

**INFLUENCE OF CUSTOMERS' BRAND PERCEPTION, PREFERENCES  
AND SATISFACTION ON PERFORMANCE OF AIRBNB FACILITIES IN  
NYERI COUNTY, KENYA**

**ESTHER WAITHIRA KAMWERU**

**A Thesis Submitted to the Graduate School in Partial Fulfilment of the  
Requirements for the Award of the Degree of Master in Hotel Management of  
Chuka University**

**CHUKA UNIVERSITY**

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## DECLARATION AND RECOMMENDATION


### Declaration


This thesis is my original work and has not been presented for an award of diploma or conferment of degree in any institution or any other University

Signature.......... Date ..... 27/10/25 .....  
Esther W. Kamweru  
NM20/35309/17

### Recommendations

This thesis has been examined, passed, and submitted with our approval as University supervisors.

Signature.......... Date ..... 29/10/25 .....  
Dr. Maina Kariuki, Ph.D.  
Chuka University.

Signature.......... Date ..... 30-10-2025 .....  
Dr. Joseph Musyoki, Ph.D.  
Chuka University.



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## **DEDICATION**

This research work is dedicated to the Almighty God for providing me with good health and care. To my family for their love, and encouragement in building through my academic and professional success. I am sincerely grateful for their sacrifices and empowerment.

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## ABSTRACT

The emergence of AirBnB has transformed the accommodation industry around the world by providing an accessible, affordable, and authentic local experience, making it a preferred alternative to traditional hotels. Nevertheless, its expansion in other areas like the Nyeri County in Kenya is minimal, and there has been a lack of empirical information on the impact of customer brand perception, preferences and satisfaction on the performance of AirBnB facilities. The objective of this research was to determine how these customer-related factors influence the performance of the AirBnB facilities within Nyeri County. The purpose of the study was to establish the role of brand perception on the performance of AirBnB facilities, to evaluate the influence of the customers' preferences on the performance of AirBnB facilities and the influence of customer satisfaction on the performance of AirBnB facilities in Nyeri County. The study used mixed research design. The target population was 1600 AirBnB customers and 102 AirBnB hosts in Nyeri-county. The sample size was 200 for the guests and 41 for AirBnB owners was calculated using Cochran (1977) formula. The study employed purposive sampling to select sub-counties with AirBnB facilities, stratified random sampling to select facilities, a quota sampling for guests and purposive sampling for AirBnB owners. Structured questionnaires and interview guides were used to collect data from customers and managers, respectively. Multiple linear regression analysis was conducted at a 5% significance level to test three null hypotheses. The regression analysis revealed a strong positive correlation ( $R = 0.907$ ) between customer satisfaction, preferences, and brand perception, explaining 82.2% of the variance in facility performance ( $R^2 = 0.822$ ). Brand perception showed the highest influence ( $\beta = 0.533$ ), followed by customer preferences ( $\beta = 0.378$ ) and satisfaction ( $\beta = 0.313$ ). All variables were statistically significant with p-values less than 0.05, leading to the rejection of the null hypotheses. The ANOVA test confirmed the model's overall significance with an F-statistic of 249.565 ( $p < 0.000$ ), supporting the claim that these customer-related factors are integral to performance outcomes. Interviews with AirBnB managers in Nyeri County reinforced the quantitative findings, with managers emphasizing the importance of maintaining a strong brand reputation, offering competitive pricing, and providing personalized services to meet customer preferences. These qualitative insights aligned with the regression results, highlighting that customer satisfaction directly influences performance. The study underscores the critical role of aligning services with customer expectations to drive success in the AirBnB market. The findings provide actionable recommendations for AirBnB hosts, property managers, and stakeholders, suggesting that improving brand perception, catering to customer preferences, and ensuring high levels of satisfaction can significantly enhance performance and foster long-term competitiveness in Nyeri County's hospitality industry.

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## **ABBREVIATIONS AND ACRONYMS**

<b>ADR</b>	Average Daily Rate
<b>AirBnB</b>	Air Bed & Breakfast
<b>ANOVA</b>	Analysis of Variance
<b>CYN</b>	Chinese Yuan
<b>EVT</b>	Expectancy-Value Theory
<b>E-WOM</b>	Electronic word-of-mouth
<b>GDP</b>	Gross domestic product
<b>ICT</b>	Information and Communication Technology
<b>KM2</b>	Kilometer squared
<b>NACOSTI</b>	National Commission for Science, Technology and Innovation
<b>P2P</b>	Peer-to-peer
<b>RevPAR</b>	Revenue per Available Room
<b>S.A</b>	South Africa
<b>SMEs</b>	Small and Midsize Enterprises
<b>W.H.O</b>	World Health Organization
<b>WI-FI</b>	Wireless Fidelity

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background Information

Airbnb facility refers to spaces that people rent for short-term stays at a given cost, facilitated through the AirBnB online platform (Barbara & Heisler, 2020). "Airbnb" is also called "Air Bed and Breakfast" as the initial practice was hosting guests on air mattresses. The website provides extensive listings where the host posts information about the price, place, and offerings, normally accompanied by photos and users' testimonials to attract potential travelers (Guttentag, 2019). It deviates a lot from the traditional hotel as Airbnb provides localized, personal experiences that are attractive to visitors who need value for money as well as authentic experiences (Raafat & Weller, 2019). It connects millions of visitors and hosts across the world, transforming idle resources into income (Petruzzi et al., 2020).

Airbnb began as recently as 2007, as three founders, Joe Gebbia, Brian Chesky, and Nathan Blecharczyk, barely could afford to rent in San Francisco, hosting guests on air mattresses in the apartment at \$80 per night per guest (Aydin, 2019). They then had the bright idea to conceive "Airbedandbreakfast.com" to promote their product (Aydin, 2019). Today, Airbnb has evolved to be a worldwide disruptor of the hospitality world, utilizing digital technologies to offer diverse and adaptable lodging opportunities (Chayer & Lunsford, 2018; Adan, 2023). While hotels offer standardized accommodations within traditional building stock, the accommodations offered on Airbnb range across entire home offerings, room offerings, shared room offerings, to non-conventional offerings such as treehouses to houseboats, even to castles (Li, 2022). The variety then attracts the visitor who wishes to be off the beaten track, whilst the platform attracts families or groups because of the potential of the bigger, lesser cost offerings compared to the hotel (Onder, 2017; Guttentag, 2015; Varma et al., 2016; Gyódi, 2019). Other than cost, Airbnb offers the potential of the visitor cohabiting with the locals, the then experience of culture as it is, as opposed to the tour-like experience, as well as the host benefiting monetarily from otherwise unutilized house spaces (Petruzzi et al., 2020).

Although the performance of Airbnb facilities might be influenced through various factors, including the adoption of technology, brand perception, customer preferences, satisfaction, safety standards as well as compliance with regulations (Cheng & Jin, 2019; Adamiak, 2019). Amongst these, customer-centric factors like brand perception, preference, as well as satisfaction are critically important as they directly impact the decision to book, repeat stay, as well as overall market competitiveness (Tussyadiah & Pesonen, 2018; Ji et al., 2021). Brand perception suggests the perception customers hold about Airbnb regarding trust as well as reputation (Hur et al., 2020). A strong brand perception strengthens customer participation as well as devotion, usually affecting the readiness to recommend Airbnb on social sites (Schivinski et al., 2020). Customer preference captures the specific preferences as well as expectations that guests hold regarding the choice of accommodation, ranging from sensitivity to price as well as preferred amenities to the location close to sites (Tlapana & Sandlana, 2021; Liu & Zhang, 2014). Customer satisfaction, as the other factor, captures the degree to which services meet, as well as surpass expectations, including aspects like cleanliness, comfort, responsiveness, as well as value-for-money. It significantly determines the repeat booking as well as positive word-of-mouth (Barbosa, 2019; Sanchez & Aramendia, 2023).

The value and loyalty of customers have also become significant sources of Airbnb performance, which is already a shift to the use of relationship rather than financial indicators of success. Because Airbnb's business strategy relies on trustworthiness, authenticity, as well as the service experience, the performance will be proportional to the service value offered by the guest. Elena et al., (2016) also state that loyalty is not an intentional service quality assessment but a process that is characterized by dynamic processes and emotions. Thus, emotionally engaged guests will become recurring customers, referrals, and engage with Airbnb more continuously. Loyalty, according to Kotler and Keller (2012), will translate into long-term relationships with the brand by the customers, which would predict well in long-term success. The customer loyalty in the case of Airbnb is a behavioral and attitudinal indicator of value creation, where a guest illustrates his or her loyalty to his or her experience, personal experience, and authenticity (Baker et al., 2024; Kwartnik and Thompson, 2023). This relationship has been confirmed by empirical research in which favorable experiences as a host, the

quality of their listing and effective communication establish intention stronger to rebook among guests (Chen and Xie, 2023). Also, the reliance of Airbnb on repeat clientele and word of mouth, which are recorded in Net Promoter Scores (Johnson, 2023) demonstrates loyalty as a vital non-financial performance indicator. Airbnb managed to maintain the competitive advantage and to establish a loyal client base based on value creation in the customer through satisfaction, transparency and emotional engagement, contributing to the platform's continuous development.

Nevertheless, there has also been criticism and opposition towards airbnb. It has been accused of unfair competition to traditional hotels, aiding in evading taxes, reducing the security of jobs in the hospitality sector, and stimulated the lack of houses by converting long term rentals to short term rentals (Murage et al., 2020; Ferreri and Sanyal, 2018; Zale, 2018; Wachsmuth and Weisler, 2018; Li et al., 2022). It was also discovered that doubling of the Airbnb amenities in markets such as New York had the effect of increasing the value of property appreciation by between 6 and 11 per cent, leading to an increase in rental value, especially in high-income neighbourhoods (Wachsmuth and Weisler, 2018). The theft, property destruction, and even instances of violence were security and safety-related problems that adversely affected the level of trust among the population (Heo, 2016; Guttentag, 2017; K24TV, 2024). The platform has also been blamed in issues of waste, water, and carbon emissions that the rapid growth of the AirBnB entails (Hati et al., 2021).

Across regions, Airbnb has demonstrated varied performance. In Europe, the platform has grown in both major cities and rural areas. In metropolitan areas such as London, Paris, Rome, and Hamburg, travelers have migrated from hotels to Airbnb due to affordability, satisfaction, and brand image (Zekan et al., 2019). However, this shift has reduced hotel occupancy and profitability, even as it increased overall hospitality revenue (Coyle & Yeung, 2016). In rural Europe, Airbnb has served as a driver of economic diversification, welcoming more than 8.5 million guests and generating over \$1 billion in income between 2019 and 2020 (Beyond Cities, 2020). In North America, Airbnb is firmly established, having hosted more than 100 million global guests by 2017 and generated significant revenue (Hati et al., 2021). The U.S. Travel Association said that in 2017, travel added \$2.4 trillion to GDP, supported 15.6 million jobs, and

paid \$31 million in sales taxes (U.S. Travel, 2023). Yet, concerns over housing affordability remain, as studies show Airbnb significantly raises rental costs and property values in high-demand urban neighborhoods (Wachsmuth & Weisler, 2018).

China has recorded a phenomenal growth in the Asian region with its listings growing by 76.7 per cent in the year 2018 to more than 106,000 (Adamiak, 2019). The host income amongst the rural listings amounted to over 260 million CNY. Nonetheless, the COVID-19 crisis has led to the sudden decrease in the practice of peer-to-peer accommodations, as the breakage of transactions has decreased by 72 per cent, and local tourism by 43 per cent (Zlatarov et al., 2021). Nevertheless, this notwithstanding, review analysis and data on customer preference show that Airbnb remains popular in the region (Hati et al., 2021).

In Africa, the most common adoption is found in South Africa and Morocco (Adamiak, 2022). South Africa, which accounted for over 21,000 listings, realized R120 million annually in rentals, registering a growth of 190 percent during the periods 2015-2016 (Henama & Sonwabile, 2018). Cape Town has emerged as a hub of listings, evidencing the impact the site has had on the local economies. Nevertheless, the problem of regulations persists, including enforcement issues and pressure on hotels (Oskam & Boswijk, 2016). On the African continent, the company remains underpenetrated, hosting merely 130,000 active listings compared to over 7 million active listings across the planet (Williams, 2024).

In the Eastern African region, markets such as Rwanda and Kenya took the lead, registering rises in bookings by 73 percent as well as 68 percent, respectively. However, the governments have acted, including making the industry register for taxation purposes, as realized in the case of Tanzania (Olingo & Murathe, 2020).

It has recorded exceptional growth on Airbnb, where local travel bookings increased by 238 percent between the years 2016 and 2017 (Boeck, 2019). Its growth has created disruption within the hotel sector, creating a decline within hotel revenues, occupancy, as well as rates (Ngugi & Kiarie, 2023). Concerns over unfair advantage, tax evasion, safety regulations, as well as health as well as disability law compliance, continue to

persist (Murage et al., 2020). While studies on the Airbnb vs. hotel competition issue within Kenya have been carried out, there is little scholarly research on the specific role that customer satisfaction plays during the platform's performance. At the county level, Nyeri County offers a specific competitive landscape. Established hotels like The White Rhino, Treetops, Outspan, and Greenhill meet increasing competition from Airbnb properties, offering customers' affordability, privacy, location, and various amenities (Ngugi & Kiarie, 2023). This has pushed the need for hotels to align pricing and operating strategies to compete. Wangui et al., (2018) examined pricing strategies among hotels in Nyeri and recorded the effect of peer-to-peer lodging on market forces. No research, however, has examined the direct effect of customer brand perception, preferences, and satisfaction on the performance of Airbnb properties in Nyeri County, leaving a research gap.

Though the world, regional, and national literature enumerates the growth of Airbnb, disruption of the prevailing hotel market, as well as the economic impact (Liang et al., 2022), there is limited literature that connects with the customer-centric drivers of the performance of Kenya, with specific reference to Nyeri County. Such omission presents a significant gap since customer behavior remains a significant contributor to the long-run competitiveness of the facilities of Airbnb. The timeliness of this research is therefore to explore customer's perception towards the brand, intentions, as well as satisfaction, towards the facilities of Airbnb performance within Nyeri County, Kenya. The study in this regard complements the gap that over the years has existed and adds valuable proof to the literature to the peer-to-peer hospitality amongst emerging markets, as well as to the policy makers, hoteliers, as well as Airbnb owners that are striving hard to accommodate the dynamic nature of the hospitality market.

## **1.2 Statement of the Problem**

AirBnB has become more popular form of alternative accommodation and other hospitality services. This growth has been aided by AirBnB ability to provide affordable, accessible, personalized and authentic local experiences. It has been expanding at a high rate which has transformed the hospitality industry as hosts are able to provide flexible and technology-oriented services to meet the evolving customer needs. Although the popularity of the peer-to-peer accommodation continues to gain

recognition, no empirical studies in Kenya have examined the underlying factors such as brand perception, customer preferences and customer satisfaction and how these factors influence the performance of AirBnB facilities. Most existing studies have focused on comparing Airbnb with traditional hotel establishments, paying little attention to how customer-related factor such as, customers' brand perception, preference, and satisfaction influences performance of Airbnb facilities. Consequently, there exists a clear knowledge gap on how these customer related factors influences the success of AirBnB facilities within the Kenyan context, particularly in Nyeri County. The absence of such insights makes it difficult for hosts and managers to design effective marketing and brand strategies that reinforce customer relationships and improve performance. Therefore deeper understanding of how customer perceived Airbnb brands, drivers of their booking choice, and drivers of their satisfaction led loyalty is critical in enhancing competitiveness and supporting sustainable tourism development. This research was conducted to address this gap by investigating the influence of brand perception, preference, and customer satisfaction on the performance of Airbnb facilities in Nyeri County, Kenya. The finding are expected at guiding Airbnb hosts, tourism practitioners, as well as regulators, in formulating customer experience enhancement strategies as well as long-term growth of the sharing-economy hotel industry.

### **1.3 Research Objectives**

#### **1.3.1 General objective**

To determine the influence of customers' brand perception, preferences, and satisfaction on AirBnB performance in Nyeri County, Kenya.

#### **1.3.2 Specific Objectives**

- i. To determine the influence of brand perception on the performance of AirBnB facilities in Nyeri County, Kenya.
- ii. To evaluate the influence of customer preferences on the performance of AirBnB facilities in Nyeri County, Kenya.
- iii. To determine the influence of customer satisfaction on the performance of AirBnB facilities in Nyeri County, Kenya.

- iv. To investigate managers' perceptions of the performance of AirBnB facilities in Nyeri County, Kenya.

#### **1.4 Hypotheses**

H<sub>01</sub>: There is no significant relationship between the influences of customers' brand perception on the Performance of AirBnB facilities in Nyeri County, Kenya.

H<sub>02</sub>: There is no significant relationship between the influences of customer preference on the Performance of AirBnB facilities in Nyeri County, Kenya.

H<sub>03</sub>: There is no significant relationship between the influences of customer satisfaction on the performance of AirBnB facilities in Nyeri County, Kenya.

#### **1.5 Significance of the Study**

The study findings offer deeper insight to AirBnB managers on how to enhance their service quality and attract more customers by understanding customer preferences, brand perception, and level of satisfaction. The finding can also assist managers in improving their image and making campaigns more efficient, which can be implemented in strategic marketing and branding activities. Additionally, the study identifies operational components that influences the performance of AirBnB such as pricing and customer service, enabling managers to improve productivity. In addition, it enhances hospitality management knowledge especially in developing countries, and aids in future research and policy-making on tourist and short-term rental regulation in Kenya. Finally, the study adds to the existing body of knowledge and research.

#### **1.6 Scope of the Study**

The study focused on the influence of customers' brand perception, preferences, and satisfaction on AirBnB performance in Nyeri County, Kenya. The study targeted a total of 200 customers and 41 AirBnB managers, drawn from selected facilities operating in urban, rural and intermediate zones in Nyeri County. The scope of the study covered all categories of AirBnB, ranging from shared rooms, private rooms, and entire units such as Bungalows. The research was conducted between Aprils to August 2025.

### **1.7 Limitation of the Study**

Some of the respondents were reluctant to share critical information regarding the management of AirBnB due to the fear of possible retaliation. However, the researcher presented an official letter from National Commission for Science, Technology and Innovation (NACOSTI) and permission letter from Chuka University Board of Post Graduate, highlighting the permission to carry out the study, and a consent letter were issued to assure respondents of confidentiality and anonymity. In addition, the schedules of some of the respondents during the day were very hectic. This was rectified by making sure that the research assistant sent the questionnaires to the respondents when they were at liberty when they inquired about it. The questionnaires was also made available to them in one week. The researcher administered questionnaires to the respondents assisted by research assistant and picked them later.

### **1.8 Assumptions of the Study**

The research presumed that the choices made by the customers to use the facilities of AirBnB in Nyeri had been guided by their value that they had expected. The research presumed that information obtained both from the management of AirBnB as well as the customers had been true and will be sufficient to generate the required information to be used in the research. The research also presumed that the sample obtained from facilities of AirBnB within Nyeri County had represented similar facilities within other Counties in Kenya.

## 1.9 Operational Definition of Terms

- AirBnB:** It an online platform that has the ability to connect individuals who has the willingness to rent out their houses with guest or travelers who are seeking for lodging options.
- AirBnB Facility:** AirBnB facility refers to the lodgings and spaces that individuals makes available for short-term rentals through the AirBnB platform. These facilities may include individual rooms, cottages, entire rooms, apartments, and other unconventional spaces like yurts and tree houses.
- Brand Perception:** Brand perception is the way the consumer understands and perceives a specific brand. The brand perception is made up of thoughts, attitudes, beliefs, and feelings that people connect with a specific brand. The brand perception is developed based on the brand communication, advertising, product value, customer service, as well as general image.
- Customer Preferences:** this refers to the specific tastes, expectations, and desires of guests or patrons when seeking services or accommodations. These preferences can encompass a wide range of factors, including room amenities, dining options, location, pricing, and overall experiences.
- Customer Satisfaction:** this refers to a measure of how well a product or service meets or exceeds the expectations of customers. It is a personal judgment that indicates the degree to which a customer's experience with a company or product matches with their expectations.
- Facility Performance:** this refers to the level to which a facility achieves business and operational objectives. It is consistently assessed through customer's outcome such as perceived value and customer loyalty, which influence booking decision, repeat visits intentions and recommendations which significantly driving long term sustainability.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 The Concept of AirBnB Performance**

The concept of organizational performance is multi-dimensional and comprises both organizational efficiency and organizational effectiveness, which enable an organization to achieve its strategic objectives through various financial and non-financial indicators (Gutterman, 2023). According to Santos et al., (2022), performance of AirBnB facilities can be imagined as its efficiency and effectiveness in operational, financial, and marketing. The financial aspect is assessed through financial value, value-at-risk, and profitability. Operational performance is assessed through the efficiency, quality, and effectiveness of the service provided, as well as marketing performance, measured by customers' levels of satisfaction and retention over a specified period (Santos et al., 2022). Organizational performance is of key interest for profit and non-profit organizations alike, as it describes how well an organization meets its objectives through proper resource allocation and consistency of strategy (Kaplan & Norton, 2001).

Performance measurement used to primarily refer to financial measures such as profitability, efficiency of operation, and growth (Mousa & Othman, 2020). The performance of Airbnb facilities is an integrated dimension beyond financial returns for customer-focused outcomes like value perception and customer loyalty (So et al., 2021). Similarly, Agarwal et al., (2022), performance of AirBnB was assessed through financial measures like profit, revenues, and finance ratios. However, despite their persistence, researchers continue to strongly point out that traditional metrics give a narrow picture of organizational success, as they leave out many significant non-financial aspects such as stakeholder satisfaction, innovation, and flexibility (Anwar, 2017). Similarly, Lecuyer, C. et al., 2023 also stressed that the success and sustainability over a long period of Airbnb businesses cannot be fully determined using financial indicators, such as revenue generated, profitability margin, and the degree of occupancy rate, but should include non-financial indicators, such as the value and loyalty of customers in the performance measures. While financial indicator's remain at the center, it is observed that through research, they are insufficient on their own to capture the full spectrum of performance outcomes particularly in dynamic service

oriented environments (Haywood et al., 2017). Building on this perspective, Cascio (2014) and (Ittner et al., 2003) emphasize the growing importance of intangible aspects such as customer relationships and quality of service are also of key relevance for maintaining organizational efficiency on a long-term basis.

In the hotel industry, customer loyalty and organizational culture relationship plays a pivotal role in influencing overall performance accomplishments. Through the empirical research conducted on health clubs in Spain, organizational culture is found to consistently and directly impact customer loyalty and organizational success, as reported by García-Fernández et al., (2018). Likewise, Rodrigo et al., (2023) found that most of the research on hotel performance measurement remains concentration on pure financial results, such as Revenue per Available Room (RevPAR), Average Daily Rate (ADR), occupancy, and profitability, with limited concern with social as well as environmental considerations. Despite the latter that monetary measures continued to dominate, the widespread utilization of non-monetary social as well as environmental indicators is gradually taking root but yet not openly incorporated within the performance measurement procedure. The research conducted by Mitrovic et al. (2016) identified that there existed a substantial number of variations in performance measures across hotel size, ownership types, as well as company membership. Such articles identified the need to shift paradigms towards wider, more standardized strategies that encompassed non-monetary as well as monetary measures such as sustainability, service quality, as well as worker welfare to improve the efficacy of the organizations within the hospitality competitive environment as well as long-term competitiveness within the industry.

In this context, customer value along with loyalty can be defined as one of the most significant non-financial performance indicator precisely in p2p accommodation services such as Airbnb. Customer loyalty is the tendency of customers to revisit, refer, and engage positively with a brand behavior, which greatly emphasizes reputational and financial performance (Baker et al., 2024). Unlike traditional performance indicators of short-term financings, customer loyalty becomes a longer-term indicator of organizational health, which reveals trust, satisfaction, and value provision in the long run (Kwortnik & Thompson, 2023). Recent sharing economies and other studies

of Africa provide strong empirical support for customer value and loyalty as growing performance indicators. For example, Ndungu (2020) finds value co-creation through communication, transparency, ICT significantly improves customer loyalty, mediated by guest satisfaction, for Mombasa County, Kenya. Similarly, (So et al., 2021) find for Airbnb customers, evaluation of their stay is moderated by its cost, emotional, quality, and social value aspects, by travel group number and by trip experience, respectively. South African research by Collins & Mostert, (2021) also finds relationship quality to forecast loyalty and word-of-mouth outcomes for Airbnb customers. Nakuru County local studies (Mwangi et al., 2024) also suggest that guest perception aspects, such as amenities and customization, significantly influence the choice of accommodation, providing value and loyalty pathways that influence performance.

## **2.2 Manager's Perception on Performance**

Manager perception of the performance plays a key role in the organizational outcomes such as innovation, development of the workforce, and overall success of the company. Research has shown that managers with good perceptions about performance are most likely to develop a culture that fosters innovation and improvement continuously. Negative perceptions, on the contrary, might cause one to be more traditional and innovation as well as development might be adversely affected (Saraf et al., 2021). Performance feedback is one of the crucial areas here where the quality of performance feedback plays the final role in developing these perceptions. Managers are better likely to accept positively on time, specific, and constructive feedback that can lead to enhanced development of the worker as well as increased performance. Feedback that is poorly communicated, on the contrary, can be prone to misunderstanding, demotivation, as well as deterioration in performance (Saraf et al., 2021)

Moreover, there are other biases such as unconscious biases which may affect the manager's perception of performance by resulting in unfair or inaccurate judgment. They can be reduced by training, setting of the same standards of evaluation, making the assessment much fairer, and encouraging the healthy organizational culture (Gouldsberry, 2023). Another factor that determines the perceptions of managers towards performance at Airbnb is also influenced by diversity of factors like customer satisfaction, rate of occupancy of the property, and financial information including

average nightly rates and revenue per available rooms (RevPAR). Airbnb representatives believe that such aspects are critical in evaluating the success of their postings and making decisions that influence prices, marketing sessions, and operational enhancements (Xie et al., 2017).

The application of data analytics and customer feedback has continued to shape managers' views on AirBnB's performance. Customer satisfaction and the general experience of the guests are determined by monitoring performance indicators, including guest reviews, ratings, and repeat bookings (Zhou & Zhang, 2021). Managers also use dynamic pricing models to maximize the occupancy rates and revenue by changing prices depending on changes in demand (Hsieh & Lee, 2020). Besides these financial and operational indicators, Airbnb managers are aware of the emotional and social aspects of their business, and especially the value of quality hospitality and interaction with the community. These are the pillars of the and its role in shaping managers' overall perceptions of performance, where both quantitative and qualitative performance metrics are important for achieving long-term success.

### **2.3 Measurement of Performance of AirBnB Facilities**

The performance of AirBnB facilities is critical concern for the hosts, investors and policymakers as it provides insight into profitability, competitiveness and sustainability within the sharing economy. In this study performance of AirBnB facilities is measured primarily through customer value and loyalty.

#### **2.3.1. Customer Value**

Customer value is the value perceived by the consumer who has already had contact with a good, service, or experience. The customer value is non-monetary as well as time, effort, as well as investment emotionally, as well as the gap between what the customers want to pay to receive in return as compared to what they pay. Jiang et al., (2019) highlighted that the value-based sharing economy relies on value facilitation as well as customer interaction, as well as the interaction plays a significant role in enforcing the customer-perceived value. This relies on the preference of people, anticipation, as well as prior experiences (Gallarza as well as Sanchez-Fernandez, 2023). Given the idea that the customer value is a multidimensional construct, the

organizations can be better at the measurement of the performance as well as might not be required to be measured in the form of the outcome of the finances but in the form of quality, relevance, as well as significance given to the customers.

Recent research places customer value as one of the key determinants of organizational performance, particularly for service-based businesses such as hospitality and peer-to-peer (P2P) accommodation sites. Kwabena (2024) showed how West African SMEs, which embed customer needs and value creation, produce improved performance outcomes. Through systematic use of customer data, companies create improved service quality, engender innovation, and establish improved competitiveness. For a performance measurement framework, it seems organizations are better served by measuring efficiency based on how customer insight generates service improvement, innovation, and functional efficiency, rather than focusing on purely financial measures.

Carvalho (2023) highlighted that customer value is created in the process of the continuous relations between the customers and the service providers and leads to the satisfaction, loyalty, and even the enhancement of the performance by the organization. This relational part of value co-creation is the core of Airbnb business model and explains why customer value is more relevant measure of performance than financial measurements only. Similarly, according to Coletta et al. (2021), customer value consists of three interrelated components: value as a process that focuses on co-creation and relational interaction; value as a result that reflects loyalty and value as a strategy competency that focuses on resource integration and innovation. The relational and strategic enhancements of the businesses in relation to customer value can be obtained through assessing the performance of the business based on these dimensions which will give information regarding the long-term competitiveness and efficiency of business operations.

According to Keranen and Jalkala (2014), a customer value could be measured in business marketplaces in three manners: value quantification or the quantification of customer benefits in dollar form; value documentation or the expression of value through the presentation of evidence; value sharing or co-creation and the assessment

of value with customers. These strategies improve the quality of relationships and performance. The performance evaluation must include the objective measurement and participation-based evaluation directly connecting organizational outcomes to the perceived benefits by the customers. Customer value is essential in performance measurement in the sharing economy, especially in peer-to-peer accommodation services such as Airbnb where the value of performance largely depends on the perceived value relative to cost (So et al., 2021). The empirical evidence indicates that the perceived customer value is a significant determinant of repeat stays, word-of-mouth, and increased rating (Solakis et al., 2022; Ding, 2021; Rey-Moreno, 2023). Based on such contributions, it is important to note that the performance can be well evaluated through measuring customer perception and customer response of value.

Nevertheless, the recent studies tend to consider customer value more as a source of customer loyalty rather than just a measure of performance only. For instance, Wanjiku (2020) recognizes the value as an intermediate between loyalty and quality of services, putting the emphasis on psychological and experience associated values. Such a point of view limits the broader use of customer value in measuring both non-financial and financial performance, and it demands the reconsideration to put customer value as a direct measure of performance. Customer value as evidenced can vary depending on condition in the market and hosts behavior which may influence customer value. Xie (2021) revealed that experienced hosts with more than one listing or full-time hosting had impact on the customer ratings and performance of Airbnb. This implies that customer value is a dynamic measure of performance that is affected by market changes.

To measure customer value in sharing platforms the factors such as trust, host-guest relationships and value co-creation are required Ding (2023). In contrast to other studies, the given research lists measurable elements of value, such as loyalty, and review analytics (So, 2021). These quantifiable indications assist companies to assess performance in an objective manner and the impacts of customer experiences directly influence such results. The incorporation of both big data and analytics has changed the measurement of the customer value. Li (2022) demonstrates that sophisticated analytical tools can enable platforms such as Airbnb to analyze their customer

preferences, streamline service provision, improve competitive edge, create loyalty, and develop future strategies. This change conditions the customer value as a strategic, quantifiable performance aspect. Thus, customer value is the operational and strategic measure of the success of Airbnb in terms of its properties, which can be interpreted through the use of review analytics and repeat bookings. A multi-dimensional, strategic approach to assessing Airbnb performance of properties can be used by utilizing customer value as the key measure.

### **2.3.2 Customer Loyalty**

Customer loyalty is a very critical non-monetary organizational performance measure, especially to a service and hospitality organization such as Airbnb. Loyalty is an indicator of long-term allegiance to a customer, as well as their tendency to make recurring reservations and positive feedback, which directly influence the work of the facility (Baker et al., 2024). In contrast to traditional performance measures, customer loyalty is a multi-dimensional and interactive process that goes beyond the decision-making process that is rational. Elena et al., (2016) emphasize that the reasons of loyalty are often unconscious and emotional and do not lie in the deliberations. Since long-term relationships are cheaper than acquiring new clients, the current emphasis in marketing is retaining the current customers and this establishes a stronger, long-term connection with the brand (Kotler and Keller, 2012). Moreover, Dick and Basu (1994) focus on attitudinal as well as behavioral view of loyalty like customer attitude, repeat behavior, and advocacy. Gurski (2014) points out that loyalty implies the central philosophy of the company in terms of value creation, but not merely profit generation.

Customer loyalty is very important in the sustainability of performance and brand success in the case of Airbnb. Baker et al., (2024) established that, the aspect of customer loyalty is promoted based on the readiness of the guests to book a hotel again and refer to the platform. Studies have shown that true experiences, trust, and value perception make people have loyalty (Yum & Kim, 2024). According to the findings of a study by Smith and Lee (2024), 40 percent of Airbnb guests also make return visits within a year, which indicates the level of loyalty on the platform. Further, Chen and Xie (2023) noted that the quality of host experiences, listing quality, and communication have significant positive effects on the intention to repurchase. To

assess loyalty, Airbnb also uses the Net Promoter Score (NPS) by evaluating the likelihood of returning customers recommending or making a second booking (Johnson, 2023). Nevertheless, Nguyen and Tran (2023) observe that the higher the quality of the listing, the more likely it has repeat bookings, but this trend does not hold in the case of cheaper listings, posing the question of whether the cost tends to moderate this association. Williams and Zafirovski (2023) further posit that beyond the element of authenticity, Airbnb encourages rawness, where functional factors, such as cost tend to surpass the experiential authenticity component in loyalty creation, meaning that Airbnb loyalty is situational, and depends on price, type of listing, and expectations of guests.

Even though Airbnb has been effective in making its difference with the conventional hotels, the company lacks formal loyalty programs. Such a gap, in accordance with the community-oriented identity, can cause some confusion regarding the long-term retention of customers. Smith and Lee (2024) indicate that the possibility of the retention reduction comes due to the non-formalized method of retention used by Airbnb, and Baker et al., (2024) maintain that the absence of formal loyalty programs may lead to a vaccine of long-term loyalty. Nevertheless, the academic literature emphasises that to develop loyalty, it is necessary to improve customer experience. According to Chen and Xie (2023), the definite pricing, effortless check-in process, and non-material rewards are among the important aspects of creating emotional involvement and persuading the guests to choose the hotel again. In the same manner, Nguyen and Tran, (2023) suggest that it is possible to create offers based on the data of guests, and Williams and Zafirovski, (2023) emphasize the value of meaningful host-guest interaction as a way of creating a sense of community.

The connection between performance and customer loyalty is endorsed by empirical research in similar industries. Biscaia et al., (2017) found that customer satisfaction is a powerful motivator that generates retail loyalty and hence repeat business. This can be extrapolated to Airbnb as the high levels of guest satisfaction will be repeat business as well as positive word of mouth that will enhance the performance of the operation. Similarly, Njeru, Cheruiyot, and Maru (2019) also maintained that the quality of services is one of the strong predictors of customer loyalty among African carriers,

which resonates with Airbnb and service consistency, responsiveness, cleanliness, as well as reliability. As expected, Ngacha and Onyango (2017) maintained that service delivery that is weak reduces loyalty as well as performance among hotel businesses, corroborating the assertion that one needs to be capable of meeting as well as beating the guest's anticipation in order to retain the guest as well as generate profits.

With Airbnb hosts, the service culture that is customer-oriented drives up the level of loyalty that consequently enhances occupancy and profits. Mang'unyi, Khabala and others (2017) researched the effect of electronic customer relationship management (e-CRM) on loyalty and discovered how the post service engagement was crucial in the long run relationship. This emphasizes the importance of meeting them and tracking them down after residing in the platforms like Airbnb to maintain the loyalty of the guests. Gakuya and Njue (2018) demonstrated the high rate of loyalty in companies with focus strategies and, therefore, providing offerings that address some specific groups of customers. When it comes to Airbnb, this means that, so long as the company focuses on unique experiences to guests and making them feel better about their experience at the establishment, the help company increases their chances of being able to do so again. Fernandes Sampaio et al., (2020) noted that customer loyalty plays the mediator role between market orientation and the performance of hotel business and to that extent, the responsiveness of Airbnb to the market trends and customized services trigger customer loyalty and result in improved performance.

#### **2.4 Brand Perception and Performance of AirBnB facility**

Perception of a brand is the manner in which the customer perceives, interprets and thinks about a given brand, subsequently influencing their loyalty, trust and buying behavior, making the product successful (Shaw, 2023). Researchers pointed out that organizational success is made based on the perception of the brand since customer preference and final outcome are influenced. From research that was carried out in Pakistan, Kiyani et al. (2015) put emphasis on the significance of branding in the development of customer loyalty as well as customer perceptions towards the services of an organizational level in relation to the competitor. The ultimate goal of branding, as argued by different scholars, is the creation of strong branding image that translates to high returns in the short and the long-term basis. Similarly, Otundo (2018) examined the manner in which strong brand strengthens customer service delivery perceptions, in

agreement with the general market theories that point towards the significance of branding towards generating customer loyalty in a variety of markets.

One of the significant determinants of brand perception is consistency and quality of the service. Brand perception can be influenced by the presence of Airbnb hosts and the facility's ability to guarantee good quality and reliable experiences. Good ratings and reviews on customers are critical in affecting the brand perception because potential guests would rely on a peer review more than direct marketing campaigns (Zhou and Zhang, 2021). The image of the brand improves as customers gain positive experience repeatedly with Airbnb, which then builds the cycle of loyalty and repeated business. The branding activities of the company, such as emphasis on hospitality, peculiar accommodation and local experiences also play a role in influencing how the customers view the platform (Zloteanu et al., 2018).

Airbnb's brand positioning relies on trust and authenticity as the core factors of perception. Cardoso et al., (2022) verified that the brand trust has both direct as well as indirect influences over customer satisfaction as well as repurchase intentions. Likewise, Ji et al., (2021) posited that Airbnb's mission of "belong everywhere" fosters inclusivity and belonging, lending its brand identity a unique social and emotional dimension. This brand philosophy reinforces customer attachment and re-enforces Airbnb's market differentiation from traditional providers of accommodations. Further, socially responsible actions like Airbnb's initiative to host Ukrainian refugees in 2022 when invaded by Russia (Nguyen, 2022) boosted its brand image worldwide, and it proved that ethical and humanitarian moves can strongly impact brand perception and performance outcomes. The studies by Zloteanu et al., showed that, trust and reputation increase the perceived trustworthiness, credibility as well as sociability of the hosts increasing the possibility of the customers to book room to stay in their residence. This observation highlights the importance of trust to circulation of choices by the customers of the sharing economy, especially when it comes to Airbnb. In case potential guests think of the hosts as reliable and trustworthy individuals, because of the reputation information, the level of engaging with the listing increases, leading to the growth of booking rates and better performance of the platform. It shows that reputation

management is critical in making hosts appealing to their guests and achieving a positive transaction (Zloteanu et al., 2018).

Xu et al., (2020) established that positive brand image boosts the loyalty of customers, creates positive word-of-mouth communications, and promotes repeated usage of Airbnb accommodation. Their findings showed that the technologically innovative and modern image that customers perceive in Airbnb aligned with their lifestyle preferences, thereby enhancing the likelihood of customers choosing Airbnb over alternative accommodation options (Xu et al., 2020). They underline the significance of lifestyle alignment in forming perception, other researchers suggest varying mechanisms in which perception creates trust. For example, Guttentag (2015) indicated reliability has high impact on Airbnb accommodation performance brand perception internationally and Setiawan & Patricia (2022) indicated convenience in bookings and technological advancements. They posit that booking reliability has high impact on facility brand perception. Studies outlined indicated that ease and convenience of Airbnb booking process have remained highly impacted through high degree of marketing through use of technology and easily accessible information regarding Airbnb facilities. With similar observations, Barron et al., (2021) and Oskam & Boswijk (2016) indicated credible communication and fast-reacting client services to result in positive perception. Together, these studies suggest that brand perception in Airbnb is multi-faceted based in reliability, technology, communicative credibility, and perceived authenticity.

In Airbnb, brand trustworthiness consistently emerges as a critical driver of brand perception and, by extension, performance in P2P accommodation. Yang et al., (2018) indicated that Airbnb's perceived security, privacy, and host attributes directly influenced user trust, while Chen et al., (2015), Ert et al., (2016), and Wu et al., (2017) demonstrated that ratings, reviews, and host presentation significantly affect customer confidence. In Africa, Jun (2020) identified brand trustworthiness as the strongest determinant of users' intention to stay, and Barnes (2021) noted that host photos reduced perceived risk, enhancing listing reputation. These findings underscore that trust is particularly fragile and performance-critical in P2P hospitality compared to conventional hotels. Literature in Asia and Europe (e.g., Kundu & Datta, 2015;

Sirimongkol, 2021) also shows that service excellence has significant implications for customer trust and retention. These results, however, have been drawn largely from highly digital and highly regulative markets. It is thus uncertain if such patterns would translate to less advanced markets such as Kenya, in which Airbnb's regulative context, culture, and technology uptake significantly differ from these markets in the past and present literatures.

Even if proof for Airbnb's robust global brand image is present, Nguyen (2022) and Dolnicar (2021) also show that Airbnb's presence in Africa is tiny but increasing, and cities like Marrakesh, Johannesburg, Cape Town, Casablanca, and Nairobi are increasing in significance. However, current research is more concerned with brand perception being the end outcome of customer attitude or behavior and does not relate it to performance measurements like occupancy rate, competitiveness, and profitability. Moreover, all prior research distinguishes brand trust and perception from each other as separate constructs without placing them in a performance model. This inhibits recognizing the causative connections along which perception is converted into facilities that can be observed to perform. Therefore the study addresses the gap by examining how brand perception influences the performance of AirBnB facilities in Nyeri. By situating brand perception as a key indicator on performance a study contribute a contextualized understanding of how brand image. Trust, reliability and reputation shape AirBnB's facility level in performance in emerging markets.

## **2.5 Customer Preferences and Performance of AirBnB Facility**

Consumer preference can be defined as the individual likes, choices and priorities expressed by the customer whilst choosing products/services. Consumer preference is of the highest significance to companies to understand and recognize consumer preference in particular has proved to be successful in the market because it enables companies to better address the distinct needs and tastes of their customer, Williams, (2019).In the context of Airbnb, customer preference has a direct bearing on the occupancy levels, customer retention, as well as overall facility performance since hosts who adapt their offerings to the evolving consumer expectation tend to realize superior ratings, repeat booking as well as profitability (La et al., 2022).

The location and neighborhood of AirBnB facilities influence consumer preferences on facility performance. La et al. (2022) compared the performance of hotels and AirBnB and shows that most travelers often prefer AirBnB as they are located in unique, non-tourist neighborhood, allowing them to experience local authenticity. Moreover, the proximity to popular attractions sites makes it a preferred choice for travelers seeking local authenticity (Dong et al., 2023; Guttentag, 2015). The empirical study conducted by Sayid Adan (2023) in Kenya showcases that, provision of amenities like kitchen facilities, WI-FI, laundry services, better foods, and entertainment facilities such as swimming pools, gymnasiums, and outdoor spaces are vital in enhancing customer preferences and choice that consequently improve the performance of AirBnB.

In a study conducted in Texas, the pricing factor was considered one of the primary factors that influenced the preference of most consumers to AirBnB over its old counterparts within the hotels. The empirical evidence presented found that AirBnB offered a flexible pricing approach, quality services, and amenities in comparison to the hotels presented by Zervas et al. (2017). New York and San Francisco are also the cities that experienced a significant increase in AirBnB, which was also demonstrated in the results of the current study. The outcome, however, is that the performance of the AirBnB has reduced the performance of hotels in terms of revenue, profitability, and occupancy. One of the studies by Dudas et al. (2020), the findings of which were based on a Hedonic price model, indicated that free parking and internet and Air-conditioning played an important role in the pricing that affected the performance and the selection of AirBnB. This research result aligns with Wang et al. (2017) who found that customers think AirBnB is a chance to experience usual and quality services that have the money worth as opposed to the hotel specifically in cases of longer stays. This paper claims that with the application of the dynamic pricing model, flexible pricing, AirBnB hosts will be able to attract and retain more guests during high seasons Wang et al. (2017). However, the opposite is not true; Kesari (2020) revealed that the price is irrelevant since the majority of the visitors are more focused on the services and good facilities than on the price.

In addition to price and amenities, preference in AirBnB is influenced by other factors such as experience and psychology. Tussyadiah and Pesonen (2016) conducted a

qualitative survey to determine how personalized and privacy factors influenced the performance of AirBnB in China. The results of this experiment revealed that the customer had chosen AirBnB due to unique opportunities and experiences offered by it that supported confidentiality and autonomy. The study conducted by Chen et al., (2022) focused on investigating the effect of privacy practices on commitment and preferences of guests in the sharing economy. The research findings showed that proper privacy management (physical privacy practices) helps in protecting the self-interests of AirBnB such as enhanced earnings, improved guest reviews, higher visibility rate in listing of homes, and improved reputation. However, Chen et al., (2022) research did not provide a blueprint of how the informational privacy and confidentiality in the AirBnB facilitated guest's preference and choice behavior.

In addition, the demographic factors also define customer tastes. Lui and Zhang (2014) carried out research on variables regarding customer selection of online hotel booking. This research took place in China with some facilities located in Shanghai. The research revealed that the variables that define customer preference in booking accommodation included the reason for visit, age, income level, and marital status (Lui & Zhang, 2014). The study discovered that the profiles of guests such as the reason for visit, age, income level, and marital status remain the most significant variables which determine the preference of the guests at the time of booking. However, this research took place in a developed nation; China and thus the research might not be generalized to Kenya.

In Africa, popular destination such as Cape Town, Marrakech, and Nairobi have gained traction by capitalizing on the customer preferences for authentic and immersive unique experiences. According to AirBnB data, guests' arrival in Africa had increased by 71% by 2019 and this led to massive diversification of the tourist sector (Malinga, 2023). However, challenges associated with regulations, infrastructure, and limited access to technology have limited AirBnB's growth in some African regions. In Kenya, Popular destinations such as the Maasai Mara, Mombasa, and Nairobi, have continually provided unique experiences to international travelers. AirBnB has capitalized in providing unique experiences ranging from safari lodges to urban apartments, and beachfront villas. The Ministry of Tourist and Wildlife (2022) showed that Kenya experienced a 7.5% increase in international guests' arrivals in 2020, which had a

beneficial effects on AirBnB's business in the country, driving more bookings and revenue for local AirBnB hosts.

Recent empirical evidence has also demonstrated that customer preferences directly influence key non-financial performance indicators such as customer value and loyalty. For instance, Obunga (2024) found that location choice, digital integration, and competitive pricing significantly improved both perceived value and repeat booking intentions among Airbnb guests in Nairobi County. Similarly, Mwangi (2024) established that amenities, cleanliness, and safety preferences predicted both guest satisfaction and loyalty intentions in Nakuru County, linking customer preferences to sustainable performance outcomes. These findings support earlier conclusions by Mostert and Collins (2021) in South Africa, who observed that relational factors such as trust and communication quality strongly improve customer loyalty and word-of-mouth, which are important measure of Airbnb performance.

KIPPRA (2024) also emphasized that host location and infrastructure preference drives occupancy levels and revenue potential of Airbnb establishments in Kenya, meaning that it improves short-and-long term performance to understand and respond to these preferences. Nevertheless, major urban centers like Nairobi and Mombasa differ in a regional variation of infrastructure and location preference with rural counties like Nyeri where customers appreciate in the calmness, accessibility and proximity to nature. Thus, a research gap in the understanding of how a certain preferences of consumers transform into customer value and loyalty in the raising Airbnb markets in Kenya. The resent studies by (Ding, 2023; Nguyen & Tran, 2023) confirmed that preference aspects like price fairness, amenities, host responsiveness, and authenticity generally shape customer value perceptions and loyalty behavior, which in turn direct performance of AirBnB facilities. However, these studies indicate discrepancies in the measurement of performance outcomes few use actual performance outcomes such as occupancy or repeat booking rate, and more use self-ascribed loyalty intention. Corrections in method would establish more precise insight into the correlation between customer preference and financial and non-financial performances outcome.

Therefore, customer preferences remain an essential performance determiner of Airbnb performance due to their influence on perceived value, satisfaction, and loyalty among guests. Measuring and responding to changes in customer preferences in amenities, location, and service customization by hosts and managers, respectively, directly increases both repeat visitation and business viability. This highlights the need for embedding customer preference analysis in performance measurement tools, specifically in developing tourism economies like Kenya.

## **2.6 Customer Satisfaction and Performance of the AirBnB Facility**

Customer satisfaction refers to the response of guests after purchasing goods or services in relation to their expectations. A satisfied client demonstrates that performance of the product and service aligns with expectation of the customer, hence will motivate them to buy the items again (Ferdous & Mim, 2021). Customer satisfaction is essential in the success of the hospitality industry as well as the AirBnB sector. Studies show that extensive reviews and ratings from customers play a significant role in enhancing their satisfaction (Rahman, 2023). Studies outlined propose that satisfied clients would be likely write good remark, recommend accommodation to individuals, and likely be repeat visitor. Guttentag's (2015) study indicated that positive rating and remark contributed much in building booking behavior of visitors.

Adan (2023) investigated service quality and satisfaction of AirBnB properties in Kenya and established responsiveness, empathy, and assurance significantly related to client contentment. The study determined that hosts who portrayed reliability and attentiveness enhanced guests' value perceptions, which resulted in increased occupancy and revenue performance. Similarly, Moon et al., (2019) emphasized that a higher degree of contentment has positive degree of remark, which establish important role of contentment in achieving positive remark. Fung and Hamzah (2020) further observed that review and rating can be used as information cues for prospective guests, enabling them to assess accommodation safety, reliability and value. Moreover, it was determined that study revealed that above service quality dimension provide considerable facets in achieving retention of visitors' happiness.

The recent studies also linked effective communication to performance of AirBnB facilities. Hrovat (2023) found that information flow and efficient interaction among hosts and guests improve ultimate AirBnB guest satisfaction. The studies recognized that effective communication helped to provide a suitable atmosphere where guests can feel like a part of the facility, feel welcomed, valued and informed during their stay in the facility. He also claimed that the success, growth, and development of any AirBnB is based on the good and effective communication (Hrovat, 2023). The study suggested that, AirBnB facilities managers can learn the art of communication, and create a positive and memorable experiences, which can result to increase positive reviews, repeat-booking and a constantly expanding happy customers. This observation is consistent with that of Beck, (2016) who noted that timely and efficient communication between hosts and customers positively contribute to trust, loyalty as well as the degree of AirBnB performance. Happy customers also help in marketing AirBnB products by sending messages of appreciation of how the services was which can give a sense of trust between various actual and potential users. His assertions also show that effective communication and responsiveness from AirBnB hosts are crucial factors that impact customer satisfaction. Guests appreciate hosts who respond to their queries and messages, provide clear directions, and promptly address any difficulties or complaints (Beck, 2016).

Tussyadiah and Pesonen (2016) extended the discussion by emphasizing personalized interaction as a source of customer satisfaction. Hosts that provide personalized recommendations and engage guests in meaningful interactions, which result in memorable experiences, induce repeat bookings and positive electronic word-of-mouth (eWOM). These results imply that emotional connection and personalization are equally important as functional service delivery in driving Airbnb's long-term performance. Nonetheless, the influence of cultural empathy and host personality remains uninspected in emerging economies such as Kenya, where the congruence of cultures may have a far-reaching effect on guest comfort and satisfaction Tussyadiah and Pesonen (2016).

AirBnB facilities cleanliness and maintenance has also become a dominant predictors of performance outcome. Godovykh et al. (2022) in their study employed online

experimental research to evaluate various formats of cleanliness information displayed on AirBnB and their impact on guest satisfaction and retention. They found out that the customer satisfaction, loyalty, and trust were dependent on the cleanliness of AirBnB. Fung and Hamzah (2020) supported the findings and also found that the state of cleanliness and hygiene of the AirBnB facility was one of the factors underlying the guest choice during the booking decision between the hotel and AirBnB facility. The findings of this study indicated that cleanliness ranked second after the safety of security of the facility, pricing, and level of service, amenities, location, friendliness, response, and reputation of the brand. The authors concluded these assertions to apply to all AirBnB across the world. Post-pandemic evidence verifies that cleanliness has become an even stronger satisfaction driver, with tourists now appreciating sanitary protocols and visible cleaning initiatives (WHO, 2020). Airbnb's "Enhanced Clean" policy implemented in 2021 further consolidated this, boosting customer confidence as well as booking performance (Airbnb, 2021).

Empirical studies in Africa also verify the satisfaction-performance link. According to Malinga (2023), Airbnb stays in Kenya, South Africa, and Tanzania that invested in personalized communication, hygiene, and speedy problem-solving had an average 23% increase in repeat bookings. Similarly, Mwangi (2024) confirmed that comfort, hygiene, and host reliability shaped satisfaction among Airbnb guests in Nakuru County, all of which significantly predicted customer loyalty and occupancy rate. These findings are correlating with global findings that customer satisfaction is a non-cash performance measure and also a determinant of revenue outcome.

However, recent research indicates methodological differences in measuring satisfaction outcomes. For instance, Ding (2023) indicated that most research applies satisfaction interchangeably with online review ratings, but few actually measure actual behavioral outcomes such as repeat stays or word-of-mouth. This over-reliance on subjective measures might obscure the real relationship between satisfaction and business performance. Once more, while worldwide studies emphasize emotional satisfaction, Kenyan studies show that functional items such as cleanliness, price, and security remain the main drivers of satisfaction (Obunga, 2024). This deviance leads to the requirement of context-relevant models of satisfaction measure among new

economies. Finally, customer satisfaction is a multi-dimensional construct that entails dimensions of service quality, communication, personalization, and cleanliness, all influencing Airbnb performance. Satisfied customers do not just generate positive word-of-mouth and ratings but also they also equate to revenues through repeat consumption. This study therefore, examine how customer satisfaction alongside brand perception and customer preferences influences performance of AirBnB facilities, offering a comprehensive understanding of how these factors jointly drive to business success in regional market such as Nyeri County.

## **2.7 Theoretical Framework**

### **2.7.1 Expectancy-Value Theory (EVT)**

This study incorporated the Expectancy-Value Theory (EVT), developed by Atkinson in 1964. The theory depicts man as being motivated to perform some behaviors due to their perceived expectancy of success and the value they hold on the outcome that shall be experienced (Mathew et al., 2022). Having originated from social psychology and learning, EVT is one such behavioral theory which attempts to explain individual readiness to take action besides decision making Wang & Xue, (2022).

In hospitality industry, EVT is one critical component in determination of customers' decision-making while selecting accommodation. According to theory, individuals make comparison of their expectations regarding the quality of services, experiences, and overall satisfaction they are anticipating on a given facility. Furthermore, this theory predicts that customer compare subjective value they attach with such cost such as affordability, amenities, and the uniqueness of provisions that such facility has. It also predicted that customers' preference for conducting business with AirBnB facilities in Nyeri County is grounded on anticipations of service quality, host responsiveness, overall satisfaction and perceived value. Li & Wang, (2017); Chi & Qu, (2008) suggests that when such anticipations are realized, customer satisfaction is increased and hence boost repeat bookings, positives word of mouth and overall the performance of the Facility.

The expectancy variables elucidated in terms of brand image, service quality, and total satisfaction should also be an important attraction to customer preferences. In the case

of AirBnB facilities, the expectations of customers concerning the quality status of accommodation facilities, cleanliness, and other customer experiences have a determining role. This expectation plays a big role in the selection of accommodation centre. In the EVT perspective, the extent to which such expectations are achieved will dictate the satisfaction levels. Thus, evaluating the expectation levels of customers upfront of their experience and comparing them with their post-stay experience will allow tracking the compliance of AirBnB facilities with customer expectation levels. Meanwhile, the value element includes subjective assessment of such aspects as low costs, the convenience and novelty of the AirBnB experience on the part of the customers to the value segment, and such elements are significant to the influence of the customers in their decision-making. It is expected that the customers will select the facilities that are best suited to their own expectations amid anticipated expectation and their cost benefit ratio.

EVT is a helpful framework that expounds the extent to which customers' expectations and judgments of value guide their satisfaction and loyalty with Airbnb properties. Based on EVT, people make decisions about the outcomes they expect from any action they take, as well as the subjective value attached to these outcomes. In Airbnb, the service quality, affordability, and host dependability that customers anticipate will form their initial decision about the site, while perceived value how the experience compares with these expectations expected is the determinant of satisfaction and loyalty outcomes. Perceptions of Airbnb's and specific host brands guide customers' expectations through indicators of trustworthiness, authenticity, and quality. When perceptions match or better expectations, they reinforce satisfaction and encourage repeat visits and favorable referrals. Falling short on expectations declines perceived value, as well as loyalty. EVT thus facilitates this research to examine how customer preferences, brand perception, and satisfaction work together in determining the performance of Airbnb sites. Preferences determine what the customer expects from the experience including, price sensibility, facilities, or cultural experience whereas perceived value indicates the extent that these expectations are fulfilled. By deploying EVT, the research can delineate the motivational and cognitive processes between customer perceptions especially behavioral outcomes like loyalty and frequent visits. By doing this, EVT facilitates further insight into how achieving Airbnb offerings that

meet customer expectations and perceived values boosts satisfaction, solidifies the presence of brand loyalty, and underpins the general performance of Airbnb facilities.

## **2.8 Conceptual Framework**

A conceptual framework guided this study as it facilitated the definition of the relationship on the issue of demand side factors and the performance of AirBnB facilities. The framework shows that there are three major independent variables and they are brand perception, customer preferences and customer satisfaction. These are considered to impact the choices of the customers in the accommodation, which in effect affects the overall performance of AirBnB. Some of the indicators of brand perception used in this study were Brand image, Trustworthiness, Reliability, and Reputation. Consequently, the indicators of customer preferences used in this study were location, pricing, privacy, and the amenities such as WI-FI and parking space. The model further incorporates customer satisfaction as an important influencing factor, represented through indicators such as; host-guest interaction, cleanliness, effective communication, as well as reviews and ratings.

A key intervening variable in this model is booking decision, which acts as the mediator between the demand factors and AirBnB performance. Booking decisions reflect the actual customers' decision to stay at a facility based on how much their preferences and level of satisfaction have been fulfilled. This intervening relationship shows that the match between the customers' expectations and service provided directly impacts performance results.

Airbnb outlets' performance, the variable being measured, using performance measures that are non-financial like customer value and loyalty. The gauges capture the perceived value customers experience during stay and their repeat booking and word-of-mouth propensity, which are the ultimate sustainability and competitiveness indicators of Airbnb outlets throughout Nyeri County as shown in figure 1.

Independent Variables  
Variables

Intervening Variables

Dependent

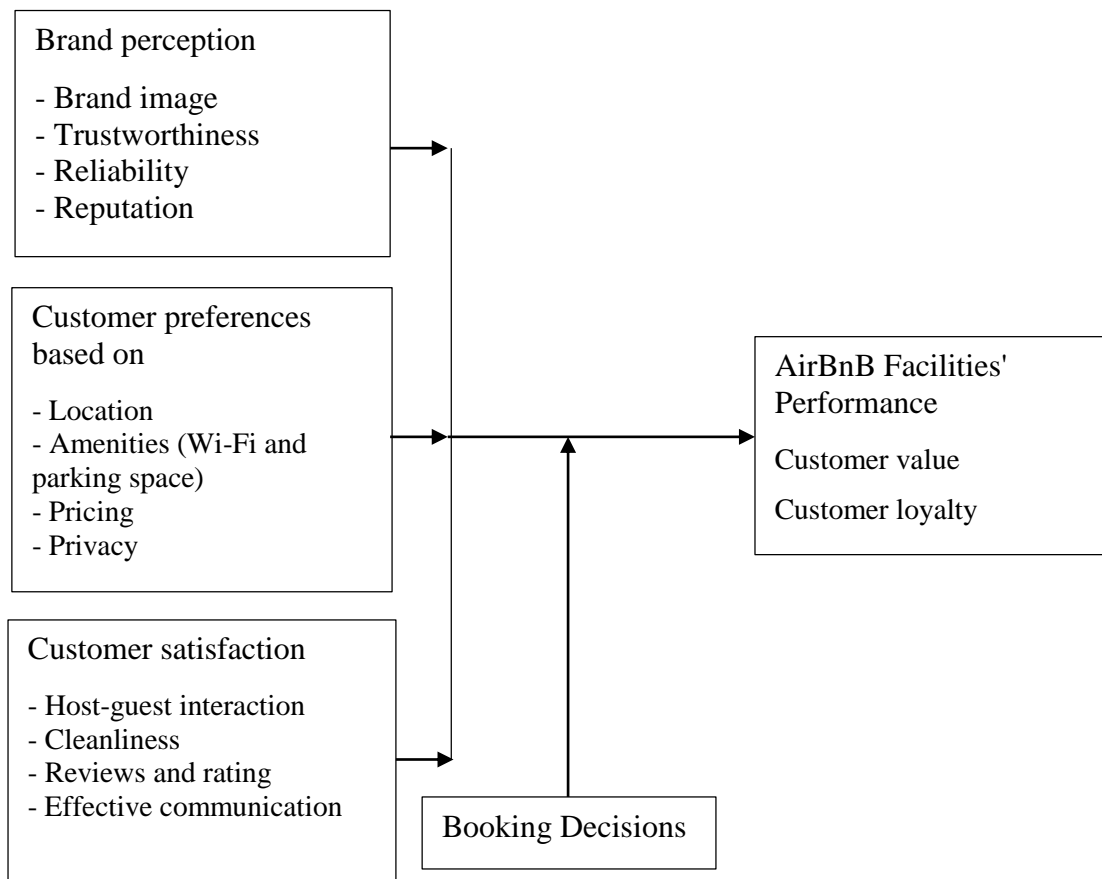


Figure 1: Conceptual framework

Source: (Author 2025)

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Study Area Characteristics**

The research was conducted in the Nyeri County within central part of Kenya which has an area of 3,337.2 km<sup>2</sup>. It is located in the longitudes 36<sup>0</sup>38"E and 37<sup>0</sup>20" and it is located just south of the equator about 150 km north of Nairobi. On the north Nyeri County shares borders with Laikipia, on the east with Kirinyaga, on the south with Muranga, on the west with Nyandarua, and on the north-east with Meru. Nyeri is an African city with a population of 759,164 (KNBS, 2019), and its growth rate is 0.8 annually, and this city experienced the change in the preferences of the accommodations, as many visitors prefer Airbnb to conventional hotels. The well-developed infrastructure and strategic location that links the urban centers in central Kenya with Nairobi and Mombasa, makes the county a perfect location to use in conducting this study. The wide range of culture and the geographic peculiarities of Nyeri offer a good ground to examine the range of attributes, which influence how the brand is seen and what is preferred and what can satisfy the customers with the Airbnb services. It is also a volatile location to research the shifting patterns in hospitality industry considering that it is increasingly demanded in accommodation particularly by travelers going to Nairobi and the North and eastern regions of Kenya.

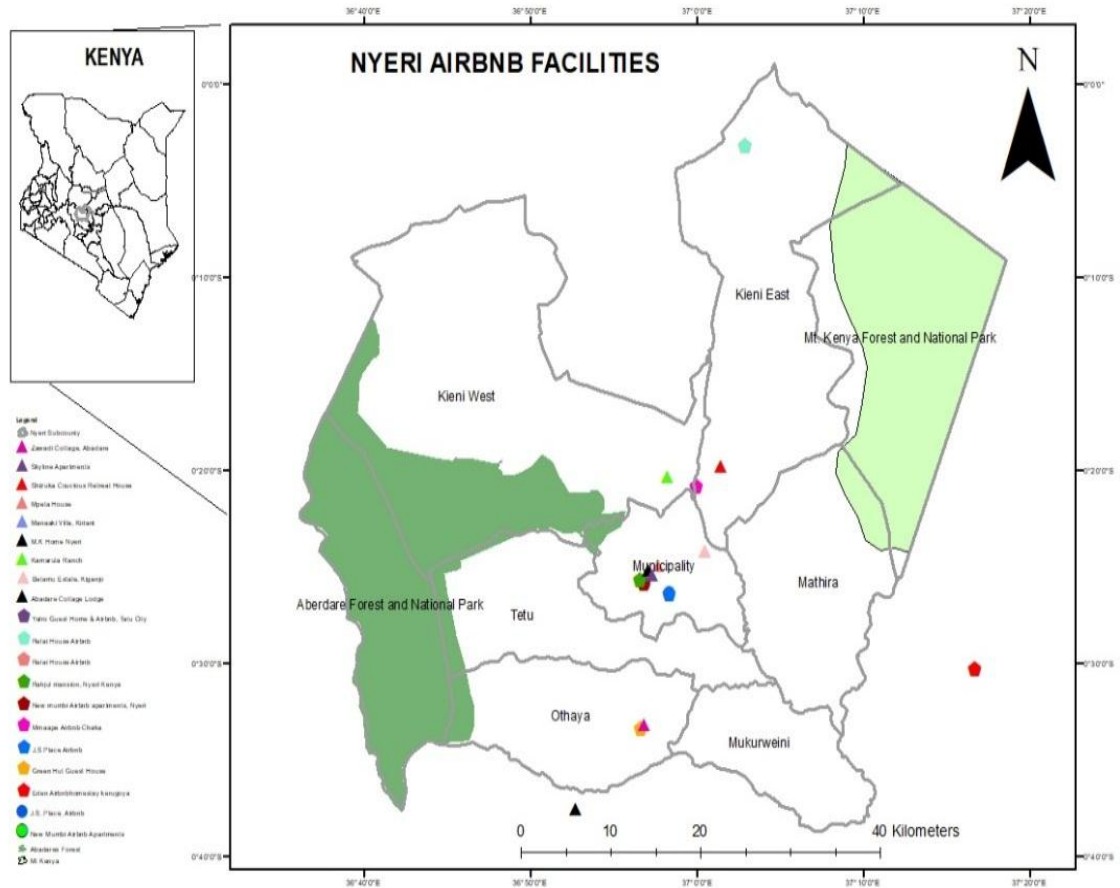


Figure 2: Nyeri County geographical map (Source: Arc Gis shape file, 2024)

### 3.2 Research Design

Mixed research design was used in this research in which both qualitative and quantitative data were utilized. The quantitative data collected through customer questionnaire and the qualitative data collected through interviews with Airbnb managers in order to determine how customer preferences, customer satisfaction, and brand perception impact AirBnB performance. The mixed-methods approach was justified because it has provided an in-depth view of the variables which affect Airbnb performance in Nyeri County. The combination of the two approaches enabled the research to sufficiently accommodate the two patterns and contextual information which delivered an in-depth view of the factors which impact the performance of Airbnb properties in Nyeri County.

### 3.3 Target Population

The study target population for the study comprised 1600 AirBnB customers and 102 AirBnB owners/managers in Nyeri County. The customer population included both local and domestic tourists who had booked accommodations. The managers or owners consisted of individuals who oversee AirBnB facilities in urban, intermediate and rural zones of the County.

### 3.4 Sampling Procedures and Sample Size

#### 3.4.1 Sampling Procedures

The research employed a purposive sampling method to sample the sub-counties which had AirBnB facilities. In the sampled sub-counties, the researcher used a stratified random sampling method to sample the AirBnB facilities. The researcher stratified the AirBnB facilities in each sub-county into strata based on the location in urban, intermediate and rural areas within the sub-county. The AirBnB facilities within each stratum were then sampled randomly in order to ensure diverse representation across the sub-county. The stratified random sampling ensured that there was proportional representation of AirBnB facilities within each sub-county. Conversely, the research used purposive sampling in the collection of the data on AirBnB managers/owners who had knowledge and experiences which are relevant to the study. The research used a Quota-sampling method for the AirBnB guests with specific quotas being set based on the related characteristics like age, gender, occupation and nationality in order to ensure representation.

#### 3.4.2 Sample Size

The proportionate stratified sampling was used because it was necessary to make sure the sample of AirbnB facilities was representative of the distribution of facilities in the sub-counties within the Nyeri County. This was employed to sub-sample the total population 102 AirbnB facilities into different subgroups (strata) in terms of geography (sub-counties) and subsequently to take a sample that would represent the different subgroups in proportion (Table 1). The sample size for each stratum ( $n_h$ ) was determined using the formula (Ahmed, 2024):

$$n_h = \frac{N_h}{N} \times n \dots\dots\dots(1)$$

Where:

- $n_h$  = sample size for stratum h,
- $N_h$  = population size for stratum h,
- $N$  = total population size,
- $n$  = desired sample size (40)

Table 1: Allocation of Facilities Sample

Selected Counties	Sub-Facilities	Proportion	Proportionate Sample	Sample size
Nyeri central	50	50/102 x 40	19.6	20
Kieni East	23	23/102 x 40	3.9	9
Kieni West	19	19/102 x 40	9.0	8
Othaya	10	10/102 x 40	7.5	4
Total	102		40	41

Source: AirBnB website (2025)

Since each facility was assumed to have one manager/owner, the population of AirBnB manager was 41. The sample size for AirBnB guests was determined using the Cochran (1977) formula with 95% confidence, a 5% margin of error ( $e=0.05$ ), and a population proportion of  $p=0.82$ .

$$n_0 = \frac{Z^2 * p * (1-p)}{e^2} \dots\dots\dots(2)$$

Where,  $Z=1.96$  (for a 95% confidence level)

$p=0.82$  (maximum variability)

$e=0.05$  (margin of error)

$$n_0 = \frac{1.962 \times 0.82 \times (1-0.82)}{(0.05)^2} = 227 \dots\dots\dots(3)$$

Since the total population was finite (1,600 guests per month), the finite population correction (FPC) was applied:

$$n = \frac{n_0}{(1 + (n_0 - 1)/N)} \dots\dots\dots(4)$$

$$n = \frac{227}{(1 + (227 - 1)/1600)} = 199 \dots\dots\dots(5)$$

The sample size was rounded to 200 for practicality and ease of administration, as this minor adjustment did not significantly affect the statistical precision or confidence level. Thus, the final sample size comprised 200 respondents (Table 2).

Table 2: Sample size for the guests

Selected Sub-Counties	Total guest population per month	Proportion to total population	Samples Quota
Nyeri central	800	$800/1600 \times 200$	100
Kieni East	400	$400/1600 \times 200$	50
Kieni West	320	$320/1600 \times 200$	40
Othaya	80	$80/1600 \times 200$	10
Total	1600		200

Source: (Author own Compilation 2025)

### 3.5 Data Collection Instruments

Research utilized structured questionnaires for Airbnb customers (Appendix 1) and an interview guide for Airbnb facility managers (Appendix 2). The questionnaire was a well-structured tool, designed to collect quantitative data, divided into five sections, each targeting specific aspects of the customer experience. Section A gathered demographic information, including age, gender, occupation, and frequency of Airbnb use, providing a foundational understanding of the respondents' backgrounds. Sections B, C, and D focused on assessing the brand perception, customer preferences, and customer satisfaction, respectively, using a Likert scale for responses. This scale, which ranged from 1 (Strongly Disagree) to 5 (Strongly Agree), allowed for the quantification of customer attitudes towards various factors such as reliability, location, amenities, and host-guest interaction. Section E specifically examined customer perceptions on the performance of Airbnb facilities, with questions designed to gauge customer value and loyalty, again using the Likert scale. The interview guide, on the other hand, was used to conduct qualitative interviews with the Airbnb facility managers. This instrument provided a framework for gathering in-depth insights on the factors affecting Airbnb operations, such as customer preferences and the management strategies that influence facility performance. These instruments allowed for both quantitative data on satisfaction levels and qualitative data on personal experiences, making it a comprehensive tool for evaluating customer perspectives on Airbnb facilities.

### **3.6 Pretesting of Data Collection Tools**

A pilot study was carried out in Tharaka-Nithi County before the actual data collection exercise. This was meant to determine the transparency, pertinence and confidence of research tools. The questionnaires were randomly distributed to responses across ten AirBnB facilities within Tharaka-Nithi County. The responses helped the researcher to discard any ambiguous questions and thus improved the level of accuracy and validity of the instruments.

#### **3.6.1 Validity of the Study Instruments**

Validity in research can be defined as an accuracy and the meaningfulness of the inferences being drawn from the research results. To address face validity, the researcher went through the measurement instrument in detail, assessing the relevance and suitability of the items or questions in measurement of the construct of interest. Content and construct validity were in this paper determined on the direction of supervisors. They evaluated every variable of the instruments to check their clarity and consistency with the conceptual framework. Subjecting them to final data collection exercise was done after adjusting the instruments in accordance with the evaluation. Research instruments were altered to the errors and unfinished questions, as it was reviewed by the supervisors.

#### **3.6.2 Reliability of Research Instruments**

Internal consistency reliability of the study instrument was determined through Cronbach's Alpha, internal consistency of the variables items. The four variables all showed high consistency, the values being well above the acceptable 0.7 value. More specifically, brand perception ( $\alpha = 0.899$ ), customer satisfaction ( $\alpha = 0.898$ ) and facility performance ( $\alpha = 0.896$ ) all showed flawless internal consistency and customer preference ( $\alpha = 0.824$ ) also showed high consistency. These findings confirm that the items applied in the measurement of the various constructs showed consistency and reliability, thereby justifying the suitability of the instrument for the proper capture of the study variables. The reliability test results are presented in table 3.

Table 3: Reliability Results

Variable	No. of items	Alpha coefficient
Customer brand perception	8	0.899
Customer preferences	10	0.824
Customer satisfaction	8	0.898
Performance of AirBnB facilities	4	0.896

Source: Research Data (2025)

### 3.7 Data Collection

The research uses structured questionnaires that were directly administered to the customers. The questionnaires provided a comprehensive approach by incorporating both demographic and opinion-based questions. This data collection process was essential for understanding the customers' experiences with Airbnb, their preferences, and the factors influencing their decisions, including their perception of the performance of the Airbnb facilities. The questions aimed to capture how customers evaluated the quality, reliability, and value of the services provided, as well as their overall satisfaction. The use of structured questionnaires enabled the researcher to efficiently collect a large volume of data from a varied group of respondents, facilitating an analysis of the factors that contribute to customer loyalty, satisfaction, and their perceptions of Airbnb's performance.

Additionally, structured interviews were conducted with Airbnb owners or managers at the management level. The interviews were administered directly by the researcher, with the assistance of two research assistants, ensuring that the data was gathered efficiently and consistently. These interviews provided in-depth insights into the operational aspects of the Airbnb facilities and the management strategies that affect customer experiences and perceptions.

### 3.8 Data Analysis

Both inferential and descriptive statistics were used to analyze the data. The quantitative report was coded, cleaned and analyzed using the Statistical Package of Social Science (SPSS) version 26 in creating the quantitative report. The demographic characteristics of the respondents were summarized through descriptive statistics (frequency, percent and means). The descriptive statistics were used to characterize the variables and compare those using numbers. The study employed descriptive statistics to find out the

level at which the respondents concur with the statements contained in the questionnaire. In the case of inferential statistics, the correlations and analysis of variance (ANOVA), constituted the group of inferential statistics. The correlations between the independent variables (brand perception, preferences and satisfaction) and the dependent variable (performance of the facilities) were analyzed using the simple linear regression analysis. This discussion has been used to establish to what degree these variables affect the performance of AirBnB facilities in Nyeri County in Kenya. An alpha ( $\alpha$ ) = 0.05 standard multiple regression analysis was applied to test the hypothesis. The null hypothesis ( $H_0$ ) was rejected but in case the p-value exceeded 0.05, the motivation was not rejected. Interpretations of qualitative data were done in the form of themes based on the interviews carried out with AirBnB owners and managers. The answers were textualized and coded and grouped into themes and sub-themes so as to find the patterns and ideas which were emerging through the data. The use of thematic analysis as proposed by Braun and Clarke (2006) was due to the fact that thematic analysis was flexible in identifying, conducting analysis and interpretation of common ideas and experiences. NVivo software was applied to assist in the coding process and logical organization of qualitative data and improve the rigor, reliability, and validity of the analysis. Qualitative conclusions were integrated with quantitative findings, which gave threshold and were useful to the explanation of the study findings.

In this study, a regression model that consisted of three independent variables was used. They are; customers brand perception, preferences and satisfaction and the dependent variable was performance of AirBnB facilities in Nyeri County. The multiple linear regression model was used to identify the combined effect of these factors on the performance of AirBnB facilities within the Nyeri County.

The regression equation will be presented as follows:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_i$$

Where;

$Y_i$  = performance of AirBnB facilities

$\beta_0$  = constant term

$\beta_1, \beta_2, \beta_3$  = regression coefficients

$e$  = error term

X<sub>1</sub>= Brand perception

X<sub>2</sub>= Preferences

X<sub>3</sub>= Satisfaction

### **3.9 Ethical Considerations**

The study ethics was followed during the research. In order to conduct research, the researcher received a clearance of the ethics committee of Chuka University Board of Postgraduate Studies Ethics Committee (Appendix 3) and National Council of Science Technology (NACOSTI) (Appendix 4) to conduct the research. The researcher had informed consent of the respondents, as the participants were well aware of the kind of information that was required and the study purpose. Participation was not compulsory but voluntary and they guaranteed their identities were not to be disclosed during and after the study. The researcher ensured that it was free of any psychological harm because there was no humiliating questions or pressure on the participants. Moreover, all the literature was well cited against plagiarism.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **4.1 Introduction**

This chapter represents and discusses the results. It represents the return rates, demographic information of the respondents, descriptive analysis, analysis of variance, regression analysis, hypothesis testing and discussion of the findings.

##### **4.1.1 Response Rate of Respondents**

The researcher distributed 200 questionnaires to AirBnB customers and 166 (83%) were completed and returned. Moreover, 27 managers were interviewed and 27 (65%) were filled and returned which was very high and acceptable to the study. Elmakkawy and Abdien (2021) argued that the reasonable return rate used in the study discussion, data analysis, and conclusion is 80 per cent or more. Moreover, Mugenda and Mugenda (2003) state that a response rate of 50% or above is adequate for data analysis and reporting. It improves the validity, credibility and representativeness of the self-administered questionnaire. High rate of return implies that a large proportion of the target population has been covered in the study thus minimizing the instances of non-response bias and the findings can be relied upon to reflect the views and experiences of the respondents. The rate of returning in this case was high in addition to being greatly increasing the quality and credibility of the findings of the study

#### **4.2 Demographic Characteristics of the Respondents**

The researcher established various demographic data of the respondents to solicit some information about the sampled respondents, as they exist in the overall population. The section presented the distribution of respondents by gender, age, origin, occupation, level of education, marital status, frequency of AirBnB usage, purpose of visit, booking frequency, accessibility, category of AirBnB, and knowledge of AirBnB. The results of the demographic information are presented in the subsequent sections.

##### **4.2.1 Distribution of Respondents by Gender**

The researcher wanted to determine the gender distribution of the respondents in AirBnB facilities in Nyeri County, Kenya. The findings were presented as shown in table 4

Table 4: Distribution of Respondents by Gender

Gender	Frequency	Percent
Male	98	59.0
Female	68	41.0
Total	166	100.0

Source: Research Data (2025)

The gender component of the respondents of this study indicated disproportional number of men who responded to the study as compared to the women who responded to the study. Specifically, 59.0 percent of the respondents were males and 41.0 percent were females. That means that AirBnB was more used by male tourists in the locale. There was dominance, but 41.0% of women respondents indicate that the genders were equally represented in the study of the different customer experiences and perceptions. The outcome represents the extent of the participation of both male and female customers within the AirBnB market in the Nyeri County that provides a comprehensive indication of customer satisfaction among the genders.

#### 4.2.2 Distribution of Respondents by Age

The researcher sought to determine the age distribution of the respondents in AirBnB facilities in Nyeri County, Kenya. The findings were presented as shown in table 5.

Table 5: Distribution of Respondent by Age

Age Group	Frequency	Percent
18 to 24	36	21.7
25 to 34	97	58.4
35 to 44	32	19.3
45 to 54	1	0.6
Total	166	100.0

Source: Research Data (2025)

The age statistics of the respondent showed that we are mostly the young adults with 58.4% of them being young in the 25-34 bracket. This were followed by 21.7 per cent of the respondents whose age group is 18-24 and 19.3 per cent aged 35-44. The respondents in the age bracket of 45-54 were only 0.6%. This means that most consumers of AirBnB facilities in the Nyeri County are young people, most of them in the 25-34 years old bracket, and this suggests that the facility is more attractive to the younger generation traveling population.

### 4.2.3 Distribution of Respondents by Nationality

The researcher aimed to determine the distribution of the nationality of respondents who were costumers at AirBnB facilities in Nyeri County, Kenya. The findings were presented as shown in Table 6.

Table 6: Distribution of Respondents by Nationality

	Frequency	Percent
Kenyan	119	71.7
Non-Kenyan	47	28.3
Total	166	100.0

Source: Research Data (2025)

The nationality distribution of the respondents indicate that of the 166 customers, 71.7% are Kenyan and 28.3% are non-Kenyan. This indicates that while the study was largely dominated by local participants, there was also a considerable presence of international respondents. The inclusion of both Kenyan and non-Kenyan participants ensures that the study captures diverse perspectives, thereby enriching the analysis with insights from both local and foreign experiences. These findings highlight the significance of nationality as a demographic factor in understanding patterns and perceptions within the study context.

### 4.2.4 Distribution of Respondents by Employment Status

The researcher aimed to determine the distribution respondents by employment status in AirBnB facilities in Nyeri County, Kenya. The findings were presented as shown in table 7

Table 7: Distribution of Respondents by Employment Status

	Frequency	Percent
Employed	90	54.2
Self employed	60	36.1
Non employed	16	9.6
Total	166	100.0

Source: Research Data (2025)

This study indicates that a majority, 54.2%, were employed in formal jobs. This was followed by 36.1% who were self-employed, while 9.6% of the participants reported being non-employed. These findings suggest that most respondents were economically active, either in formal employment or through self-employment, reflecting a high level of engagement in income-generating activities among the study population.

#### 4.2.5 Distribution of Respondents by Education Level

The researcher sought to determine the education level of the respondents by occupation in AirBnB facilities in Nyeri County, Kenya. The findings were presented as shown in Table 8.

Table 8: Distribution of Respondents by Education Level

	Frequency	Percent
Primary education	14	8.4
Secondary education	104	62.7
Tertiary education	48	28.9
Total	166	100.0

Source: Research Data (2025)

The level of education of the respondents showed that most of the respondents had secondary school level education (62.7%), second are the university graduates (28.9%), with the rest being secondary school learners (8.4%). This indicates that the majority of the Airbnb customers in Nyeri County are very educated and this is probably the driving force behind the recognition, anticipation, and use of the internet lodges sites.

#### 4.2.6 Distribution of Respondents based on their Marital Status

The researcher sought to determine the distribution of Marital Status among respondents at AirBnB facilities in Nyeri County, Kenya. The findings were presented as shown in table 9.

Table 9: Distribution of Respondents based on their Marital Status

Marital status	Frequency	Percent
Single	76	45.8
Married	53	31.9
Separated	25	15.1
Prefer not say	12	7.2
Total	166	100.0

Source: Research Data (2025)

The findings show that 45.8% of the respondents were single making them the largest group in the study. Married respondents accounted for 31.9%, while 15.1% were separated and 7.2% preferred not to disclose their marital status. The trend shows that the singles make the greatest percentage of AirBnB facility consumption in Nyeri County and they may also be more adaptable in travel plans and in the selection of their accommodations than others.

#### 4.2.7 Distribution of Respondents by their Frequency of Using AirBnB

The researcher sought to determine the frequency of AirBnB usage among the respondents in Nyeri County, Kenya. The findings were presented as shown in table 10.

Table 10: Distribution of Respondents by their Frequency of Using AirBnB

Frequency of using AirBnB	Frequency	Percent
Regularly	109	65.7
Occasionally	57	34.3
Total	166	100.0

Source: Research Data (2025)

The results show that most of the respondents (65.7%) currently used AirBnB facilities frequently, while 34.3% indicated occasional use. This demonstrated that most participants were consistent users, reflecting a high level of engagement and reliance on the service. However, the notable proportion of occasional users also highlights varying patterns of usage among the respondents. The inclusion of both regular and occasional users enriches the study by capturing perspectives from individuals with different levels of interaction, providing a balanced understanding of customer experiences and behaviors.

#### 4.2.8 Distribution of Respondents by their Purpose of Visit

The researcher wanted to determine the purpose of visit among the respondents in AirBnB in Nyeri County, Kenya. The findings were presented as shown in Table 11.

Table 11: Distribution of Respondents by their Purpose of Visit

	Frequency	Percent
Business	72	43.4
Leisure	69	41.6
Other reasons	25	15.1
Total	166	100.0

Source: Research Data (2025)

The results indicate 43.4% had used the AirBnB services for business, while 41.6% for leisure and 15.1% for other reasons for using the service. This, therefore, indicates that business and leisure travel are the primary reasons for the use of AirBnB in Nyeri County, with business travel being relatively higher. The presence of respondents citing other reasons demonstrated that the service also catered to diverse needs beyond the main categories.

#### 4.2.9 Distribution of Booking Frequency

The researcher wanted to determine the distribution of booking frequency among the respondents in AirBnB in Nyeri County, Kenya. The findings were presented as shown in table 12.

Table 12: Distribution of Booking Frequency

	Frequency	Percent
Weekly	58	34.9
Monthly	68	41.0
Annually	40	24.1
Total	166	100.0

Source: Research Data (2025)

The findings show that 41.0% of the participants reserve in AirBnB houses monthly, 34.9% monthly and 24.1% annually. These results indicated that the majority of respondents were monthly or weekly users, which is a rather high involvement in the service. The fact that annual visitors were in the category of less often but still regular

showed that the service was also appealing to people who had less frequent but also regular usage.

#### 4.2.10 Distribution of Physical Accessibility of AirBnB Facilities

The researcher sought to determine the physical accessibility of AirBnB facilities among the respondents in Nyeri County, Kenya. The findings were presented as shown in table 13

Table 13: Distribution of Physical Accessibility of AirBnB Facilities

	Frequency	Percent
Easily accessible	125	75.3
Slightly accessible	39	23.5
Not easily accessible	2	1.2
Total	166	100.0

Source: Research Data (2025)

The results show that 75.3% of respondents found AirBnB facilities in Nyeri County easily accessible, 23.5% considered them slightly accessible, while only 1.2% reported that they were not easily accessible. This indicates that accessibility was generally not a major barrier for most users, as three quarters found the service readily available.

#### 4.2.11 Distribution of AirBnB Facilities by Location Type

The researcher sought to determine the distribution of AirBnB facilities by location types in Nyeri County, Kenya. The findings were presented as shown in table 14.

Table 14: Category of AirBnB

	Frequency	Percent
Urban	44	26.5
Intermediate	98	59.0
Rural	24	14.5
Total	166	100.0

Source: Research Data (2025)

The data on the category of AirBnB facilities shows that the majority of respondents (59.0%) used intermediate AirBnB accommodations, while 26.5% stayed in urban locations and 14.5% chose rural AirBnB options. This distribution suggests that

intermediate category AirBnB are the most popular choice among users in Nyeri County, possibly due to a balance between accessibility and amenities offered.

#### 4.2.12 Distribution of Perceived Knowledge of AirBnB

The researcher sought to determine the perceived knowledge of AirBnB facilities among respondents in Nyeri County, Kenya. The findings were presented as shown in table 15.

Table 15: Distribution of Perceived Knowledge of AirBnB

Knowledge of AirBnB	Frequency	Percent
Slightly familiar	16	9.6
Moderately familiar	47	28.3
Familiar	62	37.3
Very familiar	41	24.7
Total	166	100.0

Source: Research Data (2025)

The results of the knowledge of AirBnB show that the majority of the answers were familiar with the AirBnB, as the 37.3% of the respondents indicated that they were familiar with the AirBnB, and 24.7% were very familiar. Further, a third were moderately familiar 28.3% and few were slightly familiar 9.6%. The results therefore indicate that the population of the AirBnB consumers in Nyeri County is relatively aware of the AirBnB service and that would have a favorable impact on their utilisation and perception of the AirBnB.

#### 4.2.13 Factors Influencing the Perception of AirBnB

The researcher sought to determine the perceived knowledge of AirBnB facilities among respondents in Nyeri County, Kenya. The findings were presented as shown in table 16

Table 16: Factors contributing to perception of AirBnB

Factors contributing to perception of AirBnB	Frequency	Percent
Positive customer reviews and ratings	61	36.7
Advertising and marketing efforts	51	30.7
Previous experience with AirBnB	3	1.8
Personal recommendations	51	30.7
Total	166	100.0

Source: Research Data (2025)

The extrinsic factors that determined the perception of AirBnB among the respondents in Nyeri County were favorable consumer ratings and reviews (36.7%), promotion and adverts (30.7%) and word of mouth (30.7%). The lowest contributing extrinsic variable towards the perception of AirBnB was experience in dealing with AirBnB, contributing only 1.8%. The indication is that extrinsic factors such as adverts, reviews and word of mouth are highly significant in the construction of customer perceptions.

### 4.3 Analysis on the Performance of AirBnB Facilities

Customers were requested to provide their opinion regarding the performance of AirBnB facilities in Nyeri County, Kenya. Their responses was recorded as shown in Table 17.

Table 17: Measure Performance of AirBnB Facilities

Item	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
The services I receive in the AirBnB facility are of high value	0	0.0	19	11.4	8	4.8	73	44.0	66	39.8
This AirBnB offers good experience	0	0.0	14	8.4	42	25.3	39	23.5	71	42.8
I will stay at this AirBnB facility again	7	4.2	0	0.0	28	16.9	83	50.0	48	28.9
I will recommend this AirBnB facility	1	0.6	9	5.4	36	21.7	52	31.3	68	41.0

Source: Research Data (2025)

AirBnB customer respondent results revealed that a majority of visitors held that facilities' offered service was worthwhile, with 44.0% agreeing and 39.8% agreeing very much, and only 11.4% disagreed and 4.8% were indifferent. The positive sentiment was further attested through visitor loyalty intentions, whereby 50.0% agreed and 28.9% agreed that they would return for stay purposes once again, vis-a-vis only 4.2% disagreed very much and 16.9% were indifferent. For the overall experience, 42.8% agreed and 23.5% agreed that experience was good, vis-a-vis 25.3% were indifferent and 8.4% disagreed. In much the same vein, recommending intent of facilities was similarly high, with 41.0% agreeing and 31.3% agreeing, vis-a-vis only 0.6% disagreed very much and 5.4% disagreed. Observations were that AirBnB facilities in the area were high on loyalty and consumer acceptability, with majority of

respondents holding that service was valuable, enjoyed stay, and were willing to revisit or refer someone. Nonetheless, that each of a number of several enjoyed dissonant indifferent and disagree responses revealed evidence of room for possible improvements, which was specifically on service differentiation and on adding experience on conversion of neutrals to promoters. Managerially, it was an evidence that current service quality was, overall, satisfactorily matching expectations, yet some strategic interventions like customized experiences, enhanced amenities, and service provision consistencies would further boost loyalty and advocate acceptability even further, even more reinforcing facilities' competitor advantage.

#### **4.4 Brand Perception and Performance of AirBnB Facilities**

##### **4.4.1 Descriptive Analysis on Brand Perception**

The respondents were asked to assess various aspects of AirBnB's brand perception, including its reputation for quality services, the influence of its reputation on customer satisfaction, and the reliability of its services. The responses were represented in table 18.

Table 18: Measures of Brand Perception

Item	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	F	%	F	%	F	%	F	%	F	%		
The AirBnB has a good reputation for quality services	5	3	0	0	7	4.2	47	28.3	107	64.5	4.54	0.72
Good reputation influences overall satisfaction	7	4.2	29	17.5	0	0	68	41	62	37.3	4.11	0.84
AirBnB provides reliable services	7	4.2	28	16.9	0	0	70	42.2	61	36.7	4.11	0.83
Website information is accurate and dependable	15	9	7	4.2	7	4.2	76	45.8	61	36.7	3.97	1.18
The quality of service increases my trust in the AirBnB facility	7	4.2	22	13.3	0	0	67	40.4	70	42.2	4.16	0.96
The overall image of AirBnB matches my expectation	7	4.2	14	8.4	0	0	36	21.7	109	65.7	4.45	0.96
I associate this AirBnB facility with a positive brand identity	7	4.2	14	8.4	0	0	40	24.1	105	63.3	4.42	0.96

Source: Research Data (2025)

The research findings confirmed that most of the respondents had a positive perception of AirBnB's reputation and services. A high 64.5% strongly agreed that AirBnB enjoys a good reputation for quality services, with a meager 3.0% opposing this. On the impact of having a good reputation on general satisfaction, 41.0% agreed, with 37.3% strongly agreeing, with a tiny figure of 4.2% opposing. Similarly, 42.2% agreed and 36.7% strongly agreed that AirBnB offers reliable services, reflecting high confidence in the service quality. However, on the accuracy and reliability of the website information, 9.0% strongly disagreed, with 4.2% disagreeing, whilst 45.8% agreed, with 36.7% strongly agreeing. This implies mixed feelings about the website's information with a noticeable section of respondents showing confidence in the same. Further, the service quality was viewed as playing a significant role in engendering belief as 42.2% strongly agreed with 40.4% agreeing that the quality of the service strengthened their belief in AirBnB. The general image of AirBnB found to be consistent with customer expectation with 65.7% strongly agreeing and 21.7% agreeing making this one of the most highly positively rated components. Finally, 63.3% of respondents strongly agreed that they linked AirBnB to positive brand identity, reflecting strong alignment between AirBnB's branding with customer view. Generally, the research findings reflect strong positive view of the AirBnB's brand among the respondents with particular reference to its reputation, reliability, as well as the consistency of the image with customer expectation.

Findings on brand perception in the study showed service quality and brand image that reflect on the expectations of the customers, there was positive perception about AirBnB. Overall, reliability in service provision, and brand reputation had an important impact on their overall satisfaction with the facilities. Most of the participants confirmed their trust regarding the platform, especially when speaking to the tones of service and the correspondence of the AirBnB image to their expectations. However, some mixed perceptions were recorded regarding accuracy and reliability of information on the websites where a section of the respondents had concerns regarding the aspect. This shows that most respondents viewed AirBnB in a positive light with regard to its brand characteristics, but there is much that can be done to improve it particularly in the aspect of the credibility of the websites. The findings pointed out the role that perception of brand, particularly reputation of brand, quality of service and

identity of brand play in the customer experience and, eventually, success of the AirBnB facilities in Nyeri County.

#### **4.4.2 Thematic Analysis of Brand Perception**

The study aimed to explore views of the managers regarding how brand perception such as brand image, reliability, reputation and trust influences the performance of Airbnb facility in Nyeri County. The performance of the Airbnb was measured through occupancy rate, profitability and overall revenue generated.

**Researcher:** The researcher sought to understand the how brand perception such as brand image influence the performance of AirBnB in terms of profitability, revenue, occupancy rate and market competitiveness. The manager had to say the following.

**Respondent 1:** *Our highest priority is having a positive brand image and a good reputation for staying at the top in terms of quality and reliability so customers can be confident of getting the best service consistently. This makes people trust us and helps ensure both repeat business and maximum occupancy.*

**Respondent 2:** *A strong market reputation has an overriding effect on the decisions of visitors. Our commitment to dependability, both in terms of the accuracy of our Internet listings or the reliability of our service, has seen increased bookings and bolstered customer allegiance; in turn, this has maximized returns.*

**Respondent 3:** *We established loyal customers, which not only brings in higher occupancy but also higher revenue overall.*

**Researcher** The researcher also wanted to find out how the managers enhance the brand image of their facility.

**Respondent 4** *Enhancing the facility's brand image can be accomplished by ensuring a consistent level of service quality, upholding clean and comfortable lodging, and addressing guest feedback in a timely manner.*

**Respondent 5** *Active management of both positive and negative reviews on the Internet shows attention and concern for customers' experiences.*

*Additionally, utilizing social media facilitates the promotion of the unique attributes of the property, publishing testimonials of guests, and enhancing publicity. Precise and current Internet listings with superior image quality enhance the brand's authenticity.*

**Respondent 6** *Offering personalized experiences to visitors such as personalized recommendations and personalized amenities boosts visitor delight, thus encouraging positive word-of-mouth and creating a credible brand that competes and attracts repeat customers as well as new customers.*

These research findings are consistent with current literature, such as Guttentag (2015) and Tussyadiah and Pesonen (2016), which stress the significance of brand image in affecting customer trust and satisfaction as factors that directly bear on Airbnb performance. Specifically, Guttentag (2015) stresses the point that a good brand image promotes trust that in turn fosters guest loyalty and repeat occupancies. Likewise, Tussyadiah and Pesonen (2016) stress the point that brand perception is vital in creating customer satisfaction as a source of competitive advantage among peer-to-peer accommodations. Such findings highlight the point that trustworthiness and reliability, as developed based on the perception of the brand, are crucial in influencing the behavior of the guests as the ultimate determinant of the success of Airbnb facilities.

Also corroborating these findings, Yang et al. (2018) as well as Setiawan and Patricia (2022) establish that consumer goodwill on Airbnb plays a significant role in informing consumer booking decisions, with a favorable brand image as a significant customer loyalty driver as well as repeat booking motivator. Barnes (2021) builds upon this proposition, illustrating that customer trust is both developed through brand reputation as well as service consistency, both of which were identified as significant factors in the market success of Airbnb.

Additionally, Zhou and Zhang (2021) underline the importance of online reviews and guest feedback in shaping brand perception. The feedback loop, as noted by respondent 2 in the study, is essential for improving service quality and addressing operational

weaknesses. This is supported by Ert et al. (2016), who found that customer reviews and ratings on platforms like Airbnb directly influence consumer trust and booking behavior, which ultimately drive occupancy rates and profitability. In addition, Baker et al. (2024) go on to highlight that social media marketing and online engagement are invaluable to the development of brand loyalty and gaining recognition within a competitive marketplace, backing respondent 3 observation to utilize social media to establish a credible and high-quality brand image.

## **4.5 Customer Preferences and Performance of AirBnB Facilities**

### **4.5.1 Descriptive Analysis on Customer Preferences**

The respondents were required to offer their view on the effect of their preferences on the performance of AirBnB facilities in Nyeri County. They were responding according to location, price, facilities provided and privacy. The answers to the respondents were reported as is in table 19.

Table 19: Measures of Customer Preferences

Item	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Statistics	
	F	%	F	%	F	%	F	%	F	%	$\bar{x}$	SD
The location of the AirBnB facility influenced my booking decision	15	9	0	0	0	0	26	15.7	104	62.7	4.33	1.0
I consider the safety and ambience of the neighbourhood before booking	0	0	0	0	28	16.9	80	48.2	58	34.9	4.18	0.7
Access to Wi-Fi influenced my decision to reserve this AirBnB facility	8	4.8	31	18.7	0	0	34	20.5	93	56	4.23	1.07
Availability of parking space impacted my choice of the AirBnB facility	15	9	20	12	49	29.5	82	49.4	82	49.4	4.2	0.97
Availability of kitchen space impacted my booking decision	0	0	0	0	32	19.3	58	34.9	76	45.8	4.27	0.76
Air conditioning is essential for comfortable stay in an AirBnB facility	0	0	0	0	15	9	42	25.3	109	65.7	4.57	0.65
The price of AirBnB facility influences my decision when selecting lodging options	7	4.2	19	11.4	7	4.2	53	31.9	80	48.2	4.08	1.17
Discounts and special offers influence my decision when selecting lodging facilities	11	6.6	7	4.2	14	8.4	56	33.7	78	47	4.1	1.15
I choose AirBnB due to the level of privacy it offers	7	4.2	0	0	16	9.6	30	18.1	113	68.1	4.46	0.98
The AirBnB facility offers a quiet and private environment	7	4.2	0	0	21	12.7	25	15.1	113	68.1	4.43	1.0

Source: Research Data (2025)

The results indicated that most customers considered various factors before booking an AirBnB facility in Nyeri County, with several preferences significantly influencing their decisions. A large majority (62.7%) agreed that the location of the AirBnB facility played a key role in their booking decision, while a smaller percentage (9.0%) disagreed. Similarly, 82.3% of respondents valued safety and the ambience of the neighborhood, with a strong agreement from 48.2% and 34.9%, respectively. In terms of amenities, the availability of Wi-Fi had a substantial influence, with 56.0% of participants agreeing that it was important for their booking decision. Regarding the importance of parking space and kitchen availability, both factors were highly rated, with 49.4% agreeing for both, indicating their crucial role in the decision-making process. Air conditioning was considered essential by 65.7% of respondents, highlighting its significant impact on their comfort and overall satisfaction during their stay. The study also found that privacy was a key consideration for many customers, with 68.1% selecting “Strongly Agree” when asked if they chose AirBnB for the level of privacy offered, further supporting the notion that personal space and quiet environments are highly valued by customers. Lastly, discounts and special offers were influential for 47.0% of respondents, indicating that price-related incentives can sway their booking decisions.

The descriptive results showed that customer preference played a significant role in influencing booking choices of AirBnB facilities within Nyeri County. Respondents showed that the location of the facility, the ambience and safety of the neighborhood, provision of basic amenities such as Wi-Fi, parking, and kitchen space, as well as the provision of privacy and air conditioning, were significant factors influencing their choices. The findings showed that most respondents found these issues significant in choosing an AirBnB facility. For example, most respondents were concerned with the provision of privacy and the quiet, exclusive surrounding provided through AirBnB, indicating that the provision made significant contributions to the satisfaction with the facility. The findings demonstrate the significant factors of customer preference that determine the success and performance of AirBnB facilities.

#### 4.5.2 Thematic Analysis of Customer Preferences

The study aimed to explore views of the managers regarding how customer preferences including location, amenities, and price affects the performance of Airbnb facilities in Nyeri County. The performance of the Airbnb was measured through booking rates, retention and long-term profitability.

**Researcher:** The researcher sought to understand how customer preferences, such as location, amenities and price, influence the performance of Airbnb in terms of profitability, revenue, occupancy rate and market competitiveness. The manager had to say the following.

**Respondent 1:** *Location stands as a crucial determinant in the selection process of guests. Proximity to local attractions or transportation nodes has been shown to consistently draw a higher volume of bookings. The closeness to essential amenities, including renowned tourist destinations and airport connections, directly amplifies the allure of the Airbnb establishment. This deliberate strategic placement elevates occupancy rates by attracting a diverse range of guests, encompassing both business and leisure travelers. Furthermore, the advantageous location enhances profitability and revenue, concurrently contributing to the competitiveness of the facility in the market by rendering it more appealing when juxtaposed with other properties that are less conveniently located or situated at greater distances from principal destinations..*

**Respondent 2:** *Customers tend to favor convenience of entry, and proximity to typical amenities or ease of access to transport corridors greatly improves overall impact. Our research finds that hotels situated close to such amenities tend to gain higher occupancies and attract a broader segment of customers, both tourists and business travelers.*

**Respondent 3:** *Our customers are extremely responsive to the complimentary services we give like Wi-Fi and kitchens which contribute enormously to their overall experiences.*

**Researcher:** The researcher sought to understand how managers adjusted service offerings based on the preferences of their customers. This is what the managers had to say:

**Respondent 4:** *Constantly modifying service offerings in accordance with customer preferences is essential for preserving elevated levels of satisfaction and guaranteeing the success of our AirBnB establishments. We collect feedback via surveys and direct engagement with guests, which enables us to customize our services to address particular requirements. For instance, when guests express a preference for increased privacy, we provide private accommodations to ensure enhanced seclusion and emphasize amenities such as high-speed internet and kitchen facilities. Moreover, we implement seasonal modifications, such as improving heating during colder months or supplying additional blankets. We also provide flexible check-in and check-out times to better align with guest schedules. These adaptations foster customer loyalty, enhance repeat bookings, and have a beneficial effect on profitability, occupancy rates, and competitiveness within the market.*

**Respondent 5:** *We closely monitor market trends and dynamically match our pricing levels with the demand. The introduction of competitive pricing, especially off-peak seasons, helps us sustain higher occupancy levels. At the same time, we also ensure the service quality remains at all times superior. This balance between the quality of service and pricing helps attract a constant influx of customers, even in the face of highly competitive market conditions.*

These outcomes are similar to the ones of Zervas et al. (2017), who emphasized the importance of location, facilities, and the flexibility of rates in determining customer decision-making patterns and, eventually, the performance of Airbnb facilities. The authors revealed that the variables, including the location of attractions, the availability of high-quality facilities, and reasonable rates immediately define the occupancy rates and the revenue achievement (Zervas et al., 2017). The importance of the place, particularly in urban centers or close to major attractions, has also been noted elsewhere, like Guttentag (2015), who concluded that destinations that are easily

reachable via transportation centers or the local experience have more bookings. Tussyadiah and Pesonen (2016), in their turn, indicated that the satisfaction with customers is closely correlated with the amenities provided to hosts, with Wi-Fi, kitchen facilities, and comfort items, playing a key role in the overall experience of the guest and increasing the likelihood of return.

Manager consensus in this research supports that knowing what the customer wants and accommodating that desire is paramount to guest satisfaction and long-term success of facilities within the competitive Airbnb environment. Tussyadiah et al. (2018) also corroborate this, indicating that the ability to accommodate varied guest needs whether location, amenity, or pricing strategy based can greatly improve the success of Airbnb facilities through promoting customer loyalty as well as cultivating positive word of mouth. This is also echoed in Chen and Xie (2023), as the study found that customized services as well as care about specific needs, such as cleanliness or privacy, will develop stronger customer associations, enhancing the strength of brand loyalty as well as long-term revenue growth. Moreover, Yang et al. (2018) added that dynamic pricing strategies, such as adjusting rates based on seasonal demand, not only improve competitiveness but also align Airbnb offerings with guest expectations. This adaptability, combined with providing essential amenities and choosing strategic locations, positions Airbnb facilities to maintain high occupancy rates and market relevance. These findings highlight that the integration of customer-centric strategies, such as adapting to location preferences, enhancing amenities, and offering flexible pricing, directly impacts Airbnb's market positioning and performance. Thus, these elements should be prioritized by hosts and managers aiming to stay competitive and sustain long-term profitability in the sharing economy.

## **4.6 Customer Satisfaction and Performance of AirBnB Facilities**

### **4.6.1 Descriptive Analysis on Customer Satisfaction**

Respondents were required to provide their view on whether satisfaction affected the performance of AirBnB facilities in Nyeri County. Their answer was guided by host guest interaction, cleanliness, review and rating as well as proper communication. The answers given by the respondents were highlighted as seen in table 20.

Table 20: Measures of Customer Satisfaction

Item	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Statistics	
	F	%	F	%	F	%	F	%	F	%	$\bar{x}$	SD
The level of host guest interaction positively influences my satisfaction	7	4.2	0	0	8	4.8	66	39.8	85	51.2	4.38	0.77
The host were friendly and hospitable during the stay	0	0	0	0	12	7.2	59	35.5	95	57.2	4.5	0.63
Cleanliness was a major factor in choosing this AirBnB facility	12	7.2	12	7.2	9	5.4	46	27.7	99	59.6	4.40	0.89
The AirBnB facility was clean and properly maintained throughout my stay	7	4.2	21	12.7	45	27.1	93	56	0	0	4.31	0.99
Reviews and ratings of AirBnB facilities influenced my booking decision	7	4.2	28	16.9	0	0	75	45.2	56	33.7	4.08	0.82
I received timely updates and helpful communication from the host before and during my stay	7	4.2	19	11.4	0	0	67	40.4	73	44.0	4.24	0.82
The host shared useful information and local recommendations	7	4.2	18	10.8	0	0	51	30.7	90	54.2	4.35	0.84

Source: Research Data (2025)

As part of the research findings, it was established that the performance of AirBnB facilities in Nyeri County, Kenya, is one of the factors that affect customer satisfaction. The vast majority of the respondents were highly agreeing with the fact that host-guest interaction positively affected their satisfaction as 51.2 percent expressed strong agreeableness that the variable affected their overall satisfaction. Similarly, there was a strong agreement (57.2) that the hosts were hospitable and displayed hospitality during the stay period, and 59.6 that cleanliness was among the key variables in selecting the AirBnB facility, the importance of service quality in customer satisfaction. Further, 56.0% were strongly in agreement that the AirBnB facility was clean during the stay, which further confirms the importance of the maintenance of the facilities to the customer satisfaction. When it comes to the implication of online review ratings, 45.2% were in agreement that they played a huge role in decision to book. Timely communication and useful information provided by the host was also a noteworthy consideration with 44.0% expressing strong agreement that these were factors that led to their satisfaction. Moreover, 54.2 percent were strongly in agreement that the host that offered valuable information and local suggestions influenced the stay positively.

The study findings confirmed the significant role of customer satisfaction in influencing the AirBnB facilities performance as existing literature. Customer satisfaction was found to be important to host-guest interaction, cleanliness, communication and review. The responses identified the hospitality and friendliness to be significant, in line with Tussyadiah and Pesonen (2016), who defined the personalized interaction with the host as a factor that enhances the experience of the guest. Cleanliness was also present in the answers of 59.6% of the respondents to follow Godovykh et al., (2022), who portrayed both a direct influence of cleanliness on satisfaction and retention. Booking was also influenced by review and ratings, just like Guttentag (2015), who identified the importance of positive review in the motivation of customer satisfaction in addition to improving facility performance.

#### **4.6.2 Thematic Analysis of Customer Satisfaction**

The study aimed to explore views of the managers regarding how customer satisfaction influences the overall performance of Airbnb facilities and how managers ensure a positive guest experience. Interviews with the managers provided important insights

into how customer satisfaction is given top priority as a direct contributor to the success of the businesses.

**Researcher:** The researcher sought to understand the how customer satisfaction influence the performance of AirBnB in terms of profitability, revenue, occupancy rate and market competitiveness. The manager had to say the following.

**Respondent 1:** *Customer satisfaction is key; e.g., cleanliness, maintenance, making the customer feel comfortable. If the customer is happy, then they will leave positive feedback to attract additional customers which improve the performance*

**Respondent 2:** *Satisfied customers are more likely to recommend our establishment, thus increasing bookings through word-of-mouth recommendations. Happy customers create loyalty, which leads to higher occupancy rates and constant revenue growth.*

**Respondent 3:** *When the guests enjoy their stay, they write positive reviews, generating more bookings and increased occupancy. This increases revenue and profitability. Happy guests tend to come back more often, generating repeat business at reduced costs. Happy experiences also improve our reputation, providing us with a competitive advantage in the industry, pulling in new customers, and also keeping the existent customers loyal*

**Researcher** The researcher aimed to know how managers ensure a positive guest experience.

**Respondent 4:** *Highlighting the importance of cleanliness and maintenance, management ensures the accommodations are always well-kept and cozy. They also offer personalized service such as personalized recommendations for activities and local sites of interest, thus adding to the feeling of value among visitors. The aspect of clear and immediate communication is stressed, with the staff members being always available to look into any issues or personalized requirements among visitors. Additionally, management ensures the property reflects the online portrayal with accurate details and high-quality images. By consistently meeting such requirements,*

*management creates the warm ambiance that complements the entire experience among visitors.*

These results are consistent with the findings of Hrovat (2023), who concludes that personalized communication as well as swift communication substantially improve customer satisfaction, subsequently contributing to better performance results. Hrovat (2023) underlines that hosts who personally greet guests as well as reply quickly to questions or complaints establish the culture of confidence and faithfulness that influences the satisfaction of guests positively as well as motivates repeat booking.

Additionally, Chen and Xie (2023) assert that effective communication and personalized service are pivotal in building guest loyalty, which directly contributes to revenue growth and customer retention. They argue that hosts who engage with their guests proactively whether through personalized welcome messages, quick response times, or tailored recommendations create a memorable stay that leads to higher satisfaction rates. This not only results in positive reviews but also increases guest loyalty, reducing the cost of customer acquisition and boosting profitability.

Moreover, Tussyadiah and Pesonen (2016) highlight the importance of customer satisfaction in both the development of the word-of-mouth marketing and brand advocacy (both, though, are essential in the creation of the competitive edge in the competitive market of Airbnb). Satisfied guests refer to their positive experience as stated by Tussyadiah and Pesonen (2016) which results in increased online ratings and word-of-mouth, and has an impact both on the visibility of the property and the reputation, directly. Such a word-of-mouth marketing could serve as a budget solution to raise more bookings and strengthen the brand image. Moreover, Zhou and Zhang (2021) believe that the complaints should be resolved as quickly as possible to convert possible negative experiences into positive ones. They talk about the fact that timely response to the issues of guests does not just enhance one-time satisfaction as they build long-term guest loyalty. Since hosts will be in a position to manage both customer expectation and address problems promptly, this will increase the likelihood of repeat booking and word-of-mouth, thus resulting in business growth in the long-term and profitability. These findings confirm the broader concept according to which, customer

satisfaction ceases to be a measure of service quality but a crucial source of success and profitability of Airbnb activity. The focus on personalized service, effective interaction, and timely complaints removal are essential factors in the delivery of a positive guest experience with the direct effect on both long-term performance and the financial sustainability of Airbnb venues. High degrees of customer satisfaction as Guttentag (2015) points out, are vital in ensuring the creation of an acceptable brand image that is sustainable in the dynamic hospitality market.

#### 4.7 Inferential Analysis

##### 4.7.1 Regression Analysis

This regression analysis section contained information regarding the fitting of the model, analysis of variance, regression coefficients on the brand perception, customer preference, as well as customer satisfaction from the performance of facilities offered through AirBnB in Nyeri County. Table 21 presents the summary of the model fitness.

Table 21: Model Fitness

Model R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.907	.822	.35547	.822	249.565	3	162	.000	2.309

a. Predictors: (Constant), Customer Satisfaction, Customer Preferences, Brand Perception

b. Dependent Variable: Performance of Airbnb

The regression analysis that was used to investigate the impact of customer satisfaction, customer preference, and brand image on the performance of AirBnB facilities in Nyeri County, Kenya, presents some significant findings. The model with customer satisfaction, preference, and brand image as the independent variables had a strong relationship with the performance of AirBnB. The correlation coefficient ( $R = .907$ ), in particular, implies a very strong positive relationship between such predictors of the performance of AirBnB facilities.

The R Square of .822 implies that the independent variables customer satisfaction, preference, and what the customer perceives about the company explain 82.2% of the variation in the performance of AirBnB. This is a fairly high figure, indicating that the

variables are good predictors for establishing the success and operating outcome of AirBnB facilities in the region. The implication is that customer variables such as customer satisfaction levels, customer preference, as well as the customer belief about the company, are among the most influential factors that contribute to the overall AirBnB host and facilities performance.

Also, the value of Adjusted R Square as .819, though slightly lesser compared to the R Square, is a better measure that considers the number of predictors within the model along with the degrees of freedom of the predictors. The slight marginal loss between the R Square and the Adjusted R Square implies that the model is rightly fitted such that there is limited loss of the power of explanation after accounting for the number of predictors. This assures us that the model is free of overfitting issues and the relationship between the predictors and AirBnB performance is stable.

The F Change value of 249.565 with the value of Sig. F Change of 0.000 also supports the fact that the regression model is statistically significant. This implies that customer satisfaction, preferences, and brand perception combination play a crucial role in the variance in the performance of AirBnB, and the possibility that the result was obtained by chance is extremely high. That is, these are not merely statistically significant but substantively significant in explaining the results of AirBnB performance. According to the Durbin-Watson value of 2.309, there is no significant autocorrelation of the residual, which is that the errors of the regression model are randomly distributed, and not related over time. This means that the regression equation has been specified correctly and the error values do not have tendencies that may distort the findings and hence justify the validity of the regression analysis.

The findings from this analysis highlight the crucial role that customer satisfaction, preferences, and brand perception play in influencing the performance of AirBnB facilities in Nyeri County. The high R Square and significant F Change statistic provide strong evidence that these factors are integral to understanding AirBnB's operational success. These insights offer valuable implications for AirBnB hosts, property managers, and stakeholders in the hospitality industry, suggesting that focusing on improving customer experiences, aligning with their preferences, and managing brand

perception can lead to enhanced performance in the competitive market of short-term rentals.

#### 4.7.2 Analysis of Variance

The study provided the results of the analysis of variance (ANOVA) to identify whether brand perception, customer satisfaction and customer preferences played a significant role in increasing the performance of AirBnB facilitates in Nyeri County (Table 22).

Table 22: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	94.605	3	31.535	249.565	.000
Residual	20.470	162	.126		
Total	115.076	165			

Source: Research Data (2025)

The results of the ANOVA showed that the regression model was able to explain the variation in the AirBnB performance significantly in the form of the sum of squares and F-statistic. The Residual Sum of Squares was 20.470, which is the variation in the performance of the AirBnB, which could not be explained by the fact that the influence of customer satisfaction, preferences and brand perception were taken into consideration. This unexplained variation is what the predictors in the model cannot explain about the performance and indicates the possibility of the presence of other factors that also affect AirBnB performance. The Total Sum of Squares was 115.076 which depicts the variation in overall AirBnB performance which is the sum of the explained and unexplained variation. The F-value of 249.565 was very strong with p-value of less than 0.001, which implies that the entire regression model has substantially contributed to the variation in AirBnB performance. This high F-statistic indicated that the independent variables: customer satisfaction, preferences, and brand perception were significant predictors of AirBnB performance since the model accounted a considerable percentage of the overall change in performance.

### 4.7.3 Regression Coefficients of the Independent variables

The regression coefficients for brand perception, customer perception and customer satisfaction and their effect on the performance of AirBnB facilities in Nyeri County were presented as shown in table 23.

Table 23: Regression of Coefficients Results

Predictor	$\beta$	Std. Error	t	Sig.
Intercept (Constant)	-1.192	0.208	-5.726	.000
Brand Perception	0.533	0.067	7.921	.000
Customer Preferences	0.378	0.074	5.108	.000
Customer Satisfaction	0.313	0.075	4.199	.000

a. Dependent Variable: AirBnB performance

Source: Research Data (2025).

The results of the regression indicate that there are strong correlations between the customer satisfaction, the preferences and brand perception in relation to AirBnB performance. The b values of each predictor show to what extent they influence the dependent variable. The b of brand perception is greatest (0.469) and the t value of 7.921 is significant which then confirms that brand perception has the greatest impact on AirBnB performance than other variables with a p-value of 0.000. The impact of customer preferences is also significant with a b of 0.271 and a t value of 5.108, which suggests the positive and significant influence on AirBnB performance. The customer satisfaction is also significant with b = 0.244, t = 4.199. A negative quantity of the constant (B = -1.192) means that the performance of AirBnB without the effect of these predictors will be less than zero, which points to the importance of the predictors in the performance contribution. The Sig. of all the variables are all below 0.05 which indicates that all the predictors have significant contribution to the performance of AirBnB. The results indicate that special attention should be paid to improving the brand perception, customer preference, and satisfaction enhancement to improve the AirBnB facilities performance.

### 4.8 Model Fitting

The regression analysis was carried out to examine the influence of customer-related factors on the performance of AirBnB facilities. The dependent variable was performance of AirBnB facilities ( $Y_i$ ), while the independent variables included

customer brand perception ( $X_1$ ), customer preferences ( $X_2$ ), and customer satisfaction ( $X_3$ ). The resulting regression model was expressed as:

$$Y = -1.192 + 0.533X_1 + 0.378X_2 + 0.313X_3 + \varepsilon \dots\dots\dots(6)$$

The constant term (-1.192) indicated the baseline level of performance when the independent variables were held at zero. The unstandardized coefficients revealed that each predictor variable had a statistically significant impact on performance. Brand perception was the highest influential factor suggesting that a one-unit improvement in customer perception led to increase in the performance of AirBnB by 0.533 units. Customer preferences also showed a strong positive contribution revealing that a one-unit improvement in customer preferences led to increment of the AirBnB performance by 0.378 units. Customer satisfaction also demonstrated a positive contribution showing that a one-unit increment in customer satisfaction led to 0.313-unit increment in the performance of AirBnB. This regression analysis finding reveals that all the three factors were essential in determining the success of the AirBnB facilities, with brand perception having the most significant impact. The relatively higher impact of brand perception suggests that building a strong and favorable brand image is critical for competitiveness, while meeting customer preferences and ensuring satisfaction provide additional reinforcement to sustain performance outcomes. The statistical significance of these predictors was confirmed by their low p-values, all of which were less than the conventional threshold of 0.05. Additionally, the confidence intervals for each coefficient did not contain zero, reinforcing the reliability of the results.

#### **4.9 Hypothesis Testing**

The first null hypothesis maintained that there was no significant relationship between the brand perception and the performance of AirBnB facilities in Nyeri County, Kenya. The findings from the regression analysis, among them the ANOVA results, however, offered strong evidence to reject the null hypothesis and accept the alternative hypothesis that the brand perception had a significant impact on performance. The ANOVA findings showed a highly significant F-value with a p-value of 0.000, thus establishing that the model with predictors that were connected to the brand perception, such as reputation, brand identity, and reliability, significantly predicted the variation

in AirBnB facility performance. The regression coefficients also showed that the variables representing the brand perception, especially those connected to the reputation and the brand identity, had a significant positive effect on performance. The implication is that the positive customer perceptions about the brand had a direct bearing on the success of the facilities.

The model confirmed that brand perception had a substantial role to play in determining the performance of AirBnB facilities. With finality, the findings established that with every one-unit improvement in brand perception, the performance of AirBnB increased by 0.533 units, indicating that the positive image of a brand highly correlates with the improvement of facility performance. The findings corroborate prior literature, wherein the importance of brand perception in enhancing customer confidence, satisfaction, as well as loyalty, has always been articulated. Shaw (2023), as well as Kiyani et al., (2015), likewise indicated that a positive as well as strong image of a brand builds customer confidence as well as ensures that a company will be successful. Secondly, Guttentag (2015) also indicated that brand identity as well as dependability are important factors that can engender customer satisfaction as well as hospitality service performance. The findings are convergent with the outcome of the current study, wherein the particular role that plays in shaping the performance of AirBnB facilities in Nyeri County has been emphasized.

The second null hypothesis for this study posited that there was no significant relationship between customers' preferences and the performance of AirBnB facilities in Nyeri County, Kenya. However, the findings from the regression analysis provided evidence to reject the null hypothesis to support their relationship. As one, the predictors Customer preferences had a p-value of 0.000, which supported that the indicators under the study (location, privacy, amenities, and pricing) collectively explained the variance in AirBnB facility performance. This statistical significance affirmed the importance of customer preferences as a determinant of success in the hospitality industry, suggesting that AirBnB hosts in Nyeri County could enhance their performance by enhancing customer preferences.

The findings of this study are consistent with the current body of research on the topic. Earlier researchers have highlighted the importance of enhancing customer preferences as a mean to improve the performance in hospitality industry. The findings by La et al., (2022), highlighted the importance of AirBnB in providing customized and unique experience the possibility to access true local experiences, especially in non-tourist areas, which is also consistent with the desire to experience unusual locations as observed in this study. Likewise, Sayid Adan (2023) emphasized the importance of the amenities like Wi-Fi and kitchen facilities, which are the direct elements of the competitive edge offered by AirBnB. Also, Zervas et al., (2017) discovered that customer preference is greatly influenced by pricing flexibility, which is also consistent with the findings of this study where the research determined pricing as one of the factors that affect performance. Furthermore, the focus on privacy and custom experiences, as pointed out by Tussyadiah and Pesonen (2016), is justified by the fact that the discussed aspect of the study indicated that the specified factor is critical in improving customer satisfaction and the functioning of the facility. The popularity of AirBnB in Kenya also supports these results since its popularity is motivated by customer preferences to experience place, atmosphere, and local things, as Malinga (2023) notes.

The third null hypothesis in this study assumed that there is no significant relationship between the customer satisfaction and the performance of the AirBnB facilities in Nyeri County, Kenya. However, the regression analysis results, primarily the ANOVA results, provided strong evidence to reject the null hypothesis and accept the alternative hypothesis, confirming that there existed a statistically significant relationship between customer satisfaction and the performance of the AirBnB facilities. The ANOVA results provided highly significant F-value with a p-value of 0.000, indicating that the model with the predictors in customer satisfaction had explained the performance of AirBnB significantly. The regression coefficient also revealed that host friendliness, cleanliness, as well as the review and rating effect, had a significant positive effect on performance, highlighting the importance of customer satisfaction in enhancing the performance of the facilities.

The regression model in the analysis verified that customer satisfaction had a significant role to play in the performance of AirBnB facilities. Specifically, the findings showed that customer satisfaction improvement of one unit resulted in AirBnB performance improvement of 0.313 units. This throws into sharp focus that satisfactory guest experiences based on cleanliness, among other factors, contribute to the improvement of facilities' performance. This agrees with previous literature that places customer satisfaction at the centre of hospitality businesses' success. Research such as that conducted by Rahman (2023) and Godovykh et al., (2022) established that service quality, as represented by cleanliness and host hospitality, accounts for guest satisfaction as well as retention. Just as Guttentag (2015) and Tussyadiah and Pesonen (2016), identified that positive word of mouth as well as host interaction matter most in customer loyalty as well as the performance of the accommodation facilities, this study found that customer satisfaction accounts for the success of facilities in the competitive AirBnB market. This adds to the literature, re-emphasizing the need to pay particular interest in customer satisfaction as one of the determinants of success in the competitive economy of the AirBnB facilities market.

Table 24: Summary of Hypothesis Testing Results

Hypothesis	Result	p-value
H01: Brand perception does not influence performance of AirBnB facilities	Rejected	0.000
H02: Customer preferences do not influence performance of AirBnB facilities	Rejected	0.000
H03: Customer satisfaction does not influence performance of AirBnB facilities	Rejected	0.000

These results provide strong evidence that brand perception, customer preferences, and customer satisfaction all significantly influence the performance of AirbnB facilities in Nyeri County. Since the null hypotheses were rejected for all three factors, the study concludes that these variables are crucial determinants of AirbnB facility success.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Summary of the Findings

The first research objective was to investigate how customer brand perception had impacted the performance of AirBnB facilities. As per the descriptive statistics, a vast majority of the respondents (64.5%) strongly agreed that AirBnB possesses a good reputation in serving quality services, and 62.5% reported that this impacted their satisfaction positively. This was reflected in the results from the interviews, wherein the managers highlighted the importance of having a strong image of the brand to attract as well as retain the guests. Additionally, the regression findings verified that the customer brand perception had a significant effect on the performance of the AirBnB facilities, with a  $\beta$  value of 0.533. The positive image of the brand had the greatest effect on the performance, highlighting customer trust as well as reputation. This supports prior research, such as that of Shaw (2023) as well as that of Kiyani et al., (2015), wherein customer brand perception with strong loyalty towards the customer facilitates high performance in the hospitality sector. The research findings also reflected that the reliability of the brand as well as positive interaction with the guests had driven the performance of AirBnB, similar to that of Guttentag (2015), as well as Tussyadiah as well as Pesonen (2016).

The second research objective was to evaluate the impact of customer preference, such as location, amenities, and price, on the performance of AirBnB facilities. Based on the descriptive statistics, most respondents (62.7%) responded that location had a strong bearing on booking decisions, and correspondingly, 65.7% also responded that accessibility to core amenities such as Wi-Fi and kitchen area had a crucial role to play in satisfaction levels. The results of the interview showed that the managers were aware of such preference levels and made frequent service adjustments accordingly, especially around amenities such as Wi-Fi and price strategies. The regression analysis revealed a significant positive coefficient between customer preference and performance with a value of 0.378. This implies that aligning facility offerings with customer preference, such as location and core amenities, had a direct bearing on the improvement of performance. The results correspond with earlier research undertaken by Zervas et al., (2017), as well as Chen et al., (2022), wherein the research found that

customer preference levels such as having flexibility in the pricing strategies as well as accessibility to core amenities had a crucial role to play in the improvement of facilities' performance. Additionally, the findings mirror the significance of responsiveness to customer needs to be competitive.

The third research objective was to establish the effect of customer satisfaction on the performance of AirBnB facilities. From the descriptive statistics, 57.2% of the respondents strongly agreed that the friendliness of the hosts and their hospitality influenced their satisfaction positively, and 59.6% of the respondents strongly agreed that cleanliness played a significant role in influencing their booking decision. The results of the interviews also upheld the findings, as the managers agreed that the company should strive to maintain high service levels and attend to the concerns of the guests to improve satisfaction levels. The regression findings indicated that customer satisfaction significantly influenced AirBnB performance positively, with  $\beta$  of 0.313. The results hinted that as customer satisfaction rose, so did the performance, mostly through variables such as cleanliness, host interaction, as well as customer review ratings. The findings support the findings of Rahman (2023) and Godovykh et al., (2022), who pointed out that the service quality, such as cleanliness levels as well as host interaction, plays a significant role in customer satisfaction improvement as well as retention. This shows that customer satisfaction should be given top priority in terms of service improvement to improve the performance of the competitive AirBnB accommodations.

## **5.2 Conclusion**

The research has determined that customer brand perception, preference, and satisfaction play a critical role in influencing performance of AirBnB facilities within Nyeri County, Kenya. The regression analysis, descriptive statistics, and interviews offered strong evidence to the rejection of the three null hypotheses. Personally, the research ascertained that the brand perception significantly affects the performance of facilities, with service quality, reputation, and image of the brand being significant factors that pull as well as retain the customer. This was reaffirmed through interviews, where the importance of having a positive image of the brand to retain customer confidence as well as satisfaction came out clearly. On the same note, customer

preference based on factors such as location, facilities, as well as price, emerged as the main motivators of the performance of AirBnB. The research established that aligning the service with customer preference positively affects customer satisfaction as well as success of the facility.

In addition, the research highlighted the significant role of customer satisfaction as a determinant of the performance of AirBnB facilities. Cleanliness, hospitality of the host, as well as proper communication, were seen to have direct implications on customer satisfaction as well as facility performance. The regression findings confirmed that high satisfaction had positive implications on performance results. Generally, the research highlights the importance of brand perception, customer preference, as well as satisfaction, in the success of AirBnB facilities within Nyeri County. Such findings are strategic to the AirBnB managers as well as property owners, as they present practical recommendations to improve performance based on the identification of such key variables. The rejection of the null hypotheses supports the significance of such variables in the success of the business in the short-term rent market.

### **5.3 Recommendations of the Study**

The study proposes the following recommendation:

- i. AirBnB owners/managers should conduct regular, mandatory audits of their online listings to enhance online transparency and verification to ensure all photos, amenity lists especially Wi-Fi speeds and AC status, and location details are 100% accurate and up to date.
- ii. Marketing should focus on the seclusiveness, privacy of space, and conduciveness facilities in order to distinguish them from conventional hotels. Soundproofing or the introduction of quiet hours must be given priority in operational procedures.
- iii. The local AirBnB organizations and the county government may require setting a 'Certified Comfort' standard to mandate and confirm the availability of operational Air Conditioning and fast, trustworthy Wi-Fi in all listed properties.

- iv. Hosts should solicit in-depth reviews after the stay and develop an overt system like (Response to Feedback section in the listing) to reflect how negative feedback contributes to operational enhancement, thus enhancing credibility
- v. Take advantage of Digital Marketing Channels: Make more investment in digital marketing with specific emphasis on platforms adopted by the 25-34 age segment, making use of genuine guest reviews and superior facility images.

#### **5.4 Suggestion for Further Studies**

- i. A Service Quality Measurement study is required to use standardized instrument (e.g., SERVQUAL) to assess the gap between the service expectation of customers and the service delivery across various AirBnB in order to determine specific service weaknesses.
- ii. A comparative Website Accuracy Analysis study should be carried out, which directly quantifies the perceived website information accuracy and pre-booking/post-stay dissatisfaction relation in order to measure the financial effect of misrepresenting listings.
- iii. There is a need to undertake research on the impact of host government's regulatory policies (for example, taxation, licensing, standards) on the operational delivery, prices, and the long-term sustainability of AirBnB ventures in Nyeri County in contrast with traditional hospitality service delivery organizations. This would provide policymakers informative feedback.

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## **APPENDICES**

Dear sir/madam,

I am a master's student at Chuka University, pursuing a master's degree course in Hotel Management. As part of the academic requirements for the award of a master's, I am researching the “INFLUENCE OF CUSTOMERS' BRAND PERCEPTION, PREFERENCES, AND SATISFACTION ON PERFORMANCE OF AIRBNB FACILITIES' IN NYERI COUNTY, KENYA”. This study aims to explore the effect of customers' perception of the AirBnB brand, their preferences, and satisfaction on the performance of AirBnB facilities in Nyeri. The findings of this research will contribute to a deeper understanding of the factors that influence customers' choices and experiences in the context of AirBnB accommodations in Nyeri County. I kindly request your honest responses, which will be treated with the utmost confidentiality and used solely for the purpose of this study.

Yours sincerely,

Esther Waithira Kamweru

## Appendix 1: Questionnaires for Customers

### Section A: Demographic Information

Please indicate with a tick where appropriate:

- a. Gender:
  - i. Male
  - ii. Female
- b. Age: (Years)
  - i. 18-24
  - ii. 25-34
  - iii. 35-44
  - iv. 45-54
  - v. 55 and above
- c. Nationality:
- d. Occupation:
- e. Education level:
  - i. High school or below
  - ii. College/university
  - iii. Graduate/postgraduate
  - iv. Any other (specify)
- f. Marital status: Married  Single  Separated   
Divorced  Widowed
- g. Frequency of using AirBnB facility: Occasionally  Regularly

### Booking Preferences

- a. The major Purpose of AirBnB facility usage
  - i. Business
  - ii. Leisure
  - iii. Other reasons
- b. Booking frequency
  - i. Weekly
  - ii. Monthly
  - iii. Annually

### AirBnB facility information

- a. Location /Category of AirBnB facility
  - i. Urban
  - ii. Rural
  - iii. Intermediate
- b. Accessibility of AirBnB facility
  - i. Easily accessible
  - ii. Slightly accessible
  - iii. Not easily accessible
- c. How familiar are you with AirBnB facilities in Nyeri County?
  - i. Slightly familiar
  - ii. Familiar
  - iii. Moderately familiar
  - iv. Very familiar
- d. What factors contribute to your perception of the AirBnB brand in Nyeri County?  
(Please select all that apply)
  - i. Positive reviews and ratings
  - ii. Advertising and marketing efforts
  - iii. Previous positive experiences with AirBnB
  - iv. Personal recommendations
  - v. Other (please specify).....

### Section B: Brand Perception of AirBnB facility

Please rate your level of agreement with the statements in the table below based on your experience indicating your brand perception of the AirBnB facility. Where, 5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

	1	2	3	4	5
<b>Reputation</b>					
The AirBnB facility has a good reputation for quality services.					
The good reputation of this AirBnB facility positively influenced my overall satisfaction.					
<b>Reliability</b>					
The facility provides reliable services.					

The actual experience matched the quality advertised on the AirBnB website.					
<b>Trustworthiness</b>					
The information on the AirBnB website was accurate and dependable.					
The quality of service increased my trust in the AirBnB facility.					
<b>Brand image</b>					
The overall image of AirBnB facility matches my expectations.					
I associate this AirBnB facility with a positive brand identity.					

**Section C: Customer Preferences of AirBnB facilities**

Please rate your level of agreement with the statements in the table below indicating customers' preference on AirBnB facilities. Where, 5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

	1	2	3	4	5
<b>Location</b>					
The location of the AirBnB facility influenced my booking decision					
I considered the safety and ambiance of the neighborhood before booking					
<b>Amenities</b>					
Access to Wi-Fi influenced decision to reserve this AirBnB facility					
Availability of Parking space impacted my choice of the AirBnB facility					
Availability of kitchen space impacted my booking decision					
Air conditioning is essential for comfortable stay in an AirBnB facility.					
<b>Pricing</b>					
The price of AirBnB facility influences my decision when selecting lodging options					
Discounts and special offers influence my decision when selecting lodging facilities					
<b>The level of privacy</b>					
I choose AirBnB due to the level of privacy it offers.					
The AirBnB facility offers a quiet and private environment.					

**Section D: Customer Satisfaction drivers in AirBnB facilities**

Please rate your level of agreement with the statements in the table below indicating customers' satisfaction of AirBnB facilities. Where, 5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

	1	2	3	4	5
The level of host-guest interaction positively influences my satisfaction.					
The host was very friendly and hospitable during the stay					
<b>Cleanliness</b>					
Cleanliness was a major factor in choosing this AirBnB facility.					
The AirBnB facility was clean and properly maintained throughout my stay.					

<b>Reviews and ratings</b>					
Reviews and ratings of AirBnB facility significantly influenced booking decision					
Based on my experience and other reviews and ratings I would recommend this AirBnB facility.					
<b>Effective communication</b>					
I received timely updates and helpful communication from the host before and during my stay.					
The host shared useful information and local recommendations.					

**Section E: Customer Perceptions on the Performance of AirBnB Facilities**

Please rate your level of agreement with the statements in the table below indicating customers' satisfaction of AirBnB facilities. Where, 5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

	1	2	3	4	5
<b>Customer Value</b>					
The services I receive in the AirBnB facility are of high value					
This AirBnB offers good experience					
<b>Customer Loyalty</b>					
I will stay at this AirBnB facility again					
I will recommend this AirBnB facility					

## Appendix 2: Interview Guides for Managers

i. How do customer preferences, such as location, amenities, and price, influence the performance of your AirBnB facility in Nyeri County? Could you provide examples of how you adjust your services based on these preferences?

.....  
.....  
.....

ii. In what ways does customer satisfaction contribute to the overall performance of your AirBnB facility? How do you measure and improve customer satisfaction to ensure a positive guest experience?

.....  
.....  
.....

iii. How do you believe brand perception affects the success and performance of your AirBnB facility? What steps do you take to manage and improve the brand image of your facility?

.....  
.....  
.....

iv. How do you adjust your pricing strategy based on market demand and customer preferences, and how do these adjustments influence the overall revenue and profitability of your AirBnB facility?

.....  
.....  
.....

v. What strategies do you implement to maintain a high occupancy rate throughout the year, and how do you ensure that your facility remains competitive in the market, particularly in terms of pricing and unique offerings compared to other accommodation options?

.....  
.....  
.....

## Appendix 3: Approval for Research Proposal



### CHUKA UNIVERSITY INSTITUTIONAL ETHICS REVIEW COMMITTEE

Telephones: 020-2310512/18

P. O. Box 109-60400, Chuka

Direct Line: 0772894438

Email: [info@chuka.ac.ke](mailto:info@chuka.ac.ke)

Website: [www.chuka.ac.ke](http://www.chuka.ac.ke)

28<sup>th</sup> May, 2025

REF: CUIERC/ NACOSTI/751

TO: Esther Waithera Kamweru

**RE: Influence of Customers' Brand Perception, Preferences and Satisfaction on Performance of Airbnb Facilities in Nyeri County, Kenya**

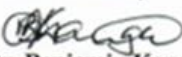
This is to inform you that *Chuka University IERC* has reviewed and approved your above research proposal. Your application approval number is *NACOSTI/NBC/AC-0812*. The approval period is 28<sup>th</sup> May, 2025 – 28<sup>th</sup> May, 2026.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by *Chuka University IERC*.
- iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to *Chuka University IERC* within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to *Chuka University IERC* within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to *Chuka University IERC*.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://oris.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely

  
Dr. Benjamin Kanga  
SECRETARY



## Appendix 4: Chuka University Authorization Letter



Knowledge is Wealth (*Sapientia divitia est*) Akili ni Mali

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REF: NM20/35309/17

11<sup>th</sup> June, 2025

**Director  
National Commission for Science Technology and Innovation  
Off Waiyaki Way, Upper Kabete  
P O Box 30623, 00100  
Nairobi.**

Dear Sir / Madam,

**RE:ESTHER WAITHIRA KAMWERU**

The above-named person is a bona fide student of Chuka University pursuing Masters in Hotel Management proposal titled: **Influence of Customers Brand Perception, Preferences and Satisfaction on Performance of AirBNB Facilities in Nyeri County, Kenya.**

Ms. Kamweru has defended at the Faculty level and is now expected to conduct research. Any assistance accorded will be highly appreciated.

Yours sincerely,

  
Prof. Moses Mwangi, Ph.D.  
**DIRECTOR  
BOARD OF POSTGRADUATE STUDIES**

**Appendix 5: National Commission for Science, Technology and Innovation (NACOSTI) Research Permit.**

 <p>REPUBLIC OF KENYA</p>	 <p><b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION.</b></p>
<p><b>Ref No: 315928</b></p>	<p><b>Date of Issue: 21/June/2025</b></p>
<p><b>RESEARCH LICENSE</b></p>	
	
<p><b>This is to Certify that Miss. ESTHER KAMWERU WAITHIRA of Chuka University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nyeri on the topic: Influence of Customers' Brand Perception, Preferences and Satisfaction on Performance of AirBnB Facilities in Nyeri County, Kenya for the period ending : 21/June/2026.</b></p>	
<p><b>License No: NACOSTI/P/25/4175422</b></p>	<p><b>Applicant Identification Number: 315928</b></p>
<p><i>Palenz</i>  <b>Deputy Director</b>  <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b></p>	
<p><b>Verification QR Code</b></p> 	
<p><b>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</b></p>	
<p><b>See overleaf for conditions</b></p>	

## **Appendix 6: List of AirBnB Facilities in Nyeri County**