

Marketing Ethiopia as an International Tourist Destination

THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY SCHOOL
OF COMMERCE IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE MASTER OF ARTS IN MARKETING
MANAGEMENT

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June, 2014
Addis Ababa

Marketing Ethiopia as an International Tourist Destination

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Statement of Certification

This is to certify that Ato Cheramlak Lemma has carried out his thesis work on the topic entitled **Marketing Ethiopia as an International Tourist Destination**, a study from a perspective of the host community, international Tourists and Tour Operators, Hotels, Restaurants and Tourism Related Persons.

The work is original in nature and is suitable for submission for the award of Master of Arts Degree in Marketing Management.

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Acknowledgement

The development of this thesis depended on the effort, assistance and guidance of a number of people whom I wish to thank. I am grateful to my supervisor Dr. Rakshit Negi for the advice, encouragement and feedback during the period of writing this thesis. Needless to say that I have learned a lot from his advice and guidance based on the vast knowledge and experience he has in the field of marketing management.

I take this opportunity to express my deepest gratitude to the individuals and institutions who contributed to this study by their participation in interviews or questionnaire surveys and by providing me the necessary materials.

A very special word of thanks goes to my daughters Megdelawit Cheramlak, Feven Cheramlak, and Edom Cheramlak, my son Michael Cheramlak, my wife W/o Emebet Tadesse and my close friend Ato Yazew Bekele (the Managing Director of ETCON P.L.C.) for their untiring support, understanding and encouragement they have given me right through without whom this could not have been possible.

Thank you all

Cheramlak Lemma

June 03, 2014

Acronyms and Abbreviations

. AU	African Union
. CBI	Center for the Promotion on Imports
. CTTC	Catering and Tourism Training Center
. DMO	Destination Marketing Organizations
. EAE	Ecotourism Association of Ethiopia
. EHA	Ethiopian Hotel Association
. EIA	Ethiopian Investment Agency
. ESTDP	Ethiopian Sustainable Tourism Development Project
. ETOA	Ethiopian Tour Operators Association
. ETPA	Ethiopian Tourism Professionals Association
. EWCA	Ethiopian Wildlife and Conservation Authority
. FDI	Foreign and Direct Investment
. GDP	Gross Domestic Product
. GNI	Gross National Income
. HPAE	Hotel Professionals Association of Ethiopia
. ICCA	International Congress and Convention Association
. ICT	Information and Communication Technology
. MICE	Meetings, Incentives, Conventions, and Events tourism
. MoCT	Ministry of Culture and Tourism
. MoFED	Ministry of Finance and Economic Development
. SME	Small and Medium Enterprise
. SSA	Sub-Saharan Africa

- . UNDP United Nations Development Program
- . UNECA United Nations Economic Commission for Africa
- . UNESCO United Nations Educational, Scientific and Cultural Organization
- . UNWTO United Nations World Tourism Organization
- . VFR Visiting Friends and Relatives
- . WBGS World Bank Group Study
- . WTTC World Travel and Tourism Council

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Abstract

Within the last two decades Ethiopia's tourism industry has relatively grown as a foreign exchange earner and major employment generator. Since Ethiopia also depends enormously on tourism for its growth and development, this paper provides an analysis of marketing efforts within the tourism industry in Ethiopia for foreign tourists. In compliance with this trend, the purpose of this thesis and research is to review Ethiopia as an international tourist destination and its current marketing activities in the tourism trade, to investigate the proper use of marketing efforts, and to suggest guidelines for the future destination marketing strategies.

Ethiopia's share of the tourist flow to the East African region of seventeen countries in 2007 was 0.7%. This demonstrates the very low stage of development the country is at, despite its numerous historical, cultural and natural attractions that could place Ethiopia among the most visited destinations.

The thesis, therefore, aims at providing a clear picture of the tourism industry in Ethiopia and will attempt to provide information, particularly to the policy makers that will assist them in making policy decisions regarding marketing strategies for the tourism industry. It will also provide some recommendations that need to be considered by policy makers when incorporating any future development plans for the tourism industry in Ethiopia.

Keywords: Destination Marketing, Tourism Marketing, Destination Internal Analysis, Destination Competitiveness, Tourism Market Segmentation, Destination Image, Destination Branding, Destination Positioning, Destination Marketing Efforts

CHAPTER ONE

INTRODUCTION/BACKGROUND

This chapter presents the introductory part of the research along with the background of the study, statement of the problem, basic research questions, the objectives, definitions of terms and key concepts, significance of the study and the delimitation of the research.

1.1 Background of the study

Tourism is among the economic and social sectors that are registering rapid growth in the world, and is playing an important role in supporting and accelerating national development. Tourism makes a tremendous contribution serving as a source of foreign exchange, promoting micro and small-scale enterprises, creating employment opportunities and ensuring sustainable development (UNECA, 2011).

The WTO, in its statistical publication, Tourism Barometer, of June 2009, indicating the growth of international tourism arrivals and receipts, which respectively were 25.3 million visitors and 2.1 billion U.S. dollars in the year 1950, had reached 922 million in terms of visitors and 944 billion U.S. dollars in terms of receipts by the year 2008 (WBGR, 2012)

Based on past average annual growth rates of 4.1 percent and 1.8 percent, respectively for international tourist arrivals and receipts, the WTO has projected that by the year 2020 international arrivals would reach 1.6 billion and receipts would amount 2 trillion U.S. dollars (WBGR, 2012)

Tourism makes substantial contributions by expanding micro, small-scale and medium-scale enterprises for the production of goods and services, creating considerable employment opportunities, promoting sustainable development and eliminating poverty. Tourism has a great role in accelerating development and eradicating poverty, which is the major enemy of developing countries, and in this its impact is no less important than those of other main economic and social sectors (WBGS, 2012).

In general, the industry has remained resilient in the face of adverse conditions, and it is now one of the leading sectors in international export trade. It forms 11 percent on the world GDP, and creating about 100,000 new jobs annually, it accounts for more than 11% of total world employment, according to data from the World Tourism Organization.(WBGR, 2012)

Ethiopia, with its varied historical treasures, natural and cultural attractions, suitable climate, rich flora and fauna, wild life reserves and sanctuaries (National parks), impressive scenery, licensed hunting of animals and birds, important archeological sites, convenient convention venues, and hospitable and friendly people has greater potential to be one of the most important tourist destinations. To this effect, the government of Ethiopia has already launched a growth and transformation plan for the years 2009/10 – 2014/15. The major goals of this plan are achievement of substantial improvement in the economic sector. Special emphasis is given to the development of manufacturing, agriculture, mining, trade and tourism to boost the national economy.

Construction of new highways, power and telecommunication facilities and improvement of quality and range of medical facilities and other services are planned under the period in review, not mentioning the already acclaimed achievements of the government in this area.

It is of course, a formidable task because the tourism sector illustrates in miniature all the complex issues that need continuous reassessment throughout the economy: Ethiopia's openness to foreign investment, the pace of its privatization program, the priorities in infrastructure such as airports, roads, communication networks, hotels, power and water supplies and so forth and the need for technical expertise in development and marketing all come into play in dealing with the Travel and Tourism Industry.

1.2 Statement of the Problem

Tourism potential in Ethiopia is really huge and enormous not only because the scenery and culture are captivating, but also because tourism in Ethiopia is a relatively new industry.

Even though, Ethiopia has a wide range of tourist attractions and is a land of contrasts and extremes, the tourism sector has not yet been fully exploited. The culture and Tourism State Minister Tadelech Dalacho, recalled that tourism has become the fourth largest industry in the

world next to the automobile, oil and chemical industries. She said Ethiopia's tourism potential has not yet been exploited including the vast potential in protected areas and wildlife.

Therefore, there is much to do and Government officials face many challenges in overseeing the growth of tourism in Ethiopia. Government officials are determined to see that growth is done well and done right and that was the main reason why the Ethiopian Tourism Commission had been recently upgraded to the ministry level which is a step forward to the right direction. It must also be realized that Tour Operators that are engaged in tourism activities are playing their part in contributing for the development of tourism in Ethiopia.

However, there are still formidable problems relating to the images of the country, dearth of trained man power, poor infrastructure, poorly kept national parks, conservation, development and promotion of Ethiopia's places of touristic interest. Tourism is a dynamic and competitive industry that requires the ability to constantly adapt to customers' changing needs and desires, as the customer's satisfaction, safety and enjoyment are particularly the focus of tourism businesses.

1.3 Basic Research Questions

1.3.1 What is the current situation of tourism development in Ethiopia?

1.3.2 Does the Ethiopian tourism sector is growing at the rate that it should?

1.3.3 What is the tourist's image for Ethiopia?

1.3.4 What has been the government's role in tourism development?

1.3.5 Are the country's tourism resources and assets well developed, promoted, adequately protected and used as a tourist attraction?

1.3.6 Is Ethiopia positioned in the international tourist market properly?

1.3.7 What are the market segments that exist for Ethiopia?

1.4 Objectives of the study

1.4.1 General objective

The general aim of the study is to examine the possibility of mitigating the tourist flows into Ethiopia while also looking at the promotional perspectives of the country's places of touristic interest.

1.4.2 Specific objectives

- * To assess if the tourism resources of the country are well developed, adequately protected, and used as a tourist attraction
- * To assess the promotional activities related to the country's places of touristic interest
- * To suggest how Ethiopia can benefit from tourism industry

1.5 Definition of terms and key concepts

- **Cultural tourism:** is the subset of tourism concerned with a country or region's culture, specifically the lifestyle of the people in those geographical areas, the history of those people, there are, architecture, religion, and other elements that helped shape their way of life (WTO, 2003).
- **Wildlife tourism:** can be an eco and animal friendly tourism, usually showing animals in their natural habitat (WTO, 2003).
- **Attractions:** things to see, activities to do, and experiences to be remembered (Lewis, 1986).
- **Destinations:** Destinations are competitive units defined spatially, considered as products or bundles of products or services, which tourists regard as determinant of their journeys (Pechlaner, 2000).
- **Destination Competitiveness Analysis:** refers to the analysis of the ability of a destination to maintain its market position and share and/or to improve upon them through time (Hauteseree, 2000).
- **Market Segmentation:** Market Segmentation is a technique used to divide a heterogeneous market into homogeneous sub-groups (Kotler and Armstrong, 2002)

- **Destination Image:** The image is the cluster of all perceptions the customers hold for that destination (Terzibasoglu, 2004).
- **Destination Brand:** The brand is the abstract of the destination's identity, the way the destination wants to project itself in the market and be recognized. Brand is a promise, anticipation and an expectation (Terzibasoglu, 2004).
- **Destination Positioning:** The positioning of a destination is the process of establishing a distinctive place of that destination in the minds of potential visitors (Gartner, 1989). Destination's position in the market is how a destination is perceived by actual and potential visitors in terms of the experiences it provides relative to competing destinations (Terzibasoglu, 2004).

1.6 Significance of the study

Most tourism studies simply apply general marketing principles and approaches to the tourism sector without considering the sector-specific characteristics. Although general marketing concepts are universal, situational characteristics may require unique approaches. This paper, unlike most of the previous studies, attempts to address sector-specific marketing issues and offer a comprehensive, unified, alternative model.

This study is undertaken to measure the attitudes of foreign tourists, host community, destination marketing organizations and other stakeholders and assess their marketing implications. Most of the destination marketing literature that exists focuses either on the demand side or the supply side and hardly any study has been conducted with a dual perspective. Since both sides are important, this study covers both supply and demand.

The study is intended to empirically inform government and tourism organizations, decision makers, tourists and other stakeholders towards the development of a sustainable tourism industry in Ethiopia.

Furthermore, the study has a practical significance to be used as a base or reference by other researchers who are interested to carry out further research in the area or to shed light for further studies.

1.7 Delimitation/ Scope of the study

The scope of the study is limited to marketing Ethiopia as an international tourist destination relating to historical, cultural and natural attractions which cover all parts of Ethiopia.

1.8 Limitations of the study

A number of two major limitations are acknowledged by the study to overcome with in the future course-of-actions for more generalization of the findings.

- The survey was conducted over a period of two months, which permitted only international tourists who have arrived between March and April, 2014, to be surveyed. Therefore, the respondents' views would only be represented only by those of a particular set of tourists and will not be representative of year round tourism.
- The international tourists' survey was limited to the tourists who currently visited the destination and those who previously visited and excluded the potential tourists. Thus, the finding of the survey does not represent the potential visitors' contribution.

CHAPTER TWO

LITERATURE REVIEW

At the outset, in order to present the underlying theoretical and methodological estimate for this research, the thesis examines the literature on tourism marketing and destination marketing. This chapter, therefore, reviews the relevant streams of literature useful as a background for an empirical study of destination marketing.

The list of theories examined in this section is depicted in the table 2.1. Theories outlined in the table will be explored through extensive review of books, journal articles, publications, etc... Also these theories will be used to analyze data, draw conclusions and recommendations.

This chapter also reviews research on tourism in developing countries, the growth of tourism industry, government's roles and influences in tourism development and recent empirical studies on Ethiopia's tourism.

2.1 Theoretical Framework

Table 2.1: List of Theories in the Study

Section	Sequence Number	Theory
2.1.1	Theory 1	Destination Competitiveness Analysis
2.1.2	Theory 2	Destination Internal Analysis
2.1.3	Theory 3	Customer Analysis and Market Segmentation
2.1.4	Theory 4	Destination image
2.1.5	Theory 5	Destination Branding
2.1.6	Theory 6	Destination Positioning
2.1.7	Theory 7	Destination Marketing Efforts

Source: Research data, 2014

2.1.1 Destination Competitiveness Analysis

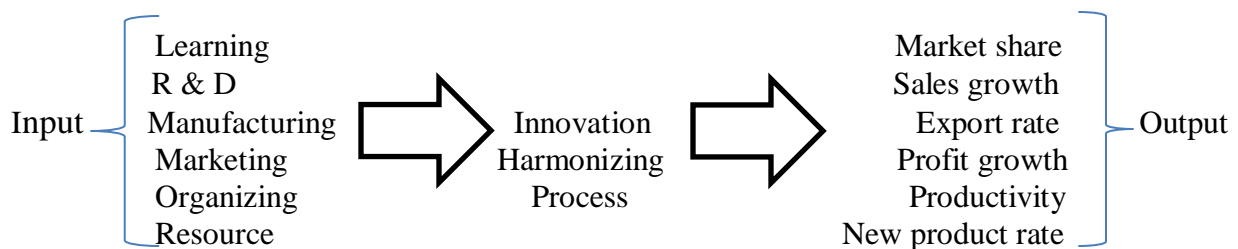
Success in the market place depends not only on the ability to identify customer needs but also upon the ability to be able to satisfy and cater to those needs better than other competitors (Proctor and Tony, 2000). In the context of steadily increasing competitive pressures from globalization over the past two decades, many developing countries are today in the throes of a new wave of debate on how to design a renewed strategy for “competitiveness” (Reardon and Flores, 2006). International competitiveness has become a necessary condition for any modern, dynamic economy therefore; competitiveness of different tourist destinations has become a popular topic among the researches (Mihalic, 2000). The foundations for competitiveness measures are built on the economic theories of exchange, supply and demand, unit total cost (or unit labor costs) and market behavior, and may be used to define competitiveness in one of the following ways:

1. Cost-competitiveness - the most common measure, based on unit labor costs
2. Price-competitiveness - measured with relative export prices
3. Non-price competitiveness- based on cost and price competitiveness measures

(Zanakis and Fernandez, 2005)

Guan et al (2006) present that the technological innovation capability will individually or jointly affect competitiveness performance as shown in Figure 2.1.

Figure 2.1: Input-output system of competitiveness evaluation



Source: Guan et al, 2006

Jaffe et al. (1995) lists several indicators of competitiveness of a country, such as net exports, share in world production, and the amount of foreign direct investment (FDI) a country receives. Although financial indicator such as return on investment and return on assets are the conventional proxies of competitiveness, several non-financial performance indicators are also important. Non- financial performance indicators that are widely used include overall customer satisfaction, market share, market share growth, overall competitiveness, sales volume, sales growth, overall plant success and productivity (Sirikrai and Tang, 2006). Tourism is considered as a service industry consisting of several types of product and services. Industrial competitiveness is an important issue for countries pursuing export oriented industrialization policies (Sirikrai and Tang, 2006). In recent years, tourism has become a highly competitive and faster growing market. Hence it is vital that destinations are able to measure their competitiveness in order to identify their opportunities, threats and risks, market trends, strengths and weaknesses and thereby develop their future strategies.

Competiveness as a tourist destination can be defined as “the ability of a destination to maintain its market position and share and/or to improve upon them through time” (Hauteserre, 2000). It recognizes that to succeed, destinations must ensure that their overall attractiveness, and the integrity of the experiences they deliver to visitor, must equal or surpass that of the many alternative destination experiences open to potential visitors (Crouch and Ritchie, 1999).

When evaluating the competitiveness of tourist destination there is a need to establish which destinations are in a direct competition. Destination competitiveness can be evaluated both quantitatively and qualitatively (Kozak and Rimmington, 1999).

Poon and Auliana (1993) suggest four “key principles” that destinations will need to follow if they are to be competitive:

1. Put the environment first,
2. Make tourism a lead sector,
3. Strengthen the distribution channels in the market place, and
4. Build a dynamic private sector

Mihalic (2000) concludes that destination environmental competitiveness can be increased by proper managerial efforts in the field of environmental impact and environmental quality management. He further argues in addition to environmental managerial efforts, the destination competitiveness can be enhanced through certain environmental marketing activities.

Measuring global tourism competitiveness is becoming increasingly important since competition from emerging tourist destinations and the changing tastes of tourists, who are now more informed and harder to satisfy, are posing a challenge to traditional tourist destinations (Gooroochurn and Sugiyarto, 2004).

2.1.2 Destination Internal analysis

The tourism industry focuses on meeting the needs and expectations of visitors. To do this it needs to follow the four functions of management (planning, coordination, leading and controlling) internally, and to undertake such procedures strategically in light of its task and general environments as well as its internal circumstances (Murphy and Peter, 2004). An analysis of the internal environment is crucial in determining the factors, which have a direct impact and/or might influence the strategic direction of a tourist destination. A number of different concepts can be used to analyze the internal environment in an attempt to identify those factors, which might have an impact upon the destination, both in terms of being strength or weakness. Internal analysis in the organizational context refers to self-analysis of organization in terms of structure, resources, and culture. Internal analysis explores the current state of your business, including where the performance gaps lie (Formisano and Roger, 2003).

There can be many general factors that can potentially encourage or discourage tourist traffic to any particular destination. Authors on tourism distinguish them into two as pull and push factors. These pull factors are focused on the supply side of tourism. Weaver & Lawton (2002) give some examples of pull factors: geographical proximity to markets, accessibility to markets, availability of attractions, cultural links, availability of services, affordability, peace and stability, positive market image and the pro-tourism policies. The combination and relative importance of individual factors will vary from one destination to another. Mathieson & Wall (1984) also argue that the characteristics of potential destinations play an important role in the final choice of the

destination. They state that the following points have impact on the tourist's choice of a destination:

- **Environmental features and processes:** These include for instance, what kind of natural resources the destination has (mountains, lakes), amount of sunshine, the types of animals, temperature and other environmental processes
- **Economic structure:** This includes among other things the level of economic development and the diversity of the economic base. Political organization: the political structure of the destination is essential
- **Factors such as existence of capitalism or socialist principles:** incentives and constraints; the roles of national, regional and local tourist organizations have an influence on tourists
- **Level of tourist development:** This encompasses the level of local involvement in tourism, nature and diversity of attractions, types and quality of accommodation the destination has to offer' activities, and eating facilities
- **Social structure and organization:** This category includes factors such as the demographic profile of the host population, the strength of local culture and the levels of health and safety. In addition, for some tourist things like, religion, women in work force and moral conducts have an enormous effect on the decision about the choice of the final destination. Perceptions, attitudes and values towards language, traditions and gastronomic practices affect on the decision as well.

In the travel and tourism industry there are three main pillars to be addressed when internal analysis is taking place. Those include hospitality services, visitor attractions and transportations. Hospitality services: three branches can be identified as proposed by Perdue (2005) namely accommodation, food services and other hospitality operations.

2.1.3 Customer Analysis and Market Segmentation

Market analysis builds on customer and competitor analysis to allow strategic judgments to be made about a market and its dynamics. One of the primary objectives of a market analysis is to assess its prospects for participants. Another key purpose of market analysis is to understand the dynamics of the market. One needs to identify emerging key success factors, trends, threats and

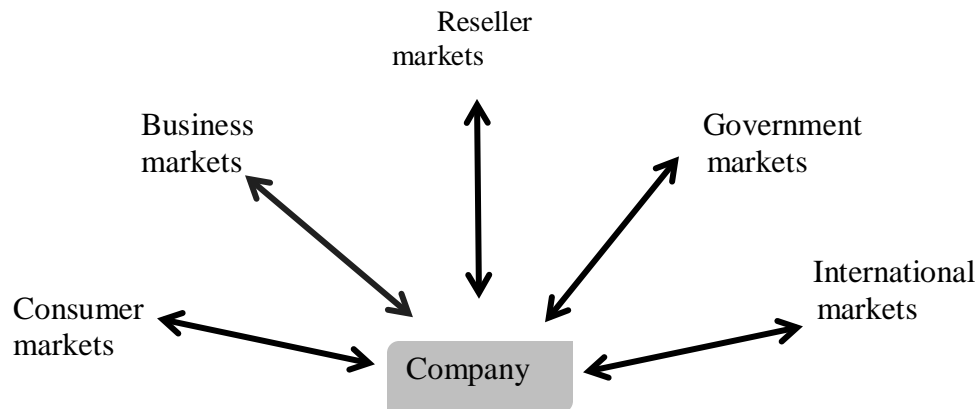
opportunities and to develop strategic questions that can guide information gathering and analysis (Proctor and Tony, 2000).

The marketers need to study its customer markets intimately. According to Kotler and Armstrong (2002) there are five types of customer markets (see Figure 2.2). Consumer markets consist of individuals and households that buy goods and services for personal consumption. Business markets buy goods and services for further processing or for use in their production process, whereas reseller markets buy goods and services to resell at a profit. Government markets are made up of government agencies that buy goods and services to produce public services or transfer the goods and services to others who need them. Finally, international markets consist of these buyers in other countries, including consumers, producers, resellers, and governments (Kotler and Armstrong, 2002). Customer analysis can be defined as the process of examining and evaluating of consumer needs, desires, and wants and the process involves administering customer surveys, analyzing consumer information, evaluating market positioning strategies, developing customer profiles, and determining optimal market segmentation strategies. Unmet customer needs are at the heart of business ideas and the development of business strategy (Formisano and Roger, 2003).

According to Formisano and Roger (2003) there are six inquiries to be addressed in order to build a customer information database. They are:

1. Who are our customers?
2. Why do they buy from us?
3. Who buys from competitors?
4. Why do some buy from competitors?
5. Can we meet the needs of those buying from competitors, without sacrificing value to our customers?
6. What else can we do for our customers to create value for them and for ourselves?

Figure 2.2 Types of Customer Markets



Source: Kotler and Armstrong, 2002

Additionally it is important to address the level of customer satisfaction and loyalty as, what is the current level of your customer's emotional loyalty to your company?

Travel researchers have done extremely well in the study of tourism market segmentation analyses that have been especially influential in identifying segments deserving different levels of marketing treatment and developing strategies to target the identified markets (Lee, 2006). Market segmentation is a technique used to divide a heterogeneous market into homogeneous sub-groups. It is based upon the idea that a market is composed of subgroups of people and that each subgroup has different, special needs and wants (Mok and Iverson, 2000). Market segmentation recognizes that people differ in different ways. It is a deliberate policy of maximizing market demand by directing marketing efforts at significant sub-group of customers (Middleton and Clark, 2004).

Kotler and Armstrong (1988) stated that market segment must exhibit the characteristics of

- Measurability (the degree to which size and purchasing power of the segments can be measured);
- Accessibility (the degree to which the resulting segments can be effectively reached and served);
- Substitutability (the degree to which the resulting segments are large and/or profitable enough to be worth considering for separate marketing attention; and

- Action ability (the degree to which elective programs can be formulated for attraction and serving the segments)

In addition to Kotler and Armstrong's list, Morrison (2002) added five more criteria for effective segmentation; homogeneity, defensibility, competitiveness, durability, and compatibility.

Various tools; such as trip purpose, demographic, geographic, psychographic, behavioral, and benefit segmentation techniques have extensively used in the travel and tourism segmentation studies (Lee, 2006). Middleton and Clark (2004) stress even main methods in travel and tourism segmentation. They are:

1. Purpose of travel
2. Buyer needs, motivations and benefits sought
3. Buyer behavior/characteristics of product usage
4. Demographic, economic and geographic profile
5. Psychographic profile
6. Geo-demographic profile and
7. Price

There is no single way to segment the market. A marketer has to try different segmentation variables, singly and in combination, hoping to find an insightful way to view the market structure (Kotler, 1984).

Mok and Iverson (2000) recognize that segmenting visitors based on travel expenditures as a useful alternative to the more common approach of segmenting on the basis of travel activities. They segment the travel and tourism market into three major segments as;

1. Heavy spenders
2. Medium spenders and
3. Light spender

The heavy spenders had significantly higher expenditure levels in most categories than the other two segments and they were distinguishable by demographic characteristics, trip purpose, and travel behavior.

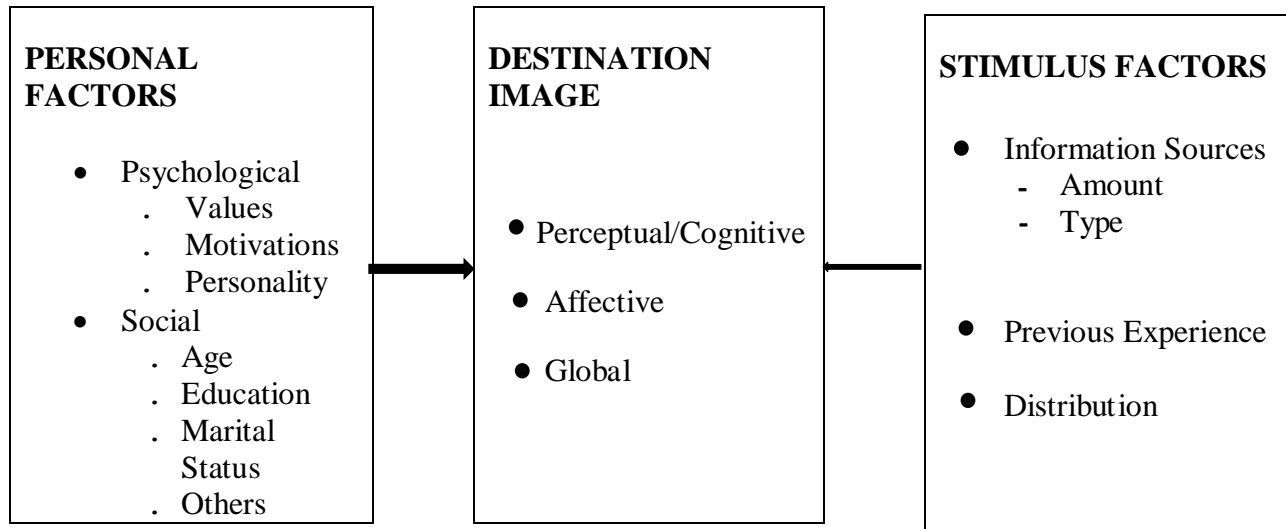
Segmentation in a rapidly changing environment is a dynamic process. New segments emerge as older ones disappear or are no longer viable as a result of market change. At any point in time most organizations in travel and tourism will be dealing with a portfolio of several segments (Middleton and Clark, 2004).

2.1.4 Destination Image

Destination marketers need a better understanding of how an image is formed and what determines the process (Baloglu and McCleary, 1999). Studies on destination image began in the early 1970s, when Hunt's (1975) influential work examined the role of image in tourism development. Destination image is defined as an attitudinal concept consisting of the sum of beliefs, ideas and impressions that a tourist holds of a destination (Crompton, 1979). It is a mental representation of an object or place, which is not physically before the observer (Fridgen, 1987). Assael (1984) defined image as a total perception of a product that is formed by processing information from various sources over time.

Brand image is a key component of brand loyalty and brand positioning. It is a multi-dimensional construct comprising of two primary dimensions: cognitive and affective. The cognitive component can be interpreted as beliefs and knowledge about the physical attributes of a destination, while the affective component refers to the appraisal of the affective quality of feelings towards the attributes and the surrounding environments (Baloglu and McCleary, 1999). A common agreement is that this depends on a cognitive evaluation of objects and the affective responses are formed as a function of the cognitive responses. An overall image of a place is formed as a result of both perceptual/cognitive and affective evaluations of that place (Baloglu and McCleary, 1999).

Figure 2.3: A General Framework of Destination Image Formation



Source: Baloglu and McCleary, 1999

Figure 2.3 presents a general framework of destination image formation developed by Baloglu and McCleary, 1999). They further developed a model which exemplify how perceptual/cognitive and affective evaluations form and how they affect to the overall destination image. Their findings reveal the overall pattern of the model and indicated that variety (amount) of information sources, type of information sources, age and education influence perceptual/cognitive evaluations. These and socio psychological tourism motivations are together influence affect. However, the effects of perceptual/cognitive evaluations on affect were much stronger than the effects of travel motivations.

Beerli and Martin (2004) following a review of the attractions and attributes summarize and classified all factors influencing the image assessments into nine dimensions as in table 2.2.

Table 2.2: Dimensions/Attributes Determining the Perceived Destination Image

Natural resources	General Infrastructure	Tourist Infrastructure
Weather	Development and quality of roads, airports and ports	Hotel and self-catering accommodation
Temperature	Private and public transport Facilities	Number of beds
Rainfall	Development of health services	Categories
Humidity	Development of telecommunications	Quality
Hours of sunshine	Development of commercial infrastructures	Restaurants
Beaches	Extent of building development	Number
Quality of seawater		Categories
Sandy or rocky beaches		Quality
Length of the beaches		Bars, discotheques and clubs
Overcrowding of beaches		Ease of access to destination
Wealth of countryside		Excursions at the destination
Protected nature reserves		Tourist centers
Lakes, mountains, deserts, etc.		Network of tourist information
Variety and uniqueness of flora and fauna		
Tourist Leisure and Recreation	Culture, History and Art	Political and Economic Factors
Theme parks	Museums, historical buildings, monuments, etc.	Political stability
Entertainment and sports activities	Festival, concerts, etc.	Political tendencies
Golf, fishing, hunting, skiing, scuba diving, etc.	Handicraft	Economic development
Water parks	Gastronomy	Safety
Zoos	Folklore	Crime rate
Trekking	Religion	Terrorist attacks
Adventure activities	Customs and ways of life	Prices
Casinos		
Night life		
Shopping		
Natural Environment	Social Environment	Atmosphere of the Place
Beauty of the scenery	Hospitality and friendliness of the local residents	Luxurious
Attractiveness of the cities and towns	Under privilege and poverty	Fashionable
Cleanliness	Quality of life	Place with a good reputation
Overcrowding	Language barriers	Family oriented destination
Air and noise pollution		Exotic
Traffic congestion		Mystic
		Relaxing
		Stressful
		Fun, enjoyable
		Pleasant
		Boring
		Attractive or interesting

Source: Beerli and Martin, 2004

2.1.5 Destination Branding

Branding is perhaps the most powerful marketing weapon available to contemporary destination marketers Morgan et al (2004) and possibly an extremely complex and highly political activity that can enhance a nation's economy, national self-image and identity (Morgan et al., 2004). A destination brand act almost like a manufacturer's brand, providing an umbrella of trust, a guarantee of quality and it helps to differentiate one destination from the rest of competing destinations, to create destination identification and brand awareness and to help with promotion of destination. According to Park and Petrick (2006) the main reason for practicing destination branding was similar across Scotland, Singapore, Hawaii, Missouri, Oregon, Texas, Wisconsin, and Utah and they are: to build a desirable image that can attract higher spending tourists; to manage image; and to make one's destination a better place to live by increasing the economic contribution of tourism. The Brank Western Australia Strategy, launched in 1996, was developed as a holistic package with a number of marketing and development strategies aimed at: maximizing market exposure servicing core tourism sectors, facilitating effective industry partnerships and developing industry product and infrastructure.

The American Marketing Association defines brand as a 'name, term, sign, symbol or design, or combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition' (Kotler and Gertner, 2004). In a world of over six billion people living nearly in 191 independent states while competing with other nations creating developing and maintaining a strategic brand for a nation to differentiate themselves from their competitive destinations becoming important and challenging than ever. Kotler and Gertner (2004) recognize managing image, promoting tourists attraction, attracting factories, companies and talented people and to find the export market for the products of the country as major tasks of adopting strategic marketing and conscious branding strategy for a country. Country brand managers must understand that different places attract different tourists. To be successful in the tourism industry and destination branding a country must be very specific about what it wants to market and to whom (Kotler and Gertner, 2004). Tourist managers must undertake research to understand

the values that tourists seek as users (performance, social and emotional values), as buyers (convince and personalization) and as payers (price and credit).

2.1.6 Destination Positioning

Positioning strategy is concerned with creating and maintaining distinctive differences that will be noticed and valued by those customers with whom the firm would most like to develop a long term relationship. Successful positioning requires:

1. Understanding target market preferences and
2. The characteristics of their competitors' offerings

Positioning plays vital role in marketing strategy because it links market analysis and competitive analysis to internal corporate analysis. From these three positioning statement can be developed that enables the service organization to answer the following questions;

1. What is our service?
2. What do we want to become?
3. What actions must we take to get there?

When market growth slows, the only way for a firm to grow is to take share from the competition. To stand out from its competitors, a firm needs to differentiate itself in ways that are meaningful for consumers. Failure to do so will result in a commodity environment in which competition becomes price based and the winner is the player with the lowest costs. Four basic focus strategies are available to firms, reflecting the number of markets served and the breadth of services offered are shown in following grid.

1. Unfocused,
2. Market-focused
3. Service-focused, and
4. Fully-focused

A fully focused firm provides a very limited range of services to a narrow and specific market segment. A market focused company concentrates on a narrow market segment but has a wide range of services. Services-focused organizations offer a narrow range of services to a broad market. Unfocused service providers try to be all things to all customers by trying to serve broad markets with a wide variety of services.

The attributes that distinguish competing services from one another are not always the most important ones. If competing services however, are perceived as well matched on the important attributes, then decisions may be made based on less important (but still valued) attributes where differences between alternatives are evident. Determinant attributes are those that actually influence consumer's choices.

Individuals may set different priorities for attributes according to;

1. The purpose of using the service
2. Who makes the decision?
3. The timing of use
4. Whether the individual is using the service alone or with a group the composition of that group

Positioning involves establishing a distinctive place in the minds of competitors relative to competing products. The essence of positioning can be summed up into these four principles:

1. A company must establish a position in the minds of its targeted customers
2. The position should be singular, providing one simple and consistent message
3. The position must set a company apart from its competitors
4. A company cannot be all things to all people - it must focus its efforts

Once a service provider has positioned itself in the market place, it must constantly monitor this position. Competitive activity, new technologies, and market changes all may make repositioning necessary. Re-positioning involves changing the position the firm holds in a consumer's mind relative to competing services and can include adding or deleting service offering or withdrawing from some markets completely.

These principles apply to any type of organization that competes for customers, but it offers valuable insights by forcing service managers to analyze their firm's existing offerings and to provide specific answers to the following questions.

1. What does our firm stand for in the minds of current and prospective customers?
2. What customers do we now serve and which ones would we like to target for the future?
3. What are the characteristics of our current service offerings and at what segment is each one targeted?
4. In which instance how do our service offerings differ from those of the competitors?
5. How well do our customers in the chosen market segments perceive each of our service offering as meeting their needs?
6. What changes do we need to make to our offering in order to strengthen our competitive position with in the market segments of interest to our fire?

Positioning of tourist destinations is not significantly discussed as other concepts. Alford (1998) through a review of literature takes a macro approach and looks at the positioning of resort destinations. Walmsley and Young (1989) looked at how travellers position international and local destinations.

Harsha (2005) has published an article on "Positioning a Tourism Destination to Gain a Competitive Edge" with the purpose of discussing the vital role played by positioning in tourism marketing and to present various approaches to positioning a tourism destination. In this article she presents four types of positioning strategies for destinations namely; Market Psychological Objective and Subjective Positioning. Furthermore, she reports different types of positioning approaches including, positioning by Price value, Positioning with respect to use or application, Positioning according to the users or class of users, Positioning with respect to a product class and positioning vis-à-vis the competition. Finally she indicates "Positioning is a valuable weapon for tourism marketers. To position successfully requires recognizing the marketplace, the completion, and tourists' perceptions. Positioning analysis on a target market basis provides the

tools to identify opportunities for creating the desired image that differentiates a destination from its competitors and for serving the target market better than anyone else”.

2.1.7 Destination Marketing Efforts

Strategies to market manufactured goods usually address the traditional four elements of the marketing mix – product, price, place, and promotion. But the distinctive characteristics of services like tourism, including the lack of stocks and customer involvement in production, require attention to additional strategic elements. The 7Ps model highlights seven strategic decision variables for managers of service organizations, including Product elements, Place and time, Promotion and education, Price and other user outlays, Physical environment, Process and People (Lovelock, 2005).

A. Product Mix

According to Kotler (1985), “Product mix is the set of all product lines and items that a particular organization makes available to its consumers”. Further, product mix has certain length, width, and depth. The length, in the case of tourist product mix, refers to the total number of items in its product mix. The width of product mix means how many different products each product line of the firm carries. Finally, the depth of product mix refers to how many variants of each product are offered in the line.

A destination may be viewed as an amalgam of individual products and experience opportunities that combine to form a total experience of the area visited. The tourism destination is conceptualized as a package of tourism facilities and services, which like any other consumer product, is composed of a number of multi-dimensional attributes. A tourist’s destination experience, however, is not solely derived from the consumption of various travel services (Cohen, 1979).

A components view of travel and tourism products suggests those tourism products as a group of components or elements, which include transport, accommodation attractions and other facilities, such as catering and entertainments. There are five main components of tourism products and are summarized in table 2.3. The overall tourism product concept discuss wider view on product concept, defining tourism product as complete experience from the time tourist leaves home to

the time he returns to it (Middleton and Clark, 2004). Leiper (1990) defines attractions as systems or sets of interconnected elements. In essence of Leiper’s literature review, he further illustrates tourist attractions as all those elements of “non-home” place that draw discretionary travellers away from their homes. They usually include landscapes to observe, activities to participate in, and experiences to remember (Lew, 1987). Tourist attraction is a system comprising three elements: a tourist or human element, a nucleus or central element, and a marker or informative element. A tourist attraction comes into existence when the three elements are connected (Leiper, 1990).

Table 2.3: Components of tourism products

Main Component	Classification
Destination attractions and environment	Natural Attractions
	Built Attractions
	Cultural Attractions
	Social Attractions
Destination Facilities and Services	Accommodations
	Restaurants, Bars and Cafes
	Transport at the destination
	Sports/interest activity
	Retail outlets
	Other services and facilities
Accessibility of destination	Infrastructure
	Equipment
	Operational Factors
	Government Regulations
Price to the consumer	Cost of travel
	Cost for Accommodation
	Cost of participation

Source: Middleton and Clark, 2004

According to Middleton and Clark (2004), destination marketing managers need to think about the product on three levels.

- The core product, which is the essential service or benefit designed to satisfy the identified needs of target customer segments
- The formal or tangible product, which is the specific offer for sale stating what is customer, will receive for his money. It is a marketing interpretation that turns the core into a specific offer
- The augmented product, which comprises all the forms of added value producer may but into their formal product offers to make them more attractive than competitors offers to their intended customers

Lovelock (2005) divides the total service offer into two distinctive categories as core service and supplementary services. The concept of supplementary services emerged from the notion of the “augmented product” in which services were often seen as a way to add value to manufactured goods. The core product is represented by the central benefit provided by a firm to address specific customer needs; it defines the nature of the business. Facilitating supplementary services facilitate use of the core product or are required for service delivery and sale; if well executed, they make the company “easy to do business with”. Enhancing supplementary services add extra value for customers and help to position the core product away from the competition. The nature of these enhancements is often tailored to suit the needs of customers in specific market segments. (Lovelock, 2005)

B. Pricing

The “price” of tourism is highly variable due to the interdependent and seasonal nature of tourism services. Heath & Wall (1992) state that, “Understanding the composition of and interrelationships among regional tourism products is an important prerequisite to the development of an effective pricing strategy. “Variable pricing strategies play an important role in demand management, as lower prices can be used to attract tourists to various destinations during their “off-seasons”. In the same way, higher prices can be used to limit visitors in peak seasons.

C. Promotion

In a service setting, marketing communication tools are especially important because they help create powerful images and a sense of credibility, confidence, and reassurance. Some specific tasks that can be performed by marketing communication are:

- Adding value through communication content
Information and consultation are important ways to add value to a product. Prospective customers may need information and advice about what service options are available to them, where and when these services are available, how much they cost, specific features and functions, and specific service benefits
- Internal communications
Marketing communications can be used to communicate with service employees as well as with external customers. Internal communications with senior managers to their employees play a vital role in maintaining and nurturing a corporate culture founded on specific service values
- Overcome the problem of intangibility
Because they are performances rather than objects, the benefits of services can be difficult to communicate to customers. Lovelock (2005) suggests that this intangibility creates four problems for marketers seeking to promote services' attributes or benefits: abstractness, generality, non-search ability, and mental impalpability. Generality refers to items that comprise a class of objects, persons, or events for instance, airline seats, flight attendants, and cabin service. These general classes do have physical analogues, and most consumers of the service know what they are, but a key task for marketers is to communicate what makes a specific offering distinctly different from competing offerings.

Non-search ability refers to the fact that intangibles cannot be searched or inspected before they are purchased. Physical service attributes, such as the appearance of a health club and the type of equipment installed, can be checked in advance, but the experience of working with the trainers can be determined only through experience.

Abstractness refers to such concepts as financial security, expert advice, or safe transportation, which do not have one to one correspondence with physical objects.

Mental impalpability refers to the fact that many services are sufficiently complex, multidimensional, that it is difficult for consumers to understand what the experience of using them will be like and what benefits will result.

- Facilitate Customer Involvement in Production

Advertising and publicity can make customers aware of changes in service features and delivery systems. Marketers often use sales promotions to motivate customers, offering them incentives to make the necessary changes in their behavior. Publicizing price discounts is one way to encourage self-service on an ongoing basis.

- Help Customers to evaluate service offerings

Even if customers understand what a service is supposed to do, they may have difficulty distinguishing one firm from another and knowing what level of performance to expect from a particular supplier. Some performance attributes lend themselves better to advertising than others do. When an airline wants to boast about its punctuality, reporting favorable statistics collected by a government agency offers credible support for this claim.

- Stimulate or Dampen Demand to Match Capacity

Advertising and sales promotions can help to change the timing of customer use and thus help to match demand with the capacity available at a given time.

- Promote the contribution of service personnel

An ad that shows employees at work helps prospective customers understand the nature of the service encounter and implies a promise of the personalized attention that they can expect to receive.

The marketing Communication Mix includes personal contact, advertising, publicity and public relations, sales promotion, instructional materials and corporate design. Promotional and other messages can be transmitted either through production channels and marketing channels. Production channels include:

- **Customer Service from Front line Staff:** Those responsible for delivering the core service may also be responsible for delivery of a variety of supplementary services, including provision of information, taking reservations, receipt of payments, and problem solving.
- **Customer Training:** Some companies, especially those selling complex business to business services, offer formal training courses to familiarize their customers with the service product and teach them how to use it to their best advantage
- **Service outlets:** Both planned and unintended messages reach customers through the medium of the service delivery environment itself. Impersonal messages can be distributed in the form of banners, posters, signage, brochures, video screens and audio.

Marketing Channels for communication include:

- **Personal Selling:** Interpersonal encounters in which efforts are made to educate customers and promoter preference for a particular brand or product are referred to as personal selling. Many firms, especially those marketing business to business services, such as property, insurance, and funeral services, the firm's representative may act as a consultant to help buyers make their selections.
- **Trade shows:** In the business to business marketplace, trade shows are a popular form of publicity that also combines important personal selling opportunities. In many industries, trade shows stimulate extensive media coverage and offer business customers an opportunity to find out about the latest offerings from a wide array of suppliers in the field.
- **Advertising:** As the most dominant form of communication in consumer marketing, advertising is often the first point of contact between service marketers and their customers, serving to build awareness, inform, persuade, and remind. Advertising plays a vital role in providing factual information about services and education customers about product features and capabilities. A broad array of paid advertising is available, including broadcast (TV and Radio), print (magazines and newspapers), movie theaters and many types of outdoor media (posters, billboards, electronic message boards, and the exteriors of buses or bicycles).

- **Direct Marketing:** This category embraces mailings, recorded telephone messages, faxes, and e-mail. These channels offer the potential to send personalized messages to highly targeted micro segments. Direct strategies are most likely to be successful when marketers possess a detailed database of information about customers and prospects.
- **Sales Promotion:** A useful way of looking at sales promotions is as a communication attached to an incentive. Sales promotions are usually specific to a time period, price, or customer group sometimes all three. Typically the objective is to accelerate the purchasing decision or motivate customers to use a specific service sooner in greater volume with each purchase, or more frequently.
- **Public Relations (PR):** PR involves efforts to stimulate positive interest in an organization and its products by sending out news releases, holding press conferences, staging special events, and sponsoring newsworthy activities put on by third parties.

Messages originating from outside the organization

Some of the most powerful messages about a company and its products come from outside the organization and are not controlled by the marketer.

Word of Mouth: Recommendations from other customers are generally viewed as more credible than are firm initiated promotional activities and can have a powerful influence on people's decisions to use or avoid using a service. In fact, the greater the risk that customers perceive in purchasing a service, they will more actively seek and rely on word of (WOM) to guide their decision making.

D. Place

Travel intermediaries are defined as members in the distribution chain in the tourism marketing channel. They include e retail travel agents, tour packagers, incentive marketers, and tour wholesalers. They provide lodging, transportation and other travel products and services demanded by domestic and foreign tourists. The ability of travel intermediaries to combine travel products and offer them to customers as a package at a price generally lower than those available to individuals provides travel economy and convenience for a significant segment of tourists.

Travel intermediaries have considerable influence in the decision making process of the tourist. They serve as an opinion leader and expert for taking a travel decision process. They play the role of influencers for many of their loyal customers. This implies that they are of greater importance to both the tourist and the destination marketer particularly in the cases of destinations with far greater distance from the point of origin.

E. People

The service level delivered and the way the service is delivered can be an important source of differentiation and competitive advantage. Service staff is the most visible element of the service and the component that significantly delivers service quality. As the service staff represent the company in its interactions with the customers and deliver the brand promise, the service staff are also very much the service firm (from the customer's point of view) and the brand. Highly motivated service staff plays a key role in anticipating customer needs, building personalized relationships with customers, and thus building customer loyalty. Other than being an invaluable asset in high contact services, frontline staff is also crucial in low contact services where technology is largely commoditized. The firm's differentiation will then rest on these few moments of truth whether it is through the phone, email or face to face.

High performing, satisfied employees are a key ingredient in achieving service excellence and customer loyalty. Frontline work, however, can be very demanding. Frontline staffs are boundary spanners, as they operate at the boundary of the company, linking and transferring information from the inside of the organization to the outside world. As such, they often have conflicting roles particularly in areas such as service quality, productivity, and sales, as they have to fulfill both operational and marketing goals.

Person/role conflict, organization/client and inter-client conflicts are the three main causes of stress in frontline positions. Person/role conflict occurs when the job requirements are inconsistent with the staff's own personalities, self-perception, and beliefs. Organization/client conflicts occur when service staffs face the dilemma of whether they should follow the company's rule or satisfy customer demands. Inter-client conflicts, i.e. when there are conflicts between customers, can also be a source of stress as the staffs are often called in to resolve conflicts between customers.

Emotional labor is a very real problem faced by frontline staff and arises when there are discrepancies between the way the frontline staff feel inside and the emotions that they are expected to portray in front of customers.

Service personnel, often the most visible element of the service, are often a core part of the brand and are the means by which the brand promise is delivered. The moments of truth provided by the service personnel at the frontline are crucial in building customer loyalty. If delivered well, the enhanced personnel relationships built will lead to repeat purchase and increased loyalty. Conversely, bad service experiences can quickly lead to customer switching and churning.

Many service encounters involve more than just correct technical execution of a task. They also involve human elements like personal demeanor, courtesy and empathy. Because these factors are a basic part of the service from the customer's point of view, employees must sometimes undergo emotional labor to make sure that their behavior meets or exceeds company and customer expectations. Some service jobs require workers to be friendly, others to act compassionate, sincere, or even self-effacing. Trying to conform to customers' (and employers') expectations on these dimensions can be stressful for employees, who may be required to act out emotions they don't feel at times during the course of their jobs. Special training on how to handle these emotions is often an important part of employee training in service jobs like policing, fire fighting and emergency medical care.

2.2. Tourism industry and Developing Economies

Tourism has experienced continued expansion over the past six decades, quickly becoming one of the largest and fastest growing economic sectors in the world. The contribution of tourism to economic activity worldwide is estimated at 5 percent (direct), and 6-7 percent (indirect) in terms of employment generation out of the total workforce in 2009 (UNWTO, 2010).

Longer-term trends including a rise in global wealth, improving transport technology, liberalization of international airspace and the use of internet as a travel tool will make it possible for more people around the world to travel than before.

International tourist arrivals have increased from 25 million in 1950, to 277 million in 1980, to 438 million in 1990, to 684 million in 2001 and the tourism growth has recovered faster than

expected from the impacts of the global financial crisis with the number of international tourist arrivals estimated to have reached 935 million in 2010. Growth in international tourism receipts, although lagging, reached an impressive US \$ 852 billion in 2009 2009 (UNWTO, 2010).

Interestingly, this growth is being driven by emerging economies, especially in Asia and the Pacific and the Middle East, while Africa has continued its positive growth trend with an estimated rate of 6 percent in 2010 (UNWTO, 2011). The share of tourism growth in emerging regions has steadily risen from 32 percent in 1990 to 47 percent in 2009, and their share of tourism receipts reached 35.8 percent in 2009 (UNWTO, 2011).

All over the world, small and medium sized enterprises (SMEs) are common in tourism areas. In the initial stage of tourism development, especially in small towns and villages, locally-owned small operations and activities can be the major type of tourism business. Though tiny individually, together, this tourism related businesses may constitute a substantial part of the business community and their cultural, genuine and authentic products can satisfy most tourists shopping needs. Such tourism entrepreneurs may be an essential part in defining the character of a tourism destination. For instance, in Ethiopia, tourism entrepreneurs are very active in the creation, selection and modification of culture to produce genuine and authentic, traditional and cultural products and souvenir items in order to meet commercial needs and the changing needs of tourists' interests. Their (local entrepreneurs') activities greatly determine what should be revived, developed and preserved in ethnic villages.

2.3 Government roles in tourism development

In practice, the government may take very different roles in different socio-economic situations. Some scholars, such as Hall (1994) and Zhang (1999) have probed the types of roles that government may play in tourism. Jenkins and Henry (1982) proposed active and passive government involvements, presented the case of active government involvement in the development of tourism and examined the need for active involvement by governments in developing countries.

Tourism has the potential to generate foreign exchange earnings as well as cause economic leakages which jeopardize the economy. To reduce leakages, the carefully review of the nature and level of tourism related imports are necessary and a substitution strategy should be

purposefully encouraged (Jenkins and Henry, 1982). Large amounts of foreign capital for infrastructure may be borrowed by many developing countries to initiate tourism development. In order to make the best use of this type of long-term and probably risky investment, governments should ensure that the incentives offered to investors can attract the right type of infrastructure that meets the objectives of the tourism development plan (Jenkins and Henry, 1982).

Job creation is often advocated to be an advantage for tourism development. However, active government intervention is required if the potential of local employment is to be realized to the fullest possible extent in the short term, the employment is observed as low-skilled and low-paid type. In the longer term, government must provide suitable education and training to ascertain that nationals take advantage of career opportunities in tourism (Jenkins and Henry, 1982).

Tourism development also poses particular environment risks, and land use tensions. In areas where the natural environment comprises the main tourism attractions, uncontrolled tourism development can result in serious environmental problems, and thus erode attractiveness. The role of government is to establish appropriate land use policies and protect the rights and interests of local people otherwise small, local grievances can worsen into major social and political problems (Jenkins and Henry, 1982). It should be noticed that, government is also dynamic and the focus of the government on tourism can change because of changing priorities.

As observed in Africa, government roles in tourism change with new conditions in international inbound tourism (Dieke, 2003). The nature of tourism governance changes by its constant interaction with political, social and economic components of the policy.

Massive and global involvement of governments in tourism development has occurred Matthews and Richter (1991). Research on tourism policies and public administration will contribute to tourism education and training (Matthews and Richter, 1991). As most levels of government today have some agency in charge of tourism personnel are needed for tourism administration positions (Matthews and Richter, 1991).

In addition, understanding of international law, politics and government are essential to successful tourism professionals. Insights on the intersection of political science and tourism will be required to guide the phenomenon of massive tourism in the twenty first century (Matthews

and Richter, 1991). As a social and economic activity, tourism impinges upon a wide range of issues in which governments are normally interested (Airey, 1983).

In Ethiopia, during the seventeen years (from 1974 until 1991) that the totalitarian military (the Derg) regime was in power, tourism declined drastically because of the adverse conditions created by war, recurrent draught, strained political and diplomatic relations with tourist generating countries, restrictions in entry into and travel within the country. (WBGR, 2012)

In European countries, governments had once been reluctant to involve themselves in tourism. However, as tourism had grown rapidly and impinged upon a great many aspects of national life, government intervention became inevitable in the interests of general, social and economic policy (Airey, 1983). In the past century, particularly in the 1980s, a number of studies has emerged that address governments' perspectives, roles and involvement in tourism (Airey, 1983).

For instance, in Ethiopia, in the years 1989 to 1992, records show that the country received on average 80,246 tourists and 23.2 million US dollars annually. The average annual growth rates during those years were 2.1 percent for arrivals and 6.1 percent for receipts (WBSG, 2012).

However, the basic measures taken by the Ethiopian government after year 1991 in order to realize the country's economic and social development have created favorable conditions for the nation's tourism development as well. In the four years from 2005 to 2008, average annual tourist arrivals were 324, 664, while average annual revenue was 167 million dollars. Reports of the sector show annual growth rates of 21 percent for tourist arrivals and 19.5 percent for revenue for those four consecutive years (WBSG, 2012). The cause of the increased interest in governments of all types and at all levels is the increased economic importance of tourism (Airey, 1983; Jenkins and Henry, 1982).

2.4 Tourism as an economic force: African and global trends

Tourism is a large contributor to worldwide economic activity, growing at a slightly faster pace than the world economy. Though there are important differences between countries, it is clear that tourism has a crucial role in supporting growth, development, and employment generation (WBSG, 2012). This section presents some of the major trends that are shaping tourism supply

and demand as a context for Ethiopia's quest to become more competitive in the global tourism market place (WBGs, 2012).

2.4.1 Tourism globally

- **Tourism supply: Growth, diversification and the increased role of emerging destinations**

Tourism has experienced continued expansion over the past six decades, quickly becoming one of the largest and fastest growing economic sectors in the world. The contribution of tourism to economic activity worldwide is estimated at 5 percent (direct), and 6-7 percent (indirect) in terms of employment generation. Tourism growth has recovered faster than expected from the impacts of the global financial crisis, with the number of international tourist arrivals estimated to have reached 935 million in 2010. Growth in international tourism receipts, although lagging, reached an impressive US\$852 billion in 2009 (WBGs, 2012).

Interestingly, this growth is being driven by emerging economies, especially in Asia and the Pacific and the Middle East, while Africa has continued its positive growth trend with an estimated rate of 6 percent in 2010 (UNWTO, 2011b).

- **Tourism demand: The young elders, an emerging travel class, and experiential versus materialistic tourism**

One important trend relates to the expanding older population in developed countries with an increasingly healthy life expectancy. This so-called "young older" group is becoming a primary target market and is expected to play an important role in tourism demand over the coming decades (UN WTO, 2011a).

They may tend to travel in non-peak seasons and enjoy good levels of disposable income as retirees. Other demand trends relate to the changes in household composition in developed countries and the increased importance of single travelers and the affluent youth (UN WTO, 2011a).

The other important trend relates to the increasing level of tourism expenditure by emerging source markets. In fact, though tourism source markets are still largely concentrated in the industrialized countries (Europe 55 percent, Asia and the Pacific 20 percent, and the Americas 16 percent), among tourism spenders, China has shown the fastest growth in the last decade, having overtaken France (US\$38 billion) in 2009 by spending US\$44 billion and moving into the fourth position worldwide after Germany, the United States and the United Kingdom. Other emerging economies, such as Russia, Saudi Arabia and Brazil, (UN WTO, 2010a) are also showing significant growth.

In terms of travel motivations, there is an interesting combination of trends. On one side, people in developed countries, especially those with sufficient levels of economic comfort, are increasingly seeing themselves more as “travelers” than as “tourists”. They are looking for authenticity and personal fulfillment from their holidays, and the tourism experience is becoming the main objective, favored over pure relaxation or passive sightseeing (UN WTO, 2009). On the other side is the emerging travel class, whose motivations are often characterized more materialistic and hedonistic in nature, as opposed to the more experiential and spiritual motivations of established source markets (UN WTO, 2009). While the first represents a shift in demand toward more tailored, niche tourism products, the latter indicates a move toward more mainstream and mass-tourism products. These dynamic trends point to the need to understand the changing motivations and travel patterns of the travel class for both domestic and international tourism markets.

2.4.2 Tourism in Africa

The importance of the tourism sector for Africa has been recognized by the plan for the New Partnership for Africa’s Development (NEPAD), which developed a Tourism Action Plan in 2003 under the guidance of the African Ministers of Tourism and the World Tourism Organization Commission for Africa.

- **Tourism supply: Growth potential and the importance of value-chain linkages**

Following global trends, the tourism sector in Africa has been the fastest growing sector in the recent term, contributing to the diversification of many African economies. Although tourism’s

market share in GDP between the years 2002 and 2007 in Africa has been only 2 percent, it has nevertheless been the fastest growing sector ahead of the financial intermediation and telecommunication sectors with a compound annual growth of 8.7 percent (WBGs, 2012).

Table 2.4: Africa’s growth across sectors, 2002-2007

Sector	Share	Compound annual growth rate
Tourism	2%	8.7%
Financial intermediation	6%	8.0%
Transport and telecommunication	10%	7.8%
Construction	5%	7.5%
Utilities	2%	7.3%
Resources	24%	7.1%
Other services	6%	6.9%
Wholesale and retail	13%	6.8%
Real estate, business services	5%	5.9%
Agriculture	12%	5.5%
Manufacturing	9%	4.6%
Public administration	6%	3.9%

Source: McKinsey, 2010

While Africa has continued its positive growth trend, attracting an estimated 6 percent share of international tourists in 2010, Sub-Saharan Africa’s global market share is still minimal, claiming only 3.2 percent of international arrivals and 2.2 percent of tourism receipts (UNWTO, 2010a).

Tourism growth and its total contribution to GDP in Africa have mainly been driven by tourism’s induced and indirect economic impacts. According to WTTC data, the total contribution of tourism to GDP in Africa is twice as large as its direct contribution, reflecting the

important role of induced and indirect tourism economic impacts. This also underscores how critical it is to facilitate strong linkages along the tourism value chain and between the tourism value chain and other economic sectors in order to fully realize all potential (WBGs, 2012).

- **Tourism demand: Diversification opportunities from MICE and domestic tourism**

Market segments in Africa are less diversified than in other regions and leisure tourism still plays a dominant role. According to WTTC tourism data, leisure tourism spending (inbound and domestic) is expected to generate 70.8 percent of direct tourism GDP in Africa in 2011, as compared with 29.2 percent for business travel spending. These projections reflect the growth potential of the MICE segment in Africa, with only a minimal market share to date of the international meetings segment worldwide. According to the International Congress and Convention Association (ICCA), though Europe is still the most popular destination for MICE tourism (see Table 2.5); its share has been decreasing over the last decade while Asia, the Middle East and Latin America are increasingly attractive. Especially in urban centers and regional air transport hubs such as Nairobi and Addis Ababa, where good air transport connectivity already exists and world class accommodation facilities are operating, MICE’s economic impact could be easily tapped and could also contribute to tourism diversification, as is the case in Kenya.

Table 2.5: Worldwide market share for meetings, 2008

Regions worldwide	Market share (%)
Europe	52.73
America (North & South)	17.83
Asia	21.67
Africa	4.7
Australia/Pacific	3.07

Source: EIBTM 2009

With respect to domestic versus international tourism spending in Africa, domestic tourism spending is expected to generate 55.9 percent of direct tourism GDP in 2011, as compared with 44.1 percent of international tourism receipts (WTTC, 2011). These projections reinforce the importance of understanding and measuring the economic impact of domestic tourism. Although

it may be considered of less interest because it is not a source of foreign exchange, data shows that domestic tourism is more important than its international counterpart, not only in terms of economic impact, but also as a counter-cyclical and resilient segment (WBGs, 2012).

Whether the importance of leisure versus business and domestic versus international tourism may vary greatly between countries, it is clear that there is increased opportunity for and potential benefit from tourism diversification in Africa (WBGs, 2012).

2.5 THE TOURISM SECTOR IN ETHIOPIA

2.5.1 Tourist arrivals, expenditure and markets

- **Tourism arrivals**

International tourist arrivals in Ethiopia in 2008 totaled 383,399 while an official data shows 427,286 arrivals in 2009 (MoCT, 2011b). However, Ethiopia only ranked 22 out of 27 countries for arrivals volume in the Africa Region (UN WTO 2010a) in 2008, highlighting the need for improvement. While Sub-Saharan Africa's tourism market share is only 3.2 percent of global international arrivals, Ethiopia's share within Africa's share is a minuscule 1 percent, with close competitors such as Kenya and Tanzania claiming 4 percent and 2 percent of the same share respectively. By contrast, South Africa has a 32 percent share (UN WTO, 2010a).

Despite this minimal market share, the annual average growth rate of tourism arrivals to Ethiopia between 2000 and 2008 is 12 percent, higher than Sub-Saharan Africa's average of 7 percent. It is worth noting the substantial increase of Ethiopia's tourism arrival's in 2003 and 2005-2006. According to MoCT's data, this unusual increase may be partly explained by an important increase of transit tourists in 2003 and 2005 and in leisure and conference tourists in 2006. However, we do not have enough data to draw conclusions about the causes of these significant increases and further analysis may be needed (WBGs, 2012).

Table 2.6: Tourist arrivals and receipts (FEE) growth rate in Ethiopia, 1997-2011

Year	Arrival		Receipts			
	Count	% growth	Birr	% growth	US\$	% growth
1997	138,856		279,000,000		43,000,000	
1998	112,000	-19.3	225,000,000	-19.4	32,700,000	-24.0
1999	115,000	2.7	252,000,000	12.0	33,600,000	2.8
2000	135,954	18.2	577,800,000	129.3	68,000,000	102.4
2001	148,438	9.2	631,800,000	9.3	73,808,411	8.5
2002	156,327	5.3	676,100,000	7.0	77,100,000	4.5
2003	179,910	15.1	778,000,000	15.1	89,946,355	16.7
2004	184,078	2.3	994,408,062	27.8	114,627,850	27.4
2005	227,398	5	1,202,368,339	20.9	138,599,940	20.9
2006	330,026	45.1	1,494,811,899	24.3	169,975,086	22.6
2007	357,841	8.4	1,987,241,388	32.9	213,936,063	25.9
2008	383,399	7.1	1,979,539,071	-0.4	204,855,489	-4.2
2009	427,286	11.49	2,900,062,542	46.5	246,415,374	20.3
2010	468,305	.6	4,800,268,804	65.5	333,352,000	35.3
2011	523,438	12.0	6,124,776,488	27.6	411,638,987	23.5

Source: MoCT, 2012

Table 2.7: Sub-Saharan Africa and Ethiopia tourist arrivals, 2001-2008

Year	Sub-Saharan Africa (million)		Ethiopia (000)	
	Tourist arrivals	% growth	Tourist arrivals	% growth
2001	18.0	2%	148	9%
2002	19.3	7%	156	5%
2003	20.2	5%	180	15%
2004	21.5	6%	184	2%
2005	23.4	9%	227	23%

2006	26.5	13%	290	28%
2007	29.0	10%	312	8%
2008	30.2	4%	330	6%
Average		7%		12%

Source: World Development Indicators, 2010

- **Tourism receipts**

According to MoCT, tourist receipts totaled US\$250 million in 2009. For a comparative perspective, and according to World Bank World Development Indicators, tourist receipts in Ethiopia achieved higher growth than on average in Sub-Saharan Africa, and have also increased more than twice as fast as tourist arrivals. However, a main reason to explain this substantial increase may be the fact that MoCT originally calculated the data in 2004-2005 but has only been using projections for the following years (WBGs, 2012).

Table 2.8: Sub-Saharan Africa and Ethiopia tourist receipts, 2001-2008

Year	Sub-Saharan Africa (US\$ billion)		Ethiopia (US\$ million)	
	Tourist receipts	% growth	Tourist receipts	% growth
2001	8.5	7%	218	6%
2002	9.4	10%	261	20%
2003	13.3	41%	336	29%
2004	15.4	16%	458	36%
2005	17.5	14%	533	16%
2006	19.4	11%	639	20%
2007	23.2	19%	790	24%
2008	23.8	3%	1,184	50%
Average		15%		25%

Source: World Development Indicators 2010

2.5.2 Tourism segments by purpose of visit

Ethiopia's tourism sector is characterized by a diversified set of tourism segments between leisure and business tourism. In both relative and absolute terms, its leisure segment is smaller than those of neighboring countries due to a low base of tourism development; by contrast, its business segment is bigger in relative but not in absolute terms than those of neighboring countries, thanks to a dynamic economy and in light of Addis Ababa's increasing status as a regional hub (see table 2.9). Business tourism tends to be less seasonal (WB 2010c); this is also true of domestic tourism and, to a lesser extent, diaspora tourism (WBGs, 2012). Additionally, conference and business tourism have a higher average daily rate of spending, though the typical length of stay is usually shorter. Non-leisure segments, such as VFR, MICE, and transit tourists, together account for more than half of total arrivals. It is important to note that transit tourists comprise the only segment showing a growth trend; moreover, there is a significant number of unclassified tourists (19 percent), highlighting once again the need for more accurate data (WBGs, 2012).

Table 2.9: Tourism segments by purpose of visit, 2003-2008

Year	Leisure		Transit		MICE		VFR		Others	
	Arrivals	%	Arrivals	%	Arrivals		Arrivals		Arrivals	%
2003	53,315	30%	31,414	17%	48,276	27%	19,895	11%	27,010	15%
2004	56,790	31%	34,129	19%	46,393	25%	18,209	10%	28,558	16%
2005	63,246	28%	49,558	22%	62,393	27%	21,732	10%	30,469	13%
2006	80,184	28%	76,556	26%	89,724	31%	22,180	8%	21,814	8%
2007	128,533	41%	58,916	19%	61,337	20%	26,337	8%	36,820	12%
2008	99,394	30%	77,572	23%	64,930	20%	25,482	8%	62,779	19%

Source: MoCT Statistical Bulletin, 2006-2008

2.6 Domestic tourism

Domestic tourism helps to create a more sustainable foundation for tourism development because it helps to diversify tourism segments and to counterbalance seasonality, volatilities, and the

dependency on international tourism flows. Still, domestic tourism, especially religious domestic tourism, can also be very seasonal. Previous studies estimated that domestic tourism in Ethiopia may account for roughly 20 percent of total arrivals (Mitchel and Coles, 2009). Domestic tourism is believed to be predominantly business-oriented and concentrated mainly in Addis Ababa, but it is also believed to increasingly have a leisure and religious dimension (Mitchel and Coles, 2009). Domestic religious tourism/pilgrimage is especially seasonal. It is estimated that Lalibela received around 25,000 foreign visitors during 2010, but four times more and around 100,000 pilgrims in the same year (European commission, 2011). Data on tourist visitors in protected areas also show an important number of domestic tourists, probably related to educational trips. (WBGR, 2012)

Ethiopia is expected to be one of the African countries, together with Nigeria and South Africa, which will have the largest middle class by the year 2030 (AFDB, 2011). In Ethiopia, as in the majority of African countries, the largest portion of the middle class (61.4 percent) is composed of the unstable and vulnerable floating subclass, whose daily per capita consumption is between \$2 and \$4. However, Ethiopia has a considerable upper-middle class, both in relative terms (3 percent of the total population) and in absolute terms (2.4 million), more sizeable in fact than those of close competing destinations such as Tanzania and Kenya. The upper-middle class is especially important for domestic tourism development because it is supposed to be the most likely both to save and to consume non-essential goods and services, such as entertainment and tourism services (WBGS, 2012).

2.7 Source markets by region and country

Ethiopia's set of source markets is also well diversified and less dependent on international leisure tourist flows. The top source market overall is Africa, driven in part by a growing number of business and conference tourists. Within Africa, the top three source markets for Ethiopia are Kenya, Sudan, and Nigeria. In terms of leisure tourists, the top regional source market is Europe. The United States is the dominant source country, accounting for 15 percent (leisure and business tourists) of all arrivals. The United Kingdom and Germany are also among the top individual source countries, accounting for a total of 6 percent and 4 percent respectively (leisure and business tourists).

Table 2.10: Ethiopia's main international source markets, 2008

Country	Total business tourists	%	Country	Total leisure tourists	%
China	8,721	13%	USA	31,371	32%
USA	6,248	10%	U.K.	9,914	10%
India	6,211	10%	Germany	7,006	7%
Israel	3,032	5%	Italy	5,951	6%
U.K.	2,458	4%	France	4,828	5%
UAE	2,081	3%	Canada	4,264	4%

Source: MoCT Statistical Bulletin 2006-2008

Table 2.11: Ethiopia's main source markets for business and leisure tourists by country, 2008

Regions	Total tourists %	Business and conference %	Leisure %
Africa	35.9	24	5
Europe	26.7	20	46
America	18.0	12	36
Middle East	9.1	16	7
Asia	9.3	27	4
Oceania	1.0	1	2
Total	100%	100%	100%

Source: MoCT Statistical Bulletin, 2006-2008

If we look at the dynamism of country source markets, there has not been a major change in the last five years, according to MoCT data. The countries showing relative dynamism as emerging source markets are China, India, Sudan, and Nigeria, all of which are related to the MICE segment (WBGs, 2012).

Table 2.12: Dynamism among main source markets, 2003-2008

Main source markets	% from total 2008	Average growth % 2003-2008
USA	15%	0%
U.K.	6%	1%
China	4%	2%
Germany	4%	1%
Italy	3%	0%
India	3%	1%
Kenya	3%	-1%
Sudan	3%	1%
Nigeria	3%	1%

Source: MoCT Statistical Bulletin 2006-2008

2.8 Length of stay

In addition to tracking arrivals and determining tourism generated receipts, estimating the average length of stay of visitors is integral to tracking the tourism sector's progress. This is a problematic task, given the many types of tourists, their varied activities, and the need to have consistent data collection and analysis in order to complete this calculation. MoCT's last estimate on the average length of stay was 4.5 days and dated from 2004-2005 (WBGs, 2012).

2.9 Tourism products and services

Through its cultural tourism, nature-based tourism, and conference and business tourism, Ethiopia provides a variety of tourism offerings. These all benefit from Ethiopia's underlying comparative advantages, such as:

- A relatively untapped resource, an "Africa in one country" destination, with a good mix of unspoiled or underexplored culture and nature-based tourism resources: the abundant cultural heritage in the North, the strong presence of the Arabic world and the historical birthplace of humankind in the East, the Rift Valley landscape in the North and South,

the uniqueness of the Danakil desert, the rich Southern tribal cultures, and a relatively safe capital city with a wide array of cultural activities and entertainment.

- The reputation of being a safer and more secure destination than its close competitors;
- Proximity to major traditional European source markets and emerging ones in the Middle East, India and China, for leisure and business tourism respectively, as well as being well situated with respect to regional destinations such as Kenya, which presents an opportunity to tap into regional and international tourism demand;
- An unsaturated tourism market with a positive growth trend in tourism arrivals and receipts;
- Good accessibility and competitive airfares with Addis Ababa serving as a major regional hub for air transport; and
- Promising opportunities to build on complementarities with well marketed neighboring wildlife and nature-based destinations, such as Kenya, Tanzania, and Djibouti (WBGs, 2012).

The defining characteristics of Ethiopia's main tourism offerings are:

2.9.1 Cultural tourism (CT)

Ethiopia's cultural heritage tourism resources contribute to the uniqueness of Ethiopia as a tourism destination. Since 2011, Ethiopia boasts ten World Heritage Sites (including both natural and cultural sites), which is more than any other country in Africa. Sites of particular interest include the town of Aksum, the center of the 1st-7th century AD Aksumite Empire, the medieval capital of Lalibela, with its monolithic rock-hewn churches carved below ground level and regarded by many as one of the wonders of the world, and with Gondar and its 17th century castles and palaces. Ethiopia's cultural heritage resources are more concentrated in the northern areas of the country, in sites such as Lalibela, Aksum, Addis Ababa and its environs, Bahir Dar, Gondar, and Harar. All the main tourism sites are accessible by air and served by Ethiopian Airlines. Ethiopian ethnic groups are also rich and varied, with approximately 80 different languages; the major ethnic groups are the Oromo (40 percent), Amhara (22 percent), Tigrean

(10 percent), Sidamo (10 percent), Shankella (6 percent), Somali (6 percent), Afar (4 percent), Gurage (2 percent), and Falasha. Ethiopia is also rich in intangible cultural heritage. Festivals such as Timkat (Ephiphany) in Gondar, Meskel, and Fasika (Easter) in Lalibela attract Ethiopians, pilgrims, and tourists alike. Other intangible aspects of the country's rich heritage relate to traditional crafts, religious music, painting traditions, and vernacular architecture. Most intangible heritage as well as current expressions of Ethiopia culture in the form of modern music, gastronomy, visual arts and sports remains unexplored avenues for tourism development (WBGs, 2012).

2.9.2 Nature-based tourism (NBT)

Ethiopia's size and location imply a rich variety of geography and climate. NBT offerings and opportunities are dispersed throughout the country. There are mountains for trekking, lakes of the Rift Valley for resort like accommodations and water-based activities of bird watching, and deserts to explore in the East. Ethiopia is rich in biodiversity, with 14 percent of its landmass being under a Protected Area System. Species endemic to Ethiopia are Ethiopian Wolf, Walia Ibex, Gelada Baboon, and Giant Lobelia, among others. These species are characteristic of the Ethiopian afro-alpine eco-region. Other examples of the exceptional biodiversity of the Ethiopian Protected Area System are the wetlands and floodplains found in Gambella National Park. Ethiopia and the Sudan share the second largest mammal migration zone on the continent. Almost one million White-Eared Kobs migrate between the two countries to take advantage of the vast grassland areas and floodplains. Ethiopia also has good potential for attracting bird watching tourism, welcoming 866 bird species, of which 16 are endemic. Most protected areas, however, are increasingly being encroached upon and settled, which accelerates unsustainable resource use, such as overgrazing and deforestation. Site level planning, management and business planning are performed at only a very basic level. There are important areas that still require the establishment of explicit legal provisions and/or policies regarding the modalities of public-private partnerships in protected areas, business concessions, co-management governance systems, national categorization of protected areas, financing mechanisms, resettlement issues, etc. In addition to the national tourism strategy, the sector is also in great need of a national strategy for conservation areas, which could create an additional basis for eco-tourism and community-based tourism development in protected areas (WBGs, 2012).

2.9.3 Strong Tourism Endowments

Ethiopia has the highest number of World Heritage Sites registered by UNESCO, mainly cultural but also natural, reflecting the existence of a good foundation of tourism assets on which to build its tourism sector.

1. The Rock-Hewn Churches of Lalibela
2. The Castle of Gondar
3. The Walled city of Harrar
4. The Stelae of Axum
5. The Semien Mountains National Park
6. Tiya Stelae
7. Lower Awash Valley
8. Lower Omo valley
9. Konso Cultural Landscape
10. Meskel (The Finding of the True Cross)

Source: MoCT, 2013

2.9.4 National Parks and Wildlife Sanctuaries of Ethiopia

Ethiopia is a vast country with a land area of 1.12 million square meters and wide variety of topography and climate. In terms of nature, Ethiopia is the fourth largest Bio-Diversity zone in the world and has more unique species of flora than any other country in Africa. Differences in attitude and other location have resulted in wide variation in rainfall, humidity and temperature; thus the country comprises of many genetically diversified species. Researches in this field suggest that among the different species:

1. 31 mammals
2. 17 birds
3. 14 reptiles
4. 30 amphibians
5. 7 arthropods
6. 40 fish
7. 12 percent of seven thousand plant species are endemic to Ethiopia

Source: EWCA, 2012

2.9.5 Wildlife protected areas of the country

1. 21 national parks
2. 3 wildlife sanctuaries

3. 7 wildlife reserves
4. 3 community conservation areas, and
5. 18 controlled hunting areas

Source: EWCA, 2012

2.9.6 Ethiopia is also home of the unique seven wildlife animals namely:

1. Mountain Nyala
2. Walia Ibex
3. Swayne's Haretebeest
4. Gelada Baboon
5. Ethiopia Wolf
6. Bale Monkey
7. Menelik's Bushback

Source: EWCA, 2012

2.9.7 Addis Ababa (The New Flower): The Nation's capital and the surrounding area

With a population of more than three million people, Addis Ababa also known as Brussels of Africa is located in the geographic center of the country. It is not only the political capital but also the economic and social nerve center of Ethiopia. Founded by Emperor Menelik in 1887, this big, sprawling hospitable city still bears the stamp of the exuberant personality. There are more than 120 international missions and embassies in Addis Ababa, making the city a forefront for international diplomacy in Africa and houses the headquarters of the African Union and the United Nations Economic Commission for Africa (MoCT, 2008).

Addis Ababa's cozy espresso bars and patisseries are reminiscent of Rome and the Mediterranean, and its bustling outdoor markets are colorful reminders of more traditional ways of life. The people, the bursts of music from cafes or shops, the pungent aromas of spicy cooking, of coffee and frankincense, from a unique Ethiopian pastiche (MoCT, 2008).

Dominated by the 3,000 meter (9,840 foot) high Entoto Mountains immediately to the north, Ethiopia's largest city has grown at an astonishing speed since it was founded just over a century ago. Covering 250 square kilometers (97 square miles), the city rambles pleasantly across many wooded hillsides and gullies cut through with fast flowing streams. Despite its proximity to the Equator, its lofty altitude- it is the third highest capital in the world means that it enjoys a mild, Afro-alpine climate. From its inception Addis Ababa was clustered around two main centers: the National Palace to the east and the market, with Saint George's Church, to the west. Together they generated so much activity that the capital grew and developed rapidly (MoCT, 2008).

By the late 1950s Addis Ababa was recognized as the unofficial capital of Africa, and thus was made the headquarters of the United Nations Economic Commission for Africa (UNECA) in 1958 and later, in 1963, chosen as headquarters of the African Union (AU). Today Addis Ababa, which bears the imprint of many of these past developments, is a major metropolis, with an estimated population of over three million. The city stands at the very heart of Ethiopia and enjoys excellent connections with all of the country's economic zones. Addis Ababa is Africa's unchallenged diplomatic capital, with more than seventy embassies and consular representatives clustered in the mountain city (MoCT, 2008).

There is more than enough to do in Addis. There are numerous restaurants offering various exotic dishes from many parts of the world. On the entertainment side you find cinemas showing international films and also stage dramas in Amharic. Sprawled through the city are nightclubs, gymnasiums, Art Galleries, Coffee shops and Spas. The main market place, known as the Mercato, is the largest open market place in Africa and has a wonderful range of goods, items of local art and Ethiopian curios and antiques (MoCT, 2008).

Individual and team sports are both extremely popular in Ethiopia. The country's most popular sport is football and the local football league has a 50 year history. But the country's most successful sport is athletics where Ethiopia has won 10 gold medals in the Olympic Games. Athletics has been attracting talented runners for generations, but is now popular among the general public which takes part in various mass participation running events held around the country (MoCT, 2008).

In Addis Ababa itself, its notable museums, among them the National Museum, with a perfect replica of Lucy; the fascination and remarkable Museum of the Institute of Ethiopian Studies, situated in Emperor Haile Selassie’s former Palace, now the Addis Ababa University, with its unique ethnographic (and musical) collection, its unparalleled gallery of medieval and traditional Ethiopian art, and its rich library, with priceless illuminated manuscripts, both Christian and Islamic, not to mention the Imperial suite (Prof. Richard Pankhurst, 1995).

2.9.8 Conference and business tourism

Ethiopia’s position as a regional air transport hub and as a center for regional development and diplomatic institutions such as the United Nations Economic Commission for Africa (UNECA) and the African Union (AU) offers good opportunities to capitalize on Addis Ababa as a site for meetings, incentives, conventions and exhibitions, or MICE related travel. In the same way, Addis offers opportunities to develop high quality ancillary services, such as spas and entertaining facilities, creative industry products, crafts, and one to two day excursions to nearby satellite sites. Currently, Addis is ranked sixth among Africa’s cities when it comes to attracting MICE tourism (see table 2.13). Future mega-conference events, such as the World Economic Forum Africa planned for 2012, and the AU anniversary planned for 2013, offer important opportunities to further develop and adequately plan this tourism segment (WBGs, 2012).

Table 2.13: African cities’ rankings for MICE tourism, 2011

Africa cities’ Rankings City	Africa Ranking	World Ranking	No. of Meetings
Cape town	1	46	41
Nairobi	2	74	24
Cairo	3	86	21
Marrakech	4	129	14
Johannesburg	5	196	9
Addis Ababa	6	215	8
Accra	7	249	7
Gaborone	8	249	7

Source: ICCA 2011

Table 2.14: Comparison to tourist arrivals for some of Ethiopia’s main tourism products

Tourism products	Total tourists (year)
MICE Addis	64,930 (2008)
Lalibela	25,225 (2010)
Semien Mountain	14,016 (2009)

Source: MoCT 2010, EWCA tourism data 2010, and information provided by ESTDP/SMU

2.10 Hotels, restaurants and tour operators

2.10.1 Hotels and restaurants

The hotel and restaurant subsector represents 7.6 percent of the total service sector and has experienced the second fastest growth trend in the last five years, trailing only the financial intermediation subsector (Access Capital, 2010). It has a low level of FDI and most of the businesses are owned and managed by the domestic private sector, with domestic capital accounting for 69 percent of the registered investment (EIA 2011), and with 54 percent of hotel and restaurant investments concentrated in Addis Ababa (MoCT, 2010).

In terms of lodging capacity, Ethiopia offers 17,217 beds, the majority being unclassified (56 percent) and in the middle-low end, and only 15 percent in the four to five star category. High end and star-rated accommodation facilities are highly concentrated in Addis Ababa, with 72 percent of all rated hotels located in the capital (WBGs, 2012).

Table 2.15: Tourist accommodation by classification, 2008

Classification	Number of businesses	%	Number of beds	%
Five Star	3	1%	1,264	7%
Four Star	16	4%	1,331	8%
Three Star	30	7%	1,872	11%

Two Star	42	10%	2,101	12%
One Star	21	5%	967	6%
Not classified	325	73%	9,682	56%
Total	437	100%	17,217	100%

Source: MoCT, 2010

It is worth mentioning the limited lodging capacity in protected areas; Omo National Park can provide only a total of 177 beds with camping facilities, while only three of the country's national parks (Awash, Semien, and Bale) have lodging capacity (WBGs, 2012).

Though Ethiopia is considered one of the Sub-Saharan African countries with a good system of incentives for the hospitality industry (Ernst and Young, 2010), it has much lower bed capacity and international standard accommodation facilities than other more developed destinations (see table 2.16). However, it is also worth mentioning that the country's comparators are considered some of the most mature hospitality markets in SSA, with Kenya boasting some of the largest hotels, at an average of 180 rooms per hotel (Ernst and Young, 2010).

Table 2.16: Comparison of accommodation facilities and bed capacity

	Ethiopia	Tanzania	Kenya
Tourism Supply			
No. of international hotels (year)	3 (2010)	22 (2009)	17 (2007)
No. of rooms (year)	13,683 (2010)	31,365 (2005)	24,354 (2007)
No. of beds(year)	17,217 (2010)	56,562 (2005)	48,708 (2007)
No. international hotel rooms(year)	855 (2010)	1,588 (2009)	2,284 (2007)

Source: World Bank 2009

While there are a good many hotels in the pipeline and/or under construction, there seems to be an important gap between the supply and future demand of accommodation facilities for mega events, such as the African Union commemoration planned for 2013 that calls for careful tourism

planning and destination management. Mega conference events tend to create a hotel construction boom that, if it is not carefully sustained with future tourism planning and further development and linkages along the value chain, can lead to a temporary over development of hotel rooms unable to sustain adequate occupancy rates in the future (WBGS, 2012).

2.10.2 Tour operators

Ethiopia has a limited ground tour operation capacity, but good prospects for future expansion. According to MoCT 2009 data, there are roughly 292 licensed tour operators and travel agents in Ethiopia, the majority of them concentrated in Addis Ababa the growth of tour operators in recent years have been huge, considering that in 1990 there was only one government run operator (WBGS, 2012).

Ethiopia's tour operations have a weak presence and penetration in the international market. According to 2008 data from the Center for the Promotion of Imports (CBI), of the 321 Belgian and Dutch tour operators specialized in Africa, only 15 percent offered a tour package to Ethiopia, as compared to 31.5 percent and 29 percent for Kenya and Tanzania respectively (WBGS, 2012).

2.11 Transport

Road and air transport services are very important for overall tourism competitiveness, as they can represent up to 60 percent of the total amount spent by tourists. The northern area of the country is well served by air transport connections. The southern area is at present more dependent on air transport because of accessibility problems, especially during the rainy season (WBGS, 2012).

2.11.1 Road network

With a total road network of 48,800 km in 2010 (MoFED, 2010), Ethiopia has one of the lowest road densities in Africa (IDA, 2010). The current Growth and Transformation Plan 2010-2015 acknowledges the importance of road network expansion for tourism development and the need for road infrastructure planning to be integrated with tourism strategies (WBGS, 2012).

2.11.2 Air transport and infrastructure

Ethiopian Airlines is Ethiopia's flag carrier, owned and managed by the Government. Like most airlines in Africa, it has followed a "hub model" and the air transport supply in Ethiopia has been developed along a "grid network," providing connections to surrounding cities from its hub, supplemented by some intra-hub connectivity (SH &E). With this hub model, transit tourists become increasingly important as a demand segment, particularly as Ethiopian Airlines keeps expanding its routes and connection capacity (WBGs, 2012).

Ethiopian Airlines has one of the youngest fleets on the continent, with 46 aircrafts currently and 32 on order, reflecting its future expansion plans. It is currently serving 63 international and 17 domestic destinations (Africa, 40; Europe and America, 8; Middle East and Asia, 15; and domestic, 17) (WBGs, 2012).

Data on Ethiopian Airlines' revenue by business segment reveals that passengers represent the largest revenue source at 74.46 percent, compared to an increasing cargo business representing 17.14 percent (Ethiopian Airlines, 2010). When it comes to revenue by geographical origin, African countries (other than Ethiopia) represent 33 percent, while the Gulf/Middle East and Asia represent 34 percent; Europe and America 27 percent; and Ethiopia a minimal 6 percent (Ibid). This shows the increasing importance that the Middle East and Asia are having on the airline's revenue. It also underscores its route expansion, as compared to the more traditional routes to Europe and America (Access Capital, 2010), while intra-African travel continues to be one of the main travel segments. These figures also seem to reflect an important focus on business tourism segments as opposed to traditional leisure ones (WBGs, 2012).

Ethiopia Airlines has been referred to as the new top performing export by economic analysts, even more important than traditional agricultural exports such as flowers and coffee. This is also a reflection of the increasing importance of the service sector in Ethiopia (Access Capital, 2010).

In terms of air transport infrastructure, Ethiopia has very good coverage of the whole country, with four international airports and 14 domestic airports. However, according to Ethiopian Airlines, the Addis Ababa Bole International Airport is already showing signs of saturation and

appears to be experiencing difficulties in keeping up with Ethiopian Airlines' expansion (WBGS, 2012).

2.12 Private Sector Organizations

Some of the main associations representing the interests of the private sector in tourism are:

- . Hotel Professionals Association of Ethiopia (HPAE)
- . The Ecotourism Association of Ethiopia (EAE)
- . The Ethiopian Tour Operators Association (ETOA)
- . The Ethiopian Hotel Association (EHA)
- . The Ethiopian Tourism Professionals Association (ETPA)

The Hotel Association and the Tour Operators Association are considered the strongest organizations. Yet both, as well as the others, face ongoing challenges of funding and membership. Most of the SMEs and unregulated businesses, such as guesthouses, entertainment and craft related businesses, are not organized. Despite previous attempts at inciting collective action, the sector is still lacking an umbrella association that can speak with one voice. This fragmented and weak nature of the private sector associations represents an important challenge for fostering an effective and legitimate public private dialogue (WBGS, 2012).

2.13 Training institutions and academic offerings

Ethiopia's main government operated vocational tourism training institution is the Catering and Tourism Training Center (CTTC) located in Addis Ababa. CTTC includes the Genet Hotel, which serves as a center for hands on training in hotel and catering services. The Institute has trained a total of 559 students from 2006 to 2010 (WBGS, 2012).

In addition to Addis Ababa University, various universities in the regions of the country have opened Heritage and /or Tourism Management Departments (including Axum, Gondar, Awasa, and Madawalabu) (European Commission, 2010). In some of the main sites of the Northern Circuit there are also vocational institutions. For example, in Lalibela there is a Vocational Training Institute with about 290 tourism students registered annually. In Axum, the Axum

University, Axum Business and Service College and the Vocational Education Training Institute together account for about 227 students registered annually (WBGs, 2012).

2.14 Benchmarking tourism development and competitiveness in Ethiopia

Tourism development

Although comparability of tourism data among African countries is challenging because of persistent differences in data collection methods and varying levels of accuracy, comparison can provide a useful perspective and reference point. In particular, comparing Ethiopian with Tanzania, Kenya, South Africa and Egypt provides a useful context for Ethiopia's tourism potential and limitations. Such comparison helps to identify areas for improvement as well as to highlight comparative advantages that could be turned into competitive ones. Comparison also provides indications of possible synergies with neighboring countries. It must, however, be taken into account that we are comparing an emerging African destination (Ethiopia) with mature destinations such as Egypt and high performing destinations such as South Africa. Thus, Egypt and South Africa work more as a source of contrast than as real comparators, while Tanzania as a high performing destination and Kenya as a destination in the process of repositioning itself are used more as real comparators. The rationale behind choosing these particular countries for benchmarking is the following.

- . They have the same top international source markets and thus represent potential competitors for Ethiopia
- . They have similar types of tourism products, such as conference and business tourism in Kenya and South Africa, and cultural heritage tourism in Egypt
- . Tanzania can tap into the international visitors to Kenya; Ethiopia may have a similar potential
- . Kenya, a potential partner in the development of multi-country, complementary packages (such as safari cultural heritage), is an important reference for Ethiopia in terms of capacity and product offering diversification (WBGs, 2012).

Table 2.17: Tourism benchmarking: Ethiopia, Tanzania, Kenya, South Africa, and Egypt

	Ethiopia	Tanzania	Kenya	South Africa	Egypt
General data					
Population (million) 2010	83	41.9	38.8	49.3	84.5
Population growth (%)	2.5%	2.8%	2.6%	1.1%	1.7%
Human Development Index (HDI) value	0.328 (low)	0.398 (low)	0.47 (low)	(medium)	(medium)
Economy					
GNI (US\$ billions), 2008	22.4	18.4	28.4	283.2	146.8
GNI per capita (US\$), 2008	280	44	730	5,820	1,800
GDP annual growth %, 2007-2008	11.3%	7.5%	1.7%	3.1%	7.2%
Contribution to GDP					
Agriculture	43.1%	26.4%	22.6%	3.0%	13.7%
Industry	13%	22.6%	15.3%	31.1%	37.3%
Services	43.9%	50.9%	62.1%	65.8%	49.0%
Tourism					
World Heritage Sites	10	7	4	8	7
Tourism arrivals, 2008 (000)	330	750	1,141	9,592	12,296
Average growth tourist arrivals (2000-2008)	12%	6%	5%	6%	12%
Tourism receipts (US\$ million)	1,184	1,293	1,398	9,178	12,104
Average tourists receipts growth (2000-2008)	25%	18%	15%	16%	14%
Average length of stay	4.5	12	12.1	7.5	n.a
Tourism segments (% of total arrivals) (2008)					
Leisure	30%	84%	71%	95%	n.a
Business	20%	5%	18%	3%	n.a
Others	50%	11%	11%	2%	n.a

Middle class composition (2010)					
Upper-middle class	3%	1.3%	1.6%	5.7%	11.0%
Lower- middle class	5.3%	1.5%	15.2%	14.0%	20.6%
Floating middle class	13.2%	9.2%	28.1%	23.4%	48.2%
Top international markets	USA, UK, China, Germany, Italy, India	UK, USA, Italy, Germany, France	UK, USA, Italy, Germany, France	UK, USA, Germany, Netherlands, France	Russia, Germany, UK, Italy, France

Source: World Bank at a Glance Factsheets, UNDP Human Development Report 2010, UNESCO, World Development

Comparison of Ethiopia’s socioeconomic and tourism indicators with the benchmarking groups shows Ethiopia’s strengths:

- **Fastest economic growth** with an important growth of the service sector, offering a good basis for the development of business tourism. This is also reflected by the lower average stay of tourists in Ethiopia and the important role of China and India as emerging source markets.
- **Strong tourism endowments.** Ethiopia has the highest number of World Heritage Sites, mainly cultural but also natural, reflecting the existence of a good foundation of tourism assets on which to build its tourism sector.
- **Fastest tourism growth,** though starting from the lowest base and having the smallest leisure tourism segment of the benchmarking group. This reflects the unsaturated nature of the tourism sector in Ethiopia and the potential for growth.
- **Potential for a diversified tourism development.** Between business and leisure segments, and also between international and domestic tourism, with a considerable number of upper-middle class in relative and absolute terms. (WBGs, 2012).

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter explains the methodology of the study including the design of the study, the setting where it took place, the sampling design that was used, the instruments and procedures that were used for data collection, and also a description of the way in which data was analyzed. The beginning of the chapter describes the methodology used to gather data. It then continues with a discussion of the five key components in the research design: research approaches, contact methods, sample plan, contact medium and data analysis.

3.1 Methodology

This research is basically problem solving kind research and the goal is to solve specific destination marketing problems such as segmentation, branding, image creation, destination positioning and destination marketing mix strategies.

The first step in methodology here was to ascertain the attitudes of the tourists towards the experiences gained by being a tourist in Ethiopia. This was done by collecting primary data using a survey technique. Additionally host community survey was conducted to gather data in relation to the host community attitudes on tourism and tourism management. In addition to survey method, interview method was used to gather the data on supply side. Basically managers of MoCT were interviewed using formal face to face interview method with semi structured interview schedule. Additionally tour operators, hotel managers, senior and certified tourism consultants were interviewed to represent the non-governmental tourist organizations at micro level.

3.2 Study site

MoCT, International Hotels, Tour Operation companies, senior and certified tourism consultants and other stake holders were used a study site.

3.3 Research approaches

Both qualitative and quantitative methods are used at the same time since they often complement each other. Similarly it is intended to improve the accuracy and validity of judgments by collecting both qualitative and quantitative data. The key here is to state that quantitative research is primarily used to gain an initial understanding of fundamental motivations for tourists', attitudes, preferences, and behavior. In depth interviews are used to gather most of the qualitative data while field surveys are used to gather most of the quantitative primary data.

3.4 Population and Sampling technique

3.4.1 Population

The total population included International tourists in Addis Ababa available at the time of data collection, host community residents, tour operators and hotel managers and senior certified tourism consultants.

3.4.2 Sampling technique

The target population of international tourists survey was all the end users (international travellers but not domestic travellers) who previously travelled or are/were currently travelling in Ethiopia while local community living in tourist destination becoming the population for the host community survey. The target population of the industry interviews included accommodation, hotels, resorts, restaurants and catering, tour operators and senior and certified tourism consultants.

A total of three sets of samples were developed in the study: end users, host community, the concerned authorities, Tour Operation and Hotel Managers and other tourism stake holders. Convenient sampling approach was used to select samples.

In the international tourist survey of persons contacted, spoke sufficient English to answer the questionnaire. In March and April 2014, a total of 80 questionnaires were distributed among host communities living in the so called tourist destinations. These questionnaires were administered with the assistance of an interviewer. Host community survey sample consisted of government

employees, private sector employees, retirees, self-employed individuals, unemployed individuals and students. In March and April 2014, a total of 80 interviews were conducted including with marketing managers representing the MoCT, also included tour operators, hotels and destination management people.

3.5 Sample size

A total sample size of 240 which comprises three categories namely International tourists (80), Host community (80) and tour operators and hotel managers and senior certified tourism consultants (80) were used to conduct the study.

3.6 Source and method of data collection

Both primary and secondary data were collected for the study.

3.6.1 Primary data collection

It involves using a questionnaire to survey a sample from a population. This study has used three different surveys, thus the study consists of three standard questionnaires by using a structured questionnaire and administering a sample of 80 tourists traveled in the tourist attraction areas in the country. These individuals were asked about their motivations and attitudes related to vacation travel in general, as well as their attitudes towards their experiences with various tourist destinations in Ethiopia.

The author of this thesis directly interviewed Tour Operators, Hotels, Restaurants and Tourism related persons to gather maximum information in addition to the data aimed with the questionnaire.

The host community attitude survey was conducted in a number of areas where possible interaction between tourists and the local people are evident. The questionnaire used for the host community survey is included in Appendix B.

3.6.2 Secondary data collection

Secondary data in the field of tourism marketing is conducted by examining various articles, books, journals and commercial materials of tourism marketing in Ethiopia. Data in relation to tourist arrivals and their demographic characteristics are gathered through WBGS (2012) and MoCT reports and publications. Furthermore, it indicates that the quality of these data is very high, making it a very reliable and useful source. The WTO publications also provide wide range of information on competitiveness and internal analysis.

3.7 Contact Methods, Scale and Measurements

For the purpose of surveys, this study adopted two questionnaires; one for international tourists and one for host community (see Appendices A and B). Questionnaire for international tourists' survey embraced demographic variables, trip characteristics, and a multiple item scale concerning tourist's sentiment toward destination marketing in Ethiopia. Questions were included reflecting elements of marketing mix, destination image, destination brand, and tourist satisfaction.

The surveys employed a combination of both closed and open ended questions. The closed questions allowed ratings to be obtained. Five point rating scales (Likert scales) were used to obtain overall ratings on international tourist and host community attitudes. Open ended questions were used to avoid 'leading' the responses, and to allow for a wide variety of feedback.

Destination image, expectation and tourist motivational attributes were selected based on reports and articles about Ethiopia and other similar destinations in the media and also from a result of discussions with tourists where they were asked to describe Ethiopia in their own words.

In order to collect the data within the boundaries of time, costs and the character of the study problem, a mixture of a structured questionnaire and interview checklists were used for interviewing the concerned authorities, Tour Operation and Hotel Managers and other Stakeholders. Managers are asked questions on marketing strategies they already practiced and were currently practicing (see appendices C and D). Interview checklist for managers is dominated by open ended questions, consisted of a total of 5 parts representing destination competitiveness, destination internal analysis, customer analysis, networks and partnerships and

managers' attitudes on destination marketing strategy. The final part was entirely based on closed questions following the pattern of Likert scales, rest of the parts are entirely consisted with the questions with open answers. The interview checklist for industry retailers' was entirely consisted with open ended questions.

3.8 Participants

This chapter analyses the results obtained from the total population. The total population is divided into three categories. These are International Tourists, Host Community and Tour Operators, Hotels, restaurants and Tourism related persons. Data was collected via questionnaires. The following table shows the response rate for completed and returned questionnaires.

Table 3.1: Response rate by group

No	Defined sample groups	No of sample size in each group		
		Distributed (D)	Collected (C)	% of relative (C/D)
1.	International Tourists	80	54	67.5%
2.	Host Community	80	54	67.5%
3.	Tour Operators, Hotels, restaurants and Tourism related persons	80 (interviewed)	72	90%
	Total	240	180	

Source: Survey data, March and April, 2014

As shown in the above table, from the total questionnaires distributed 75% are filled and returned. From the distributed questionnaires the majority collected is from Tour Operators, Hotels, restaurants and Tourism related persons, thereby resulting in response rate of 90%. International Tourists and Host Community had relatively lower response rate of 67.5% each.

3.9 Techniques of Data analysis

At first, identification of complete questionnaires data that can be analyzed was done. As the total population was clustered into different strata, the questions included in the questionnaires for each group were different. The analysis of the data collected used tabulation and graphs. The data was analyzed in relation to the questions established to guide the study. The result from the questionnaires, interviews and secondary sources were analyzed to draw general conclusions to answer the research questions of this study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

Most of the tourism literature addresses either the demand or the supply aspects of tourism. This study recognizes the importance of both sides and the need of addressing them with dual (both demand and supply) side perspective. Given the importance of this issue, it was necessary to find a common framework for destination marketing managers, which address both sides in a single picture. For the best practice of tourism marketing this study develops a comprehensive theoretical framework (figure 2.1) combining both demand and supply variables. The framework of study confirms that destination marketers have to achieve the strategic objectives set through internal analysis, customer analysis and competitiveness analysis and match the appropriate demand with supply, by using the entire range of marketing tools for delivering greater customer satisfaction. This study uses multi research approaches including questionnaires, interviews and observations. Moreover the study uses both primary and secondary data for analysis as well as drawing conclusions.

4.1 Host community

As per the research findings, the host community respondents seem to have understood that tourism development has implied progress in terms of economic benefits in the local areas they live in. On the other hand, they are reluctant to accept any kind of change that involves cultural modification with international tourism. Moreover, they do not accept international tourism as a source of cultivating crimes in the destinations. Host community has general agreement on international tourists as “friendly” people. In the case of new development work, promotion of specific destination activities and events for instance, the opinion of the host community group should be carefully examined to establish whether specific management strategies are needed to reduce the causes of their concern. On the other hand, a closer examination of the development supporters might provide insights into how to enhance the project’s positive aspects in marketing programs both inside and outside the host community. It is the responsibility of the central tourist agencies to work together and make the destination tourist friendly. It is important to encourage

residents to participate in tourism, and to understand better how to interact with tourists, and to gain income from tourism.

1. Occupation of the respondents

Table 4.1: Occupation of the respondents

Occupation	Frequency	Percentage
Government employee	21	38.89
Private sector	24	44.44
Self employed	3	5.56
Unemployed	3	5.56
Student	3	5.56
Total	54	100

Source: Survey data March – April, 2014

2. Influence of Tourists and Tourism Management Organizations

Table 4.2: Influence of Tourists and Tourism Management Organizations

Question	Level of agreement	Frequency	Percent	Descriptive statistics	
				Mean	Standard deviation
Tourists and tourism develop the area I live	Strongly agree	12	22.22	3.666667	0.94281
	Agree	18	33.33		
	Moderate	18	33.33		
	Disagree	6	11.11		
	Strongly disagree	0	0		
Tourism Management Organizations developed my area	Strongly agree	3	5.56	3.277778	0.98914
	Agree	24	44.44		
	Moderate	15	27.78		
	Disagree	9	16.67		
	Strongly disagree	3	5.56		
Tourism management organizations facilitate and encourage us to involve in tourism related business activities	Strongly agree	3	5.56	3.166667	0.89753
	Agree	18	33.33		
	Moderate	18	33.33		
	Disagree	15	27.78		
	Strongly disagree	0	0		

Source: Survey data March – April, 2014

As indicated above the host community members have a positive attitude towards tourists and tourism management organizations by being instrumental in developing the area and facilitating and encouraging them to involve in tourism related business activities. Only 5.56% of the total host community population strongly disagreed with the above finding.

3. Impacts of Tourists/Tourism

Table 4.3: Impacts of Tourists/Tourism

Question	Level of agreement	Frequency	Percent	Descriptive statistics	
				Mean	Standard deviation
Tourists destroy our culture	Strongly agree	9	16.67	2.166667	1.4625
	Agree	0	0		
	Moderate	9	16.67		
	Disagree	9	16.67		
	Strongly disagree	27	50		
Tourists destroy our natural environment	Strongly agree	0	0	1.666667	0.94281
	Agree	6	11.11		
	Moderate	0	0		
	Disagree	18	33.33		
	Strongly disagree	30	55.56		
Tourism encourages lots of crimes	Strongly agree	0	0	2	1.0541
	Agree	6	11.11		
	Moderate	12	22.22		
	Disagree	12	22.22		
	Strongly disagree	24	44.44		

Source: Survey data March – April, 2014

The survey reveals that tourists do not destroy the local culture, natural environment and encourage crimes. As indicated in the above table 50%, 55.56% and 44.44% of the respondents strongly disagreed with the assumptions that tourists destroy the local culture, natural environment and encourage crimes respectively.

4. Attitude towards tourists

Table 4.4: Attitude towards tourists

Question	Level of agreement	Frequency	Percent	Descriptive statistics	
				Mean	Standard deviation
Tourists are very friendly and kind	Strongly agree	18	33.33	4.055556	1.4625
	Agree	21	38.89		

	Moderate	15	27.78		
	Disagree	0	0		
	Strongly disagree	0	0		
Tourist facilities in my area should further be developed	Strongly agree	15	27.78	4.055556	0.7798
	Agree	30	55.56		
	Moderate	6	11.11		
	Disagree	3	5.56		
	Strongly disagree	0	0		
I like to talk with tourists and be a friend of them	Strongly agree	15	27.78	3.833333	0.8975
	Agree	18	33.33		
	Moderate	18	33.33		
	Disagree	3	5.56		
	Strongly disagree	0	0		

Source: Survey data March – April, 2014

The majority of the respondents have positive attitude towards tourists, resulting in friendly and kind communication between tourists and the host community members.

4.2 International Tourists

Many of the international tourists perceived Ethiopia as a country with rich cultural heritage, inexpensive destination, attractive tourist landmarks, and great hospitality to tourists, quality deluxe hotels and well-developed tourist facilities.

1. Occupation of the respondents

Table 4.5: Occupation of the respondents

occupation	In no.	percentage
Government employee	6	11.11%
Business Employee	21	38.89%
Education Employee	3	5.56%
Health employee	6	11.11%
Unemployed	0	0
Student	3	5.56%
Retiree	3	5.56%
Other	6	11.11%
Both Education Employee & Government employee	3	5.56%
Both Education Employee & Health employee	3	5.56%
Total	54	100

Source: Survey data March – April, 2014

2. Primary purpose of visiting Ethiopia

Table 4.6: Primary purpose of visiting Ethiopia

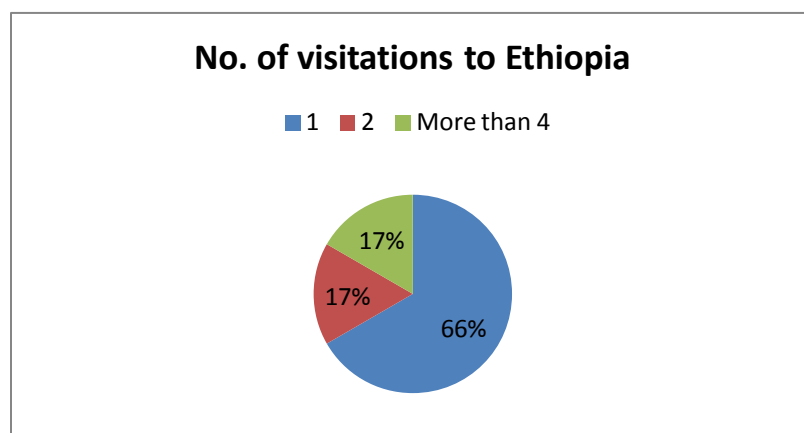
Primary purpose of visiting Ethiopia	In no.	percentage
Business	21	38.89%
Leisure/vacation	18	33.33%
Transit	0	0
MICE	9	16.67%
VFR	0	0
Study	3	5.56%
Both Business and Transit	3	5.56%
Total	54	100

Source: Survey data March – April, 2014

The survey reveals that Business and Leisure/Vacation are the main purpose of visiting Ethiopia for the majority of international tourists.

3. No. of visitations to Ethiopia

Figure 4.1: No. of visitations to Ethiopia



Source: Survey data March – April, 2014

As indicated in the above chart among the respondents who visited Ethiopia 66% of them have confirmed that it was their first time to visit Ethiopia, whereas the rest 34% of them have

confirmed that they visited Ethiopia more than once. This indicates that the country strongly needs global promotion.

4. Reason for visiting Ethiopia

Table 4.7: Reason for visiting Ethiopia

I came to Ethiopia because	Level of agreement	Frequency	Percent	Descriptive statistics	
				Mean	Standard Deviation
I have read about Ethiopia and wanted to experience it	Strongly agree	33	61.11	4.444444	0.83148
	Agree	15	27.78		
	Moderate	3	5.56		
	Disagree	3	5.56		
	Strongly disagree	0	0		
It has nice weather	Strongly agree	30	55.56	4.555556	0.4969
	Agree	24	44.44		
	Moderate	0	0		
	Disagree	0	0		
	Strongly disagree	0	0		
Ethiopia has interesting countryside and unspoiled natural habitat	Strongly agree	30	55.56	4.333333	0.81698
	Agree	12	22.22		
	Moderate	12	22.22		
	Disagree	0	0		
	Strongly disagree	0	0		
I can take advantage of the currency exchange rate	Strongly agree	6	11.11	2.833333	1.16667
	Agree	9	16.67		
	Moderate	15	27.78		
	Disagree	18	33.33		
	Strongly disagree	6	11.11		
It has personal safety even when travelling alone	Strongly agree	9	16.67	3.722222	0.80316
	Agree	24	44.44		
	Moderate	18	33.33		
	Disagree	3	5.56		
	Strongly disagree	0	0		

Source: Survey data March – April, 2014

The survey reveals that the reasons for visiting Ethiopia for the majority of international tourists are mainly the nice weather, interesting countryside and unspoiled natural habitat of Ethiopia and relatively is safe to travel even alone.

5. Places of touristic interest, Travel and Tourism Business environment and infrastructure in Ethiopia

Table 4.8: Places of touristic interest, Travel and Tourism Business environment and infrastructure in Ethiopia

Ethiopia.....	Level of agreement	Frequency	Percent	Descriptive statistics	
				Mean	Standard Deviation
is an inexpensive destination	Strongly agree	21	38.89	3.611111	1.904321
	Agree	10	18.52		
	Moderate	9	16.67		
	Disagree	9	16.67		
	Strongly disagree	5	9.26		
has tourist landmarks	Strongly agree	20	37.04	4.12963	0.594307
	Agree	21	38.89		
	Moderate	13	24.07		
	Disagree	0	0		
	Strongly disagree	0	0		
has rich cultural heritage	Strongly agree	25	46.3	4.259259	0.599451
	Agree	18	33.33		
	Moderate	11	20.37		
	Disagree	0	0		
	Strongly disagree	0	0		
offers great hospitality to tourists	Strongly agree	15	27.78	3.981481	0.573731
	Agree	23	42.59		
	Moderate	16	29.63		
	Disagree	0	0		
	Strongly disagree	0	0		
has better ICT infrastructure	Strongly agree	3	55.56	2.722222	1.274691
	Agree	13	24.07		
	Moderate	11	20.37		
	Disagree	20	37.03		
	Strongly disagree	7	12.96		
has quality deluxe hotels	Strongly agree	8	14.81	3.333333	1.407407
	Agree	21	38.89		
	Moderate	11	20.37		
	Disagree	9	16.67		

	Strongly disagree	5	9.26		
has poor guide service	Strongly agree	4	7.4	2.62963	1.270233
	Agree	9	16.67		
	Moderate	11	20.37		
	Disagree	23	42.59		
	Strongly disagree	7	12.97		
has unethical practices in travel trade business	Strongly agree	2	37.03	2.518519	0.990398
	Agree	7	12.96		
	Moderate	15	27.78		
	Disagree	23	42.59		
	Strongly disagree	7	12.96		
has a well-developed tourist facilities	Strongly agree	2	3.7	3.055556	1.015432
	Agree	20	37.04		
	Moderate	14	25.93		
	Disagree	15	27.78		
	Strongly disagree	3	5.56		

Source: Survey data March – April, 2014

The measures for this pillar are depicted in the above table. The table shows the mean scores for each factor, out of the maximum of five. All the listed factors are above the neutral 3 except to better ICT infrastructure, poor guide services and unethical practices in travel trade business. Many of the international tourists perceived Ethiopia as a country of rich cultural heritage with a significant level of approval exceeding the satisfying four mean. Rest of the pillars is positioned between moderate and satisfactory mean values.

6. Tourism Advertisements

Table 4.9: Tourism Advertisements

Question	Level of agreement	Frequency	Percent	Descriptive statistics	
				Mean	Standard Deviation
Tourism Advertisements in Ethiopia are misleading	Strongly agree	0	0	2.555556	0.68494
	Agree	3	5.56		
	Moderate	27	50		
	Disagree	21	38.89		
	Strongly disagree	3	5.56		
Most of the advertising materials used to promote Ethiopia are useless	Strongly agree	0	0	2.444444	0.68494
	Agree	3	5.56		
	Moderate	21	38.89		
	Disagree	27	50		
	Strongly disagree	3	5.56		

Source: Survey data March – April, 2014

The survey shows that most of the respondents are neutral with regard to tourism advertisements.

7. Attitude towards visiting sites in Ethiopia

Table 4.10: Attitude towards visiting sites in Ethiopia

Question	Level of agreement	Frequency	Percent	Descriptive statistics	
				Mean	Standard Deviation
Most of the locations are traditional	Strongly agree	6	11.11	3.444444	0.68494
	Agree	12	22.22		
	Moderate	36	66.67		
	Disagree	0	0		
	Strongly disagree	0	0		
Most tourist destinations are improved	Strongly agree	3	5.56	3.222222	0.53287
	Agree	6	11.11		
	Moderate	45	83.33		
	Disagree	0	0		
	Strongly disagree	0	0		

Source: Survey data March – April, 2014

Most of the international tourists believed that the attitude they have towards visiting sites in Ethiopia is moderate.

4.3 Tour Operators, Hotels, Restaurants and Tourism Related Persons

Interviews were conducted with and interview check list were distributed to tour operators, hotels and restaurant managers and tourism related persons. In this survey, senior and certified travel and tourism consultants, managing directors and general managers, and tour operation managers of travel and tour operation companies who have over 15 years of work experience in tourism are included.

Among the major questions, particular emphasis was given with regard to the effectiveness of the overall promotional efforts that have been carried out so far by the concerned authorities in particular and other stakeholders in general to promote Ethiopia's tourism. Though, tourism promotion activities conducted by public and private organizations are not result oriented as stated by some respondents. Many respondents however, have vehemently indicated that the concerned authorities, though some efforts are being made, do not play a significant role in promoting Ethiopia as an international tourist destination. They also have clearly indicated that Ethiopian Airlines and private travel and tour operation companies play a much significant role

in promoting Ethiopia's tourism by attending tourism trade fares and exhibitions in various countries, funding tour operations in foreign countries, etc.

Regarding the development of the tourism marketing strategy of the country and the controlling of the implementation of strategies, it is pointed out that through continuous efforts, firm communication and cooperation private travel and tour operators and tour companies play a major role in developing the tourism marketing strategy of the country, though the MoCT has the mandate to control the implementation of marketing strategies.

It is essential to point out that a new tourism marketing strategy is being conducted by international consultants. The recently established body (The Ethiopian Tourism Organization), which is operating under the MoCT, is in charge of implementing the tourism marketing strategy.

In relation to the development of facilities in hotels and restaurants for tourists: the following measures are suggested that should be taken by supervising authorities.

Provision of necessary trainings for employees working in the hospitality industry

- Classification of all accommodation and catering establishments
- Conducting regular supervisions and control on the quality of services

It is also pointed out that more good standard hotels and restaurants should be established in touristic places of interest and in local areas. The hotels should be run by professional workers who should embody the artistic value of hotels and should be creative in order to render proper services to tourists that satisfy their needs.

Another area that is very important for the development of tourism in the country relates to transportation facilities for tourists. It is suggested that there is a need for:

- Provision of incentives for the purchase of vehicles and boats for specialized tourist transport providers
- Introduction of taxi meters for taxies in large cities/towns
- New convenient roads have to be built in South West Ethiopia and in the Afar region, with access to the volcanic site (Ertale) and in other places of touristic interest.

- Infrastructures should be developed
- Existing roads must be repaired
- Clean and workable cars, more tour buses like the Sky Bus for ground transportation should be available so that tourists can visit places of their interest by themselves
- By continuing importing of many duty free privileged four wheel drive vehicles

Regarding tour guide services, it is suggested that there is a need to further enhance this particular area of service. Thus, there is a need to:

- Have standardized interpretation of tourist attractions and sites
- Provide specialized and tailor made trainings for tour guides such as core values of ethics, various national and international languages.

4.4 Reliability and validity of the study

Reliability concerns the extent to which an experiment, test, or any measuring procedure yields the same results on repeated trials (Carmins and Zeller, 1979). It is clear that whenever we measure anything there is always a chance for scientific investigation (ibid). Two sets of measurements may not duplicate each other exactly even if we repeated the same study with the same sample.

The validity of a scale refers to the degree to which it measures what it is supposed to measure. Unfortunately, there is no one clear-cut indicator of a scale's validity. The validation of a scale involves the collection of empirical evidence concerning its use.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Ethiopia is well positioned to address the constraints that hinder the full development of tourism as a leading source of growth and employment generation. It is an untapped and well located destination for business and leisure tourism steadily growing from a low base, and with a good mix of unspoiled and underexplored culture and nature based tourism resources (WBGS, 2012).

Ethiopia's National Tourism Development Policy (NTDP) pillars set the framework to strategically develop the sector. The strategic interventions proposed in this study build on the NTDP's pillars drawing lessons from other emerging and competing tourism destinations' best practices, as well as successful Ethiopian economic sectors such as floriculture. Strengthening these pillars is necessary to improve the tourism sector's level of competitiveness and job generation potential, and gradually move it from the underperforming scenario in which it currently stands to a scenario whereby tourism growth and employment generation potentials are fully realized (WBGS, 2012).

Achieving a public sector that gradually engages in a facilitating and problem solving role; ensures a bigger and more conducive space for the private sector and the regions; and incentivizes positive generation and poverty reduction potentials (WBGS, 2012).

5.2 Conclusion

This study analysis has presented common factors thought to be influential over the competitive position of Ethiopia; moreover it has also identified strengths and weaknesses of some of the common measures, which can be used for ranking destinations and evaluating their performance levels by potential tourists to Ethiopia. Findings reveal that tourism infrastructure developments are most needed. Although Ethiopia is rich in natural, historical and cultural attractions tourists do not consider it as well developed tourists' destination. Therefore, initiations should be made to develop the supplementary benefits of the destination. Customer analysis of the study concludes the diverse nature of the customers who are visiting Ethiopia. Unlike in the past, Ethiopia attracts different tourists from different destinations with different motivations and behaviors.

The study makes an important contribution to the understanding of brand image, branding strategy and positioning in the context of Ethiopia as an international tourist destination. Results of the study indicate that destination image, destination brand and destination positioning are as related concepts. The overall analysis indicates that Ethiopia can develop its image as a diversified destination image, which is fairly well established. It has significantly higher degree of positive images in the mind of customers as natural, historical and cultural, adventure, shopping and scenic beauty attributes of the destination. It lacks a positive image mainly on the domestic transport infrastructure. A well planned image promotion campaign after building a sophisticated roads and railway system (which is currently under way) in this area could be extremely helpful.

Ethiopia's destination product mix consists of three main product lines natural, cultural and historical and social. All of these three lines of core product benefits are in satisfactory level but it does not support most of the supplementary petals of the flower of service in Lovelock's (2005) discussion. Attractions alone do not attract visitors. It is often the "experience" that finally provides the value to the traveller. Restaurants, Bars and Cafes and Retail Outlets petals are strong and attractive enough to generate higher degree of positive satisfaction. The rest of the supplementary pillars have to be developed. Special attention should be given to nightlife and ICT infrastructure of the destination. Additionally, good and safe transportation which links destinations and airports and more locally hotels, local towns and attractions are essential. Ethiopia's destination marketers must be very strategic in handling the destination promotion

efforts. As in the analysis, destination promotions have not been regarded as enjoyable campaigns. As well, it has not covered some market segments effectively. Destination promoters of Ethiopian Tourism should cultivate a strong brand name with consistent messages to international tourists in order to get effective results.

As this study has been investigating different dimensions of international tourism marketing, both the methodology and findings could be helpful for other researcher. Although the study findings are useful for both tourism practitioners and academic researchers to understand better destination marketing for international tourists, this research was limited in scope of time span and sample size. Repeating the study with a larger sample, with multiple times in the future will generate more generalized conclusions.

Therefore, further research on this topic will be required to conduct in the future.

5.3 Recommendation

It is important that the DMO continue to effectively market the tourism industry for international tourists. Government needs to allocate a sufficient budget for the successful marketing of tourism and DMOs should effectively manage it to build strong brand perception through building positive destination image and effective positioning while enhancing the effectiveness of other marketing efforts such as product, price, distribution, promotion, people and participation.

In 2014, Ethiopia is still using the “Thirteen months of Sunshine” slogan developed to promote tourism in the 1960’s. There is no doubt that the country is in great need of defining a strong and enduring image and brand that not only reflects Ethiopia’s uniqueness and diversity, but also helps to change persistent negative perceptions of the country as a land of poverty, conflicts and droughts (WBGs, 2012). Therefore, there is a strong need to change the long-serving tourism slogan with a new one.

The country’s image, dearth of trained manpower, poor infrastructure (absence of convenient roads, communication and good standard hotels), an absence of well coordination and poorly kept national parks, the deterioration and lack of sustainable conservation and restoration of the historical sites and monuments such as Lalibela rock hewn churches are some of the major problems that the tourism sector is now facing. Though encouraging steps are being taken by the government, other institutions and tourism stakeholders to address these issues, it is obvious that much more work remains to be done by all concerned.

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Appendices

Appendix A: International Tourists' Survey Questionnaire

This research is organized by Cheramlak Lemma, Master of Art student of Addis Ababa University, School of Commerce to gather data in connection with the tourism industry of Ethiopia for my thesis entitled “**Marketing Ethiopia as an International Tourist Destination**” to fulfill the requirements of Master of Arts in Marketing Management. I would kindly ask you to participate in this research which is confidential and anonymous.

Questionnaire 1: For International Tourists

1. Which of the following best describes you?

Please select one

Government employee	
Business employee	
Education employee	
Health employee	

Unemployed	
Student	
Retiree	
Other	

2. The primary purpose of visiting Ethiopia:

Please select one

Business	
Leisure/vacation	
Transit	
MICE	
VFR	
Study	

3. How many times have you visited Ethiopia? (Please check)

1st; 2nd; 3rd; 4th; or, more

4. When did you visit Ethiopia last?

5. Where is your usual country of residence?

6. What is the main language that you speak at home?

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7.1 Do you speak other languages?

Yes	
No	

7.2 If the answer is “Yes”, please indicate:

8. Is English your preferred language for reading?

Yes	
No	

9. Can you speak or understand Amharic which is Ethiopia’s national language?

Yes	
No	

10. Please indicate why you selected to visit Ethiopia by answering the following questions.

Instruction:

This part of the questionnaire is designed to collect information based on Likert rating scale where each question has five alternative choices of (5 = strongly agree; 4 = agree; 3 = moderate/neutral; 2 = disagree; 1 = strongly disagree).

Please put “ ✓ ” mark in the box representing your opinion/attitude.

Questionnaire Items	Your attitude/opinion				
	Strongly agree 5	Agree 4	Moderate/ Neutral 3	Disagree 2	Strongly disagree 1
I have read about Ethiopia and wanted to experience it					
I wanted a very different vacation					
I wanted some sun and warmth					
I can take advantage of the currency exchange rate					
It is the best deal I could get					
I believed Ethiopia would provide value for my holiday/vacation					
I wanted to visit friends and relatives					
I could access to comprehensive tourist information					
It is a place I can talk about when get back home					
I have not visited Ethiopia before					
I have opportunities to increase my knowledge about places, people and things					
I can visit Ethiopia's magnificent and fascinating historical monuments and sites and cultural heritages					
Ethiopia has interesting countryside and unspoiled natural habitat					
I wanted to get a change from a busy job					
I wanted to escape from the ordinary					
I wanted to be in romance					
I wanted to find thrills and excitement					
It has quality environment					

It has personal safety even when travelling alone					
It has nice weather					
It has outstanding scenery					
I wanted to try cultural foods					
It has unique wilderness and adventure					
It has outdoor activities such as hiking, mountain climbing, water-rafting, etc...					
I have an opportunity to practice a foreign language					
I have an opportunity to buy various types of souvenir items and cultural goods					
I have an opportunity to visit art galleries, museums, etc...					
I wanted to just relax					
It has high standards of hygiene and cleanliness					
I wanted to experience new and different lifestyle					
I wanted to see people from different ethnic backgrounds					
I have an opportunity to see or experience unique indigenous people					
I wanted to meet new and different people					

11. What do you like most in Ethiopia?

12. What are the places you have visited within Ethiopia?

13. What places do you intend to visit next time in the future?

14. How do you describe Ethiopia?

Questionnaire Items	Your attitude/opinion				
	Strongly agree 5	Agree 4	Moderate/ Neutral 3	Disagree 2	Strongly disagree 1
Ethiopia is an inexpensive destination					
It has variety of good arts					
It has tourist landmarks					
It has rich cultural heritage					
It has magnificent and fascinating historical monuments and sites					
It has interesting countryside and unspoiled natural habitat					
It has rich fauna and flora					
It is good for inexpensive shopping					
It offers great hospitality to tourists					
It has better ICT infrastructure					
It has quality deluxe hotels					
It has good transportation facilities					
It is a less exploited destination (close to nature)					
It is unsafe due to petty crimes					
It is a country of cheaters					
It has poor guide services					
It is a destination with unhygienic conditions					
It does not have a good night life					
It has poor quality of roads					
I suffered due to nuisance caused by beggars					
It has unethical practices in travel trade business					
Ethiopia has a pleasant climate					
Ethiopia has a well-developed tourist facilities					
I can experience a sense of adventure in Ethiopia					
A holiday in Ethiopia could be surprising					

Ethiopia offers many opportunities to increase my language					
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15. Please select your attitude/opinion on the following statements.

Questionnaire Items	Your attitude/opinion				
	Strongly agree 5	Agree 4	Moderate/ Neutral 3	Disagree 2	Strongly disagree 1
Most of the locations are traditional					
Most of the attractions I visited are perfect					
Most of the places I visited are meaningless					
Most tourist destinations are improved					
Promotional information given is false					
Most of the advertising materials used to promote Ethiopia are useless					
Tourism advertisements in Ethiopia are enjoyable advertising					
Tourism advertisements in Ethiopia are misleading advertising					
The food and meal are overpriced					
Prices for tour guiding services are reasonable					
Entrance charges to attractions are fair					
Charges for accommodation and hospitality services are fair					
Tour operations in Ethiopia provide excellent services					
Hotels and restaurants in Ethiopia provide unpleasant services					
People /Businesses engaged in retailing provide helpful services					
National parks are well conserved and preserved					
Tourism guidance and information are perfect					
Airport services are excellent					

/perfect					
The hotels provide modern recreational facilities (e.g. Spa, Gym, etc...)					
The hotel's rooms have visible (quality) amenities like TV, Phone, Safe, Refrigerator, etc...					
Hotels and restaurants in Ethiopia provide excellent services					
The historical and cultural heritage sites and monuments are well protected, preserved and conserved					
Tourists are seen as very friendly and kind by host community residents and rural people					

Thank you very much for your kind support.

Appendix B: Host Community Survey Questionnaire

This research is organized by Cheramlak Lemma, Master of Art student of Addis Ababa University, School of Commerce to gather data in connection with the tourism industry of Ethiopia for my thesis entitled “**Marketing Ethiopia as an International Tourist Destination**” to fulfill the requirements of Master of Arts in Marketing Management. I would kindly ask you to participate in this research which is confidential and anonymous.

Questionnaire 2: For host community

1. Which of the following best describes you?

Please select one

Government employee	
Private Sector	
Retiree	
Self employed	

Unemployed	
Student	
Other	

2. Is any member of your family employed in tourism related job?

Yes	
No	

3. Please indicate your attitude on the followings.

Questionnaire Items	Your attitude/opinion				
	Strongly agree 5	Agree 4	Moderate/ Neutral 3	Disagree 2	Strongly disagree 1
Tourists and tourism develop the area I live					
Tourism management organizations facilitate and encourage us to involve in tourism related business activities					
Tourism management organizations developed my area					
Tourists destroy our culture					

Tourists destroy our natural environment					
Tourism encourages lots of crimes					
Tourists are very friendly and kind					
Tourist facilities in my area should further be developed					
I like to talk with tourists and be a friend of them					

4. Tourists from _____ countries are very friendly and kind.

Thank you very much for your kind support.

Appendix C: Interview Check –list: For Tour Operators, Hotels, Restaurants and Tourism Related Persons

This research is organized by Cheramlak Lemma, Master of Art student of Addis Ababa University, School of Commerce to gather data in connection with the tourism industry of Ethiopia for my thesis entitled “**Marketing Ethiopia as an International Tourist Destination**” to fulfill the requirements of Master of Arts in Marketing Management. I would kindly ask you to participate in this research which is confidential and anonymous.

1. Gender

Male

Female

2. Job position

3. Experience related to tourism business

A. 0 – 5 years

B. 6 – 10 years

C. 11 – 15 years

D. Over 15 years

4. Type of business:

5. Number of direct employees:

6. Number of indirect employees:

7. Do you see any tourism marketing opportunity in the areas where tourism is not yet developed?

- What are they?

- What types of activities are possible to perform?

- What type of government support is needed to develop tourism in those areas?

8. Please list five best countries your most satisfied customers come from?

9. Please list the most interested activities of tourists according to your experiences?

10. Do you think transport facilities for tourists can further be developed?

- If your answer is yes, how?

11. Do you think facilities in hotels and restaurants for tourists can further be developed?

- If your answer is yes, how?

12. Do you think tour guide services and facilities for tourists can further be developed?

- If your answer is yes, how?

13. Does Ethiopia have a tourism policy? If Ethiopia does have one, is the policy implementation strategy well developed?

14. How do you assess the effectiveness of the overall promotional efforts that have been carried out so far by the concerned authorities in particular and other stakeholders in general to promote the country's tourism?

15. How is the tourism marketing strategy of the country developed and who has the mandate to control the implementation of the strategies?

16. Do you make any customer satisfaction survey?

17. What sort of marketing activities do you perform to market your services for international tourists?

18. How do you coordinate your marketing activities?

19. Do you implement any quality management program in your organization?

- If the answer is yes, please explain the program in brief.

Thank you very much for your kind support.