



**DETERMINANTS OF HOTEL SELECTION BY INTERNATIONAL  
BUSINESS GUESTS  
THE CASE OF STAR RATED HOTELS OF ADDIS ABABA**

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A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR  
THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION THE  
COLLEGE OF BUSSINES AND ECONOMICS,  
ADDIS ABABA UNIVERSITY

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2018

## **DECLARATION/CONFIRMATION**

I, GIRUM GIRMA, hereby declare that the thesis work entitled, “DETERMINANTS OF HOTEL SELECTION BY INTERNATIONAL BUSINESS GUESTS, THE CASE OF STAR RATED HOTELS OF ADDIS ABABA” is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestions of the research advisor. This study submitted by me for the award of the degree of Master of Business Administration (MBA) in management of Addis Ababa University at Addis Ababa Ethiopia, is original work and it hasn't been presented for the award of any other Degree, Diploma, Fellowship or other similar titles of any other university or institution.

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This is to certify that the thesis prepared by GIRUM GIRMA, “DETERMINANTS OF HOTEL SELECTION BY INTERNATIONAL BUSINESS GUESTS, THE CASE OF STAR RATED HOTELS OF ADDIS ABABA” and submitted in partial fulfillment of the requirement for the Degree of Master of Business Administration (MBA in Management) complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

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God bless you all!

## **List of acronyms and abbreviations**

- AU- African Union
- ETO - Ethiopian tourism organization
- IGAD – intergovernmental authority for development
- NGO- Nongovernmental organization
- UNECA- United nations Economic Commission for Africa
- UNWTO- united nation world tourism organization
- USD- united states dollar

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## **Abstract**

*Despite significant share in room occupancy, little is understood concerning factors influencing selection of hotels by international business guests of rated hotels in Addis Ababa. By comprehending to guests' criteria of selection, hotels can achieve repeat and also get new business. Otherwise, then they must be ready to endure low occupancy levels and eventually diminished business. The study aimed to identify the factors for hotel selection, level of their importance and future expectations regarding these factors by international business guests. The research is beneficial to mainly hoteliers in gaining a superior understanding of the elements influencing guests' hotel selection. The study adopted a cross-sectional descriptive survey design. Respondents were systematically selected from the hotel they stayed in for one or more nights. By considering hotels' average daily occupancy, sample of 272 was taken. Primary data was collected by a structured questionnaire and analyzed by the use of SPSS version 22. The analyzed data was presented in the form of tables, graphs, histograms and pie charts. The findings indicated that, hotel's location matters most in business guests' hotel selection with ( $\mu=4.72$ ,  $sd. =0.35$ ). Additionally, hotels' location and price need to be improved for business guests' next visit. The study recommends that hoteliers should do their best in making their property preferable by meeting attributes guests deem as important. This could be done by making the hotel easily accessible for different transportation modalities and prioritizing hygiene issues of the premises. They also need to take a gaze of their pricing system which guests wish to see improved for their next trip.*

***Key words; Business guest, Star rated hotel, Hotel selection, Room occupancy, Addis Ababa***

## CHAPTER ONE: INTRODUCTION

### 1.1 Background to the Study

In this era of globalization, tourism has boasted virtually uninterrupted growth over time, despite occasional shocks, demonstrating the sector's strength and resilience. International tourist arrivals have increased from 25 million globally in 1950 to 1186 million in 2015. Likewise, international tourism receipts earned by destinations worldwide have surged from US\$ 2 billion in 1950 to US\$ 1260 billion in 2015. International tourism now represents 7% of the world's exports in goods and services, up from 6% in 2014, as it has grown faster than world trade over the past four years in many developing countries, tourism ranks as the first export sector (United Nations world tourism organization UNWTO, 2016.)

According to World Bank (2017) Ethiopia's number of international tourist arrivals has increased from 103,000 in 1995 to 864,000 in 2015. In regard to this fact, the country earned 3,233,850,048\$ by the year 2015. It shows that there is far-reaching augmentation in number of incoming and outgoing travelers with the amount of dollar gained. Consequently, the number of international business tourist has also increased from 113,961 in 2014 to 213,757 in 2014 through all ports of entry (Ethiopian tourism organization, 2015.) The inbound tourist arrivals in Ethiopia continued to grow from 76,844 in 1989, and reaching 523,438 in 2011. During the year 2011, Ethiopia witnessed a positive tourist growth of 11.8 % over 2010. The compound annual growth rate in Inbound Tourist arrivals in Ethiopia during 1989 to 2011 was 9.7%. (Ebisa&Andualem 2013)

It is obvious to state that today Addis Ababa is home to numerous UN offices, more than 120 international missions and embassies, making the city a hub for international diplomacy concerning Africa and home for numerous NGOs'. The headquarters of the African Union and the UN Economic Commission for Africa (UNECA) are both in the city. The European Union and the United States both have two delegations in Addis Ababa, one for bilateral relations with Ethiopia and one for the African Union (Wiki voyage, 2017). Addis Ababa takes the largest share (95-99%) of being visited by these international travelers, from the rest of regions in Ethiopia (Gobena et al., 2013).

**Table 1.1 Arrivals of non-resident tourist at national border by region for business visit**

<b>Regions</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Other countries of Oceania	3	201	274	110	186
South-east Asia	589	393	434	694	745
Other countries of Asia	1,569	341	3,253	1,953	2,343
Other east Asia and the pacific	1,572	542	3,527	2,063	2,529
Other Americas	2,001	800	3,771	1,871	2,843
Other countries of the Americas	2,001	800	3,771	1,871	2,843
United Arab emirates	2,685	2,528	3,215	4,374	4,367
South Asia	6,497	7,848	7,988	12,095	11,708
Middle east	9,258	9,321	12,053	15,726	15,743
North-east Asia	14,189	12,510	21,293	23,136	23,987
East Asia and the pacific	17,306	14,579	26,634	27,453	28,972
North America	16,714	20,538	37,075	28,611	34,241
Americas	18,715	21,338	40,846	30,482	37,084
Europe	27,780	37,145	43,066	46,009	52,332
Africa	34,405	51,362	57,320	56,805	67,918
Total	113,961	141,593	187,907	188,570	213,757

*Source- Ethiopian tourism organization (2015)*

The hotel industry has a great deal of diversity in the types of hotels and related businesses available to customers. These vary from small owner-operated bed and breakfast establishments to exclusive highly rated hotels having thousands or more rooms (Nayif, 2001). Such diversity added interest and complexity to the process that potential guests go through in the selection of hotels.

Flipping back, currently, the hotel industry in Ethiopia is developing at an incredible pace. Many star hotels are being built in the capital Addis Ababa and state cities. Addis Ababa has 12 internationally branded hotels alongside with more than seventy star rated hotels. The hotels are contributing a lot for tourists to stay in the capital in a happy and relaxed mood. In the coming years, the country is working to open over 58,000 hotel rooms. Currently 12 international chain hotels are in the pipeline with a total of 2,460 rooms' capacity (Tsegaye, 2017).

An important percentage of customers staying in many hotels are made up of frequent business travelers (Knutson, 1988). At present, hotels have recognized the business travelers' market as the fastest growing market in this industry (Sammons et al., 1999). In fact, in the years under review (2009 - 2012), business was the second among the main motivations to do tourism in Ethiopia next to pleasure. Where, the major source of the market remained Africa, Europe and United States of America respectively (Ministry of culture and tourism, *MOCT*, 2013). However, even though, they may be fewer in number, the intensity of use by the business traveler is much higher than leisure travelers (Lockyer, 2002). Consequently, the business market has a significant impact on many hotels. The attention given to the behavior and hotel selection factors considered by business travelers remained small.

Callan and Bowman (2000), who conducted a survey of 104 mature British travelers who rated 38 hotel attributes, Kwenga (2012) did an assessment of the buying criteria and perception of guests' in church guest houses in Nairobi, Kenya. His study revealed that quiet and isolated locations, good physical and sufficient technical conference facilities, excellent service by qualified staff and fair prices influence the customers into conference business with these guest houses.

Above all, the determinants of selection of hotels by guests are an important issue to the management (Nayif, 2001; Witchulada, 2013). If a hotel manager can better understand these determinants, it will have a significant impact on average occupancy. These determinants have attracted the attention of many researchers over the years and they are trying to understand the impact they may have. So, identifying what business guests consider in choosing a hotel has a paramount importance in coping up with this dynamic and customers' want driven industry. Consequently, the study is expected to pave the way in generalizing determinants of hotel selection by international business guests in these category hotels of Addis Ababa.

## 1.1 Statement of the problem

In view of the fact that customers are at the heart of the hospitality industry, the product and service rendered is judged by those people who are using their disposable income and free time to do something they seek pleasure from, so they are definitely less forgiving. Among many, business travelers are the principal one (Knutson, 1988). So, since business travelers are not homogenous group and considerably large in number, it is important for the hotel sector to understand which attributes are significant in their hotel selection (Witchanee, 2001). According to Griffin, Shea, and Weaver (1996), business travelers who normally stay in hotels make conscious decisions as to which hotels they would stay in.

According to researcher's preliminary interview with few hotel managers and academicians in the sector, hotel developers in Ethiopia undergo construction of commercial hotels in a customary manner. There was little or no trial in identifying the behavior of business travelers, what exactly they prioritize in their hotel selection and their future expectation too. This could have increased room occupancy and hotels' overall profit. In order to have better room occupancy and make more profit, hotels are expected to both understand and satisfy all guests' needs, wants, and problems (Witchanee, 2001). Considering the solid fact behind, some researches have also demonstrated that there are differences between the views of hotel managers as to the factors that influence selection of hotels by business guests (Lockyer, 2002). This formed the basis for the research work in planning to identify the determinants of hotel selection by international business guests in star rated hotels of Addis Ababa. This would help in bridging the gap between business guests' expectations and the facilities provided by star rated hotels in the city.

As to researcher's finding, few related studies have been conducted. All of them were in the context of other countries; Kenya, Ghana, Thailand and Slovenia; countries of better hospitality experience than Ethiopia. Whereby, the center of attention was on international travelers in non-star rated hotels. The study by Alex k. (2013) found out that business guests were very much dissatisfied with most aspects of the accommodation product provided by non-classified hotels. Thus, since the issue of hotel's star rating is current; the researcher studied the issue in the context of star rated hotels in Addis Ababa.

The context of Addis Ababa is important to further investigate the hotel selection because it is assumed as a third diplomatic city in the world next to New York and Genève and hosts 90-99% of international travelers than other parts of the country (Gobena et al., 2013).

## **1.2 Research questions**

1. What are the demographic characteristics of business guests in rated hotels?
2. What are the international business guests' behaviors in star rated hotels of Addis Ababa?
3. What are the determinants of hotel selection by business guests in these star rated hotels?
4. Which determinants matter most in hotel selection by business guests?
5. What are the future expectations of repeated guests in star rated hotels of Addis Ababa?

## **1.3 Objectives of the Study**

### **1.3.1 General objective**

The purpose of this study is to fish out an assortment of factors which international business guests consider momentous in their choice of star rated hotels of Addis Ababa.

### **1.3.2 Specific objectives**

1. To determine the demographic characteristics of business guests in rated hotels
2. To find out business guests' behavior in these star rated hotels of Addis Ababa.
3. To identify determinants in selection of rated hotels by Business guests' in Addis.
4. To recognize which determinants matter most in hotel selection by business guests
5. To determine future expectations of repeat guests' of hotels in Addis Ababa.

## 1.4 Operational Definitions

- **Amenities** –Amenities are the extra items, facilities, and services made available to guests
- **Business guest**-Business guest is individual who travels for business purposes like incentive groups, and people attending exhibitions, meeting and conferences (Seo, 1997).
- **Commercial hotels** - Commercial hotels are hotels located in downtown targeted business travelers.
- **Double room** – Double room is standardized room with one large bed able to accommodate two guests
- **Guest** – Guest is one who pays for meals or accommodations in hotel, or other Establishment and spend minimum of overnight in the room.
- **Hotel rating** - Hotel rating is grading hotels into different categories of star levels usually one to five.
- **International guest**-International guests are hotel customers who are not residents of the country that they are currently visiting.
- **Public area** - Public areas are areas in the hotel which are accessible by any external customer.
- **Room occupancy percentage** – Room occupancy percentage is the ratio between the number of occupied rooms and number of rooms offered by the s that are open.
- **Service outlets** – Service outlets are areas in the hotel where guests will be served
- **Single room**- Single room is standard room with single bed designed to accommodate one guest.
- **Suite room** - Suite room is guest room containing separate living, cooking and sleeping area designed to accommodate two or more guests, usually family.
- **Twin room**- Twin room is guest room having two separate single beds to accommodate two guests.

## **1.5 Significance of the study**

Through gaining understanding of the determinants of hotel selection by guests, principally hoteliers are the first to align their property strategically in a bid of attracting this important market which boosts room occupancy and overall sales. This in turn leads to enhanced revenue and profitability. The government will also be using the findings to redirect its policy associated with the construction and rating of commercial hotels and what has to be included in provision of main hotel services. If so, this will have great contribution in getting alternate way of increasing foreign currency. Tour operators will be other beneficiaries of this study with respect to easily getting accustomed with what these group of guests demand. Since they are the one to prepare and sell tour package to travelers, they will be able to incorporate the type of hotel which has possessed attributes guests are opting important. Moreover, researchers will also be using the findings as springboard for further studies to be conducted.

## **1.6 Scope of the study**

### **1.6.1 Time scope**

The questionnaires were distributed to international business guests only from March 30-May10, 2017.

### **1.6.2 Methodological scope**

Participants were selected systematically. Only one guest was addressed per day in particular hotel upon check in process at front desk.

### **1.6.3 Conceptual scope**

The study covered assessment of only international business guests available in three, four and five star rated hotels of Addis Ababa under study.

### **1.6.4 Geographical scope**

The study will cover some selected three to five star rated hotels only in the capital city of the country; Addis Ababa.

## **1.7 Limitations of the study**

The study faced constraints in terms of little or lack of previous studies by other researchers concerning international business guests' hotel selection of star rated hotels in Ethiopia: implying that, the research depended greatly on studies done for non-classified hotels and some non identified group of hotels of other countries. Refusal of some managers of some hotels for data collectors to access guests. Lack of systematic database based information regarding daily average guests, challenge in differentiating between business and other types of guests. Because some hotels guest registration card doesn't differentiate which type of these guests are.

## **1.8 Organization of the study**

This study is organized in to five chapters. Accordingly, the first chapter commences with the introduction and background of the study, statement of the problem, research questions, objectives, operational definition, significance and limitation associated with this particular study. The second chapter discusses some accessible literatures related to the study; the third chapter focus on research methodology related to the design, study area, target population, sampling, instrument, data collection and presentation. The fourth chapter discusses information associated with data findings, presentation and analysis. Finally, chapter five stipulates summary of the findings, conclusion based on analysis and possible recommendation by the researcher based on investigation.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents a review of literature in relation to the study. It covers; who business guest does are, characteristics of business guests, hotel amenities, consumer decision making process, guest experiences with accommodation products, and determinants of hotel selection and future expectations of business guests. It seeks to assist understanding the importance of selection factors of hotels while opening up research gaps that were addressed.

### **2.2 Theoretical review**

#### **2.2.1 History of hotel industry in Ethiopia**

History shows that, the development of hotel sector is associated with the prevalence of travel experience by travelers across different part of our planet. Similarly, the development of hotels in Ethiopia is also related with the same reason. Developments in Ethiopia's foreign relations, particularly during the reign of Menelik II had, relatively speaking, an impressive impact in the country, by implanting the seeds of modernization through the importation of European technology and institutions among which "hotel" is one subject. Therefore its appearance is related with the opening of the society in to the western world. Development of modern hotels in Ethiopia traces back to the 19<sup>th</sup> century. EtegeTaitu hotel, which was built in 1898 (E.C.) at the center of the city (piazza), is the first hotel in Ethiopia. This hotel is currently half burned due to unspecified reasons and lacks original works of the past (Abraham, 2015).

It was TaituBetul (1851-1918), an Ethiopian empress and the wife of emperor Menelik II, established this hotel to provide a place to rest and dine for guests. According to the report of Tourism Commission (1994) From this time up to the Derg reign, the country had owned for about 50 hotels at a national level and out of these only 19 hotels was to be star rated hotels,

Currently, with the emergence of new and modern hotels in the country, the number has grown considerably and there are nearly 500 star rated hotels in Ethiopia. About 140 hotels are found in Addis Ababa, where, the international chain hotels are only five in number. These are Hilton Addis, Sheraton Addis, Marriot executive apartment, Golden tulip and Radisson Blue hotel (Moct, 2010; Abraham, 2015).

### **2.2.2 Business travelers**

Long before the concept of traveling for pleasure became widespread people travelled for business (Harsse, 1998). Today, the number of travelers who travel for job-related reasons is increasing. Some travel to meet prospective clients, while others travel to attend meetings or conventions. This group of travelers has been called “The business travelers”. Seo (1997) defined a business traveler as an individual who travels for business purposes. The definition included general business trips, incentive groups, and people attending exhibitions and conferences. Business travel is defined as all non-discretionary trips which occur either explicitly for the purpose of engaging in work, or incidentally in the course of conducting work-related activities (Ritchie, 2000). Moreover, (Medik, 1996) defined business traveler as employees who make trips and visit others in the course of their work, including attending meetings, conferences and exhibitions.

### **2.2.3 The Characteristics of business travelers**

The primary characteristic of business travelers was that they stayed fewer nights than pleasure travelers (Seo, 1997). However, they stayed more frequently in the same hotel. Business travelers were known in the United States as “road warriors”. They had particular preferences, such as convenient locations, comfortable rooms and previous experience when selecting hotels (Sammoms et al., 1999). The most frequent reason for business traveling in the United States in 1996 was to attend a meeting, conference, or trade show. The next largest reasons for business trips were consulting, sales, company operations, physical work, and management (Cholewka, 1996). In this regard, the conventioner was a significant market for the hotel industry (Travel Industry World Yearbook, 1999).

Therefore, what they lack in length of stay, they made up in frequency of stay. According to Travel Market Research (1995), business travelers spent an average of 3.1 nights on each trip in 1995. In contrast, leisure traveler's stayed an average of 3.8 nights.

#### **2.2.4 Today's business travelers needs**

Business travelers are looking for a home away from home and an office away from the office (Seo, 1997). This idea was spreading through the hotel industry to fulfill the desires of business travelers. Most business travelers wanted hotel rooms to make them feel like they were at home. Therefore, they wanted cleanliness, comfort, safety, attentive service and peace and quiet (Pierson, 1996). An increasing number of consumers demand a safe and secure environment while patronizing a hotel (Clow, Garretson, and Kurtz, 1994).

#### **2.2.5 Selection criteria**

Customers set a variety of attributes to select and judge the quality of service that they receive during their stay in a hotel (Wilkins, Merrilees and Herington, 2007). Both physical and service qualities of a hotel have positive impact on customer selection and satisfaction (Ekinici, Dawes and Massey, 2008). Some of these criteria or factors are related to the intangible service elements as well as tangible physical elements, while some other factors such as 'value for money' are more complex to define (Mohsin and Lockyer, 2010). An understanding of which attributes will enhance compliments or will result in complaints is important for the management to improve overall customer satisfaction and ensure customer loyalty.

#### **2.2.6 Consumer behavior in hotel industry**

Consumer behavior functions as a foundation for marketing enterprises (Richard, 2016). It is a crucial part of understanding why people tend to choose a certain destination and what sort of factors influences them (Lee & Wu, 2011). The decision process of buying tourism products or services such as hotels takes time, because they are mostly intangible and there are many risks involved in the buying process (Morosan & Jeong, 2008).

The decision to spend non-refundable money on hotel versus purchasing tangible products involves psychological determinants (Morosan&Jeong, 2008). Therefore, in order to understand comprehensively customer behavior in tourism, various models have been developed to describe and generalize consumer behavior patterns. The models attempt to show the important role of different elements affecting the decision making process (Swarbrooke et al., 2007).

Hotel buying behavior or in others words booking for a hotel, just like the overall buyingbehavior, includes passing the five stages of decision making process; first feeling theneed for hotel accommodation or travel desire, then information collection and evaluationimage, decision to use hotel services, experience and satisfaction of hotel services, and finally outcome and evaluation (Gilaninia, 2010).Blackwell, Miniard, and Engel (2006) stated that consumer behavior is defined as activities people undertake when obtaining, consuming, and disposing of products and services.

**2.2.7 Consumers decision making process**

There are plenty of factors influencing consumer decision making process. The buyer decision process passes through five stages (Kotler, 2003) which is show in Figure 2.1.



**Figure 2.1. Buyer decision process.**

This model starts with the buyer recognizing a need which can be inspired by internal or external stimuli and consumer decision processes will pass all stages, however there are some routine purchase that consumer skip or reverse on that stages (Kotler, 2003).

### **2.2.8 Role of Perception**

Wuest, Tas and Emenheiser (1996) defined perceptions of hotel attributes as the degree to which travelers find various services and facilities important to customers' satisfaction. Hawkins et al., (1998) noted that our perception is an approximation of reality. Our brain attempts to make sense out of the stimuli to which we are exposed. For example, when we see there are many people eat at that restaurant, we assume it was the best restaurant at that area.

### **2.3 Empirical review**

The segment of business travelers has attracted a lot of attention for decades in hotel industry. A number of studies in Table 2.1 investigated the issue of hotel characteristics focusing on business travelers in particular. Lewis (1984) determined the top choice-determining factors of business travelers: location, price, Level of service, food quality and cleanliness. McCleary, Weaver & Hutchinson (1993) questioned upscale business travelers. While only two hotels' attributes (meeting facilities and convenient location) distinguished between business travelers in different situations, the one factor most strongly influencing hotel selection turned out to be location. Weaver & Oh (1993) chose the group of American business travelers, finding the factors convenience for the business, good reputation, friendly staff, cleanliness and safety and security facilities to range highest in the importance of these customers.

Griffen, Shea & Weaver (1996) studied differences between business hotel guests staying at luxury and mid-priced hotels and found price to be the most important discriminator with luxury hotel guests feeling indifferent with regard to this issue. Dube&Renaghan (2000) found the top five hotel selection criteria in a business trip setting to be location, brand name and reputation, physical property, value for money and guestroom design, while the top five attributes creating value during the stay were identified to be guest-room design, physical property, service (interpersonal), service (functional) and F&B related services.

**Table 2.1 Empirical review**

	<b>Focus</b>	<b>Valid for</b>	<b>Questioner design</b>	<b>Sample</b>	<b>Analysis</b>
Lewis 1984	Determinants of hotel selection	Business and pleasure travelers	Determinacy, salience and importance for the stay (66 items)	1314	Descriptive statistics
McCleary, Weaver & Hutchinson 1993	Importance for Hotel selection	business travellers	Importance, 5 point scale (56 items)	433	Factor, discriminant Analysis
Weaver & Oh 1993	Importance	american business travellers	Importance, 5 point scale (56 items)	433	Mean values and Group comparisons
Weaver 1996	Importance for hotel selection	Business hotel guests	Importance, 5 point scale (56 items)	433	Discriminant analysis
Griffen, Shea & Weaver 1996	Importance for Hotel selection	business hotel guests	Importance, 5 point scale (56 items)	433	Discriminant analysis
Jammareecho osrichom 2011.	Selection of hotels\Resorts	International travelers	Importance & consumers behavior (65 items)	230	Descriptive
Petra ZabukovecBaruca 2012	How guests choose a hotel?	Hotel guests	Multiple-choice questions: location, price, hotel facilities...	1520	Descriptive
Alex k. kivuva 2013	Selection of non-classified hotels	Business guests	Satisfaction of guests, determinants of choice of hotel (45 items)	300	Descriptive & regression

### **2.3.1 Determinants of hotels Selection**

An extensive review of the literature for the hospitality industry suggests that attributes such as cleanliness, location, room rate, security, service quality, and the reputation of the have been considered by most tourists in choice decision (Ananth, DeMicco, Moreo&Howey, 1992.) Chu and Choi, (2000) also identified the perceived importance of six hotel selection factors by business and leisure guests in Hong Kong.

Recently, Mohsin&Lockyer (2010) have identified those customers of hotels associate high importance to value for money, physical quality (room furnishings) and prompt response on reservations. Based on the previous literature reviews and research (O'Neill &Mattila, 2004) the researcher found that important attributions that had been identified to be used for this research are: location, staffs' customer Service, Cleanliness, Value for money. Therefore, attributions in customer decision making when selecting a hotel related to this study were as follows:

#### **2.3.1.1 Hotel's location**

Market Metrix, (2013) their study was based on results from the Market Metrix Hospitality Index (MMHI) and includes data from 40,000 America, European and Asian tourists during 2012 and found that Location was the primary factor that determines hotel choice and the most important factor to business guests as well as older travelers (over 50 years old). The next most important factor in hotel selection is "price" followed by "Past Experience." Tsai et al., (2011) examines differences in the important ratings of hotel selection criteria between Mainland Chinese and foreign individual travelers to Hong Kong. The results indicate that for the Mainland Chinese, hotel's convenience to tourist attractions was most important. In other words Yusoff& Abdullah (2010) found that in the content of location attribution items, convenient location has highest voted for by Middle East tourists. Shoval, McKercher, Ng, & Birenboim (2011), study on hotel location and tourist activity in cities in Hong Kong. Their study revealed hotel's location has a profound impact on tourist movements, with a large share of the total tourist time budget spent in the immediate vicinity of the hotel.

TohandAlaoui (1991) examined the hotel selection decisions of members and non-members of frequent guest programs. Their results showed that convenience of location received the highest ratings.

### **2.3.1.2 Price / Value for Money**

According to Ramanathan (2010) in his study of UK hotels, value for money is classified as a critical attribute in business guest accommodation selection. This is a complex attribute which will be ultimately passed on to guests who will perceive getting good service for the best possible price. The importance of this attribute has been stressed in several studies on hotel performance (Chen and Schwartz, 2008; Gallarza and Saura, 2006; Mattila and O'Neill, 2003; Oh, 1999). Kashyap and Bojanic (2000) in their study noted that perceived price and quality of public areas were significant in explaining ratings and intention to revisit for business guests. According to their study, quality of room was also significant in explaining ratings and intention to revisit for business guests. Chen and Schwartz (2008) stressed the importance of value when guests book a room on the internet and showed that the patterns of changes in room rates observed by guests while searching for a deal affects their propensity to book. If the hotel provides value for the prices charged, then guests will more likely pick the facility.

### **2.3.1.3 Hygiene standards**

Past studies indicate that cleanliness and location are important attributes considered by business guests in making their hotel choice (Clowet *al.*, 1994; Mc Cleary et al., 1993). The hoteliers should ensure that cleanliness is of the highest possible standards, even outside the hotel buildings (Yavas and Babakus, 2005). When examining Middle East tourists' hotel selection attributes in Kuala Lumpur, (Yusoff& Abdullah 2010) found that "cleanliness attributes" is the most hotel selection attributes for Middle Eastern tourists. This was supported by Lockyer (2003) who identified cleanliness as a strong indicator in selection of accommodation; agree with Dolnicar (2002) that most often mentioned was the attribution of cleanliness.

#### **2.3.1.4 Staffs' attribute in customer service**

Based on a primary survey, Hartline and others found that the performance of front desk personnel is a necessary cue in order to ensure good perceptions of quality. They also found that the performance of housekeeping and parking are desirable cues, while the performance of room service and bell staff were neutral. Laetitia and Yi Wang (2006) in their research of dimensions of guest house service in South Africa found out that business guests identified professionalism of staff as the most important determinant when selecting accommodation.

#### **2.3.1.5 Core Products and services**

Ramanathan (2010) further suggests that room quality, cleanliness and food are components of product quality. Room quality is consistently recognized as dissatisfiers. Any perception of reduced room quality is likely to be detrimental to guests' intention to stay again in the hotel. Alpert (1971) The services and facilities offered by a hotel or hotel attributes are those features of products or services that lead consumers to choose one product over others (Lewis, 1983). Locker (2002) in his study of s in New Zealand compared what hotel managers and business guests believed were the determinants of accommodation selection. He discovered that business guests rated bathroom and shower quality, standard of bedroom maintenance and comfort of mattress and pillow highly.

#### **2.3.1.6 Security**

According to Fawzy, (2010) business travelers at the 4 star hotels identified top importance to the attribution "security and safety of room".

#### **2.3.1.7 Previous experience**

Customer loyalty is often shaped by positive experience by the customer during his/her stay in a hotel (Mason et al., 2006; Nasution and Mavondo, 2008). A number of factors contribute to the experience (Clow, Garretson and Kurtz, 1994; Mc Cleary, Weaver and Hutchinson, 1993; Yavas and Babakus, 2005): customer service, cleanliness, facilities, price, food, and location.

## **2.4 Future expectations of business guests**

The ability of an organization to attract and retain customers is vital to its success. Customer loyalty requires a strong desire by the customer for a product and availability of several product vendors to choose the product based on his/her preferences (Dick and Basu, 1994; Otim and Grover, 2006). These two factors are very much applicable in the industry as more and more people visit different places and need places to stay (Nunes and Spellman, 2008) and huge number of hotels are available. This guest satisfaction ensures patronage from the same guests and also first time visits from word-of-mouth advertisements.

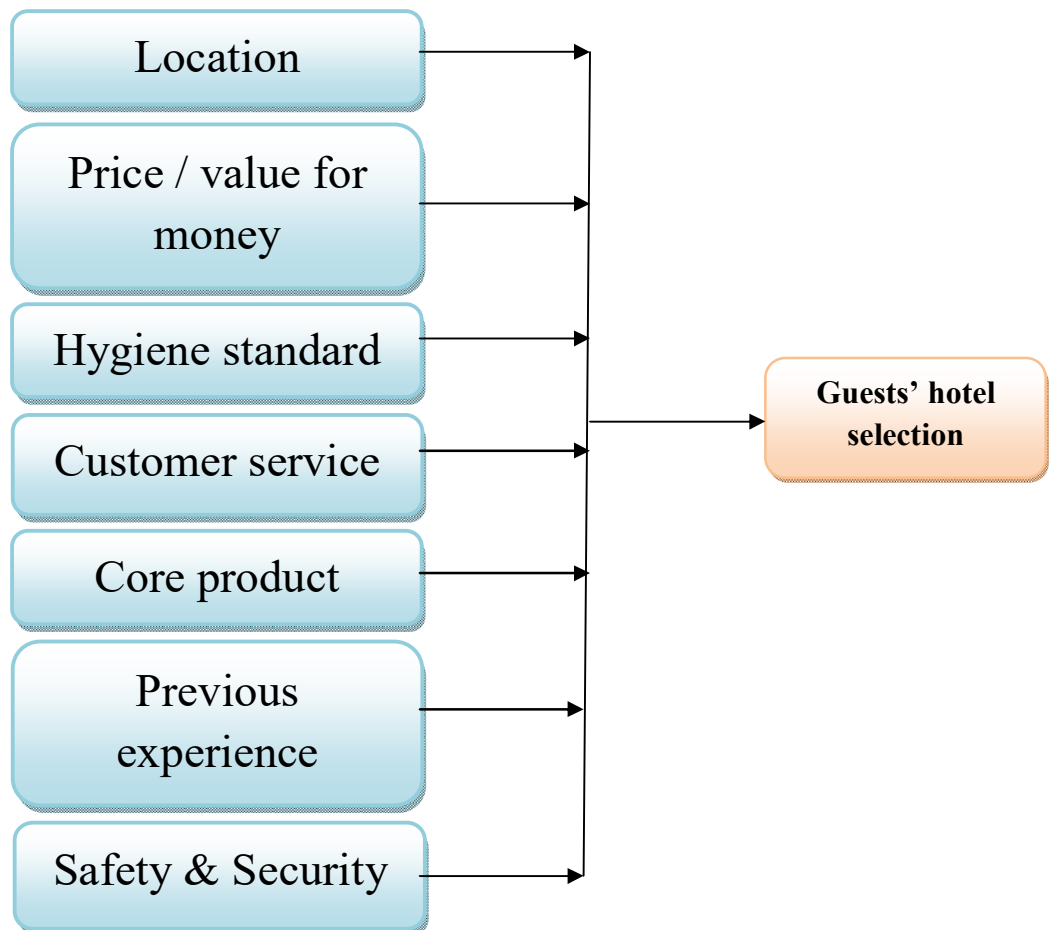
## **2.5 Summary**

Among the above reviewed literatures, some of studies of Alex k. kivuva(2013) and Lockyer (2002), revealed that there is a gap between customer selection and what is really offered by the hotel industry and hotels' attributes. The identified gap is between the standards of the accommodation products provided and the guests' expectations. Business guests expect high quality accommodation product: clean bedrooms, accessible location, clean environment, quality service in the restaurants, and quality food among other aspects; which are not always offered by hotels. There is need for hoteliers to know exactly what their guests expect from their facilities. When an accommodation product which meets the needs and expectations of guests is provided, then customer satisfaction is attained.

## 2.6 Conceptual framework

The aim of this section is to summarize the idea about past literature and to bring out the contributions for this study area. Thus this part starts with the idea generated and the contribution follows. Hence. Based on the literature reviewed the following conceptual framework has been developed.

**Figure 2.2 Conceptual framework**



*Source: Adapted from Brotherton (2004) and reviewed literature*

## **CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

This chapter highlights various facets concerning how the research was carried out. This includes, the research design utilized in the study, the study location and justifying why it was chosen, the research instrument used for data collection and how the research instrument was developed. The chapter also explains the sampling frame, the sample size and how the hotels and business guests included in the study were selected. The chapter further elaborates on the various ways in which the data collected was analyzed and presented.

### **3.2 Research design**

In this research, quantitative approach was employed. The study adopted a cross-sectional descriptive survey design as it is relatively easy and quick to obtain data that is amendable to statistical manipulation (Brotherton, 2008). This enabled the researcher identify and describe certain features of the study. This included such aspects as the important determinants of accommodation selection by business guests hence their future expectation. This was also useful in assisting the researcher in obtaining and analyzing information.

### **3.3 Study area**

The location of the study was Addis Ababa, capital city of Ethiopia. This city is these days known to be African capital due to the presence of more than 120 international missions and embassies, making the city a hub for international diplomacy in Africa. The headquarters of the African Union and the United Nations Economic Commission for Africa (UNECA) are both in the city. The city is also home for Bole international airport, the busiest airport in East Africa and the hub of Ethiopian Airlines. It is also considered as the main gate for international travelers into and out of the country. Additionally, the city is also home for more than 250 tourist recommended hotels. This is by far large number of hotels in the city than any other part of the country.

### **3.4 Target population**

The target populations were international business guests staying in these selected rated hotels for one or more nights during the data collection. Within these hotels, the respondents were business guests who have been identified with the help of the respective front office managers and front office associates.

### **3.5 Sampling and Sample size determination**

Sampling involves selecting some elements of a population having similar features to the underlying population as a representative of the total population so as to make certain observation of the elements and make conclusions regarding the entire population (Mugenda and Mugenda, 1999). As the result of difficulty associated with obtaining the accurate list of all the guests in graded hotels, estimated daily average occupancy was used to draw sampling frame. Systematic sampling was employed. Single questioner was filled per a day by checking in international business guests until it reaches maximum sample allotted for that particular hotel (34.4%). The study used Cochran (1963) sample size determination formula for unknown or large sample size and consequently adjusted sample size formula was applied to reach the total number of sample units. According to Kothari (2008) the size of a sample should neither be excessively large nor too small. Accordingly sample of two hundred seventy two guests were used.

### **3.6 Data collection instrument**

#### **3.6.1. Questioner**

The instrument used in this study was primarily prepared in English. The instrument used closed-ended questions, because they are easier to administer and analyze. The model of questioner has been copy from the two studies conducted in Kenya and Thailand by Alex K. Kivuva, 2008 and Jammareechoosrichom, 2011. Customization without disregarding the main concept was done by the researcher. The first section of the questionnaire focused on biographic information of respondents, second section mainly questions related to guests' behavior.

The third part is all about the determinants of choice of hotel has 5 points of Likert scale. 1-Very Unimportant, 2-Unimportant 3-Neutral, 4-Important, 5-Very Important. The respondents were provided with a one to five Likert scale from which they indicated their most suitable response to each question. Finally, part four covers questions associated with future expectation of business guests on the given attributes.

### **3.7 Data collection procedure**

Primary data was obtained through data collectors assisted structured questionnaires to international business guests in star rated hotels. Questionnaires were administered to systematically selected guests on the days allocated by the respective managers of the star rated hotels included in the study. Secondary data, which was information that had already been collected for some purpose by other parties, was also utilized. This involved use of books, journals and information from the ministry of culture and tourism, Ethiopian tourism organization and Addis Ababa culture and tourism office reports and online sources.

### **3.8 Pretest of data collection tool**

The research instrument was pre-tested in two star rated hotels selected randomly, namely Sidra hotel and Intercontinental Addis hotel. The questionnaires used for pre-testing the data collection tool were not used in the main study. The procedures used in the pre-testing of the instrument have also been used during the actual study. This helped the researcher to assess clarity, ease of use of the instrument and timeliness of data collection (Mugenda and Mugenda, 1999). Items identified as sensitive, confusing or biased have been modified or omitted.

### **3.9 Validity and Reliability of data collection tool**

The degree to which questions accurately measured the content employed in the questionnaire (Orodho, 2004) was validated by three hotel experts: namely AtoAbebeUrgessa and AtoSintayewWorku, hotel instructors at Catering and tourism training institute and immense experience in the hotel industry.

They assisted in ensuring the relevance of the instrument to the study. The questionnaire was tested and re-tested with a repeated measure of accuracy to determine its reliability (Orodho, 2004). This was done before administering the instrument to the respondents. The Cronbach alpha of questioner items was 0.825 which was deemed to be in acceptable range.

**Table 3.2 Reliability values of variables**

<b>Variable</b>	<b>Number of items</b>	<b>Cronbach's alpha</b>
Location	5	0.843
Value for money	3	0.851
Overall hygiene and cleanliness	3	0.907
Staff customer service	3	0.867
Core product and service provided	13	0.750
Security	5	0.860
Previous experience	3	0.899
<b>Total</b>	<b>35</b>	<b>0.825</b>

### **3.10 Data analysis and presentation**

The questionnaires were checked for completeness, accuracy, consistency and uniformity of data at the end of every field data collection day and before storage. The data have been coded and entered into the computer using the Statistical Package for Social Sciences (SPSS) latest version 22 for the analysis.

Descriptive statistics such as averages, frequencies, standard deviations and percentages were also used for data analysis. Tables, percentages, pie-charts, frequency tables and graphs were used for presentation.

**Table 3.3 Data analysis matrix**

	<b>Objective</b>	<b>Method of Analysis</b>	<b>Justification</b>
1.	Establish the demographic and behavior of business guests in star rated hotels	• Descriptive statistics: percentages, mean, graphs	• These enabled description of the respondents brightly
2.	Identify the determinants of selection of star rated hotels by business guests	• Descriptive statistics such as percentages, mean and standard deviation.	• Enabled description of importance of various selection attributes
3.	Identify future expectations of repeat business guests to star rated hotels	• Descriptive statistics mean distribution thematic analysis	• Enabled description of scores and also revealed the needed situation

Due to the countless difference in views of the hotel guests, a thematic scale was created for Part IV of the questionnaire (objective 4) and coded as follows for the various requirements: hotel’s accessibility, value for money, Staff and customer requirement, core products and services, hygiene and quality standards, safety and security.

1= “Maintain”

2= “Improve”

3= “Highly improve”

### **3.11 Logistical and Ethical issues**

For the sake of formality, cooperation letter was collected from Catering and Tourism training institute where the researcher is full time employee. Then the researcher contacted front office managers or manager on duty of the respective hotels for assistance and permission. Primary data was collected after receiving permission to conduct the study in their organizations. Before the participants take part in the study, the data collectors explained the purpose of the study and obtain their verbal consent.

## **CHAPTER FOUR: FINDINGS AND DISCUSSION**

### **4.1 Introduction**

This chapter presents the findings of the study and related discussions. It is sub-divided into four sections. The first part presents the findings concerning the demographics characteristics of the respondents (international business guests). Such issues as gender, age, frequency of visits and area of origin are presented and discussed followed by findings on the business guests' behavior. Under this various issues were presented and discussed; including the star category of the respondent resides in, reason and frequency of their visit in rated hotels and so on. Thirdly, findings and discussion on the importance of various hotels' attributes in selecting hotels were presented. the last session covered the future expectations of business guests when they make return visits to star rated hotels.

### **4.2 Overview of study findings**

The study focused on the importance of various determinants of selection of rated hotels in Addis Ababa. It was revealed that the most prominent attribute considered by guests is location of the hotel closely followed by overall hygiene and cleanliness and value for money with the mean rating of 4.7, 4.68 and 4.54 respectively. The least important attribute perceived by respondents was core products and services provided with the mean value of 3.8.

### **4.3 Response rate**

A total of two hundred and seventy two (272) questionnaires were distributed to likely respondents who participated in filling of the questionnaires. Of these, two hundred and forty eight (248) questionnaires (91.2%) were filled and returned. Twenty four (24) questionnaires were not returned, translating to 8.8%.

#### 4.4 Demographic information of respondents

Table 4.1 Demographic information of respondents

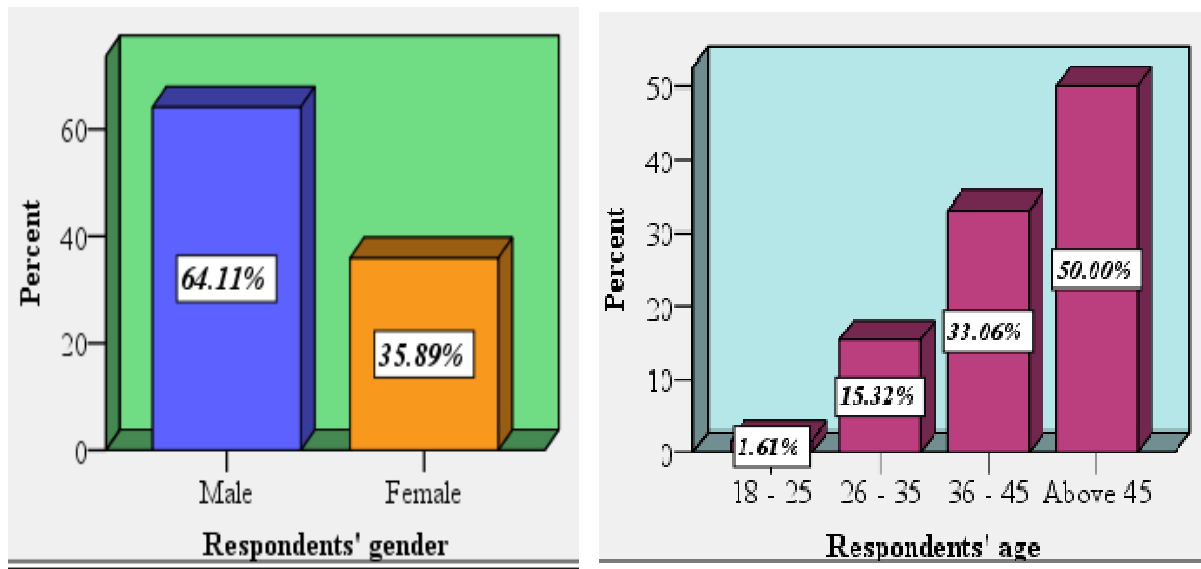
Demographic attributes	Category	Frequency	Percentage (%)
Respondents' gender	Male	159	64%
	Female	89	36%
	<b>Total</b>	<b>248</b>	<b>100</b>
Respondents' age	18 – 25	4	2%
	26 – 35	38	15%
	36 – 45	82	33%
	Above 45	124	50%
	<b>Total</b>	<b>248</b>	<b>100</b>
Educational status of respondents	High school and below	12	5%
	College certificate	12	5%
	First degree	37	15%
	Second degree and above	187	75%
	<b>Total</b>	<b>248</b>	<b>100</b>
Employment status of respondents	Government	60	24%
	Self employed	131	53%
	Unemployed	2	1%
	Retired	2	1%
	Other	53	21%
	<b>Total</b>	<b>248</b>	<b>100</b>
Respondents' marital status	Single	54	22%
	Married	168	68%
	Divorced	6	2%
	Would rather not tell	20	8%
	<b>Total</b>	<b>248</b>	<b>100</b>
Respondents' annual income	Below 20,000	6	3%
	20,001-40,000	26	10%
	40,001 and higher	140	56%
	Would rather not tell	76	31%
	<b>Total</b>	<b>248</b>	<b>100</b>

*Source: Survey data (2017)*

#### 4.4.1 Distribution of respondents' gender and age

The study revealed that, there was a gender disproportion between the male and female respondents. (See table 4.1). About 64% of the respondents were male, while 36% were female. This finding is comparable with a survey of inbound tourism made by the ministry of culture and tourism (2013). It shows about 70% of participants were male and the rest 28% of them were female. The implication here is that the hotels should develop their products and services to meet the needs and wants of more for male without disregarding female business guests. This may explained by the inclusion of facilities which are important for the men business executives.

**Figure 4.1 Gender and age characteristics of respondents**

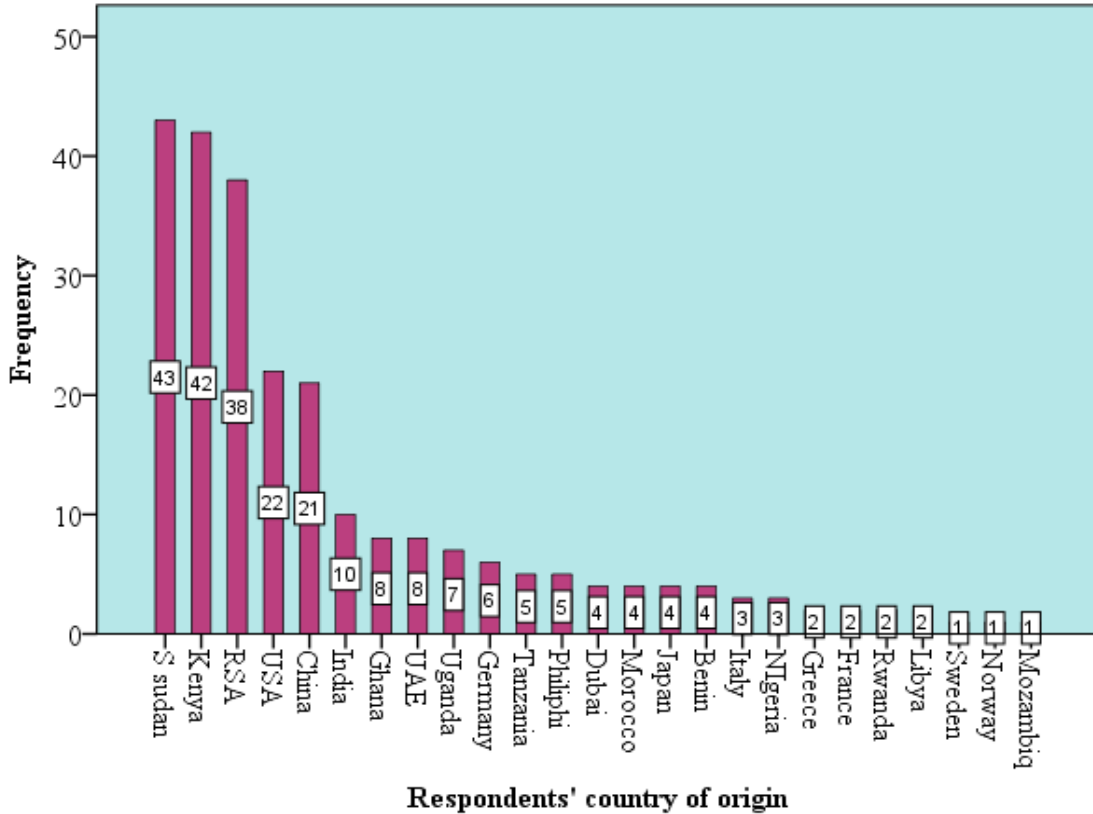


*Source: Survey data (2017)*

Regarding the respondents' age, half (50%) of them were people in the middle of adulthood (above 45 years). (See figure 4.1). Followed by respondents aged 35-45 and 26-35 taking share of 33% and 15.3% respectively.

#### 4.4.2 Distribution of respondents by origin

Fig. 4.2 Distribution of Respondents by country of origin



*Source: Survey data (2017)*

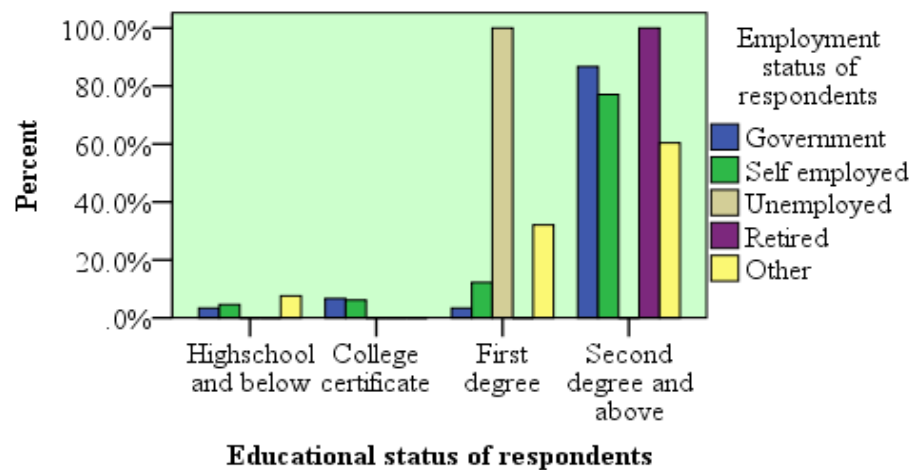
The study revealed that much of respondents are international guests from African continent. This is different from finding of the survey made by the Ministry of culture and tourism (2013) where Europe was dominant in the number of inbound tourists. Business guests from South Sudan take the lead by 17.3%, followed by the republic of Kenyan 16.9% and South Africans 15.3%. Respondents from United States of America, China and Indians were among the non-African business guests participated largely in this study. This could merely associate with the presence of African union, United nation economic commission for Africa, Intergovernmental authority for development and other regional offices.

No matter how African customers take lion share, hoteliers should also not forget the non-African business guests though they were few in number. Meeting business guests' expectations assists in boosting guest satisfaction hence getting repeat business. Business guests have almost similar needs and hoteliers should aim meeting these needs. This would in addition to return guests also bring new business through a positive word of mouth from the guests to their families, relatives and friends.

#### 4.4.3 Distribution of Educational and Employment status of respondents

According to the study's finding, 90% of participants were guests with at least first degree and above educational status. This may tell as participants were kind of people who can easily understand the intent of the questioner and respond genuinely. This may help the study greatly. (See figure 4.3). In this regard international business guests visiting star rated hotels of Addis Ababa need to be given due care in many perspectives. This may include additional facilities like in-room internet access, stationery materials and other to be kept in guests' room. The study also revealed that, 52.8% of respondents participated in the study were self-employed, followed by government employees taking 24.2% of the entire participants. This group of travelers may be very economical since they cover their expenses by themselves. So, hoteliers need be alert for extra facilities provided in the room and other service outlets.

**Figure 4.3 Distribution of Educational and Employment status of respondents**



*Source: Survey data (2017)*

## 4.5 Respondents' behavior

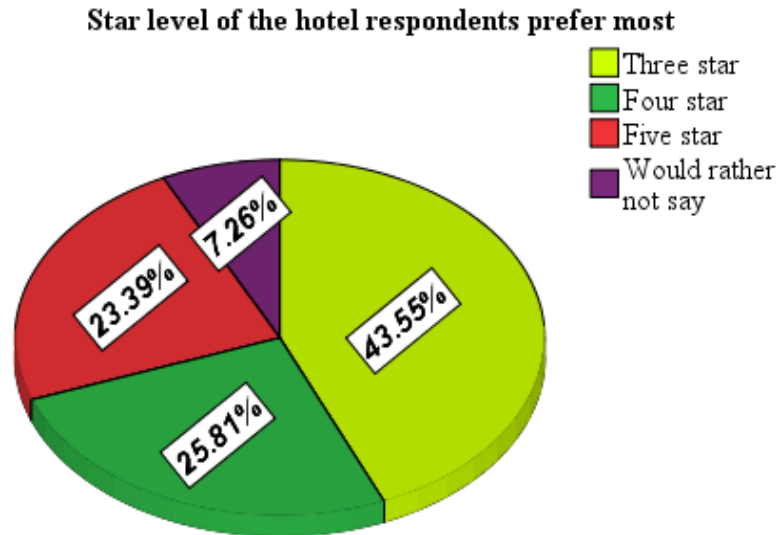
**Table 4.2 Respondents' behavior**

Attributes		Frequency	Percentage (%)
Star level of the hotel respondents prefer most	Three star	108	43.5%
	Four star	64	25.8%
	Five star	58	23.4%
	Would rather not say	18	7.3%
	<b>Total</b>	<b>248</b>	<b>100.0</b>
Respondents' frequency of visit to star rated hotels	Twice and less	34	13.7%
	Three times in a year	71	28.6%
	Four times and more in a year	143	57.7%
	<b>Total</b>	<b>248</b>	<b>100.0</b>
Respondents' reason of visit to these hotels	Conference and meeting	156	62.9%
	Seminar or study	44	17.7%
	Exhibition	10	4.0%
	Other	38	15.3%
	<b>Total</b>	<b>248</b>	<b>100.0</b>
Respondents' accompany	Spouse	12	4.8%
	Friends	33	13.3%
	Family	12	4.8%
	No one	118	47.6%
	Other	73	29.4%
	<b>Total</b>	<b>248</b>	<b>100.0</b>
Respondents' source of accommodation information	Friends or relatives	62	25.0%
	Hotel's website	42	16.9%
	Online review	97	39.1%
	Local travel agents and Tour operators	47	19.0%
	<b>Total</b>	<b>248</b>	<b>100.0</b>
Respondents' room choice	Single	74	29.8%
	Double	113	45.6%
	Twin	35	14.1%
	Suite	26	10.5%
	<b>Total</b>	<b>248</b>	<b>100.0</b>

*Source: Survey data (2017)*

#### 4.5.1. Star category of hotels respondents prefer most

Figure 4.5 Star category of hotel guests prefer most



*Source: Survey data (2017)*

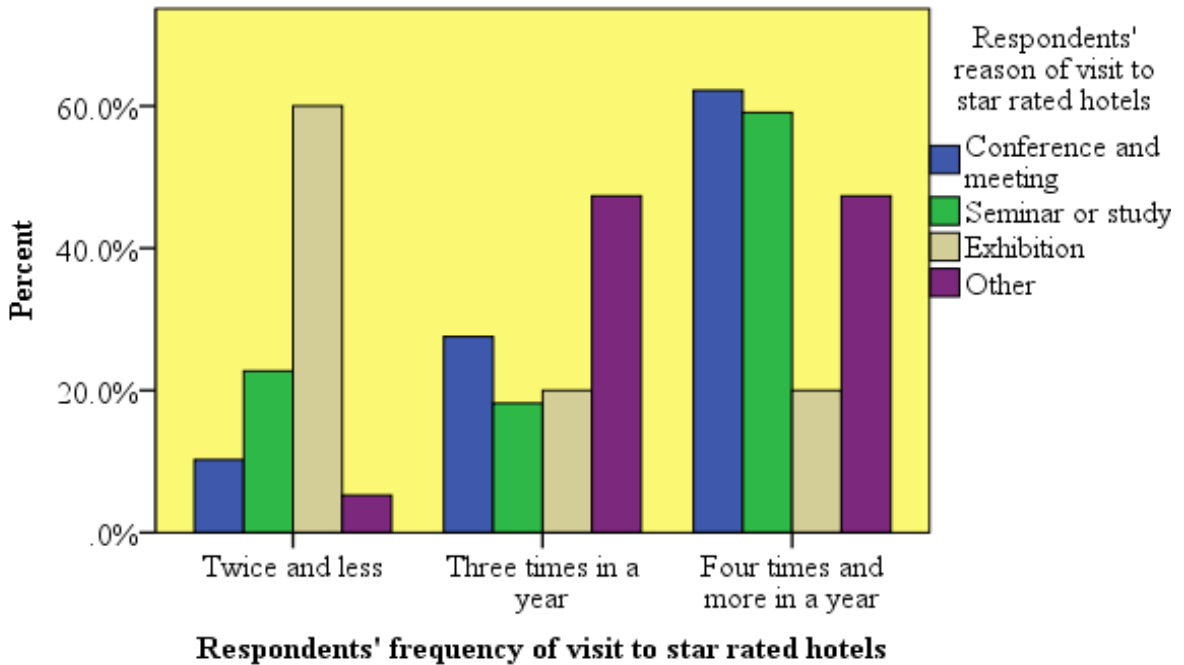
The study revealed that, more participants of this study are guests preferring to stay in three star rated hotels. (See table 4.2). Accordingly, 43.6% of participants prefer three star rated hotels followed by guests preferring to stay in four and five star rated hotels which is 25.8% and 23.4% respectively. 7.3% of participants remained neutral. This could be associated with number of factors. First, the availability of relatively large number of three star rated hotels scattered in the city. This enables such largely spreaded hotels category better accessible than their counterpart.

Secondly, it is deemed to be business guests prefer commercial and moderately priced hotels offering comfortable products and service at relatively reasonable price. According to Ethiopian accommodation star grading standard (2015), the absence of as such significant difference in respect to four and five star rated hotels here in Addis Ababa could also be another reason for guest to prefer three star rated hotels.

#### 4.5.2. Reason and Frequency of respondents visit to star rated hotels

The need to find out the frequency of visits to the hotels by business guests is important as it reveals how often business guests make return visits. Business guests are an influential market to hoteliers as they boost occupancy levels, especially during low seasons. This is illustrated by table 4.2. The study finding showed that, there is a disparity between frequencies of visit by travelers. (See figure 4.9). Most of participants (57.7%) in the study have made more than four times business visit to star rated hotels of Addis Ababa per year. 28.6% of travelers make three times and 13.7% of them make twice and less business trip to Addis Ababa per year. This shows that international business guests visit star rated hotels in Addis Ababa frequently. This could be as the result of the presence of African Union and many more international offices here in Addis Ababa.

**Figure 4.9 Distribution of Reason and frequency of respondents' visit to star rated hotels**



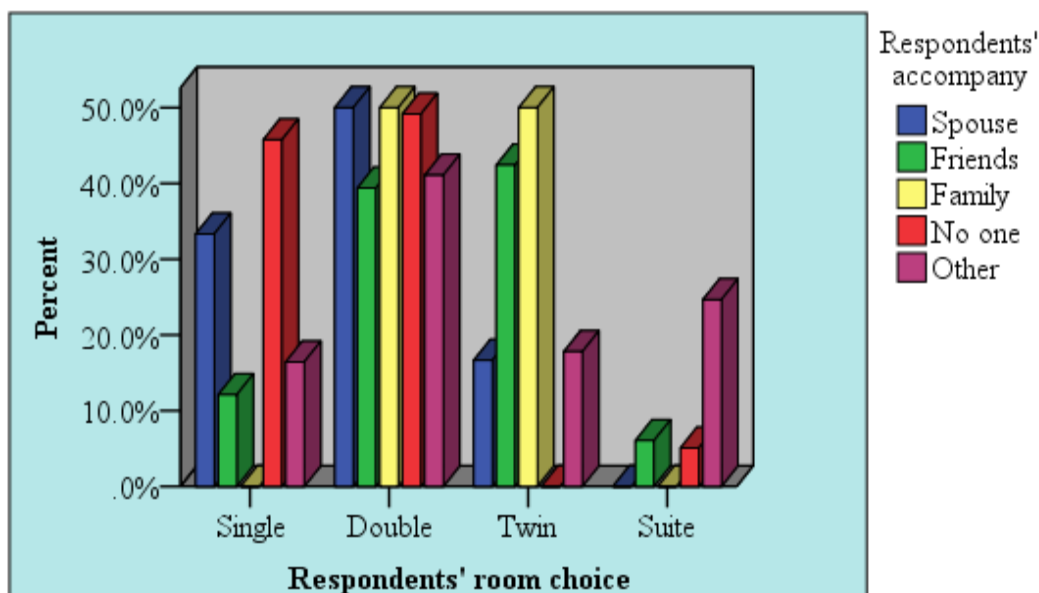
*Source: Survey data (2017)*

The study finding discovered that Conference and meeting is the primary reason for international business guests to make a trip to Addis Ababa. Among the participants, 62.9% of them visited the city for conference and meeting.

Furthermore, 39.8% of the conference and meeting participants visit these hotels four times and more per a year. This shows many of business travelers coming to Addis Ababa's hotels are mainly for conference reason. This may also indicate conference participants visit the city more frequently than any other visitors. This could be associated with the presence of enormous international, continental and regional offices. So, the hoteliers need to align their product and service offered in the perspective of what this market segment is demanding. In prioritizing this, they will make themselves a preferable destination and will take advantage of this market of enormous value.

#### 4.5.3. Respondents' accompany and type of room preference

**Fig 4.10 Distribution of Respondents' accompanies and type of room preference**



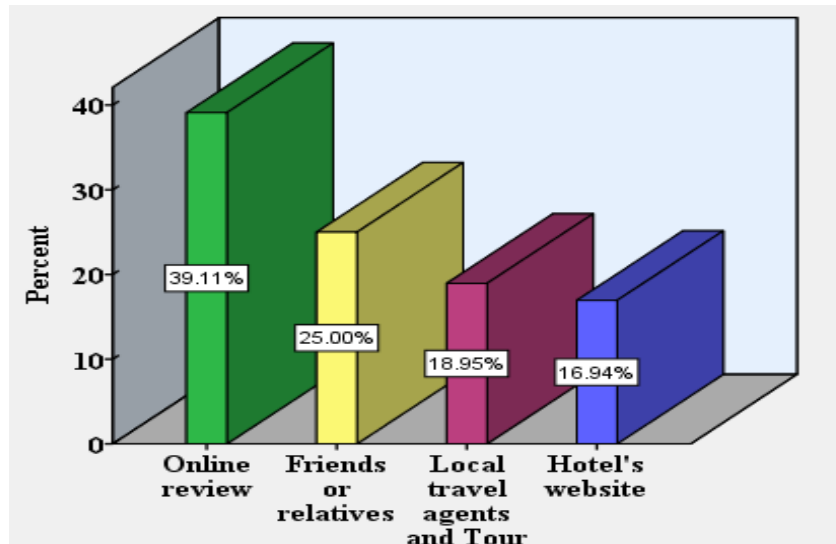
*Source: Survey data (2017)*

The study shows that half of the respondents who have made trip to these rated hotels of Addis Ababa came alone. Some arrangement made in the room and other service outlets of the hotels need to consider with whom the guests come with. (See figure 4.10). Among the participants of the study, 47.6% of them come alone, 13.3% with friends, 4.8% with their family and another 4.8% were with a spouse. This figure is highly informative for hoteliers in preparation for the type of room these guests will use and other additional facilities and amenities to be included in the room package.

#### 4.5.4. Respondents' source of accommodation information

The study revealed that, most of participants of this study collected their accommodation information from online review. This finding supported by a survey conducted by the ministry of culture and tourism (2013), it shows that internet /social media was the main source of accommodation information for inbound travelers. (See figure 4.11). 39.1% of them traveled to Addis Ababa's rated hotels with information sourced from online review closely followed by 25% of participants assisted by information from Friends or relatives.

Figure 4.11 Respondents' source of accommodation information



Source: Survey data (2017)

Nowadays, there are number of online sites like Trip advisor and booking.com, where travelers review accommodation information from. Guests will post about their particular hotel experience. Accordingly, any potential guests about to arrange their visit to that particular destination will have a chance to access information concerning the particular hotel. This will greatly assist guests in their hotel selection decision. As to this study finding, Friends or relative were also significant in being source of information for prospect guest in relation hotel selection. This tells us hoteliers need to remain alert to their guests feeling and satisfaction level and hence, try to address them before they check out in case of any complaint.

## 4.6 Multivariate normality assumption

The most fundamental assumption in multivariate analysis is normality, referring to the shape of the data distribution to an individual metric variable and its correspondence to normally distribute of the benchmark for statistical methods (Anderson, 2010). According to the literature on normality, there are three common procedures to assess the normality of the selected sample  $n$  from the population is normally distributed are; graphical methods (Histogram), numerical method (Kurtosis and Skewness).

Researchers argue that performing only one of the above methods to test normality is not enough to say the data are normally distributed or not (Anderson, 2010). Therefore, in this study, the researcher employed all the above three methods to conclude the normal distribution of the data. As we have seen (*Appendix II a*) using histogram graph, the distribution was somehow bell-shaped to the origin and more or less normally distributed. Additionally, the descriptive methods of kurtosis and skewness applied to check the distribution. Kurtosis refers to the “peakedness” or “flatness” of the distribution compared with the normal distribution. Simply, kurtosis mean that the height of the distribution. Whereas, skewness is the balance of the distribution to the left and to the right of the mean (Anderson, 2010).

As a common rule of thumb test for normality is to run descriptive statistics to get skewness and kurtosis, then divide this by standard errors. Skew should be between +2 to -2 range when the data are normally distributed. Some authors use +1 to -1 as a more stringent criterion when normally critical. For this study, the researcher used +2 to -2 range to detect both kurtosis and skewness. A descriptive statistics were computed and attached in the (*Appendix II a*) and found within the ranges of -2 and +2.

## 4.7 Descriptive analysis for determinants of hotel selection

### 4.6.1. Importance of hotels' location as perceived by respondents

The study findings revealed that, location of the hotel is the key feature considered by respondents in selecting a hotel to stay in. This is manifested by the respondents preference. (See table 4.3). Almost all (99.2%) of respondents voted hotel's location as an important parameter in their hotel selection. This includes hotel's ease of accessibility, proximity to shopping centers, proximity to the airport, comfortable environmental setting and proximity to downtown as significant factor.

**Table 4.3 Results on the respondents' view on the importance of hotels' location**

Hotels' location							
		Frequency	Percent	Mean	Median	Mode	Standard Deviation
Valid	Neutral	2	0.8	4.72	5.00	5.00	0.35
	Important	98	39.5%				
	Very important	148	59.7				
	Total	248	100.0				

*Source: Survey data (2017)*

In conclusion, the grand mean value of the category (Hotels' location) is 4.72, median (5), mode (5) which means that the respondents saw a high importance of all the five attributes combined, and standard deviation is (0.35) which is small. It also suggests that there is a minor difference among the respondents' view on the importance of the category. The mean value of individual attributes under this category ranged from the least 4.6 (hotel's closeness to airport) to the highest 4.83 (hotel's Proximity to downtown).

#### 4.6.2. Importance of value for money as perceived by respondents

The study's outcome revealed that, value for the money of products and services received matters a lot in respondents' hotel selection. This can be expressed in terms of Hotel's gym center, swimming and massage value for money, Food and beverage value for money, guestroom and meeting hall value for money. This was demonstrated well. (See table 4.4). Nearly all partook respondents (94.8%) supported the high importance of the attribute in their hotel selection.

**Table 4.4 Results on the respondents' view on the importance of value for money**

Value for money							
		Frequency	Percent (%)	Mean	Median	Mode	Standard deviation
Valid	Unimportant	2	0.8	4.54	4.67	5.00	0.54
	Neutral	11	4.4				
	Important	78	31.5				
	Very important	157	63.3				
	<b>Total</b>	<b>248</b>	<b>100.0</b>				

*Source: Survey data (2017)*

In wrapping up (See table 4.4), the grand mean value of the category (Hotel's value for money) is 4.54, median (4.67), mode (5) and standard deviation (0.54). All together they show the high importance of all the three attributes combined with a minor difference among the respondents' view on this category. The mean value of individual attributes under this category ranged from the lowest 4.42 (Hotel's gym center, swimming and massage value for money) to the highest 4.55 (Guest room Meeting halls value for money).

### 4.6.3. Importance of hygiene and cleanliness as perceived by respondents

The study's finding outlined the very high significance of hygiene standards of hotel in guests' hotel selection. (See table 4.5). Nearly all (99.2%) of respondents witnessed the attribute's significance for hotel selection. Under this category, there were three elements. Namely, overall hygiene and cleanliness food and beverage service outlets, overall hygiene and cleanliness in the public areas and overall hygiene and cleanliness in the public areas.

**Table 4.5 Results on the respondents' view on the importance of staffs' attributes**

Overall hygiene							
		Frequency	Percent (%)	Mean	Median	Mode	Standard deviation
Valid	Neutral	2	0.8	4.69	5.00	5.00	0.46
	Important	75	30.2				
	Very important	171	68.9				
	Total	248	100.0				

*Source: Survey data (2017)*

In conclusion, the grand mean value of the category (Hygiene and cleanliness) is 4.69; which mean that the respondents saw a high importance of all the three attributes combined, and the standard deviation (0.46) which is small also suggests that there is a little difference among the respondents' view on the importance of the category. The mean value of individual attributes under this category ranged from the least 4.67 (Overall hygiene and cleanliness food and beverage service outlets) to the highest 4.75 (Overall hygiene and cleanliness in the public areas).

#### 4.6.4. Importance of staffs' attributes in customer service

Under this category, there were three attributes (*See appendix 1*). Namely, Staffs' are courteous, Staffs are friendly and Staff understand customers request and respond accordingly. The study's finding revealed the significance of this particular factor. (*See table 4.6*). Most of respondents (92.7%) viewed as an important factor in business guests' hotel selection. Only 2.4% of them outlined its unimportance and 4.8% respondents remained neutral.

**Table 4.6 Results on the respondents' view on the importance of staffs' attributes**

Staffs' attribute							
		Frequency	Percent (%)	Mean	Median	Mode	Standard deviation
Valid	Unimportant	6	2.4	4.48	4.67	5.00	0.64
	Neutral	12	4.8				
	Important	87	35				
	Very important	143	57.7				
	Total	248	100.0				

*Source: Survey data (2017)*

In general, the grand mean value of the category (Staffs' service attributes) is 4.48, median (4.67), mode (5) which means that the respondents saw a high importance of all the three attributes combined. The standard deviation (0.6) is modest. It also suggests that there is a little difference among the respondents' view on the importance of the category. The mean value of individual attributes under this category ranged from the lowest 4.4 (Staff understand customers request and respond accordingly) to the highest 4.57 (Staff are friendly).

#### 4.6.5. Importance of core products and services

Under this category, there were thirteen attributes (*See appendix 1*). Namely, Accessibility of outlets to person physically challenged, Varieties and quality of menu served in the bar & dining, Adequacy of parking space with sufficient lighting, Free shuttle service form the airport and other corner of the city, Availability of Business center & Wi-Fi access at the lobby, Availability of additional Hotel facilities, Sufficient on-premises meeting halls and exhibition centers, Availability of onsite souvenir shop and six more. The study's result shows core products and services rendered in hotels matters in business guests' hotel selection. (*See table 4.7*). Almost all of respondents (85.5%) voted important factor in their hotel selection.

**Table 4.7 Results on the respondents' view on the importance of hotel's core products and services**

Core products and services							
		Frequency	Percent (%)	Mean	Median	Mode	Standard deviation
Valid	Unimportant	2	0.8	3.8	3.85	3.5	0.54
	Neutral	34	13.6				
	Important	192	77.5				
	Very important	20	8				
	Total	248	100.0				

*Source: Survey data (2017)*

In conclusion, the grand mean value of the category (Core products and services) is 3.8 which mean that the respondents saw a modest importance of all the thirteen attributes combined, and the standard deviation (0.54) which is small also suggests that there is a tiny difference among the respondents' view on the importance of the category. The mean value of individual attributes under this category ranged from the least 3.95 (Size and interior of guest bedrooms) to the highest 4.42 (Free shuttle service form the airport and other corner of the city).

#### 4.6.6. Importance of security of the hotel premises as perceived by respondents

Under this category, there were five attributes (*See appendix 1*). Namely, Full time security personnel service, In-room safe, Emergency exit, Guest room Chain locks/latches and Fire alarm. As per the study's finding, largest part of respondents (91.2%) advocated security is an important issue to consider in hotel selection. (*See table 4.8*).

**Table 4.8 Results on the respondents' view on the importance of hotel's security**

Hotels' Security							
		Frequency	Percent (%)	Mean	Median	Mode	Standard deviation
Valid	Neutral	22	8.8	4.46	4.6	4.8	0.56
	Important	64	25.7				
	Very important	162	65.3				
	<b>Total</b>	<b>248</b>	<b>100.0</b>				

*Source: Survey data (2017)*

To conclude, the grand mean value of the category (Safety and security) is 4.46, median (4.6) and mode (4.8). (*See table 4.8*). These mean that the respondents saw a high importance of all the eleven attributes combined, and the standard deviation (0.56) which is small and also suggests that there is a tiny difference among the respondents' view on the importance of the category. The mean value of individual attributes under this category ranged from the least 4.33 (In-room safe) to the highest 4.56 (Guest room Chain locks/latches and Emergency exit).

#### 4.6.7. Importance of guests' previous experience

Under this category, there were three attributes (*See appendix 1*). Namely, Guests' experience of guest room particular hotel, previous experience regarding efficiency of staff service particular hotel and previous experience of concerning security in particular hotel.

**Table 4.9 Results on the respondents' view on the importance of guests' previous experience**

Guests' Previous experience							
		Frequency	Percentage (%)	Mean	Median	Mode	Standard deviation
Valid	Neutral	14	5.6	4.54	5.00	5.00	0.58
	Important	84	33.8				
	Very important	150	60.5				
	<b>Total</b>	<b>248</b>	<b>100.0</b>				

*Source: Survey data (2017)*

To winding up as it is shown in table 4.5, the grand mean value of the category (Guests' previous experience) is 4.54, median (5) and mode (5). (*See table 4.9*). Which mean that the respondents saw a high importance of all the three attributes combined, and the standard deviation (0.58) which is small also suggests that there is a moderate difference among the respondents' view on the importance of the category. The mean value of individual attributes under this category ranged from the least 4.52 (My previous experience regarding efficiency of staff service particular hotel) to the highest 4.55 (My previous experience of guest room particular hotel).

#### 4.8 Future expectations on hotels' selection attributes by respondents

**Table 4.10** Future expectations on hotels' attributes as perceived by guests

Attributes	State	Frequency	Percent %	Mean	Standard deviation
Guests' future expectation on hotel's accessibility	Maintain	27	10.9%	2.2	0.6
	Improve	140	56.5%		
	Highly improve	81	32.6%		
	<b>Total</b>	<b>248</b>	<b>100.0</b>		
Guests' future expectation on hotel's staffs attribute and customer service	Maintain	68	27.4%	1.99	0.7
	Improve	115	46.4%		
	Highly improve	65	26.2%		
	<b>Total</b>	<b>248</b>	<b>100.0</b>		
Guests' future expectation on hotel's value for money	Maintain	65	26.2%	2.0	0.73
	Improve	117	47.2%		
	Highly improve	66	26.6%		
	<b>Total</b>	<b>248</b>	<b>100.0</b>		
Guests' future expectation on hotel's overall hygiene cleanliness standard	Maintain	53	21.4%	2.0	0.68
	Improve	132	53.2%		
	Highly improve	63	25.4%		
	<b>Total</b>	<b>248</b>	<b>100.0</b>		
Guests' future expectation on hotel's core products and services	Maintain	76	30.6%	1.96	0.76
	Improve	105	42.4%		
	Highly improve	67	27.0%		
	<b>Total</b>	<b>248</b>	<b>100.0</b>		
Guests' future expectation on hotel's safety and security	Maintain	63	25.4%	2.0	0.75
	Improve	109	44.0%		
	Highly improve	76	30.6%		
	<b>Total</b>	<b>248</b>	<b>100.0</b>		

*Source: Survey data (2017)*

#### **4.8.1 Respondents' future expectations on accessibility**

The study's finding revealed that, respondents were not much satisfied with the selected star rated hotels' ease of accessibility in Addis Ababa. (See table 4.10). 89.2% of respondents opted that the accessibility of these star rated hotels in Addis Ababa should be improved in order to be considered in business guests' choice. It is only 10.9% of respondents perceive in accessibility of star rated hotels in Addis Ababa has to be maintained. The average response alternative chosen by respondents was 2.2, mode, the most frequent alternative answered is 2 (improve) and standard deviation is 0.6. This lead us to the conclusion of business guests require much improvement in on accessibility of the hotels in their next visit.

The study revealed that this attribute doesn't meet expectations of most of the respondents. No matter how most of them were located around bole area, Accessibility of the star rated hotels in Addis Ababa was found to be not satisfactory to business guests. This is a very important factor for business guests as they got very little time to do business and hence, convenience is critical. As Lockyer (2002) found out, convenient and accessible location is important to business guests.

#### **4.8.2 Respondents' future expectation on hotels' staffs service attributes**

The study revealed that, many of the respondents were not satisfied with staff attributes and level of customer service in these selected star rated hotels. (See table 4.10). 72.6% of respondents responded that attributes of staffs in these hotels should be improved. 27.4% of respondents indicated the attribute of staff in these star rated hotels of Addis Ababa need to be maintained. The mean value of the score is 1.99 (nearer to "improve") and the standard deviation is 0.7. This indicates that business guests expect staffs' customer service to be improved with a little variation of perception among them. Staff issues range from staff friendliness, staff cleanliness, courtesy, skills, among many. Guests were satisfied with these aspects to some extent. As per the study's finding, there need to be some improvements as well. Therefore, there is need for star rated hotels to improve on staff and service delivery in the future if they are to meet guest expectations.

As Han, Back and Barret (2009) found out, the physical appearance of hotel personnel is an element which guests use to judge the quality of a hotel product. Wu and Liang (2009) also had the same finding. According to Lockyer (2002), items relating to staff, such as courtesy, politeness, good manners, enthusiasm, commitment of staff and efficiency are important elements.

#### **4.8.3 Respondents' future expectations on hotels' overall hygiene and cleanliness standards**

The study finding revealed that, most of respondents were not merely satisfied with the hygiene and cleanliness standards of star rated hotel in Addis Ababa. (*See table 4.10*). 78.6% of respondents indicated that there need to be an improvement on hygiene and cleanliness standards of star rated hotels in Addis Ababa. Only 21.4% of respondents were satisfied with the hygiene and cleanliness standards of these hotels. As shown in table 4.11, the average response alternative selected was 2.0 with a standard deviation of 0.68 which, altogether, shows the need for an improvement for this factor holds in the views of all respondents. Cleanliness and hygiene is of great importance and concern to hotel guests. Hence, this is a very important aspect of the accommodation product which the management of these hotels should give a clear emphasis.

#### **4.8.4 Respondents' future expectation on hotels' core products and services**

The finding shows that business guests were somehow not satisfied with core product and service provided by selected star rated hotels of Addis Ababa. (*See table 4.10*). 69.4% of respondents indicated that core products and services provided by these hotel need to be improved. It is only 30.6% of them suggested the attribute to be maintained for their next visit. As shown in table 4.11, the mean value of scores 1.96; nearer to "improve" and standard deviation is 0.76. Both together; show on average respondents expect the attribute almost to be improved with considerable variation among them. Core products and services are fundamental elements of the hotel product which high quality enhances compliments and poor quality elicits a lot of complains.

As outlined by Claver et al., (2006), an understanding of the attributes which will enhance compliments or will result into complains is important for the management to improve overall business guests' satisfaction and ensure loyalty. Business guests expect star rated hotels in Addis Ababa to improve on this aspect.

The core product and service in selected star rated hotels in Addis Ababa were below the required standard. The quality and varieties of food and beverage served, size and interior of the guest rooms, in room business services, in room entertainment services, availability of additional hotel facilities were some of the concerns from the guests. The future expectation of business guests is to receive quality products and service. This ranges from the food prepared, the equipment used in service to the actual serving, room setup and other.

#### **4.8.5 Respondents' future expectation on hotels' security**

The finding of this study revealed that, respondents' perception regarding overall safety and security issue in these selected star rated hotels in Addis Ababa. (*See table 4.10*). 74.6% of respondents recommend improvement is needed in safety and security of star rated hotels of Addis Ababa. But, about 25.4% of respondents were satisfied with safety and security of selected star rated hotels of Addis Ababa. The average (mean) value response alternative selected is 2.0 with a standard deviation of 0.75. Which, altogether, show the attribute need an improvement holds in the views of all respondents is "improve".

#### **4.9 Research discussion**

The aim of this study was to analysis determinants of hotel selection by international business travelers, the case of three to five star hotels of Addis Ababa. In this regard, the study revealed that most international business guests who visited selected star rated hotels of Addis Ababa were guests in the middle of adulthood. Most of them were male (64%) and 45 years and above (50%) closely followed by guests of age 36-45 (33%).

The findings also exposed that, most business guests to these hotels are from African countries, with a small percentage from other continents. Among these, South Sudanese, Kenyans and Republic of South Africans cover the largest number of business travelers consecutively. Perhaps, this could be linked with the research location's being home for many regional offices like inter governmental authority for development (IGAD), UNECA and other with the vivacity of the city for different conference and meeting like African Union summit.

The research findings also showed that, most of respondents (43.5%) preferring to stay in three star rated hotels followed by four and five star rated hotels. Among the respondents majority of them (57.7%) visits the city four times and more in a year where largest (62.9%) number of this respondents are here for conference and meeting reason. No matter how, (47.6%) respondents comes alone and for majority of respondents primely prefer double room. Regarding their source of accommodation information, online review is source of accommodation information for most of (39.1%) international business guests. Now a day, many online reviewing sites are available for guests. Less proportion (16.9%) of business guests navigate through the hotels' website to get accommodation information. This could mean incoming business guests trust the experience of previous guests over what hotels upload on their website.

The study has also identified location is key factor in business guests' hotel selection. With the highest grand mean value of 4.7 and the standard deviation of close to 0.35, this factor is perceived as the most important with little variation among the respondents. The study finding support the result of (Mc Cleary, Weaver & Hutchinson (1993); Dube & Renaghan (2000); Lewis (1984a). With the mean value 3.8 and standard deviation of 0.49, it is the core product and service provided by the star rated hotels that deemed to have a value less than important (4).

Concerning the future expectation of international business guests, the study's has identified factor those need to be maintained and improved. Accessibility of star rated hotels, price and hygiene standards should be given due emphasis. Where, almost all respondents stipulate an extensive improvement in their next trip to Addis Ababa hotels.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter provides a summary and conclusion of the study. It also gives recommendations from the study and for further studies.

### **5.2 Summary of research findings**

As per the collected and analyzed data, the findings are summarized as follow.

- There was comparatively higher number of male and adult respondent participated in the study.
- Respondents who visit the city frequently in a year are mainly for conference and meeting reason and majority of them are from African continent.
- Majority of respondents used online review where previously used customers has posted as the source for accommodation information from
- Respondents emphasize on location of the hotel that if it is close to airport, shopping center or downtown and possessing impressive environmental settings. They also provide an emphasis also on hotel's hygiene, value for money and their previous experience.
- Respondents demand moderate improvements on hotels accessibility, hygiene level, and value for money, security, staff professionalism and core product and service provided.

### **5.3 Conclusions**

The findings are considered valuable to hotel industry as they provide clear indication on the kind and behavior of business guests frequently come to the city. Having identified the characteristics of potential customers, it would be much essential for hoteliers to establish themselves and aligning their products and services rendered matching to this group of guests' desire.

This study provides useful and effective ways for hotel managers and developers to identify potential factors which matter most for business guests' in their hotel selection. Hotel companies must recognize what business guests feel is important for selecting a hotel. Once the hotel attributes in relation to business guests' requirements are clearly identified and understood, hotel managers are more likely to be able to anticipate and cater to their customers' desire and need, rather than merely reacting to their dissatisfaction (Oberoi & Hales 1990).

This research has also provided hotel companies with some valuable information regarding international business guests' future expectation on the stated hotel attributes. International business guests expect overall hygiene and cleanliness standard, accessibility, value for money are critical in their decision to select a hotel. Of course, location might be difficult to control once the hotel has been built. But, perhaps hotel operator can try harder to improve the hotel's view, ease of accessibility and many more. As for the hotel operator, they must ensure that it should be secure and safe enough environment for customers' physical activity and other issues during their stay in the property.

#### **5.4 Recommendations from the study**

As far as the study's findings are concerned, most of business guests coming to Addis Ababa are people in the middle of adulthood and from African country. So, hoteliers need to meet what this segment of guests wants to have. This may include creating friendly environment, welcoming them in a pleasing way, making adjustment on the menu and some unique arrangements made in guest rooms are among many especially during some international summits held in the city. As the result of mainly satisfied guest will make repeat visit, hoteliers need to stay alert for any feeling customers express during their stay. Now a day, Guests have developed a culture of sharing their experience in a particular hotel through online sites where potential guests review from. Making sure that guests did not checked out with unsolved complain, that will create bad word of mouth will have paramount importance in maintaining the business.

The other recommendation of the study is that, star rated hotels in Addis Ababa should strive hard to understand what guests prioritize and meet their expectations in order to gain repeat business and survive in life. Not only becoming preferable, but also staying preferable should be their prime target. Due attention should be paid for all attributes those were deemed to be important by business guests in the selection of hotels. Since parameters for hotels' like being easily accessible, having comfortable environmental setting and proximity to downtown were picked out by guests. This could also be tried with simple arrangement of shuttle service from and to airport and other transportation centers in the city. Hotels are better to have their own or outsourced mini shopping centers, banking facilities, ticketing offices and other facilities which guests need to have. In addition to that, hygiene standards in public areas like bathroom, lobby, corridor, restaurant and bar, are among crucial factors pointed out by guests as very important. There should not be any hesitation for managers and developers to make it right.

The other aspect is regarding areas which needed an improvement. This includes the overall hygiene standard of guest rooms, meeting halls, food and beverage service outlets are among many. Another area that guests pointed out was concerning value for money. Almost the price set by the hotels and the value gained was not reasonable in the view of guests. So, hoteliers need to revisit their pricing mechanism in comparison with their other African counterpart and keep collecting guests' comments and researching to improve in order to survive in the market. The core product and service provided is also an area that demand due attention. Variety and quality of food items available, free in room services, size and interior of guest rooms and efficient shuttle service from and to airport as well as from different corner of the city.

Staffs' efficiency is a high-flying selection factor which respondents wish to see as it is with a little improvement on it. Much of respondents insisted that the staffs' friendliness, courtesy and anticipation of guests' need are at its fine condition.

## 5.5 Recommendations for further research

The research recommends the following for further studies:

1. This research has only managed to touch the tip of the iceberg. Due to the limitation of time, international business guests only in three, four and five star rated hotels of Addis Ababa were contacted. The research was limited to a very specific demographic. But, had it been expanded to other groups of guests such as leisure, guests travelling for visiting friends and relatives and domestic guests would generate better result than the current findings.
2. The study has only been done in selected star rated hotels of Addis Ababa, while further study in all star rated and other tourist recommended guest houses could provide more interesting data.
3. The limitation of language in the questioner which were provided in English. The survey could be wider and more comprehensive if there were another language such as French as the result of most African travelers' language is French.
4. This study has faced enormous constraint to survey respondents due to some nationwide issue where the number of inbound tourists was low in compared to previous years. It would have been better to distribute questioners at the time of African Union summit where a huge number of business travelers will be around.
5. Lack of cooperation from many hotel managers, which they feel distributing questioner could compromise their guests' comfort. It would have been preferable method to conduct the survey online, where guests can access at their convenience.

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## APPENDICES

### Appendix I: Questioner

Dear Hotel guests,

I am currently doing my MBA study at Addis Ababa University, College of Business and Economics. You are selected to participate in a study designed to identify “*Determinants of Hotel Selection by International Business guests*” *The case of star rated Hotels of Addis Ababa*. Appreciating your participation in the study, the research output is used to fulfill the partial requirement of Master of Business Administration and only for academic purpose. Accordingly, your authentic information will help greatly in achieving the objective of the investigation. Your responses and anonymity will be kept confidential. Notice that, your involvement is voluntary and you may refuse to answer any question you feel uncomfortable.

With hospitality regard,

Girum Girma

[yeahgirum@gmail.com](mailto:yeahgirum@gmail.com)

cell. 0913255186

**The questioner has four parts.**

*Part I- Demographic profile of respondents*

*Part II - Guests' behavior*

*Part III- Determinants of Hotel selection*

*Part IV- Future expectation of business guests*

**Part I**

Put “**X**” sign in the box of your favorite answer.

1. **Gender,** Male  Female
2. **Your Age,** 18-25  26-35  36-45  Above 45
3. **You are from,** (*Country of residence*) \_\_\_\_\_
4. **Educational Level,** High school and below  College certificate   
First degree  Second degree and above  other
5. **Employment Status,**  
Government  Self-employed  Unemployed  Retired  Other
6. **Marital status,** Single  Married  Divorced  Would rather not say
7. **Annual income,** Below 20,000\$  20,000 – 40,000\$  40,001\$ and above

**Part II Guests' Behaviour in hotel selection**

**8. Which star category of hotel you prefer most in your bussiness visit?**

Three star  Four star  Five star  Would rather not say

**9. How frequent you visit star rated Hotels per year?**

Twiceand lessaYear  Three times in aYear  Four times & more in aYear

**10. What is your main reason for this particular bussiness visit?**

Conference Or Meeting  Seminar Or Study  Exihibition  Other

**11. Who is accompanying you?**

Spouse  Friends  Family  No one  Other

**12. Where did you get your accommodation information from?**

Friends or relatives  Hotel's website  Media

Online review  Travel agent and tour operators

**13. Which type of room you prefer most?**

Single  Double  Twin  Suite  Presidential  Other

**PART III-Determinants inselection of Hotels**

Kindly, rate the level of importance for the following aspects when you select hotels.

**Key: 1-Mostunimportant.2-Unimportant 3-Neutral 4-Important5-Most important**

S.N	FACTORS	RATINGS				
	<b>Factor 1- Location of the Hotel / Convenience</b>					
1.	Convenience to access the hotel	5	4	3	2	1
2.	Proximity to the airport and other transportation centers	5	4	3	2	1
3.	Proximity to shopping center	5	4	3	2	1
4.	Comfortable and attractive environmental setting	5	4	3	2	1
5.	Proximity to down town	5	4	3	2	1

<b>Factor 2 - Price \ Value for money</b>						
6.	Hotel's food and beverage services value for money	5	4	3	2	1
7.	Guest room and meeting halls value for money	5	4	3	2	1
8.	Additional hotel facilities value for money	5	4	3	2	1
<b>Factor 3 – Hotel's hygiene standard</b>						
9.	Overall hygiene and cleanliness of guest rooms and meeting halls	5	4	3	2	1
10.	Overall hygiene and cleanliness of food and beverage service areas	5	4	3	2	1
11.	Overall hygiene and cleanliness of hotel's other public areas	5	4	3	2	1
<b>Factor 4 – Staff and Customer service quality</b>						
12.	Staffs' courteous fullness	5	4	3	2	1
13.	Staffs' friendliness	5	4	3	2	1
14.	Staffs' ability to understand guest's request easily and responding accordingly in provision of service	5	4	3	2	1
<b>Factor 5 - Core products and service</b>						
15.	Accessibility of outlets to person physically challenged	5	4	3	2	1
16.	Varieties and quality of menu served in the bar & dining	5	4	3	2	1
17.	Size and interior of guest bedrooms ( <i>floor, windows, ceiling, furniture, bathroom, separate of smoking areas ...etc.</i> )	5	4	3	2	1
18.	In-room business service ( <i>in-room fax machine, printer, computer, data port, high-speed internet access, working desk, good lighting to read/work</i> )	5	4	3	2	1
19.	In-room entertainment ( <i>in- room VCR/DVD, digital TV, in-room Video games accessible to TV, additional TV in bathroom</i> )	5	4	3	2	1
20.	In room free services ( <i>free room-delivered continental breakfast, local telephone calls, newspaper</i> )	5	4	3	2	1
21.	Miscellaneous in-room services ( <i>in-room exercise equipment, in-room ironing board and iron, health snacks in the mini bar, brand name amenities, easily accessible electrical outlets</i> )	5	4	3	2	1
22.	Adequacy of parking space with sufficient lighting, clear Demarcation and valet service	5	4	3	2	1
23.	Free shuttle service form the airport and other corner of the city	5	4	3	2	1
24.	Availability of business center & Wi-Fi access at the lobby	5	4	3	2	1
25.	Availability of additional hotel facilities ( <i>swimming pool, fitness center, spa and massage ...etc.</i> )	5	4	3	2	1

26.	Sufficient on-premises meeting halls and exhibition centers with adequate conference facilities provided	5	4	3	2	1
27.	Availability of onsite souvenir shop, travel agency...etc.	5	4	3	2	1
<b>Factor 6 - Safety and Security of the Hotel's premises</b>						
28.	Full time security personnel in the hotels premises	5	4	3	2	1
29.	Guestroom chain locks/latches	5	4	3	2	1
30.	In-room safe	5	4	3	2	1
31.	Emergency exit	5	4	3	2	1
32.	Fire alarm	5	4	3	2	1
<b>Factor 7 – Previous experience</b>						
33.	My previous experience of guest room	5	4	3	2	1
34.	My previous experience of related to staff's efficiency	5	4	3	2	1
35.	My previous experience of concerning security	5	4	3	2	1

**PART IV - As a business guest, indicate your future expectation in star rated hotels of Addis Ababa in regard to the following hotel attributes to be considered in your hotels selection.**

- 1 - Maintain*
- 2 - Improve*
- 3 - Highly improve*

<b>S.N</b>	<b>Business guests' future expectation</b>	<b>Rating</b>		
1.	Accessibility of the hotel	3	2	1
2.	Attributes of Staff and customer service	3	2	1
3.	Value for money	3	2	1
4.	Overall Hygiene and cleanliness' of the hotel's premises	3	2	1
5.	Core products and service provided	3	2	1
6.	Safety and security	3	2	1

*Thank you very much for taking part in my survey.*

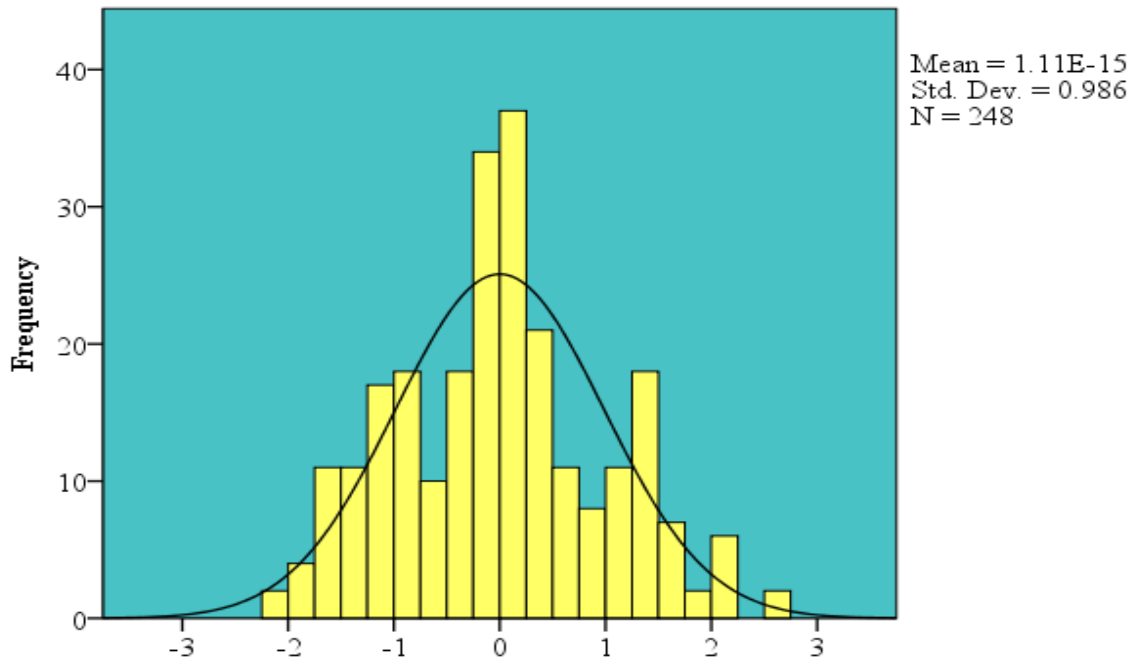
*March, 2017.*

**Appendix II- Normality test using descriptive analysis**

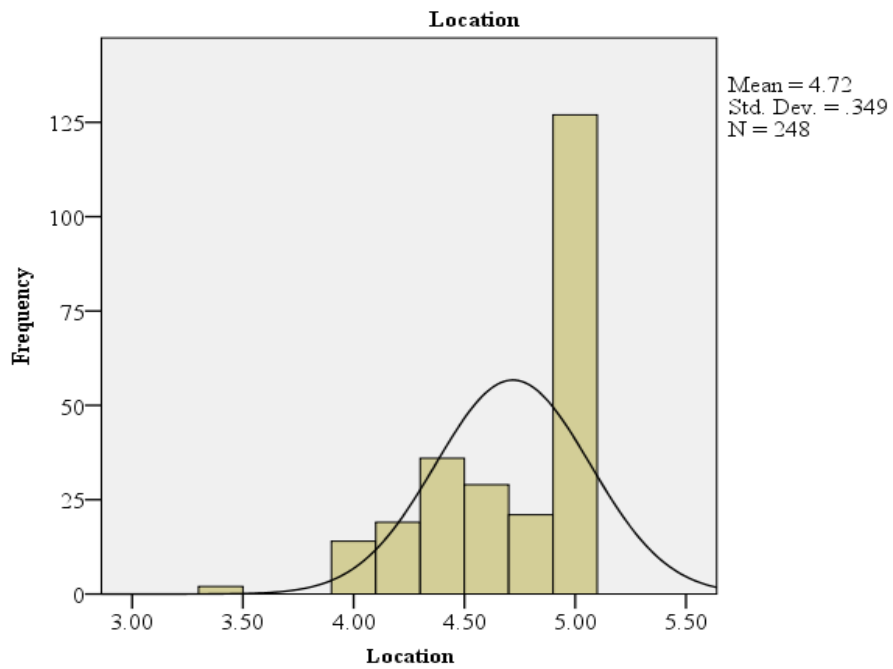
**Statistics**

		<b>Location</b>	<b>Value for money</b>	<b>Hygiene</b>	<b>staff</b>	<b>Core</b>	<b>Security</b>	<b>Previous experience</b>
N	Valid	248	248	248	248	248	248	248
Mean		4.7185	4.5417	4.6855	4.4785	3.8055	4.4605	4.5403
Std. Deviation		.34894	.53578	.45844	.64155	.53723	.56142	.57711
Skewness		-1.037	-1.419	-1.138	-1.404	-.418	-1.240	-1.062
Std. Error of Skewness		.155	.155	.155	.155	.155	.155	.155
Kurtosis		.412	2.268	.217	1.841	.598	.756	.367
Std. Error of Kurtosis		.308	.308	.308	.308	.308	.308	.308
Minimum		3.40	2.33	3.00	2.33	1.77	2.60	3.00
Maximum		5.00	5.00	5.00	5.00	5.00	5.00	5.00

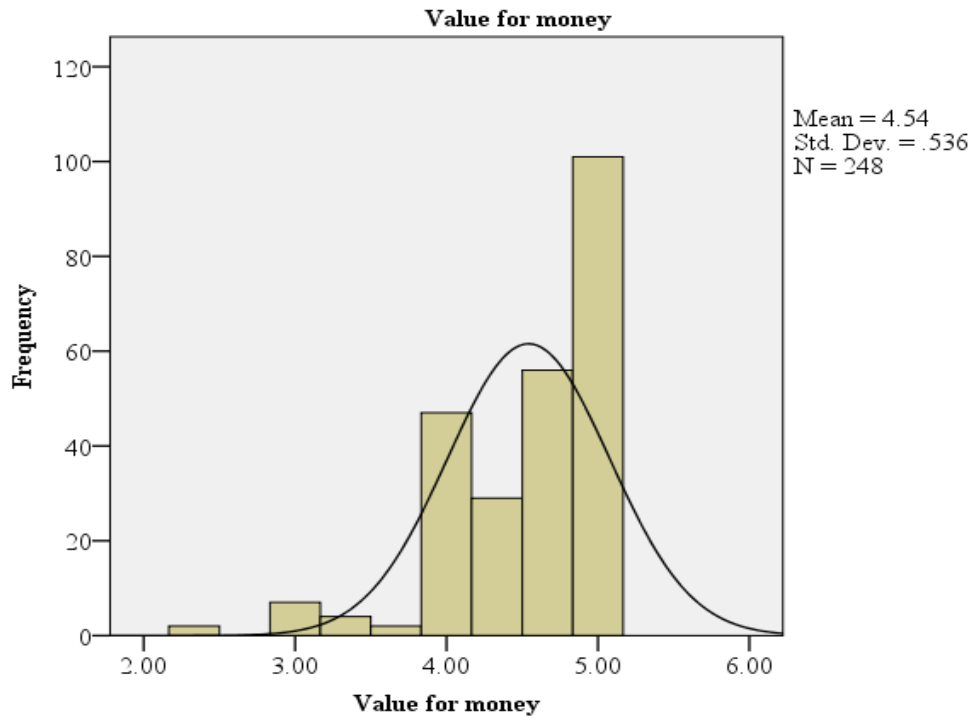
### Appendix II a- Normality test for all variables using histogram



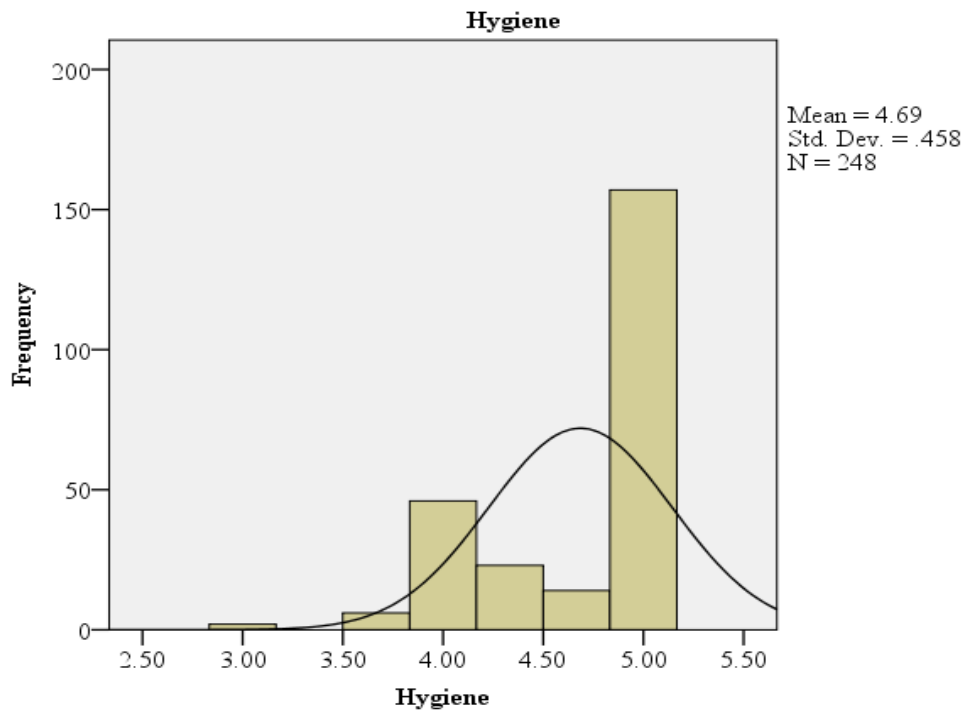
### Appendix II b- Normality test for location using histogram



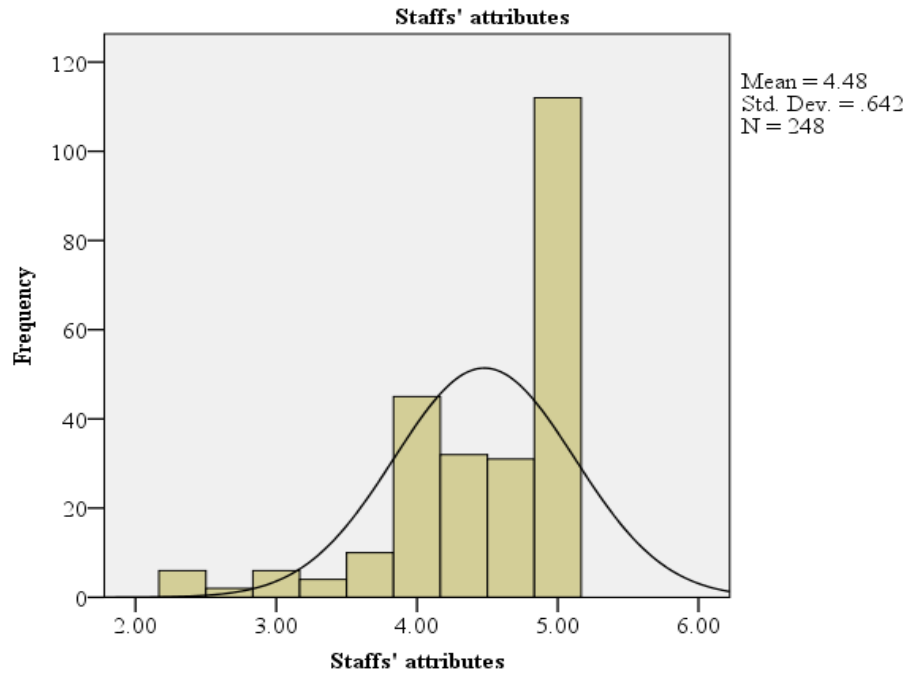
**Appendix II c - Normality test for value for money using histogram**



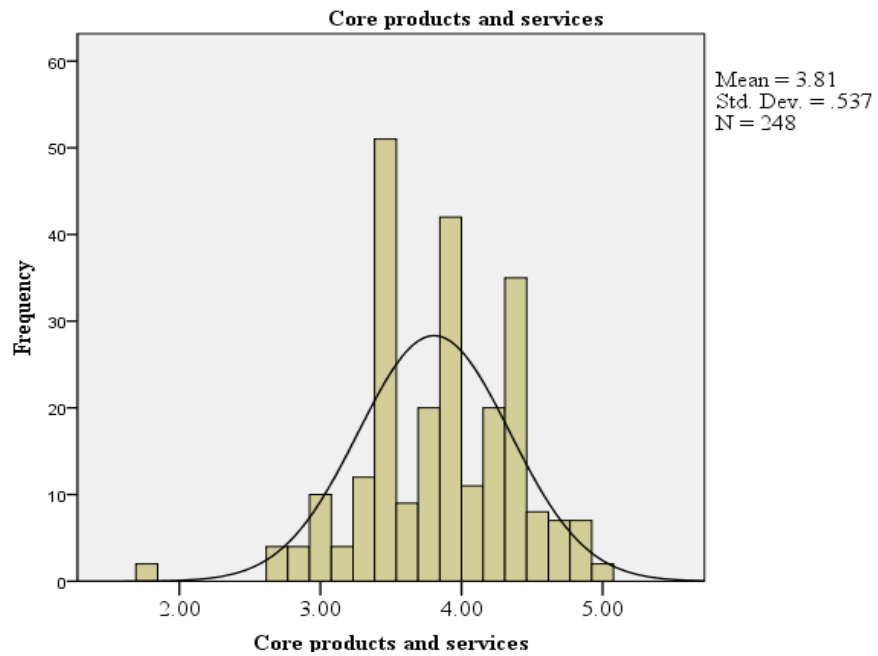
**Appendix II d - Normality test for hygiene standard using histogram**



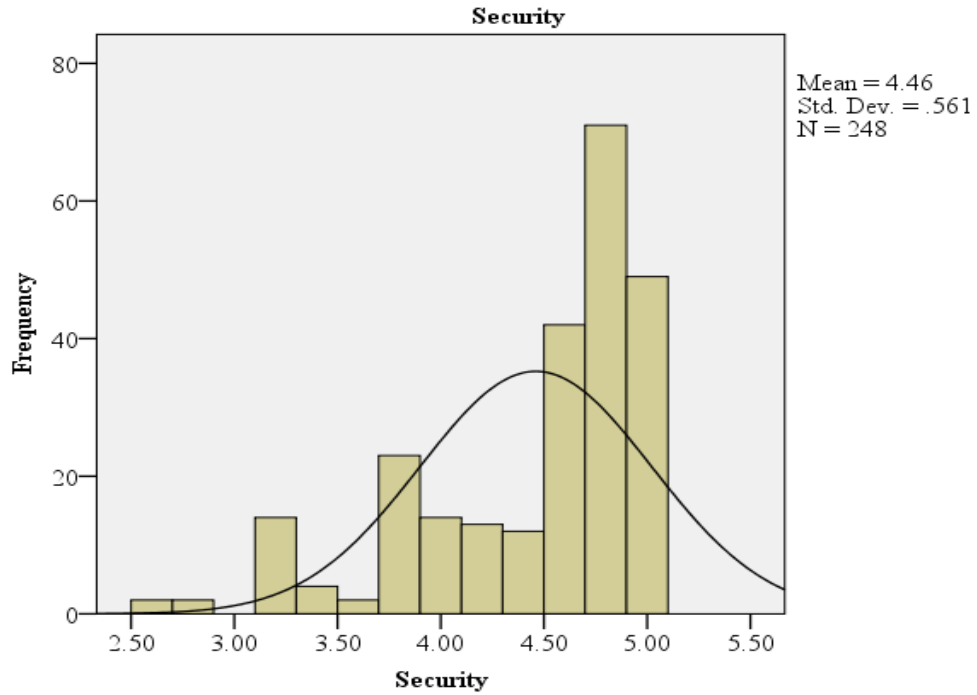
### Appendix II e - Normality test for staff's attributes using histogram



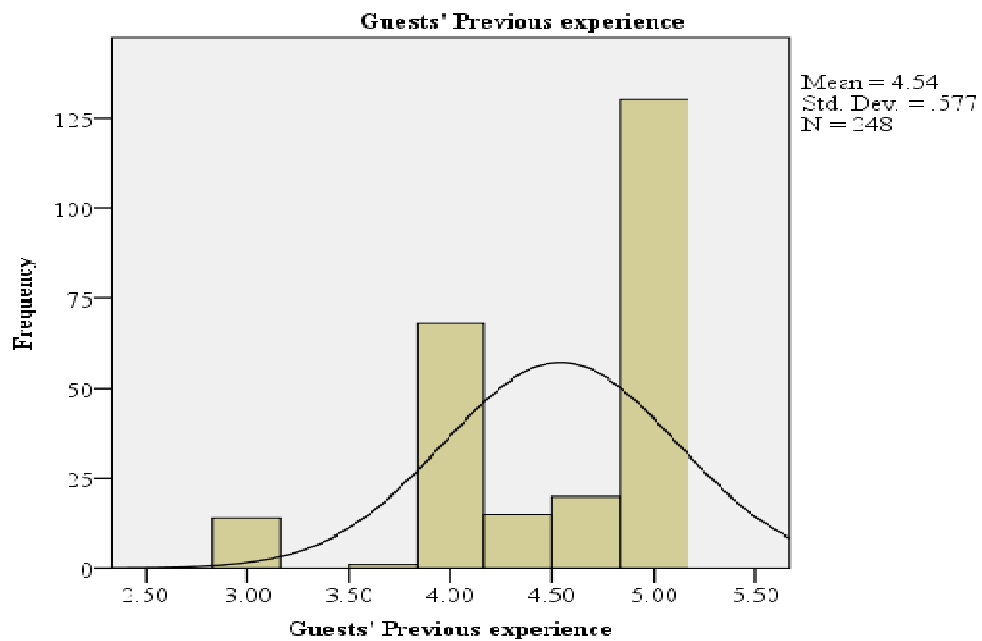
### Appendix II f - Normality test for core products and services using histogram



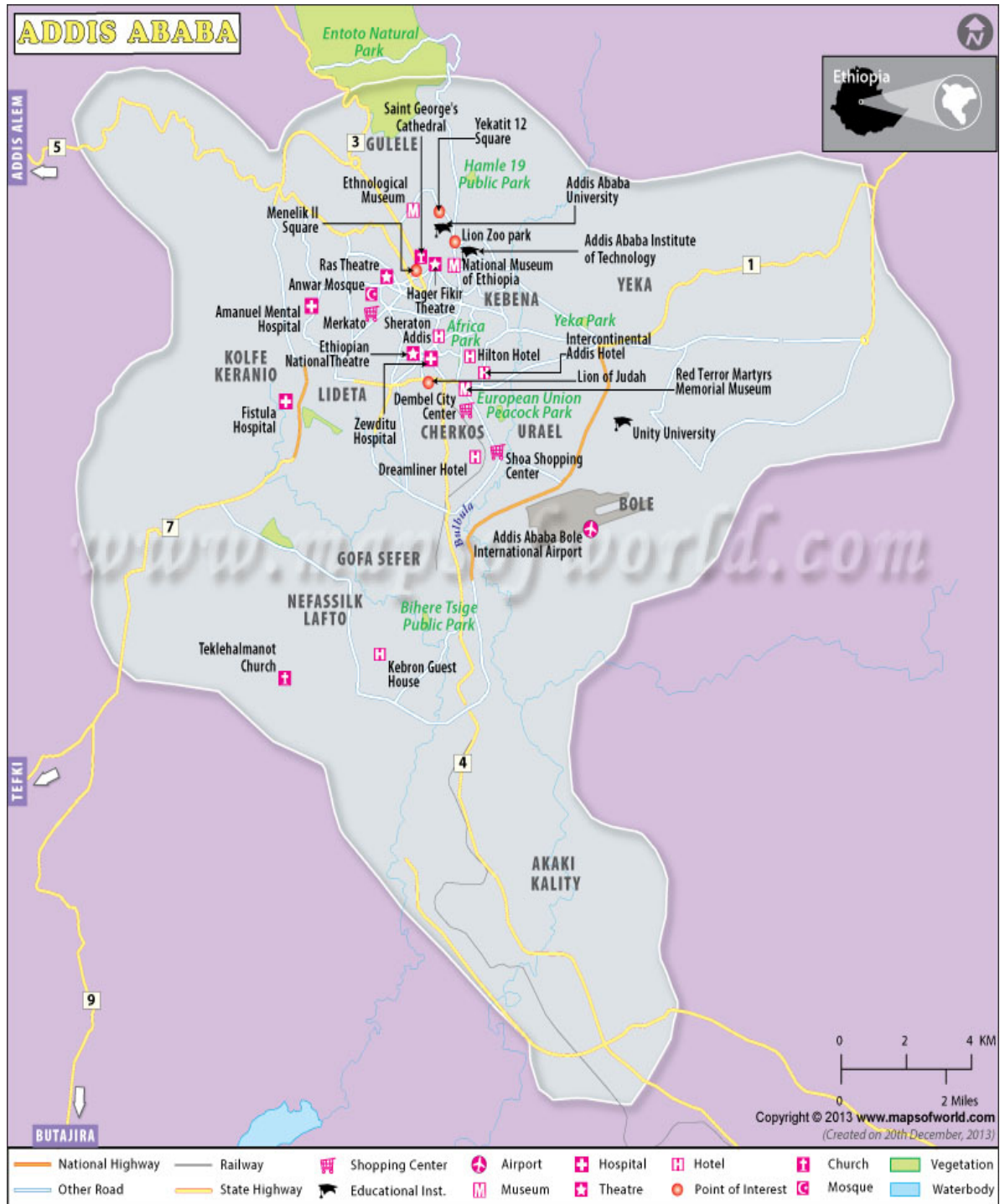
### Appendix II g- Normality test for security using histogram



### Appendix II h - Normality test for guests' previous experience using histogram



### Appendix III- Map of Addis Ababa city



Source - [www.google.nl/search?q=map+of+addis+ababa+city](http://www.google.nl/search?q=map+of+addis+ababa+city)

**Appendix IV. List of Hotels Accredited by the Bureau of Culture and tourism as of  
December, 2017 and estimated daily average room guests.**

S.N	Name of Hotels	Star Level	Estimated daily guests	Sample
1.	Sheraton Addis	5	32	11
2.	Golden Tulip	5	28	10
3.	Elilly International	5	15	5
4.	Capital hotel	5	27	10
5.	Intercontinental	4	23	9
6.	Jupiter int. (kazanchis)	4	24	8
7.	Harmony Hotel	4	22	8
8.	Dreamliner Hotel	4	18	6
9.	Debredamo hotel	4	19	7
10.	Saromaria Hotel	4	14	5
11.	Jupiter Int. (Bole)	4	16	6
12.	Tegen Guest Accomm. Hotel	4	15	5
13.	Washington Hotel	4	8	3
14.	Nexus hotel	4	11	4
15.	Friendship hotel	4	19	6
16.	Sarem international	4	18	6
17.	Nazra	4	17	6
18.	Hilton AddisAbaba	3	38	14
19.	Global Hotel	3	16	6

20.	Kaleb Hotel	3	20	8
21.	Panorama Hotel	3	20	8
22.	Beer Garden Inn	3	22	8
23.	Addis Regency	3	12	4
24.	Addis View Hotel	3	6	2
25.	Ararat Hotel	3	8	3
26.	Beshale Hotel	3	20	8
27.	Crown Hotel	3	13	5
28.	Embilta Hotel	3	11	4
29.	King's Hotel	3	8	3
30.	Seyonat hotel	3	14	6
31.	Top Ten hotel	3	16	6
32.	Umma Hotel	3	6	2
33.	Wassamar Hotel	3	22	9
34.	Caravan hotel	3	21	8
35.	Solo Te hotel	3	13	5
36.	The residence	3	9	3
37.	Afrodiet Hotel	3	15	6
38.	Monark Hotel	3	26	9
39.	Adisinia Hotel	3	29	11
40.	Ambassador Hotel	3	27	10
41.	Siyon City Hotel	3	15	6
42.	Sidra Hotel	3	8	3
	<b>Total</b>		<b>731</b>	<b>272</b>

