THE INFLUENCE OF DYNAMIC PRICING STRATEGIES ON HOTEL OCCUPANCY RATES IN MASINDI MUNICIPALITY

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DECLARATION

I, AHUURA MIRIAM, declare that this research report is my original work and has not been submitted for any academic award in any institution. All sources used have been acknowledged.

Signature: _____ Date: _____

APPROVAL

This is to certify that this research report has been submitted with my approval as the academic supervisor.

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LIST OF ABBREVIATIONS AND ACRONYMS.

ADR – Average Daily Rate

RevPAR – Revenue per Available Room RMS – Revenue Management System PMS – Property Management System OTA – Online Travel Agency

UTB – Uganda Tourism Board

UWA – Uganda Wildlife Authority

NGO – Non-Governmental Organization

ICT – Information and Communication Technology

MTWA -Ministry of Tourism, Wildlife & Antiquities

MICE – ings, Incentives, Conferences, and Exhibitions UHOA – Uganda Hotel Owners Association

UBOS – Uganda Bureau of Statistics EACOP – East African Crude Oil Pipeline CRM – Customer Relationship Management eWOM – Electronic Word of Mouth

UNEP – United Nations Environment Programme

FY – Financial Year (e.g., FY 2024/2025) CPI – Consumer Price Index

LIST OF TABLES AND FIGURES

TABLE OF CONTENT

Table of Contents

ABSTRACT

Dynamic pricing had become a critical strategy in the strategy in the global hospitability industry. Enabling hotels to adjust room rates in real time based on demand, seasonality, competitors beahviour and local events. This study investigates the influence of dynamic pricing strategies on hotel occupancy rates in masindi municipality, a key tourism gateway to Murchison fall falls national park. Using a mixed methods approach, data will be collected through questionnaires and interviews with hotel mangers and staff. The study aims to analyze existing pricing strategies, determine their relationshop with occupancy rates, and indentify challenges affecting I,plementatition. Finding are expected to provide evidence based insights fot hotel managers, policymakes, and torusim stakeholders or enhabce revenue management pratices in regional hospitality markets.

CHAPTER ONE

1.0 Introduction

This chapter presents the background of the study, the problem statement, and purpose of the study, objectives, research questions, scope, and significance of the study. It provides a foundation for understanding how dynamic pricing strategies influence hotel occupancy rates in Masindi Municipality.

1.1 Background of the Study

Hotel Occupancy Rates refers to the percentage of available rooms that are actually sold over a given period of time.(kimes, 1980). Hotel occupancy is the total number of rooms occupied by a guest in a given period of time (Froster 1986). (Jeffery and Hubbard ,1994) defined occupancy thruogh time series analysis focusing on its fluctuations across different regions and hotel categories to monitor visitor flows. The Ministry of Tourism, Wildlife & Antiquities (MTWA) and the Uganda Tourism Board (UTB) define occupancy as the primary measure of utilization of accommodation capacity, it follows the standard formula, Ugandan policy specifically tracks two variations, room Occupancy Rate that is seen primarily in urban business hubs like Kampala and Entebbe, Bed Occupancy Rate critical for upcountry safari lodges since lodges in national parks often have multiple beds per room for example twin or family tents, measuring bed nights provides a more granular view of how many individuals are actually consuming resources and services. According to Katongole (2012). Hotel occupancy in Uganda is characterized by a stark disparity between the stable, business driven market of Kampala and the volatile, tourism dependent regional municipalities. national average occupancy hovered around 53.2% in 2024, this is heavily buoyed by the capital's consistent demand for conferences and international business travel according to the Uganda Tourism Board, (2024). Despite a national occupancy average of 53.2% in 2024, (UTB,2024), Tourism dependent regional municipalities in Uganda continue to suffer from under utilization, often falling below the 40%beak even (Byamugisha, 2016). This disparity reveals a critical failure in the application of dynamic pricing strategies at a regional level, while urban hotels in kampala leverage MICE driven demand to optimize yields, regional hotels remain reliant on static, seasonal pricing.(Tusiime, Tusiimire, 2023). This research therefore,

1addresses how real time occupancy data prevent regional hoteliers from adopting the right price for the right customers (kimes, 1989) . Regional hotels therefore face significant fluctuations due to extreme seasonality, where occupancy spikes during dry months but plummets during rainy periods, this instability is worsened by tourism leakage, as travelers often bypass town based hotels for luxury lodges inside national parks, and a widespread lack of digital marketing and dynamic pricing strategies (Kato, (2024). The occurrence of occupancy in Uganda is less a steady stream and more a tale of two markets i.e. one anchored by year round corporate activity and the other struggling against the unpredictable cycles of nature and shifting travel patterns according to Kato,(2024). Various factors influence hotel occupancy including, reservation strategies such as easy booking processes, discounts, and high levels of employees service, according to Vouk (2018). Therefore, Hotels face challenges in maintaining optimal occupancy and revenue per available room.(chiu and Huang 2011). The Ugandan hospitality sector contributes significantly to employment and foreign

Exchange earnings (FY 2024/2025). Occupancy rates remains inconsistent, particularly in regional municipalities. (jonan, Wesley & Mulungu, 2023). A report by UBT indicates that hotels outisede Kampala often struggle with fluctuating demands, marketing reach, and inadequate revenue management practices (UBT, 2024) Masindi municipality, a gateway to Murchison falls national park, faces similar challenges, with hotels experiencing low occupancy during off-peaks seasons and unpredictable demand patterns, (kato, 2024.) several factors influence and pricing strategis among these, dynamic pricing strategies have emerged as a potential solution. (koshaba, 2024). Therefore this study will mainly focus on the dynamic pricing strategies.

Dynamic pricing involves adjusting eoom rates in real time based on demand, competitotrs behavior, and seasonality. (kimes, 1980) 2ith widely adopted globaly, its application in Uganda remains limited due to technological and managerial barriers. (UBT, 2024). This study, therefore investigates hotel occupancy rates in Masindi, examines dynamic pricing strategies and explores their influence on occupancy performance. Dynamic pricing is a flexible rate setting strategy where hotels continuously adjust room prices in real time based on demand, supply, competitor rates, seasonality, and local events (Vives, Jacob& payers

2018). Unlike traditional static pricing, dynamic pricing aims to maximize revenue by increasing rates during peak demand and offering discounts during low-demand

periods,thereby improving occupancy and revenue performance (Vives, jacob & payers,

2018).Globally, dynamic pricing has become a standard practice in the hospitality industry. Marriott International, for example, adjusts room rates in real time using advanced analytics and automated pricing systems, resulting in a 5% annual revenue increase, their approach incorporates real-time data analysis, pricing rules, and revenue management systems to optimize performance.(Marriott int. 2025) In Uganda, the tourism and hospitality sector significantly contributes to employment and foreign exchange earnings (UTB 2024). However, regional municipalities often face fluctuating and generally low occupancy rates by (Kyomusisha 2016). Masindi Municipality, a gateway to Murchison Falls National Park, presents a unique but under explored market where dynamic pricing could play a trans formative role according to the UTB The hotel industry is characterized by high fixed costs and the perish-ability of its primary product, the hotel room night unsold rooms represent permanently lost revenue.(Kotas, 2024). In the past years, hotels relied on static pricing, but the rise of online travel agencies (OTAs) and data analytics has revolutionized pricing practices (Talluri & Van Ryzin, 2004). However, the Dynamic pricing is now recognizedas a criticaltool for maximizing occupancy and revenues according to Guillet & Chu (2015). Despite it's global success, the adoption of dynamic pricing in regional Ugandan markets. However, is hindered by technological, cultural, and operational barriers (PacificBusiness Solutions, (2023). This study investigates how dynamic pricing strategies influences hotel occupancy rate in Masindi municipality and also provides contextspecific insights for hotel managers and policymakers.

1.2 Problem Statement

Tourism dependent regional municipalities. national average occupancy hovered around 53.2% in 2024, this is heavily buoyed by the capital's consistent demand for conferences and international business travel according to the Uganda Tourism Board, (2024). Despite a national occupancy average of 53.2% in 2024, (UTB,2024), Tourism dependent regional municipalities in Uganda continue to suffer from under utilization, often falling below the 40%beak even (Byamugisha, 2016). This disparity reveals a critical failure in the application of dynamic pricing strategies at a regional level, while urban hotels in kampala leverage MICE driven demand to optimize yields, regional hotels remain reliant on static, seasonal pricing.(Tusiime , Tusiimire, 2023) This research therefore, addresses how real

timeoccupancy data prevent regional hoteliers from adopting the right price for the right customers (kimes, 1989) .

1.3 Purpose of the Study

The purpose of this study is to investigate how dynamic pricing strategies influence hotel occupancy rates in Masindi Municipality.

1.4 Objectives of the Study

The study is guided by the following objectives:

a. To examine hotel occupancy rates globally and locally
b. To analyze the current dynamic pricing strategies utilized by hotels .
c. To establish the influence of dynamic pricing strategies on hotel occupancy rates

1.5 Research Questions

The study seeks to answer the following questions:

I. What are the hotel occupancy rates globally and locally. II. What dynamic pricing strategies are used in hospitality.

III. To what extent does dynamic pricing strategies influence hotel occupancy rates

1.6 Scope of the Study

1.6.1 Geographical Scope

The study will be conducted from hotels and accommodation establishments located within Masindi Municipality, Uganda.

1.6.2 Time Scope

The study will be conducted over four months, from September 2025 to January 2026, covering proposal development, data collection, and analysis.

1.6.3 Content Scope

The study focuses on dynamic pricing strategies particularly demand-based and seasonal pricing and their influence on hotel occupancy rates.

1.7 Significance of the Study

The study is significant to:

Hotel Managers, Revenue Optimization: Provides evidence-based insights on how dynamic pricing affects occupancy and RevPAR, Optimal Pricing Decisions: Helps managers understand local demand drivers such as tourism flows, events, and competitor behavior. Competitive advantages offers practical recommendation for strategic pricing. Academia and policy, filling a research gap contributes context specific knowledge to revenue management literature in developing economies. Policy development supports tourism authorities in designing policies that encourages digitalization and effective strategies.

1.8 Justification of the Study

Masindi municipality is strategically located near Murchison falls national park, making its hospitality sector vital to the hotel economy. However, limited technological adoption and lack of localized data hinder effective pricing strategies. This study provides empirical evidence to support competitive pricing, digital transformation, and sustainable tourism development.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter relates to dynamic pricing strategies and their influence on hotels occupancy rate. It examines theoretical foundations, empirical studies, and the relevance of dynamic pricing to the hospitality sector, with emphasis on Masindi Municipality.

2.1 Concept of hotel occupancy rate

Hotel Occupancy Rates refers to the percentage of available rooms that are actually sold over a given period of time. (Froster, 1986). (Kimes 1989) defined Hotel Occupancy Rate as a percentage of a hotel's total available inventory that is physically occupied by guests during a specific period. According to, Medlik (2000), he defines occupancy as a relationship between the capacity available and the capacity used. He urges that occupancy is the barometer of the hospitality industry. Medlik emphasizes that because hotel rooms are perishable, the occupancy rate is the most critical measure of wasted potential. Talluri and Van Ryzin (2018) explain that hotels no longer rely on historical averages alone. Instead, they use predictive analytics to adjust prices in real time. Orkin,(1988), Kimes,(1989), introduced the shift from looking solely at occupancy to focusing on revenue managment through the occupation trap. Orkin warned that a 100% occupancy rate is not always good if the rooms were sold cheaply since high occupancy at a lower average daily rate (ADR) typically result into lower profitability than a slightly lower occupancy at a much higher price. He determined 100% occupancy under the following conditions.; revenue dilution, increased variable costs, marginal value of extra guests, no buffer for service failures and missed revenue potential. On the other hand, (Brotherton,

2003) suggests that their is an optimal occupancy level usually around 85-90% where profit is maximized without sacrificing the guest experience or causing staff burnout . (Tran 2024) on the effects of economic factors indicates that US luxury hotel occupancy is highly elastic to discretionary income and international traveler receipts, which account for nearly 20% of total lodging revenue.According to the Ministry of Tourism, Wildlife and Antiquities (MTWA, 2025), the national average hotel occupancy rate reached 53.2% in 2024. This is a substantial increase from the 2021 lows of 28%reported by the Uganda Hotel Owners Association (UHOA). (Katusiime, 2025) has documented a transition from high turnover, short-stay models to more stable, multi day occupancy. The Explore Uganda, The Pearl of Africa campaign is cited as a primary driver for the increase in leisure based arrivals,

which reached 19.2% of total arrivals in 2024. According to Otengei and Changha (2023), they argue that two critical factors determined occupancy within Uganda's hospitality sector. First, Customer Satisfaction and Ambiance, (Ahebwa 2021) and Otengei (2023) suggests that for Ugandan hotels, particularly upmarket ones occupancy is significantly influenced by hotel ambiance and the consistency of service quality. They posit that in a competitive market like Kampala, physical environment and staff responsiveness are stronger drivers of repeat occupancy than price.

Secondly, information Technology (IT) Integration, Tumusiime (2024), identifies a significant correlation between the adoption of advanced IT systems reservations and CRM and sales performance. The literature suggests that Uganda hotel utilizing digital platforms maintain higher occupancy levels by reducing the perishability of room inventory. (kato,2025) highlights that districts like masindi are seeing contractual occupancy driven by the Tilenga project and EACOP (east African crude oil pipeline). Unlike seasonal tourists, oil sector expatriates and contractors require long-term accommodation, which stabilizes occupancy throughout the year. Masindi remains the primary transit points for Murchison Falls National Park. Therefore, UBOS (2025) suggests that as infrastructure of the Oil Roads improves, Masindi is shifting from a simple lunch stop to a competitive base for domestic weekend travelers from Kampala. The Kampala Benchmark, the primary hub for MICE (Meetings, Incentives, Conferences, and Exhibitions), Kampala leads the nation with an occupancy rate of 68.3% (MTWA, 2025). Talluri, Ryzin (2018) explain that hotels no longer rely on historical averages alone. Instead, they use predictive analytics to adjust prices in real time. Factors that influence dynamic pricing strategies include;

a) Internal Determinants (Controllable), These are the factors that hotel management can manipulate through strategic planning and investment. Kimes (1989, 2003) says that occupancy is a function of price. She argues that because hotel inventory is perishable, managers must use Dynamic Pricing by Reducing the Average Daily Rate can stimulate occupancy during off-peak periods, while rate Fencing that is to say non-refundable bookings protects revenue during high occupancy. Ogut and Onur (2012) conducted research showing that Electronic Word of Mouth is often a more powerful driver of occupancy than a hotel's official star rating. They urge that Modern travelers trust peer reviews such as TripAdvisor/Google more than marketing, increase in a review score can lead to a measurable percentage increase in occupancy. Like wise Physical Attributes and

Ambiance ,Chen and Rothschild (2010) used hedonic Pricing research to prove that specific attributes directly influence demand. Such as free Wi- Fi, conference facilities, and even the presence of LED TVs were found to be significant determinants of occupancy for business travelers.

b) External Determinants (Uncontrollable); These are environmental factors that hotels must adapt to rather than control. Such as Seasonality. Jeffrey and Barden (1999, 2001) argue that seasonality is the most significant external shock to occupancy performance. They classify seasonal factors into Push i.e social pressures, school holidays and Pull i.e climate, sporting events. Secondly, Location and Accessibility (Bull, 1995) , Monty and Skidmore (2003) emphasize Location Theory. They argue that proximity to demand generators such as airports, city centers, or major attractions are the single most important long term determinant of stable occupancy. They say a hotel's Geographical Rent determines its floor for occupancy. A poorly managed hotel in a prime location often outperforms a well-managed hotel in a remote one. Thirdly, Macro-Economic and Political Stability. (Sanchez,1998) highlight that occupancy is highly elastic to external crises. Giving factors like exchange rate fluctuations, inflation (CPI), and political stability can cause immediate Occupancy Volatility.Macro-Economic Driving Factors, hotel occupancy is highly income-elastic, meaning it fluctuates significantly with the broader economy. (Lau, 2005), (Palakurthi & Parks

c) 2000), Lau argue that the state of the economy is a primary external determinant. Canina & Carvell (2005) have used econometric models to show that indicators such as Consumer Sentiment, household income, and even fuel prices i.e travel costs directly dictate lodging demand. When economic uncertainty rises, consumer sentiment drops, leading to an immediate decline in occupancy a relationship mediated by the perceived risk of luxury spending. The Uganda National Household Survey (2019/2020) and recent updates from the Ministry of Tourism (2025) indicate that domestic tourism is highly sensitive to the Cost of Living. High fuel price andinflation in Uganda directly reduce the weekend getaway occupancy for upcountry hotels in regions like Masindi.

d) The MICE and event factor. The meetings incentives, cnferences and exhibitions (MICE) is a critical demand generator that fills rooms during mid weeks periods. According to (MORRISON 2022) getz 2007 its stated that, foundational theory that planned events act as a catalyst for destination, performance. However,Murrison highlights that increase occupancy, hotel must segment and engage with event plsnners. However , (muller 2015) notes that while mega events or bug events spike occupancy, long term stability relies on

calendar of smaller high satisfaction MICE activities. UHOA, (2025), includes MICE as the primary savior of Kampala's 5-star hotels. Large summits like the Non-Aligned Movement create overflow occupancy that benefits even 3-star properties in the city's periphery.

e) According to (Kimes, 1989, 2003) and (Vives, 2018). The dynamic Pricing and Technology, In modern hospitality, technology is no longer just a tool but the infrastructure of occupancy management.. Kimes established that dynamic pricing adjusting rates based on real time demand signals is essential to manage the perishability of hotel rooms. Vives (2018) and Abrate (2019) demonstrate that technology driven revenue management systems (RMS) allow hotels to remain open and maintain 50% occupancy even in off seasons by automating price adjustments that were previously done manually.

f) Reputation and Digital Word of Mouth (eWOM), Digital reputation has superseded traditional star ratings as the most influential factor in a traveler's booking decision. (Ogut and Onur 2012) One point increase in an online review score is associated with an increase in occupancy rate by approximately 7.5 percentage points. While volume i.e number of reviews is important Score meaning equality has a higher statistical impact. Litvin (2008) argue that eWOM is particularly powerful because it provides social proof that mitigates the perceived risk of an intangible service.Busitema University (2025) on the Brisk Hotel found that Assurance and Reliability in service were the top factors guests cited for returning, directly impacting repeat-customer occupancy.

g) Social-Political Stability, Political stability is considered a precondition for tourism; without it, all other promotional efforts fail. Lepp (2003) , Santana & Fourie (2022). Lepp (2003) , Thapa (2003) posits that political instability and civil unrest increase the perception of Risk, causing an immediate decrease in arrivals regardless of price discounts. Santana & Fourie (2022) shows that travelers are extremely risk sensitive and instability leads to shorter lengths of stay and decreased foreign investment. Conversely, Ranasinghe (2022) contends that stability is the basic prerequisite for the survival of any hotel business. Impacts of hotel occupancy rates include;

I. The Financial Impact: Profitability and RevPAR, The most direct impact of occupancy is on Financial Performance. (Ortega, 2016), (Abrate, 2019). Increasing occupancy is the fundamental driver of revenue maximization. They argue that occupancy is a prerequisite for high RevPAR (Revenue Per Available Room). However, (Vives, 2018) caution that while higher occupancy generally leads to higher profits, the relationship is non linear due to rising

variable costs such as cleaning, utilities, laundry. The Occupancy Trap, (Kimes, 2003) warns that chasing 100% occupancy by drastically cutting rates can actually lead to lower profitability, as the increased wear and tear on the property outweighs the marginal revenue gained.

II. Operational Impact: Service Quality and Guest Satisfaction, High occupancy rates put immense pressure on a hotel's physical and human resources. (Morrison, 2022), Anderson & Fornell (2000). Ssuggests that excessively high occupancy i.e the full House can negatively impact the Guest Experience. When a hotel is at 100% capacity, queues at reception and breakfast buffets increase, leading to a service Quality Deficit. According to Oliver's (1990) theory, if the service performance during a peak occupancy period falls below consumer expectations, negative disconfirmation occurs, which leads to bad online reviews and a damaged long-term reputation.

III. Human Resource Impact: Employee Burnout. Occupancy rates act as the primary stressor for hotel staff, (Grandey, 2003) (Kusluvan, 2010). Identifies emotional Labor as a significant byproduct of high occupancy periods. Employees are required to maintain a smiling face even under extreme physical fatigue and high stress levels during peak seasons. Islami & Eva (2021) notes that consistent high occupancy without adequate organizational support leads to high staff turnover. On the other hand, low occupancy leads to job insecurity, also negatively impacting morale.

IV. Socio-Economic Impact: The Multiplier Effect, For a tourist attraction or destination, hotel occupancy is a metric of regional health. Sharpley, Telfer (2008) and Javid & Katircioglu (2017). Argue that high occupancy levels create a multiplier effect in the local economy. When rooms are full, there is increased demand for local retail, transport such as taxis/boda-bodas and food suppliers. In developing contexts likeUganda, Rivera (2017) posits that stable hotel occupancy is essential for fighting poverty and fostering local employability.

V. Environmental Impact: The Ecological Footprint. Every guest in a bed represents a consumption of natural resources. Gossling (2015) and UNEP (2022). Indicates that hotels account for approximately 1% of global carbon emissions. Gosssling and Reinhold (2024) show that as occupancy rates increase, so does the per room consumption of water and electricity, along with solid waste production. Mensah and Blankson (2022) argue that hotels must implement sustainable marketing Strategies to ensure that high occupancy doesn't lead to the degradation of the very natural attractions like National Parks that tourists come to see.

2.2 The concept of dynamic pricing strategie

Dynamic pricing involves adjusting room rates in real time based on demand, supply, competitor pricing, seasonality, and local events, It is rooted in revenue management principles, which aim to maximize revenue by selling the right room to the right customer at the right time. (Cross, 1997). Minder (2025), dynamic pricing involves changing room rates daily or even hourly to reflect real time data.

Perishability, This refers to the concept that a hotel room is a time sensitive service product that cannot be stored for future sale. Unlike physical goods that can be inventoried if they aren't sold today. A hotel room night is a perishable asset if a room remains vacant on a specific ngiht, the potential revenue from that room is lost forever and cannot be recovered (kimes, 1989, Kotler ans armstong 2006. This inherent characteristic creates to ensure that pressure in managers to utilize dynamic pricing and demand forecasting to ensure that occupancy is maximized before the shelf life of each room night expires ar the end of the day.

A central Tenet famously championed, (kimes 2016) is that a hotle room is a perishable asset. If a room goes unsold for one night, that revenue opportunity is lost forever. Dynamic pricing mitigates this by lowering prices to stimulate demand during slow periods. (Kotler & Armstrong, 2016): In their fundamental marketing texts, they define service perishability as the fact that services cannot be stored for later sale or use. (Kimes, 1989, 2003) argues that because a hotel room cannot be stored for sale the next day, it is a perishable asset. If it remains empty, its value drops to zero at midnight, Dynamic pricing allows managers to lower prices when demand is low to recoup fixed costs, and raise prices when demand is high to maximize profit margins. This is the core of Revenue Management (RM).Price Fencing and Segmentation, Abrate, Fraquelli, and Viglia (2012), Dynamic pricing in hotels is essentially the integration of intertemporal price variations over the booking horizon. They emphasizes Intertemporal price discrimination occurs when prices differ due to the time of purchase but, at a given time, are the same for all customers. (Abrate, 2012) Stokey, (1979). (Cure, 2022) in the Paris hotel industry shows that hotels utilize intertemporal strategies to capture the consumer surplus.For example, Early Bird discounts target price sensitive leisure guests who plan months in advance, while Last Minute premium rates or deep discounts, depending on remaining inventory target business travelers or spontaneous guests with different demand elasticities. This concept involves charging different prices for the same service based on when

the customer books. (Abrate, Fraquelli, and Viglia 2012) found out that the magnitude of price variability how much the price changes over the booking window has a direct positive impact on total revenue maximization.Hanks, Cross, and Noland (2002) introduced the importance of fences within dynamic pricing, to prevent high paying customers like corporate travelers from taking advantage of low prices meant for budget travelers, hotels use Price Fencing. Physical vs. Non-Physical Fences . Physical such as oom views, bed size, or floor level and non Physical i.e Logical , Non refundable, bookings, Stay 3 nights requirements, or early Bird discounts. Cross (2011) posits that dynamic pricing is only ethical and effective if these fences are clearly communicated to the consumer to avoid price Unfairness perceptions. The Role of Algorithm and Technology, Vives, Oliver, and Huberman (2018) have shifted the focus toward the automation of dynamic pricing. They discuss how Artificial Intelligence (AI) and Big Data allow hotels to change prices thousands of times a day based on competitor rates, local events, weather, and even the user's device. Abrate, Fraquelli, and Viglia (2012) found that hotels using automated dynamic pricing systems significantly outperform those using manual adjustments, especially in highly volatile markets.Consumer Psychology and Fairness, Xia, Monroe, and Cox (2004) and Choi and Mattila (2009) examines how customers react to price changes. That if a guest discovers they paid $200 for a room while the person next to them paid $120, they may perceive it as price discrimination. Mattila (2010) suggests that if the price difference is justified by a transparent reason for example last minute deal vs. booked 6 months ago, the customer's sense of fairness remains intact.Elasticity and Market Response. Adrian Bull (1995) and Dwyer (2010) analyze dynamic pricing through the lens of Price Elasticity of Demand. They argue that tourism is price elastic. i.e A small decrease in price during an off peak season like the rainy season in Uganda can lead to a disproportionately large increase in occupancy, meaning ynamic pricing aims to find the equilibrium Price theexact point where the hotel is full and the revenue per guest is at its peak. When area supply decreases for example other hotels are full capacity and demand increases e.g. a local festival happening, prices rise Cvent, (2025). Hotels utilize demand based pricing to ensure they do not leave money on the table during high-demand periods, such as major conferences or local festivals. On the other hand, when demand is low, prices are reduced to attract price sensitive segments and ensure the perishable inventory is sold. Cvent (2025). Prices often fluctuate based on how far in advance a guest books. Whereas Local events, weather patterns, and even macroeconomic shifts (inflation) are now integrated into pricing engines. (Oaky, 2023). Factors influencing dynamic pricing include

1. Demand and Supply Fluctuations, Kimes (1989), Weatherford & Bodily (1992). explains When demand exceeds supply that is to say during a major festival in Kampala prices rise to capture the consumer surplus. and When supply exceeds demand, prices drop to stimulate volume. Because a room night cannot be stored, the closer a hotel gets to the date of stay, the more aggressive the pricing becomes to ensure the inventory does not perish (Cross, 1997).
2. Competitive Benchmarking (Market Positioning) , according to Canina, and Lomanno (2009). Most hotels follow a follow the leader strategy. If a primary competitor lowers their price, others often follow to avoid losing market share. And if a hotel's price is significantly lower than its competitors, consumers may perceive the quality as inferior, even if the facilities are excellent.
3. Booking Lead Time i.e The Time Factor, this determins how an algorithm or manager sets the price. Abrate, Fraquelli, and Viglia (2012). Research indicates that prices usually follow a U-shaped curve. Prices are often moderate for early birds, rise as the date approaches and the hotel fills up, but may drop again at the very last minute last Minute Deals if there is significant unsold inventory that allows hotels to separate Leisure Travelers i.e those who book early and are price sensitive from Business Travelers who book late and are price-insensitive.

Consumer Price Sensitivity (Elasticity), The degree to which customers react to a price change dictates how far a hotel can push its rates, Lewis and Chambers (2000) and Bull (1995). States that If a destination has many substitutes that is to say several identical beach resorts, the demand is Elastic, meaning a small price hike will cause guests to switch to a competitor. If the attraction is unique e.g., the only lodge near a Gorilla trekking point, the demand is Inelastic, allowing for higher dynamic pricing. Impacts of dynamic pricing include

a. Financial Impact: Revenue Maximization and RevPAR, Kimes (1989, 2003) , Cross (1997), argues that DP allows hotels to capture consumer surplus. By raising prices when demand is high, the hotel captures more value from those willing to pay i.e by lowering them when demand is low, it captures volume from price-sensitive guests. This ensures the Perishable Inventory, the room night is never wasted, leading to significantly higher annual yields than fixed pricing models.

b. Psychological Impact, Perceived Price Fairness, is how dynamic pricing affects the relationship between the brand and the consumer. According to Xia, Monroe, and Cox (2004). They talk about the impact of price transparency.They found that if a guest discovers they paid significantly more than another guest for the same service, it leads to Cognitive Dissonance and a sense of Price Unfairness. Choi and Mattila (2009). This can lead to negative Electronic Word-of-Mouth (eWOM) and a decrease in customer loyalty. However, Mattila (2010) notes that if the price difference is justified by a logical fence for example an early bird discount, the negative impact is mitigated.

c. Operational Impact, Demand Smoothing, Dynamic pricing acts as a valve to control the flow of tourists to an attraction, Jeffrey & Barden (1999), Dynamic pricing is the primary tool for combating Seasonality, by lowering prices during trough periods, management can pull demand into the off season. This leads to demand smoothing, which reduces the strain on staff and facilities during peak times and ensures a steady cash flow during slow months. Belobaba (1987).

d. Strategic Impact, market Positioning and Competitive Response. Enz, Canina, and Lomanno (2009), conducted extensive research on the price quality heuristic. They found that hotels that consistently maintain higher prices even during low demand often signal premium quality to the market. And over reliance on deep dynamic discounting can commoditize the brand, training customers to only book when there is a sale, which destroys long term Brand Equity.

b. Vives, Oliver, and Huberman (2018), explains Economic Impact, Market Efficiency vs. Equilibrium at how DP affects the industry as a whole. With the advent of AI- driven algorithms, prices change in milliseconds. They argue that this leads to hyper Efficiency where the market price is always perfectly aligned with real-time supply and demand. While this benefits the firm's bottom line, it can lead to Price Volatility,Abrate (2012). making it difficult for tour operators and travel agents to provide stable quotes to international tourists, potentially complicating the promotion and PR side of the tourism plan.

2.3 Factors that influence dynamic pricing strategies on hotel occupancy rates

Bitran & Mondschein (1995) the academic foundation of dynamic pricing lies in the Price Demand Relationship. According to Bitran and Mondschein, hotels use markdown pricing when they face a stochastic unpredictable demand. If the occupancy forecast for a specific date is low, the hotel lowers the rate toward the marginal cost. This exploits the price

elasticity of the leisure segment, by lowering the price, the hotel captures guests who would otherwise be priced out of the market, effectively filling rooms that would otherwise have a zero occupancy value. Beckmann (1958), A leading authority on RM, argues that time is the most critical factor in setting prices to obtain occupancy. Kimes (1989), Talluri & van Ryzin (2004)They argue that hotels use lower early-bird rates to secure a base occupancy long before the arrival date. This provides a safety net for the hotel's fixed costs. As the date approaches, Talluri and van Ryzin explain that hotels shift from volume to value. If occupancy is high, they raise prices, if it is low i e distressed inventory, they use deep, dynamic discounts through mobile only or opaque channels to fill the remaining capacity. Hanks, Cross, and Noland (1992); Sahay (2007) says to prevent dilution that is to say where high paying guests take advantage of low occupancy discounts, they highlight the use of Logical Fences. Physical vs. Non Physical Fences. Hanks (1992) describe non physical fences such as non refundable bookings or minimum length of stay (MLOS) as essential. These fences allow a hotel to offer low rates to fill empty Sundays which have low occupancy by tying them to a busy Saturday with high occupancy, ensuring the hotel stays full throughout the entire weekend block. Enz, Canina, and Lomanno (2009); Abrate, Viglia, and Mauri (2012). Talk about competitive Set, shows that occupancy is often a relative metric rather than an absolute one. Abrate (2012), found that hotels do not price in a vacuum. By using automated Rate Shoppers, hotels adjust their prices relative to their neighbors to maintain a Fair Market Share. This avoids leakage, where a potential guest switches to a competitor for a marginal price difference thereby stabilizing the hotel's occupancy share in a crowded digital marketplace. Anderson (2011), Anderson famously identified the Billboard Effect, which explains how dynamic pricing across various channels influences total occupancy. When occupancy is low, hotels open all valves such as expedia, Booking.com,among others at low rates. Choi and Kimes (2002) As the hotel reaches a critical mass typically 85–90% occupancy, closing expensive third party channels and only offering the remaining rooms through direct, high margin channels. This optimizes the final occupancy for profit rather than just volume.

i. Demand and Supply Elasticity, The primary driver for dynamic pricing, because a room not sold today cannot be sold twice tomorrow, Su (2007) , Abrate & Viglia (2016) argue that prices must fluctuate to match the willingness to pay (WTP) of different segments at different times. During low demand periods, scholars find that lowering prices markdown pricing is essential to stimulate demand from price- sensitive leisure travelers, thereby propping

up occupancy rates that would otherwise plummet. During the shoulder seasons, hotels pivot their pricing toward the domestic market and Agro-tourism visitors. Masindi District Profile,(2025) to prevent the nightmare of vacant rooms.

ii. Booking Lead Time (Advance vs. Last-Minute). early bookings compare to last-minute ones. The Early Bird Theory traditionally, Qu (2002) suggested that hotels offer lower rates early on to secure a base occupancy Recent studies e.g., focused on Milan hotels during COVID-19 show that the pandemic reduced the effectiveness of advance booking as a lever, forcing hotels to rely more on last-minute adjustments. This suggests that as the booking window shrinks, dynamic pricing becomes the primary tool to fill the remaining 10–20% of capacity.

iii. Electronic Word-of-Mouth (e-WOM) and Reputation, Viglia, Minazzi, and Buhalis (2012), links dynamic pricing to a hotel's online reputation. High ratings and positive reviews act as a price floor. Scholars have found that hotels with superior reputations can maintain higher dynamic rates without suffering the usual drop in occupancy. Meaning a hotel with poor reviews that attempts to use high dynamic pricing will see a sharp decline in occupancy, as consumers perceive the price as unfair relative to the quality.

iv. Competitor Behavior and Market Transparency. The competitive aware model is a staple in academic literature. With the rise of Online Travel Agencies (OTAs), price transparency is absolute. The race to the Bottom Risk, Enz (2016) warns that while lowering prices dynamically can boost occupancy, it often hurts RevPAR (Revenue Per Available Room). If every hotel in a cluster drops prices simultaneously tocapture occupancy, the net result is the same occupancy distribution but at a lower profit margin for the entire market.

v. Consumer Sentiment and Price Fairness, Geng, Congcong (2024/2025) highlight a psychological factor of Price Fluctuation Frequency. Interestingly, researchers have found that while a high range of price fluctuations can be positive for revenue, a high frequency of changes i.e changing the price too many times in one day can actually lower consumer trust and intent to book. This suggests that hyper dynamic pricing might actually hurt occupancy if it creates price anxiety in the consumer.

2.4 Conclusion

The influence of dynamic pricing on occupancy is a delicate balance between revenue maximization and relationship management. While the global trend ppoints towards Ai. Driven information, the Ugandan ground reality necessitate a hybrid dynamic approach one that reacts to local industrial surges and MICE events while respecting the price sensitivity amd loyalty expectations of the domestic market. By effectively utilizing dynamic pricing, hotels from Kampala to Masindi can ensure that their perishable room nights are sold at the highest possible value, sustaining the 7.7% GDP contribution of the tourism sector. (Lydya, 2023)

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methodology that will be used to investigate the influence of dynamic pricing strategies on hotel occupancy rates in Masindi Municipality. It outlines the research design, research methods, data collection procedures, target population, ethical considerations, and strategies for ensuring validity and reliability. The methodology is structured to align with the study objectives and ensure accurate, credible, and contextspecific findings.

3.1 Research

Generally research involves carrying out investigations on specific findings and topics,where you use various methods to acquire information such as questionnaires, interviews. The point of doing this research is to get an understanding of your topic while supporting it with credible information with references to back up your research. Monroe, W.S stated that research is a method of studying a problem whosesolution greatly is partly or wholly from facts. John W best reported that the secret of our cultural development has been research.

3.1.1 Purpose of Research

The purpose of this research is to examine low dynamic pricing strategies influence hotel occupancy rates in masindi municipality. The study arms to generate empirical evidence that can guide hotel managers, policy makers and tourism stakeholder in adaptation effective pricing strategies that enhances performance, but also

1. Answering question to problem faced.
2. Developing new practical theories
3. To uncover new knowledge and findings.

3.1.2 Type of Research

This study adopts an applied research approach because it seeks to solve a practice affecting hotel in in masindi municipality. It also incorporates descriptive and analytical element to describe existing pricing strategies and analyze their fluence on occupancy rates.

3.2 Research Design

Research design is a frame work of action that guides the researcher on how to execute and implement the reserch work. Yin, 2009 understanding of a research design is a comprehensive empirical iniquity plan on a contemporary phenomenon within an everyday context. Through executing and planning your strategy design greatly boosts the chances of acquiring more reliable data and information that greatly impacts your work in making it more reliable. The study employs a mixed methods research design. Combining both quantitative and qualitative approaches. This design is appropriate because dynamic pricing involves numerical data (occupancy rates, pricing patterns) and managerial perceptions (pricing decisions, challenges and strategies and strategies) quantitative data will be collected through structured questionnaires targeting hotel managers and staff. Quantitative data will be collected through interviews to gain deeper insights into pricing decisions and contextual factors affecting occupancy . This design enhances the richness, accuracy, and credibility of the findings.

3.3 Mixed Methods Research Methodology

This research method uses both qualitative and quantitative research tools to carry out your research. Bazley (2009) reported that this research method is the use of mixed data and alternative tools, but applying the same method. This research method is very flexible helping us get a more reliable and comprehensive understanding of research findings and topics

3.3.1 Quantitative Research Methodology

This research approach mainly emphasizes on collection of numerical data such as responses from surveys and analysising them. According to Van, D.M (1994), quantitative research methodology is aimed a t testing theories, determine facts, demonstrating the relationship between the variables and forecasting outcomes. This method is used to theories and hypotheses in a wide range of ways; The quantitative component involves collecting numerical data on:

1) Occupancy rates
2) Pricing patterns
3) Seasonal demand variations
4) Frequency of price adjustments

5) Use of revenue management tools

This data will be analyzed statistically to determine relationships between dynamic pricing strategies and occupancy rates.

3.3.2 Qualitative Research Methodology

According to Van Merwe (1996) research approach is mainly aimed at developing Van, D.M (1996) emphasized that this approach is a development of theories and understanding. Qualitative research implies an emphasis on the qualities of entitiesand on processes and meaning that are not experimentally examined or measured (Dennzinn and Linncolnn, 2005:10). Weinreich (2009) emphasizes that in the qualitative paradigm the researcher becomes an instrument of data collection and the results may differ greatly depending on who conducts the research.The qualitative component will therefore involve conducting interviews with hotel managers and key staff to explore:

I. How pricing decisions are made
II. Challenges in implementing dynamic pricing
III. Perceptions of customer behavior
IV. Influence of local events and seasonality

3.4 Research Methods

This going to be a mixed method research study of different variables such as questionnaires, interviews, literature reviews, and data collection.

3.4 1 Literature Review

A comprehensive review of existing literature on dynamic pricing, revenue management, and hotel occupancy will be conducted. This will include academia journal, industry reports, online publications and previous studies to Uganda and global hospitality market.

3.4..2 Questionnaires

Structured questionnaires will be administered to hotel managers, receptionists, and revenue management staff. The questionnaires will contain both closedended and Likertscale questions to collect quantifiable data.

3.4.3 Interviews

According to ghanian and silverman (2004) one of that their practical guide stated that an interview as a social encounter where two or more speaker collaborate in producing restrospective and prospective accounts or version of their past or future actions, experinces feelings and thoughts. Semistructured interviews will be conducted with slected hotel managers to gathers to gather detailed insights into pricing strategies challenges and contextual factor influencing occupancy.

3.5 Data Collection

Data will be collected from hotels within masindi municipality through;-

- Physical visits
- Email communication
- Telephone followups

Primary data will be obtained from questionaires and interviews while secondar data will be sourced from hotel ecords, occupancy reports and pricing logs where available.

3.6 Ethical Considerations

The study will ashare to etical research standards by;

1. Seeking permission from hotel management before data collection
2. Ensuring confidentiality of respondents.
3. Avoiding disclosure of hotel specific pricing secrets.
4. Using data solely for academic purposes
5. Ensuring voluntary participation. Respondent will be informed About the purpose of the study and their right to withdraw at any time.

3.7 Target Population

The target population includes:

1. Hotel owners
2. Hotel managers
3. Front office managers
4. Revenue management staff
5. Reservation Officers

These individuals are directly involved in pricing decisions and occupancy management.

3.8 Permission

I obtained permission through Uganda Christian University, School Business under Mr. Juuko Julius my supervisor.

3.9 Ensuring Validity and Reliability

Validity

To ensure validity, the questionnaire will be reviewed by experts in hospitality and research methodology.Questions will be aligned with study objectives, but also A pilot test will be conducted to refine the tools.

Reliability

- Reliability will be ensured through:
- Consistent administration of questionnaires
- Standardized interview procedures
- Crosschecking responses with secondary data

Using statistical tools to verify consistency

CHAPTER 4

RESEARCH ANALYSIS, RESULT AND DISCUSSION

4.1 Introduction

This chapter presents the analysis, results, and discussion of the findings obtained from the field study.

4.2 Findings on Respondents' Demographics

Understanding the demographic characteristics of respondents is essential because it provides context for interpreting their knowledge, experience, and decision-making capacity regarding pricing strategies. Respondents included hotel managers, front office supervisors, reservation officers, and revenue management staff. Their positions within the hotel structure determine their involvement in pricing decisions and occupancy monitoring. Most respondents had worked in the hospitality industry for more than two years, indicating a reasonable level of experience with booking trends, customer behavior, and seasonal demand patterns. This experience is crucial because dynamic pricing requires familiarity with market fluctuations, competitor behavior, and customer preferences. The demographic findings therefore establish that the respondents were knowledgeable enough to provide reliable insights into the influence of dynamic pricing on occupancy rates.

Table 1: Respondents' Positions in the Hotel

Position	Frequency	Percentage
Managers	1	10
Front Office Staff	3	30
Reservation Officers	4	40
Accountant & Others	3	20

4.2.1 Positions

Respondents held various positions such as hotel manager, front office manager, reservations officer, and accountant. These roles are directly involved in pricing decisions, oomallocation, and monitoring occupancy levels. Managers typically oversee pricing strategies, while front office staff interact with customers and observe booking patterns. This diversity of roles

ensures that the study captures a broad perspective on how dynamic pricing is implemented and perceived within hotels.

4.2.2 Experience in the Hotel Industry

Experience	Frequency	Percentage
Less than a year	-	-
1-2	2	15%
3-5	3	25%
5-above	5	60%

All respondents had between 2-10 between 2-10 years of experiences in the hospitality sector. This level of experience is significant because it reflects familiarity with seasonal demand variation. Customers expectations and the challenges associated with pricing decisions. Experienced staff are better positioned to evaluates the effectiveness of dynamic pricing strategies and identity gaps in implementing.

4.2.3 Knowledge of Pricing Strategies

Respondents demonstrated varying levels of knowledge regarding pricing strategies managers and supervisors showld a deeper understadning of dynamic pricing concepts such as demand based pricing. Competitors based pricing and events based pricing, however, some staff members especially those in junior positions has limited exposure to pricing divisions. The variation highlights that need for training and capacity building to ensure that is all staff involved in reservation and customer service understands the rationale behind price adjustments.

Table 3: Dynamic Pricing Strategies Used by Hotels

Strategy	Frequency	Percentage
Demand-based	2	12
Static- based	-	-
Event -based	3	32
Competitor -based	1	10
Seasonal- based	4	46

4.2.4. Booking Patterns and Customer Preferences

Respondents reported that booking patterns in Masindi Municipality are influenced by tourism seasons, local events, NGO activities, and government travel. During peak seasons, such as holidays or major events, sports occasions,occupancy rates rise significantly, allowing hotels to increase prices. Conversely, during low seasons, hotels often struggle to attract guests, making dynamic pricing essential for stimulating demand. Customer preferences also vary, with some guests being highly price-sensitive while others prioritize convenience and service quality.

4.2.5 Preferred Pricing Strategies

Hotels in Masindi commonly use a combination of static and dynamic pricing strategies while some hotels adjust prices on demand and competitor rates. Others rely on fixed pricing due to limited technological capacity or fear of customer backlash. Even abased pricing is also used, especially during conferences, festivals, or peak tourism periods. The findings indicate that although dynamic pricing is recognized as beneficial, its adoption is inconsistent across hotels.

4.2.6 Factors Influencing Pricing Decisions

Respondents idnentifies several factors that influence pricing decisions, including seasonal demand flactuatings.

i. Competitor pricing
ii. Local events and tourism activities.
iii. Customer segment (business vs. leisure travelers) versus room availability and booking pace. These factors align with global revenue management principles suggesting that hotel in masindi operate within similar dynamic market. Albieit with limited technological support.Masindi operate within similar market dynamics, albeit with limited technological support.

Table 4 Factors influencing pricing decisions

Factors	Frequency	Percentage
Seasonal demand	4	44
Competitor pricing	1	10

Local events	2	18
Customer segments	2	18
Room availability	1	10

Technology Adoption

Technology adaptation plas a crtical role in dynamic pricing. Some hotels use basic property management systems (PMS) while others simply rely on normal methods such ad spreasheets. Limited access to advanced revenue management system (RMS) hinder the full implementation of dynamic pricing. However respondents noted that lack of training, cost constraints and limited internet connectivity are majot barriers of adopting automated pricing tools.

4.3 Major Challenges Faced When Implementing Dynamic Pricing

Hotels in masindi face several challenges whem implementing dynamic pricing strategies. One major challenges is the lack of technological infrastructure to support real time price adjustment. Many hotels still rely on manual system making it difficult to track competitors rates of forecast demand accurately. Another challenge is customer resistance. Some guests perceive frequent price changes as unfair especially they compare price across different booking platforma

Additionally, limited staff training and lack of historical data hinder effective decision making. Hotels also struggle with unpredictable demand patterns caused by fluctuating tourism flows, economic conditions and external events. These challenges collectively limit the effectiveness of dynamic pricing in optimizing occupancy rates.

4.4. Solutions to the Challenges

The respondents suggested several solutions to overcome the challenges associated with dynamic pricing.

- hotel should invest in affordable revenue management tools for collaboration with OTAs that offer automated pricing features.
- staff training is essential to ensure that employees understand pricing strategies and can be communicated them effectively to customers.
- Hotels should collect and analyze historical data to improve demand forecasting and pricing accuracy.

4.5 Discussion of Results.

The findings of this study align with existing literature which emphasizes that dynamic pricing significantly influences occupancy rates by alloeing hotesl to adjust prices based on demand, seasonally and competitotrs behaviour. Hotels in masidni that implement dynamic pricing effectively experience higher occupancy during low season and increased revenue during peak periods. However, the inconsistnent adoption of dynamic pricing and the challenges identified limit its full potential. The results highlight the need for technological investments, staff training and improved data management to enhance pricing strategies overall.

The study confirms that dynamic pricing is a valuable too or optimizing occupancy rates, but its success depends on contextual factors such as market maturity technological capacity and managerial expertise.

The study concludes that dynamic pricing strategies play a significant role in influencing hotel occupancy rates in masindi municipality. Hotels that adjust their prices based on demand patterns, competitors' behavior and local events are bette postioned to optimize occupancy and revenue. The findings revela that while dynamic pricing is widely recognized as beneficial, also concludes that customers behaviour, price sensitivity and cultural barrier. The study also includes that customers behavior, price sensitivity and seasonal tourism trends significantly affect the effectiveness of pricing strategies. Overall, dynamic pricing is a powerful tool for improving hotel performance. But its success depends on proper implementation, staff and access to relaibale data.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the overall conclusion drawn from the finding, recommendations and the conclusions.

5.2 Conclusion on Dynamic Pricing Strategies

Dynamic pricing strategies such as demand-based pricing even based pricing and competitor based pricing are essential for maximizating hotel revenue. Hotels that implement these strategies effectively experience improved occupancy rates, especially during low demand periods. However many hotels in masindi still rely on static pricing due to limited technological capacity and lack of training.

5.3 Conclusion on Occupancy Rate Influence

The study concludes that dynamic pricing has a direct and positive influence on occupancy rates. By lowering prices during low seasons and increasing them during peak period, hotels can balance occupancy and revenue. This align with global revenue management principles and demonstrates the potential for dynamic pricing to enhance hotel performance in regional markets.

5.4 Conclusion on Pricing Variables

Different pricing varianles such as seasonality, competitors rates,booking pace and customer segments significantly influence occupancy rates. Hotels that monitor these variables and adjust accordingly achieve better performance. However, inconsistent data collection and limited use of technology hinder the full utilization of these variables.

5.5 GENERAL CONCLUSION

The study concludes that dynamic pricing strategies play a big role in shapping hotel occupancy rates in masindi municipality. Hotels tha adjust their room rates according ti demand fluctuations, competitors behavior , seasonality and local events achieve better occupancy and revenue outcomes comparedto those relying on static pricing. Despite its proven global success, he adoption of dynamic pricing in masindi remains limited due to technological, operational and cultural barriers, many hotels sely in manual systems, lack of adequate training nad face

customes resistance to frequent price changes. Nevertheless the findings confirm that dynamic pricing is a powerful tool for balancing occupancy during low seasond and maximizing revenue during peak demand periods. Overall dynamic piricing is both feasible and beneficial in Masindi municipality, but its success depends on proper implementation, managerial expertise and supportive infrastructure.

5.6 Recommendations.

Base on the findings the study makes the following recommendation

Investment in Technology

Hotels should adopt affordable property management or revenue managmenet systems to enable real time pricing adjustment. Partnership with online travel agencies (OTAa) can also provide automated pricing features.

Staff Training and Capacity Building

Training should maintain accurate records of occupanc trends, customer baheavor and competitor rates. Reliable data will support informed decision making and strength forecasting accuracy.

Improved Data Collection and Analysis

Hotels should maintain accurate records of occupancy trends, customer behavior, and competitor rates. Reliable data will support informed decision-making and strengthen forecasting accuracy

Customer Communication

Clear communication about pricing policies should be prioritized to reduce misunderstandings and improve customer satisfaction. Transparency builds trust and reduces resistance to dynamic pricing.

Collaboration among hotels

Hotels in masindi should collaborate to share insights and establish competitive yet sustainable pricing standards. Collective action can strengthen the regional hospitality sector

Policy Support and Digitalization

Tourism authorities should promote digital adoption and provide training program to strengthen revenue management practice. Policies support is essential for building capacity and ensuring sustainable tourism development.

NB: dynamic pricing is not a global trend but a practical solution for regional hospitality market such as masindi municipality with proper investment in technology, staff training and support ve policies, hotel can fully harness dynamic pricing to optimize occupancy rates, improve revenue and contribute to the growth of Uganda's tourism industry

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Vives, A., Jacob, M., & Payeras, R. (2018). Revenue management and dynamic pricing in hotels: A global perspective. *Tourism Economics, 24*(6), 789–805.**APPENDIX I:**

QUESTIONNAIRE

Section A: Demographic Information

1. Position in the hotel:

- Manager ☐
- Front Office Staff ☐
- Reservations Officer ☐
- Accountant ☐
- Other (specify) ☐

2. Years of experience in the hotel industry:

- Less than 1 year ☐
- 1–2 years ☐
- 3–5 years ☐
- More than 5 years ☐

Section B: Dynamic Pricing Strategies

3. Does your hotel use dynamic pricing?

- Yes ☐

- No ☐
- Not sure ☐

4. Which pricing strategies do you use? (Tick all that apply)

Demand-based pricing ☐

Competitor-based pricingEvent-based pricing ☐

Seasonal pricing ☐

Static pricing ☐

5. How often do you adjust room prices?

- Daily ☐
- Weekly ☐
- Monthly ☐
- Only during special events ☐

Section C: Occupancy Rates

6. How would you describe your hotel's occupancy trends?

- High throughout the year ☐
- Moderate ☐
- Highly seasonal ☐
- Low ☐

7. Does dynamic pricing improve occupancy

- Yes ☐
- No ☐
- Sometimes ☐

Section D: Challenges

8. What challenges do you face when implementing dynamic pricing?

- Lack of technology Customer resistance ☐
- Limited staff training ☐
- Unpredictable demand ☐

Other (specify)

……

……

APPENDIX II: INTERVIEW GUIDE

1. Understanding Pricing Strategies

How does your hotel determine room prices?

……

……..……..

What factors influence your pricing decisions?

……

……..……..

2. Adoption of Dynamic Pricing

Does your hotel use dynamic pricing?

- If yes, how is it implemented?

……

……..…….

If no, what prevents adoption?

……

……..……..

3. Impact on Occupancy

How do price changes affect your occupancy rates?

……

……

Are there specific seasons or events that influence your pricing?

……

……..…

4. Challenges and Solutions

What challenges do you face in implementing dynamic pricing?

……

……

What solutions would you recommend to improve pricing strategies

……

…….