19: Putting People First*. Sourced from <https://www.unwto.org/tourism-covid-19-coronavirus> (Accessed 21/09/2023).
- Veréb, V., Nobre, H. & Farhangmehr, M. (2020). Cosmopolitan tourists: The resilient segment in the face of terrorism. *Tourism Management Perspectives*, 33, 100620.
- Vitisia, R. M. (2015). *Travel Advisories and Their Impact on Tourism: A Case Study of Kenya 2000 – 2014*. Unpublished Master's Thesis, Nairobi, KE: University of Nairobi.
- Wachira, P. & Kandie, R. (2021). *Resetting the business model for the hotel industry in Kenya: Lessons from COVID-19 pandemic*. Sourced from <https://kippra.or.ke/resetting-the-businessmodel-for-hotel-industry-in-kenya-lessons-from-covid-19-pandemic> (Accessed 04/10/2023).
- Walters, G., Wallin, A. & Hartley, N. (2019). The Threat of Terrorism and Tourist Choice Behavior. *Journal of Travel Research*, 58(3), 370-382.
- Warnock-Smith, D., Graham, A., O'Connell, J. F. & Efthymiou, M. (2021). Impact of COVID-19 on air transport passenger markets: Examining evidence from the Chinese market. *Journal*

*of Air Transport Management*, 94, 102085.

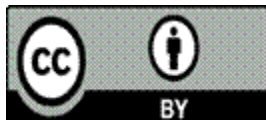
Wen, J., Lockyer, T. & Zhang, H. (2018). Destination Image and Perceived Risk of Visiting Ukraine: An Exploratory Study of Chinese Male Outbound Tourists. *International Journal of Culture, Tourism and Hospitality Research*, 4, 1-9.

World Travel & Tourism Council. (2019). *Economic Impact*. Sourced from <https://www.wttc.org/economic-impact/> (Accessed 23/10/2023).

Wu, W., Lee, C. C., Xing, W. & Ho, S. J. (2021). The impact of the COVID-19 outbreak on Chinese listed tourism stocks. *Financial Innovation*, 7(1), 22-28.

Yamane, T. (1967). *Statistics: An Introductory Analysis*. (2<sup>nd</sup> Ed.). New York, NY: Harper and Row.

Yang, Y., Zhang, H. & Chen, X. (2020). Coronavirus pandemic and tourism: dynamic stochastic general equilibrium modeling of infectious disease outbreak. *Annals of Tourism Research*, 83, 102913.



©2024 by the Authors. This Article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>)