MAKERERE UNIVERSITY

REVENUE MANAGEMENT AT JINJA SAILING CLUB

BY

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PLAN B

DECLARATION

I hereby declare that this research report represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another University and was not published elsewhere.

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APPROVAL

This research report has been submitted with the approval of my supervisors whose signatures are appended against their respective names below:

Signed...................................Date: ......16 | 10 | 2018..........

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DEDICATION

This thesis is dedicated to my beloved brother Dr. George Steven Kaleebi and all others who provided inspirational insight towards the accomplishment of this report with due diligence.

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First and foremost, I give God the glory for everything he has done for me to date. I cannot tell it all, but wonder; who am I to deserve God's goodness.

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ABSTRACT

This study was about revenue management in Jinja sailing club. The main objectives were to examine the level of revenue management in Jinja sailing club, to assess the challenges associated revenue management in Jinja sailing club and to suggest the strategies for improving revenue management in Jinja sailing club.

In the study a cross sectional research design was employed and 24 respondents were sampled. The questionnaire was distributed to Jinja sailing club management employees which helped in getting their opinions on revenue management in Jinja sailing club.

Findings shows that factors which influence the level of revenue management in Jinja sailing club includes shortage of qualified revenue managers, The respondents said there are Challenges of some customer segments accepting, The respondents said there is a high cost of subscribing to booking websites, The Respondents said there is a high Cost of revenue management system acquisition, The Respondents said there is a high cost of revenue management system maintenance, The Respondents said there is a challenge of segmenting different customer groups, There is a challenge of analyzing large amounts of data in order to forecast demand.

Basing on the findings of the study, there is need to train staff in revenue management, Prices should be adjusted from time to time to maximize revenue, Data about no shows, declines, denials and cancellations should be collected and analyzed to predict future demand, Pricing should be based on customer segmentation, Most of the respondents also agreed that Revenue management system should be adopted.

CHAPTER ONE

1.0 introduction

This chapter contains the background to the study, the statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study and the significance of study.

1.1 Background to the study

Yield management is a financial management strategy which was first used in the US airline industry and has been widely used in other service industries especially hotel industry because of its significant importance (Mu-chun and Su-yun, 2015). In the recent years, it has evolved into revenue management and became an important competitive strategy in the hotel industry (Pascal and Mario, 2012). Revenue management is becoming more strategic and technology based (Kimes and Wirtz, 2015). If well strategized and implemented, revenue management strategies such as market segmentation and selection, economic principles and demand forecasting, reservations and channels of distribution, dynamic value-based pricing, channel and inventory management are capable of driving revenue growth (Lim and Kimes, 2013). Unfortunately, revenue management at Jinja sailing is still poor (Audit report, 2016). This could be due to failure to seat the right customer, at the right seat, at the right time and at the right price to maximize revenue (Kims and Wirtz, 2015)

In Africa hospitality industry is becoming increasingly price competitive (Aketch, Everline; Basheka, Benon and Bagire, 2017). Hotel chains across the continent are feeling margin pressure and a general lack of control over their sales and distribution channels, as discounters enter the market and distribution channels diversify (Mwaura and Ssekitoleko, 2012).

Hospitality industry accounts for 14% of the total businesses in Uganda and contributes 8% of the national income. In terms of employment it accounts for 14% of total employment provided by Micro, small and medium size businesses with an average employment of 8 persons per hotel (UBOS,

2016). Many small hotel enterprises are faced with lack of awareness and understanding of revenue management (UBOS, 2016). The government has established the Uganda hotel and tourism training institute at crested crane hotel in Jinja town to bridge the skills gap in the hospitality industry, but the area of revenue management has not been fully addressed by this institute.

Jinja sailing club is a modern and up-market luxury restaurant, bar, banqueting and boat cruise facility on the shores of Lake Victoria, near the Source of the Nile River (Namatovu, Balunywa, Kyejjusa and Dawa, 2010). Jinja sailing club has made efforts to employee foreign experts in the area of revenue management however revenue management at Jinja sailing club is still poor (Audit report, 2016). This has inspired the researcher to examine the revenue management of Jinja sailing club.

1.2 Statement of the problem

Revenue management has attracted considerable attention in recent years (Kimes and Wirtz, 2013). The implementation of revenue management is repeatedly reported to yield an increase in revenues (Haensela, Mederer and Henning, 2011). Jinja sailing club has hired foreign experts from India to improve on revenue management. Despite the efforts of improving revenue management in Jinja sailing club, revenue management is still poor (Audit report, 2016). Its upon this basis that the researcher will set out to examine the revenue management in Jinja sailing club.

1.3 Purpose of the study

The purpose of this study is to examine the revenue management in Jinja sailing club

1.4 Objectives of the study

(i) To examine the level of revenue management in Jinja sailing club

(ii) To assess the challenges of revenue management in Jinja sailing club

(iii) To suggest the strategies for improving revenue management in Jinja sailing club

1.5 Research questions

(i) What is the level of revenue management in Jinja sailing club?

(ii) What are the challenges of revenue management in Jinja sailing club?

(iii) What are the strategies for improving revenue management in Jinja sailing club?

1.6 Scope of the study

(i) Content Scope

The study was carried out based on the theoretical and empirical literature of revenue management in business organizations.

(ii) Geographical scope

The study was carried out in Jinja sailing club found in Jinja municipality. This region was selected because very limited related studies had been carried out there.

(iii) Time scope

The study considered the period of nine years, which is to say from 2010 to 2018. This time period was chosen because it has most important information as pertains to the objectives under the study.

1.7 Significance of the study

(i) The study helped the management of Jinja Sailing Club to identify gaps in revenue management and implement strategies to cover those gaps.

(ii) The study will act as a reference to future researchers in the field of revenue management

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter contains a discussion of the literature review based on the research objectives. The objectives were to examine the level of revenue management in Jinja sailing club, to assess the challenges of revenue management in Jinja sailing club, to suggest the strategies for improving revenue management in Jinja sailing club.

2.1 Revenue management

Revenue management is a business strategy that aims to maximize revenue from every business transaction through dynamic pricing and efficient allocation of available inventory to forecasted demand (Gurel, Tevfik and Anil, 2016). The implementation of revenue management is repeatedly reported to yield an increase in revenues (Haensela, Mederer and Henning, 2011). Today, revenue management is applied in airlines, hotels, restaurants, golf courses, shopping malls, telephone operations, conference centers and other service companies that in trade perishable goods (Ivanov and Vladimir, 2017). Some authors argue that most revenue management in hotels rely on data-hungry demand forecasting systems and optimization methods requiring use of information processing technology (kimes and Wirtz, 2015). However, others say business intelligence from hotel staff in the areas of sales, marketing, finance and operations is equally important (Mu-chun and Su-yun, 2015). In addition, efficient use of this dispersed knowledge requires the coordination of communication (Mwaura and Ssekitoleko, 2012), a task increasingly performed by the revenue manager (Cullen and Helsel, 2010). Revenue management requires knowledge sharing to forecast demand, develop strategies and track performance (Lim and Kimes, 2013). The Revenue Manager provides a focus for integration of knowledge from members of the organization such as the General

Manager, Sales Manager, Front Office Manager, Reservations Manager, Food and Beverage Manager and so on (Ivanov, 2014)

Denizci and Basak (2008) in their book Revenue Management for the Hospitality Industry, the authors divide the revenue management process into seven different modules: customer knowledge and consumer behavior, market segmentation and selection, internal assessment and competitive analysis, economic principles and demand forecasting, reservations and channels of distribution, dynamic value-based pricing and channel and inventory management. Hayes and Parker (2010) only propose four elements of revenue management in the Hotel Industry Nevertheless, a common line of thinking can be observed in revenue management literature and many authors somewhat agree on similar key elements, with some deviations of course. For the development of this paper, the topic of revenue management in the hotel industry was divided into five different pillars which include Market segmentation, pricing strategies, demand forecasting, capacity allocation and channel distribution as used by (Mayer, 2014).

Pricing strategies

Price is one of most effective instruments that revenue managers can use in the interest of shaping demand in the short term (Haddad, 2015). Price is a variable that hotel managers can control to either boost or dampen the demand for hotel rooms (Lim and Kimes, 2013). From the consumer's perspective price represents the value that a customer exchanges when purchasing services or products (Kimes and Wirtz, 2015). On the other side, from a business's perspective, price is most important component of any product, as decisions on price directly affect an organization's profitability (Ivanov and Vladimir, 2017).

Dynamic pricing relates to modifying prices in accordance with changes in short term demand and general demand patterns (Haddad, 2015). It depends on factors like short-term changes in demand,

booking patterns and behaviors of clients (Ivanov, 2014). Differential pricing on the other hand describes the practice of offering different rates to different types of clients (Ferguson and Smith, 2014). It involves price discrimination and customer segmentation (Hayer and Parker, 2010). A Business can pursue such strategies, as the demand for the hotel's product is rarely consistent (Ivanov, 2014). A revenue management system will be most effective if both pricing strategies can be applied successfully (Haddad, 2015). However, not every business is able to apply both pricing schemes, as certain conditions are necessary to effectively apply dynamic or differential pricing (Ivanov, 2014)

Economic principles and demand forecasting

Demand forecasting refers to the procedures of estimating, calculating or predicting the consumer's future demand for a specific product or service (Kimes and Wirtz, 2015). Forecasting is a vital aspect of any business, and especially important within hotel revenue management (Wang, 2012). Accurate arrival or room night forecasts and predictions are one of the key inputs for an effective hotel yields management system, because without precise forecasts, the Revenue management software may propose vastly inaccurate availability and price recommendations (Pascal and Mario, 2012). The data behind forecasting models includes two different types of information, firstly information about when the booking was made and secondly when the product or service was consumed (fouad, Atiya, Saleh and Bayoumi, 2014). This provides the revenue manager with insights on the booking Behavior in addition to actual historical data (Wang, 2012). Haddad, (2015) explain that the very first phase of calculating and forecasting demand is to examine the overall demand by assessing the existing demand generators within the destination, which can be anything from convention centers, to sporting arenas and military or government installations (Lim and Kimes, 2013). Once the market environment has been evaluated an organization will have a closer look at "date Specific demand generators" or demand drainers for the upcoming period to be forecasted (Mu-chun and Su-yun,

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2015). Generally, forecasting methods can be classified into three different categories namely advanced booking models, historical booking models and combined booking models (Wang and Brennan, 2014). Advanced booking models consider information on the pickup of reservation over a pre-determined period for a day of the year and can be broken down into additive and multiplicative models (Cullen and Helsel, 2010). Additive models are based on the hypothesis that the already existing amount of reservations does not influence the final number of sold rooms, whereas the multiplicative approach assumes that the present amount of bookings on hand and booking pace is an indicator for the expected volume of future reservations for the same day. (Kimes and Wirtz, 2015). Historic booking models use actual data from previous years and can employ several different forecasting models, like Naïve one and two, Moving Average and Exponential Smoothing (Haddad, 2015). Combined booking models, as the name implies, make use of a weighted average of both the historical and advanced booking model (Ferguson and Smith, 2014).

Market segmentation and selection

Market segmentation is a fundamental component of most revenue management systems (Ivanov, 2014). In pursuance of being able to offer better and personalized products to all different kinds of guests, hotels typically divide their market into various sub markets or segments (Mayer, 2014). These sub markets are created to better serve and manage the individual needs of a group of customers (Haddad, 2015). The segments include customers who share similar characteristics; most important of all being willingness to pay (Ivanov, 2014). The business then tailors their marketing activities, pricing policies and product offerings around the requirements of a specific marketing segment (Lim and Kimes, 2013). By applying segmentation, a hotel business can ensure that the appropriate mix of customers is being attracted and the right rates are sold to optimize revenue generation (Cullen and Helsel, 2010). Moreover, revenue managers will then go on with continuous evaluation and analysis to improve the segmentation strategies and to further maximize revenue

potential (Wang, 2012). Cullen and Helsel, (2010) further explain that dividing a market based on customer demographics is another common practice in the hotel industry (Wang and Brennan, 2014). Demographics describe the characteristics of a population; like gender, age education, occupation (Ferguson and Smith, 2014).

Channel and inventory management

Capacity or capacity size relates to the maximum physical size of a facility, in the case of hotels it refers to the number of rooms, conference facilities, number of seats in a restaurant or quantity of treatment rooms in spa facilities (Lim and kimes, 2013). Looking closer at the application of revenue management in the lodging industry, a hotel company's capacity refers to the room's division capacity only (Wang, 2012). In other words, the total amount of bed nights the hotel business can sell at any given day (Ivanov and Vladimir, 2017). Carrying capacity on the other hand corresponds to the optimal use of the physical facility (Ann, 2015). A third common term in yield management literature is capacity flexibility, which links with an organization's ability to counterbalance variations in demand by modifying its capacity (Wang and Brennan, 2014). Capacity management is the skill of matching demand from customers with the ability of the service delivery systems to satisfy the aforesaid demand (Cullen and Helsel, 2010). Moreover, capacity management focuses on understanding the forecasted demand and examining the various options for management to meet the predicted demand (Pascal and Mario, 2012). Wang, (2012) presents two fundamental strategies of how services providers can manage their capacity (Haddad, 2015). First, the level strategy, which is performed by limited capacity businesses, for example hotels and restaurants, where the emphasis is placed on influencing demand to be in line with the available capacity (Kimes and Wirtz, 2015). Second the chase strategy, which focuses on modifying the available supply to stay in line with demand (Ferguson and Smith, 2014). Above all, revenue managers must understand the nature of their capacity and to what extent it can be modified (Pascal and Mario, 2012).

Reservations and channels of distribution

Distribution channels are the vehicle utilized to make a product or service available to the consumer (Ivanov, 2014). Hotel distribution channels comprise two distinct but interconnected functions; to help customers in their buying decision by providing relevant information and to enable the purchase itself (Kimes and Wirtz, 2015). Therefore, Channel management in the hospitality sector involves the sale of inventory (rooms, seats, conference facilities) at the highest possible rates, while also trying to stimulate bookings through the lowest cost channels (Pascal and Mario, 2012). To successfully manage those tasks, a revenue manager or reservation manager needs to have a thorough understanding of the wide variety of distribution channels available (Pascal and Mario, 2012).

Before the global spread of the internet, distribution channels in the tourism and hospitality industry were mostly travel agencies and call centers operated by the Supplier (hotel, airline, rental service) (Ann, 2015). Nowadays, hospitality businesses, particularly lodging businesses, utilize many different non-electronic and electronic distribution channels, of which numerous are online based reservation networks (Wang and Brennan, 2014). Trip advisor, Booking.com and Travelocity are one of most popular ones and have become key players in the distribution environment (Cullen and Helsel, 2010). Other intermediaries are travel agents, tourism agencies, tour operators, wholesalers and consortia (Wang, 2012). The goal of channel management is to best deliver the value proposition to the target markets, which represent the different customer segments of a hotel business (Haddad, 2015). The desired result is an increase in revenue by facilitating an efficient exchange of information, most importantly price, towards distinct market subsets (Kimes and Wirtz, 2015).

2.2 Challenges associated with revenue management

Various authors have explored challenges with revenue management. Some of these challenges are handled by the revenue department such as reducing customers surplus, achieving rate accuracy and

availability (Lim and Kimes, 2013), collecting and analyzing marketing intelligence, data analytics, forecasting and budgeting (Kimes and Wirtz, 2015), designing and employing rate restrictions (Pascal and Mario, 2012), managing distribution channels and rate parity, preventing cannibalization, bundling (Mwaura and ssekitoleko, 2012). communicating pricing strategy, allocating capacity and overbooking, monitoring performance of different markets, educating and motivating various actors, managing revenue management systems and their integration with other processes, integrating ancillary spending with pricing (Mu-chun and Su-yun, 2015), opportunity cost (Ivanov, 2014) and insufficient time in doing all these (Ferguson and Smith, 2014).

Its hard to price correctly to costs, because costs change with the volume. This leads to underpricing when demand is strong and over-pricing in times of weak demand (Ann, 2015). The biggest challenge is to raise customer willingness to pay a price that reflects product true value, rather than passively accept their will (Lim and Kimes, 2013). Customers are not honest with their willingness to pay and the purpose of revenue management should not only be listening to customers' preferences but also raise their willingness to pay a products true value (Pascal and Mario, 2012). Focus on market share can lead to inappropriate price cutting and when followed by competitors will create downward spiral of prices (Kimes and Wirtz, 2015).

Channel distributions are difficult to manage because more than half of all online bookings are made through intermediaries, whose transaction costs begin at around 10% (Ann, 2015). As most hotels use a portfolio of channels to reach customers (Mwaura and ssekitoleko, 2012). Sophisticated revenue management must balance each channels rate against that channels distribution cost (Lim and Kimes, 2013). Pascal and Mario, (2012) also mentioned the challenge to keep the price consistent across all channels since internets transparency makes it easy for customers to compare prices (Ivanov and Vladimir, 2017). If prices vary illogically, perceived unfairness will possibly lead

to customers' dissatisfaction, defeat, negative words of mouth and initiate other actions that damage the hotels business (Wang, 2012).

2.3 Strategies to overcome Challenges associated with revenue management

Price discrimination is the heart of pricing tools (Kimes and Wirtz, 2015). From its most basic definition, price discrimination means that customers are charged different prices for the same product and service (Pascal and Mario, 2012). Such fluctuations in price arise from hotels' intention to target different segments of customers (Wang and Brennan, 2014). Higher rates are set for less price sensitive customers while discounts are offered to attract more price elastic ones. Kimes and Wirtz, (2015) suggested that it is a common practice in the hotel industry to use multiple prices to increase revenue (Pascal and Mario, 2012). A hotel that only offers one rate to all customers is not optimizing its revenue because that rate may be unaffordable to some potential customers while other customers are probably willing to pay a higher price (Wang, 2012).

Demand Forecasting has a significant effect on revenue management system as it leads to an efficient planning and decision making to all departments (Cullen and Helsel, 2010). Forecasts feed the mathematical models that produce recommendations for the optimal levels of prices, rate structures, overbooking and help the revenue manager make proper decisions (Ferguson and Smith, 2014). The more accurate the forecast is, the better the hotel can optimize its resources and generate revenue (Pascal and Mario, 2012). In hotel management, forecasts are made on the results of revenue management analysis and influenced by the hotel's competitors and changes in external macro- and micro- environment (Mwaura and Ssekitoleko, 2012). Accurate forecasting enables hotel managers to identify future high and low demand periods to make prompt decisions; for example, to avoid accepting low revenue generating group booking for high demand periods and stimulate demand during slow periods (Kimes and Wirtz, 2013).

Strategic capacity management covers capacity expansion, carrying capacity (the optimal use of physical capacity before tourists' experience deteriorates, like optimal occupancy rate), and capacity flexibility (a hotel's ability to respond to fluctuations in demand by changing its capacity by closing or opening wings/floors) (Haddad, 2015). Tactical decisions relate to managing capacity daily work schedules, guest arrival/departure times, service interaction time, application of queuing and linear programming models to service processes, customers participation in the service process (Heansela *et al.,* 2011).

Choice of distribution channels. The development of the Internet has provided hotels with wider exposure to clients and more choice of distribution channels, including direct sales (without the use of intermediaries), global distribution systems (Amadeus, Sabre, Travelport with the brands Worldspan and Galileo), travel agents and online travel agencies (OTAs) like Booking.com, Venere.com, Expedia.com, Orbitz.com (Ivanov, 2014). According to Lim and Kimes, *(*2013) electronic distribution has changed how people reserve hotel rooms. More and more bookings are being made through online channels (Ferguson and Smith, 2014). The number of available channels has increased dramatically, and each channel varies in revenue characteristics, costs, and levels of control (Cullen and Helsel, 2010). The cost of a booking through these various channels can vary from nearly nothing to $35 or more (Kimes and Wirtz, 2015). According to Wang and Brennan, (2014) direct Internet channels like hotels websites are cheaper than indirect channels.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter contains research design, study population, sample size, sampling techniques, data sources, data collection instruments, measurement of variables, reliability and validity of the instrument, data processing and analysis

3.1 Research design

The researcher used cross sectional design. Cross-sectional study is a research tool used to capture information based on data gathered for a specific point in time (Sekaran and Bougie, 2013). The data was gathered from a pool of participants with varied characteristics and demographics known as variables (Amin, 2005). In a cross-sectional study design the entire population was considered and from these individuals, data was collected by answering research questions of interest (Schmidt and Hunter, 1996). The reason for using cross sectional research design was that it helps to prove assumptions, not costly to perform, doesn't require a lot of time, contains multiple variables at the time of the data snapshot (Nueman, 2014).

3.2 Study Population

The study population was 27 management employees of Jinja sailing club. Jinja sailing club employees are divided into two that is to say management and support staff. The reason for selecting Jinja sailing club was that revenue management is poor in this organization.

3.3 Sample size

A sample size of 24 respondents was drawn from a population scientifically using the table for determining sample size developed by Krejcie and Morgan, (1970). The sample size results from the table were 24 out of 27 employees of Jinja sailing club.

3.4 Sampling techniques

Simple random sampling was used to select the respondents. This ensured that every management employee of Jinja sailing club had an equal and independent chance of being included in the sample. It helped to remove the possible biases that could arise from the results of the researcher favoring some members of the population (Nueman, 2014).

3.5 Data Sources

Primary data was collected directly from respondents who are management employees of Jinja sailing club. The researcher used structured questionnaire for collecting data.

3.6 Data collection Instruments

Primary data was collected through administering a questionnaire. The questionnaire contained close ended questions relating to revenue management in Jinja sailing club. The respondents answered basing on the extent to which they agree or disagree in line with the statements in the questionnaire. Likert scale questions were used; ranging from 1=strongly Disagree to 5=strongly Agree.

3.7 Measurement of variables

Revenue management was measured using five dimensions; segmentation and selection, economic principles and demand forecasting, reservations and channels of distribution, dynamic value-based pricing, channel and inventory management (Mayer, 2014).

3.8 Reliability and validity of the instrument

For quality control, a pretest of the research instruments to establish their validity was done. The instrument was given to respondents to give their opinion on the relevancy of the questions using a 5-point Likert scale of strongly disagree, disagree, not sure, agree and strongly disagree. Reliability of the instrument was tested using Cronbach Alpha coefficient, for quality control, a pretest of the research instruments to establish their validity was done. The instruments were given to respondents

to give their opinion on the relevancy of the questions using a 5-point Likert scale of strongly disagree, disagree, not sure, agree and strongly disagree. This was done using content validity index (CVI). The content Validity Index and Cronach's alpha values were used to test the reliability of the instrument

Table 3.1: Reliability of Variables

Variable	No. of Items	Alpha
The level of revenue management	14	0.833
Challenges of revenue management	14	0.781
Strategies of improving revenue management	14	0.765

Source: Primary data

The Cronbach's alpha (a) Coefficients for all the variables were above 0.7 indicating that the instruments used to measure the variables were consistent and reliable (Amin, 2005). The researcher used Cronbach's Alpha coefficient to determine the internal consistency of the item in the questionnaires. The items in the questionnaire were given to expert to get their opinions in the field of revenue management with the help of the supervisors.

3.9 Data Processing and Analysis

Data from the field was compiled, sorted, edited and coded to have the required quality, accuracy and completeness. The data was entered into the computer using the statistical package for social sciences (SPSS v.22.0) for analysis. The data was analyzed according to research questions. Frequency tabulations were used to describe sample characteristics depending on the objectives of the study.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter contains the presentation, interpretation and analysis of findings based on research objectives. The objectives were to examine the level of revenue management in Jinja sailing club, challenges of revenue management in Jinja sailing club and strategies for enhancing revenue management in Jinja sailing club.

4.1 Response rate

Out of a total number of 24 respondents who received the self-administered questionnaires, 22 respondents filled and answered the questionnaire to the satisfaction of research. This resulted into a response rate of 91.66% and a non-response rate of 8.33%.

4.2 Demographic characteristics of respondents

The demographics considered under this section were gender of respondents, age brackets, levels of education and working experience. The summary of this is presented in the following sections below.

4.2.1 Gender of respondents

The gender characteristics of respondents are presented in the table 1 below.

Table 1: Gender of the respondents

		Frequency	Percent	Valid	Cumulative
Valid	Male	15	68.2	68.2	68.2
	Female	7	31.8	31.8	100.0
	Total	**22**	**100.0**	**100.0**	

Source: Primary Data, 2018

Results from table 1 indicate that majority of respondents were males represented by 15(68.2%) while females were 7(31.8%). This implied that the study considered views of both sexes. The results also indicated that majority of the respondents were males with 68.2% contribution to the general response rate. This meant that the number of males within Jinja sailing club were more than females.

4.2.2 Age of respondents

The age distribution of respondents is presented in the table 2 below.

Table 2: Age of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25	8	36.4	36.4	36.4
	25-30	7	31.8	31.8	68.2
	31-35	4	18.2	18.2	86.4
	Over 35	3	13.6	13.6	100.0
	Total	**22**	**100.0**	**100.0**	

Source: Primary Data, 2018

The results from table 2 indicate that number of respondents whose age was below 25 years was 36.4%, 25-30 years were 31.8%, 31-35 years were 18.2%, Over 35 years were 13.6%. The results meant that the study collected information across all age brackets. The results were in line with the population distribution of Uganda which indicated that the biggest population of Uganda is

dominated by the youths (UBOS, 2014). The results further imply that within Jinja sailing club the highest population was of the age group below 25 years who were 8(36.4%).

4.2.3: Level of Education

The academic qualification of respondents is presented in the table 3 below.

Table 3: Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Certificate	9	40.9	40.9	40.9
	Diploma	8	36.4	36.4	77.3
	Bachelors	3	13.6	13.6	90.9
	Masters	2	9.1	9.1	100.0
	Total	**22**	**100.0**	**100.0**	

Source: Primary Data, 2018

From table 3 above, it was indicted that the number of respondents whose highest level of education was Certificates were 9 (40.9%), Diploma were 16 (36.4%), Bachelors were 3 (13.6%), and masters level were 2(9.1%). The results meant that the study attracted views from members who had different education backgrounds.

4.2.4 Working Experience

This study established the duration spent by respondents working in Jinja sailing club. The working experience of respondents is presented in table 4 below.

Table 4: Working Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Than 1	4	18.2	18.2	18.2
	1-2	9	40.9	40.9	59.1
	2-3	7	31.8	31.8	90.9
	Above 3	2	9.1	9.1	100.0
	Total	**22**	**100.0**	**100.0**	

Source: Primary Data, 2018

The table 4 above indicates that most of respondents who had been working in the organization for less than 1 year were 4 (18.2%), 1-2 years were 9 (40.9). 2-3 years were 7 (31.8%), and Above 3 years were 2 (9.1%).

4.3 The level of revenue management in Jinja sailing club

The results of table 5 were generated using the scale coded as 1, 2,3,4,5 which represents strongly disagree, Disagree, not sure, agree and strongly agree respectively. A mean close to 1 or 2 shown Disagreement, a mean of 3 means respondents were not sure while mean close to 4 or 5 showed agreement about the issue. The standard deviation above one show that individual responses on average were little one point away from the mean, therefore the reliability value of standard deviation is higher than the mean.

Table 5: Showing the revenue management in Jinja sailing club

Code	Revenue management	N	Min	Max	Mean	Std.
RM	Hotel managers make vital decisions regarding pricing,	22	1	5	1.82	1.180
RM2	The organization charges different rates to different	22	1	5	1.68	1.086
RM3	The organization prices it's services at a level	22	1	5	1.77	1.192
RM4	The organization uses the internet for advertising	22	1	5	1.59	1.181
RM5	The organization uses online Customer Bookings	22	1	5	2.13	1.457
	AVERAGE MEAN				**1.76**	

Source: Primary Data, 2018

The results from table 5 shows that average mean 1.76 meant that most of the respondents strongly disagreed with the level of implementation of revenue management in Jinja sailing club. This meant

the revenue management is poor in Jinja sailing club. The study further revealed that hotel managers are unable to make vital decisions regarding pricing, promotion and distribution, based on anticipated demand in Jinja sailing club with a mean of 1.812 and a standard deviation of 1.180. Most respondents said the organization doesn't charge different rates to different customer segments in order to maximize revenue with a mean of 1.68 and a standard deviation of 1.086. A majority of respondents said organization doesn't price its services at a level determined by a particular customer's perceived ability to pay with a mean of 1.77 and a standard deviation of 1.192. A majority of respondents said the organization uses the internet for advertising with a mean of 1.59 and a standard deviation of 1.181. A majority of respondents said the organization uses online Customer Bookings with a mean of 2.13 and a standard deviation of 1.4

4.4 The challenges facing revenue management in Jinja sailing club

The objective was to find out the challenges facing revenue management in Jinja sailing club. The results of table 6 were generated using the scale coded as 1, 2,3,4,5 represents strongly disagree, Disagree, not sure, agree and strongly agree respectively. A mean close to 1 or 2 shown Disagreement, a mean of 3 means respondents were not sure while mean close to 4 or 5 showed agreement about the issue. The standard deviation above one show that individual response on average was little one point away from the mean, therefore the reliability value of standard deviation is higher than the mean.

Table 6: The challenges facing revenue management in Jinja sailing club

Code	Challenges of implementing Revenue management	N	Min	Max	Mean	STD.D
CR1	The organization has shortage of qualified revenue	22	1	5	4.00	1.154
CR2	Challenges of particular customer segments accepting	22	1	5	4.18	1.180
CR3	There is a high cost of subscribing to booking websites	22	1	5	4.13	1.166
CR4	There is a high Cost of revenue management system	22	1	5	4.22	1.192
CR5	There is a high cost of revenue management system	22	1	5	3.72	1.202
CR6	There is a challenge of segmenting different customer	22	1	5	3.72	1.241
CR7	There is a challenge of analyzing large amounts of data	22	1	5	4.02	1.174
	AVERAGE MEAN				4.00	

Source: Primary Data, 2018

The results from table 6 shows that average mean 4.00 meant that most of the respondents agreed that there are challenges with revenue management in Jinja sailing club. The study further revealed that the organization has shortage of qualified revenue managers with a mean of 4.00 and a standard deviation of 1.154. The respondents said there are Challenges of some customer segments accepting with a mean of 4.18 and a standard deviation of 1.180. The respondents said there is a high cost of subscribing to booking websites with a mean of 4.13 and a standard deviation of 1.166. The Respondents said there is a high Cost of revenue management system acquisition with a mean of 4.22 and a standard deviation of 1.192. The Respondents said there is a high cost of revenue management system maintenance with a mean of 3.72 and a standard deviation of 1.202. The Respondents said there is a challenge of segmenting different customer groups with a mean of 3.72

and a standard deviation of 1.241. There is a challenge of analyzing large amounts of data in order to forecast demand with a mean of 4.02 and a standard deviation of 1.174.

4.5 The strategies for improving revenue management in Jinja sailing club

The objective was to find out the strategies for enhancing revenue management in Jinja sailing club. The results of table 7 were generated using the scale coded as 1, 2,3,4,5 represents strongly disagree, Disagree, not sure, agree and strongly agree respectively. A mean close to 1 or 2 shown Disagreement, a mean of 3 means respondents were not sure while mean close to 4 or 5 showed agreement about the issue. The standard deviation above 1 show that individual responses on average were little one point away from the mean, therefore the reliability value of standard deviation is higher than the mean.

Table 7: The strategies for improving revenue management in Jinja sailing club

Code	Strategies for enhancing revenue management	N	Min	Max	Mean	Std.
SR1	There is need to train staff in revenue management	22	1	5	4.36	1.176
SR2	Prices should be adjusted from time to time to	22	1	5	4.00	1.195
SR3	Data about no shows, declines, denials and cancellations should be collected and analyzed to predict future demand	22	1	5	4.54	1.056
SR4	Pricing should be based on customer segmentation	22	1	5	4.00	1.112
SR5	Revenue management system should be adopted	22	1	5	4.45	1.184
	AVERAGE MEAN				**4.26**	

Source: Primary Data, 2018

Results from table 7 shows that the average means 4.26 meant that most of the respondents agreed with the results about the strategies for enhancing revenue management in Jinja sailing club. The findings further reveal that there is need to train staff in revenue management with a mean of 4.36 and a standard deviation of 1.176. Prices should be adjusted from time to time to maximize revenue with a mean of 4.00 and a standard deviation of 1.195. Data about no shows, declines, denials and cancellations should be collected and analyzed to predict future demand with a mean of 4.54 and a standard deviation of 1.056. Pricing should be based on customer segmentation with a mean of 4.00 and a standard deviation of 1.112. Most of the respondents also agreed that Revenue management system should be adopted with a mean of 4.45 and a standard deviation of 1.184.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter provides a summary of the findings, discussion of findings in relation to the available literature as well as providing conclusion based on the objectives. The chapter also suggests recommendations based on findings and identifies the gap that researcher realized in handling this research that requires other researchers to find out the stipulated area of further study. The objectives that guided the study included to examine the level of revenue management in Jinja sailing club, to examine the challenges revenue management in Jinja sailing club and to examine the strategies that can be adopted to enhance revenue management in Jinja sailing club.

5.1 Summary of findings

5.1.1 Objective One: To examine the level of revenue management in Jinja sailing club.

Findings reveal that majority of the respondents strongly disagreed with mean of 1.76 on the level of revenue management in Jinja sailing club. This means that hotel managers are unable to make vital decisions regarding pricing, promotion and distribution, based on anticipated demand, the organization doesn't charge different rates to different customer segments in order to maximize revenue, organization doesn't price its services at a level determined by a particular customer's perceived ability to pay, the organization doesn't use the internet for advertising and the organization

doesn't use online Customer Bookings. This is in line with Mayer, (2014) who said that poor revenue

management leads to inability to control costs.

5.1.2 Objective two: The challenges revenue management in Jinja sailing club

The findings revealed that most of the respondents strongly agreed with the challenges facing

revenue management in Jinja Sailing Club with average mean of 4.00. it was revealed that there is

shortage of qualified revenue managers, The respondents said there are Challenges of some customer

segments accepting, The respondents said there is a high cost of subscribing to booking websites,

The Respondents said there is a high Cost of revenue management system acquisition, The

Respondents said there is a high cost of revenue management system maintenance, The Respondents

said there is a challenge of segmenting different customer groups, There is a challenge of analyzing

large amounts of data in order to forecast demand. This is in line with kimes, (2011) who said that

recent research has indicated a shortage of trained and skilled revenue managers as one of most

challenging issues facing hotel managers. This concern has revealed an increasing demand for

revenue management training. In response to the lodging industry's demand, many hospitality

programs are now offering courses in revenue management (Ann, 2015).

5.1.3 Objective three: The strategies for improving revenue management in Jinja sailing club

The findings revealed that there is need to train staff in revenue management, Prices should be

adjusted from time to time to maximize revenue, Data about no shows, declines, denials and

cancellations should be collected and analyzed to predict future demand, Pricing should be based on

customer segmentation, Most of the respondents also agreed that Revenue management system should be adopted. This is in line with Wang, (2012) who said dividing customers into different segments based on their purchase intentions and allocating capacity to the different segments in a way that maximizes revenue at Jinja sailing club. Lim and Kimes, (2013) says application of information systems and pricing strategies to allocate the right capacity to the right customer at the right price at the right time puts revenue management practice into the realm of marketing management where it plays a key role in demand creation.

5.2 Conclusions

The factors affecting revenue management revealed that hotel managers are unable to make vital decisions regarding pricing, promotion and distribution, based on anticipated demand, the organization doesn't charge different rates to different customer segments in order to maximize revenue, organization doesn't price its services at a level determined by a particular customer's perceived ability to pay, the organization doesn't use the internet for advertising and the organization doesn't use online Customer Bookings.

The factors leading to poor revenue management in Jinja sailing club include there is shortage of qualified revenue managers, The respondents said there are Challenges of some customer segments accepting, The respondents said there is a high cost of subscribing to booking websites, The Respondents said there is a high Cost of revenue management system acquisition, The Respondents said there is a high cost of revenue management system maintenance, The Respondents said there is

a challenge of segmenting different customer groups, There is a challenge of analyzing large amounts of data in order to forecast demand.

The strategies for improving revenue management revealed that there is need to train staff in revenue management, Prices should be adjusted from time to time to maximize revenue, Data about no shows, declines, denials and cancellations should be collected and analyzed to predict future demand, Pricing should be based on customer segmentation, Most of the respondents also agreed that Revenue management system should be adopted.

5.3 Recommendations

Jinja sailing club should train its workers in revenue management in order to be able to maximize growth.

Jinja sailing club should adjust its prices from time to time to maximize revenue. This can be done using differential or dynamic pricing. Differential pricing applies when Jinja sailing club decides to sell the same service to different customer segments at different prices. Dynamic pricing applies when Jinja sailing club decides to change the prices of its services from time to time depending on the demand.

Data about no shows, declines, denials and cancellations should be collected and analyzed. This helps the organization to be able to understand past trends. Such information can be used to predict future trends of prices, demand and costs.

Most of the respondents also agreed that Revenue management system should be adopted. Revenue management system leads to optimization of financial results. By analyzing sales trends and forecasting results, using historical scenarios, price strategies are adjusted to maximize revenues.

5.4 Limitations of the study

This study was about revenue management in Jinja sailing club yet there are other businesses in the hospitality industry like restaurants, lodges, bars and resorts

The study was about revenue management at Jinja Sailing Club However, a similar study can be under taken on related variables like yield management.

The study was carried out basing Jinja sailing club in Jinja Municipality. However, a similar study can be conducted for small hotels that operate in other geographical areas.

5.5 Areas for Further Research

Future research should attempt to collect data from other businesses in the hospitality industry like restaurants, lodges, bars and resorts to examine the level of revenue management in such organizations.

The study was about revenue management at Jinja Sailing Club However, a similar study can be under taken on related variables like yield management.

Similar study can be conducted on small hotels that operate in other geographical areas.

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APENDIX I: QUESTIONAIRE

MAKERERE UNIVERSITY BUSINESS SCHOOL

Dear respondent,

I am Mulero Emmy, a student of Makerere University Business School pursuing a Master of Business Administration (MBA). I am collecting data for my thesis on the topic of **Revenue management at Jinja sailing club.** You have been identified as a key person to give accurate data about the study. The study is purely academic, and all data provided shall be treated with utmost confidentiality. Kindly spare some 15 to 30 minutes to answer the questions as you provide the valuable information following the directions in the questionnaire. I thank you in advance for accepting to take part in this study.

SECTION I:

GENERAL INFORMATION

Please tick accordingly

A1 Working experience

Code	1	2	3	4
Years	Less than 1	1-2	2-3	Above 3 years
Tick				

A2 Gender of the respondent

Code	1	2
Gender	Male	Female
Tick		

A3 Age of the respondent

Code	1	2	3	4
Age group	Below 25	26-30	31-35	Over 35 years
Tick				

A4 Respondent's educational background

Code	1	2	3	4
Academic Qualification	Certificate	Diploma	Bachelors	Masters
Tick				

SECTION II:

REVENUE MANAGEMENT

For the following questions, please tick the number of your choice as indicated in the key

Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
1	2	3	4	5

Code	Revenue management	1	2	3	4	5
RM	Hotel managers make vital decisions regarding pricing, promotion and					
RM	The organization charges different rates to different customer					
RM3	The organization prices it's services at a level determined by a					
RM4	The organization uses online for advertising					
RM5	The organization uses the internet for Customer Bookings					

SECTION III:

CHALLENGES OF IMPLEMENTING REVENUE MANAGEMENT

Code	Challenges of implementing revenue management	1	2	3	4	5
CR1	The organization has shortage of qualified revenue managers					
CR2	Challenges of particular customer segments accepting prices					
CR3	There is a high cost of subscribing to booking websites					
CR4	There is a high Cost of revenue management system acquisition					
CR5	There is a high cost of revenue management system maintenance					
CR6	There is a challenge of segmenting different customer groups					
CR7	There is a challenge of analyzing large amounts of data in order to					

SECTION IV:

STRATEGIES FOR ENHANCING REVENUE MANAGEMENT

Code	Strategies for enhancing revenue management	1	2	3	4	5
SR1	There is need to train staff in revenue management					
SR2	Prices should be adjusted from time to time to maximize revenue					
SR3	Data about no shows, declines, denials and cancellations should be					
SR4	Pricing should be based on customer segmentation					
SR5	Revenue management system should be adopted					

Thank you