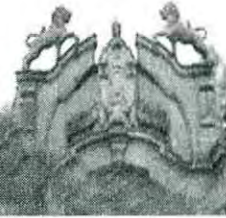


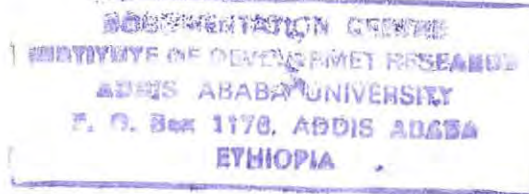
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The Role of Tour Operators in Ethiopian Tourism Development

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A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree
of MA in Tourism and Development in the Institute of Development Studies

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**ADDIS ABABA UNIVERSITY
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Tourism and Development

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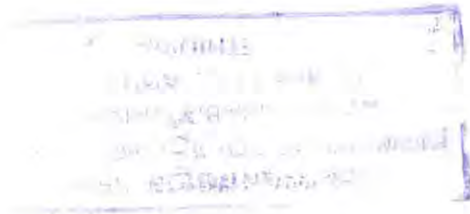


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Acronyms

ETC	Ethiopian Tourism Commission
ETO	Ethiopian Tourist Organization
ETOA	Ethiopian Tour Operator Associations
ETTC	Ethiopian Tourist Trading Corporation
NHC	National Hotels Corporation
NTOTA	National Tour Operation and Travel Agency
TO	Tour operator

ABSTRACT

If Ethiopia is to effectively exploit its great tourism potentials, it needs to have the appropriate infrastructures and key enablers of the sector. Tour operating firms are key players in the tourism sector. Recognizing this fact, this study is aimed at identifying the major roles played by tour operating firms in Ethiopia, and their defining characteristics such as their branch distribution, promotional methods they employ, the skills and training of their personnel, and the level of involvement of local communities in their operations. The survey used different instruments to collect data from a sample of 40 different tour operating firms in Addis Ababa. The survey findings indicate that tour operating firms are highly vertically integrated, have low branch distributions in tourist attraction sites, employ a few promotional media, and involve local communities in some forms of tourism activities at tourist destination sites. The sector is also characterized by lack of skilled man power and appropriate infrastructures.

Addis Ababa University
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The Role of Tour Operators in Ethiopian Tourism Development

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1. Background

Most analysts agree that tourism is the world's biggest and the fastest growing industry (Van Beugen, 2005; Tepelus, 2000; TOI, 2003) accounting for 11.7 % of the World's GDP, providing one in every ten jobs, and is forecasted to grow at 4.1% per year in the next 20 years (Tepelus, 2000). The number of travelers internationally at the beginning of this century was over 650 million people annually and this is expected to increase to 1600 million in two decades (Van Beugen, 2005). Although some emerging economies are showing substantial tourist-generating ability the source for international tourism is still relatively concentrated in the industrialized nations in Europe, North America and Asia and Pacific region (Zhang and Lynch, 2008). The tourism sector in Ethiopia has been growing more rapidly than it did before; although it lags far behind the pace made by the rest of the East African Region (Tariku and Klaus, 2008). Between 2002 and 2005, for instance, the sector showed an annual growth rate of 11.4% for tourists and 16.6% for revenue (FDRE 2008).

Tourism is not only a huge industry but also a complex one too. It comprises of large and small companies from multinational corporations that own hundreds of other companies to family run small tourism businesses like guest houses (Tepelus, 2000). One of such businesses that facilitate the tourism is the tour operating industry. Tour operators are a central link in the tourism supply chain having the potential to influence both the tourists and the primary producers of tourist services (Tepelus, 2000). They have also increasingly emerged as the most powerful and influential factor of international flows

from the main generating countries to various destinations (Andriotisy, 2004). Their significance has grown in the last 50 years to such an extent that they have become economic entities with a large influence in many tourism destinations areas around the world (Cavlek, 2004). International trips, which were once a luxury only for the wealthy became affordable for almost the entire population of the source countries after the introduction of inclusive tours organized by tour operators at a price significantly lower than the total sum each individual would have paid directly to the respective providers (airlines, hotels, etc.) (Koutoulas et al, 2009).

In addition to its growing importance, the tour operation is changing faster than any other sector in tourism as a result of the growth of low-cost airlines and Internet-based travel arrangements (Schwartz et al, 2008). In spite of the significance of the tour operating industry within the tourism sector research has given only a peripheral attention to it Cavlek (2004) argued in this regard that not much has been said or written up to now on the role of and significance of tour operators on the development of tourism. For the sake of rapid and sustainable progress in the tourism industry it is necessary for tourism research to focus on the role of the tour operators in facilitating travel in domestic as well as international tourism. In the words of Cavlek (2004),

“The intensity of their (Tour operators) development in the world so far shows that they are actors who can adapt to changes and to new trends in the tourism market relatively quickly and successfully. Day to day they are becoming a more significant part of the overall tourism system and must be researched further.”

2. Statement of the problem

Ethiopia possesses enormous potential for the expansion of tourism. It has great cultural, historical and natural attractions. Nevertheless, it has not been exploiting its potential adequately. There are several business organizations in Ethiopia, particularly in Addis Ababa, which are directly or indirectly connected with the tourism sector of the economy. Each of them has their own particular roles to play in enhancing or retarding tourism in Ethiopia. It is already indicated that tour operators occupy key positions between demand and supply in tourism. There are close to a hundred tour operation business firms in Addis Ababa alone. In view of their importance in running the tourism sector, they form the most useful target for research aimed at investigating the reasons why the tourism sector in Ethiopia has not been as productive as it is expected to be. By trying to understand the operational details of this particular business firms, it may be possible to identify the key problems and find solutions for them.

3. Objectives of the research

❖ General objective:

To examine the role played by tour operators in Ethiopian tourism.

❖ **Specific objectives:**

1. Narrate the history of tourism and the tour operating industry in Ethiopia
2. Identify the types of business outlets of the tour operators, and explore the linkages, level of vertical and horizontal integration of their business
3. Study how tour operators create and develop destination images
4. Examine the methods of communication they use for promoting destinations, and effect of the internet and the modern media on the businesses of tour operators
5. Examine the safety rules and the extent of responsibilities the tour operators have for the tourists
6. Examine their relationships with destination communities so as to understand how destination friendly and sustainable their businesses are

4. Research questions

1. How did tour operation start and develop in Ethiopia?
2. How do tour operators start their business (licensing/accreditation, etc.)?
3. What is the nature and extent of the linkage tour operators have with outbound tour operators overseas?
4. What is the nature and extent of linkage tour operators have with the rest of the private businesses and the public sectors?

5. What is the level of vertical and horizontal integration in the tour operating business?
6. How do tour operators create and develop destination images?
7. What kinds of communication methods do they use for promoting destinations?
8. What is the nature of relationship of tour operators have with destination communities?
9. What are the safety rules and the extent of responsibilities of the tour operators for the tourists?

5. Delimitation of the research

In spite of the fact that tour operators could also be found in other regions, this research is restricted to those who have their businesses located in Addis Ababa. This focus is deserved because the majority of tour operators are located in the City. So the research restricted itself to the Addis Ababa-based tour operators, other related businesses, and the public sectors with links to tour operating business located within Addis Ababa.

6. Limitation of the research

The research has set as one of its objectives and research questions 'the nature of the relationship tour operators have with destination communities and how destination friendly are their businesses'. Information about this had to be gathered from the destination areas if it is to be fully reliable. However, it is almost impossible to do that

given the research budget and time constraints the research has. To alleviate this limitation the responses of the tour operators, **were cross-checked** through interviews with the Ethiopian Tour Association and experts in the Ministry of Tourism. Whatever involvement tour operators have in domestic tourism **were not** covered here given the complexity of sources of visitors and their destinations. Hence, the study were confined to Tour operation serving international tourists.

7. Methodology

7.1. The Study Population

The study has been focused on the tour operators that are based in Addis Ababa city. A list of tour operation firms in Addis Ababa is available from the Culture and Ministry of Tourism. There are 204 of them in this list; all have head offices in Addis Ababa. Therefore the sample size is determined to be 40 taking all the time and resource constraints of the study in to account.

7.2. The Data collection process

The research was done based on both primary and secondary data. The primary data collected through questionnaire and interview. Secondary data was also used in this study through viewed book, magazine, broacher and web pages for the use of Ethiopian tourism history and the history of Ethiopian Tour operating industry.

7.2.1. Data Sources

The data (quantitative and qualitative) which is expected to help answer the research questions were collected from the following sources:

A survey questionnaire was used to collect the primary data from the sample selected using simple random sampling (40 tour operators) for this study. Also 4 tour operators from sample were selected randomly and the interview had taken place.

Relevant officials and expert from Ministry of Culture and Tourism, Ethiopian Tour Operators Association (ETOA), Ministry of Trade and Industry, National Tour Operation and Travel Agency Enterprise Ethiopia former National Tourism Organization (NTO), and Ethiopian Airlines were interviewed based on purposive sampling method.

7.3. The Data Analysis

The responses of the respondents were analyzed to gain insights into both qualitative and quantitative aspects of the tour operator activities used by their firms.

Both qualitative and quantitative analysis of the collected data from the respondents' firms has been made. In quantitative analysis of the data obtained through questionnaire survey is presented using simple frequency tables; charts and figures. The results of the interviews and document analysis have been presented textually.

8. Significance of the research

Tour operators are key players in the tourism industry. Governments should focus on these key actors in the tourism distribution channels if some of the problems common to developing countries' tourism development efforts are to be overcome (Gartner and Bachri, 1995). Hence, if tourism is to bring the expected benefits to Ethiopia the activities of these important actors has to be strengthened in such a way that there could be mutual benefit for the Country, for the destination communities, for the tourist and for the tour operators. This study, which tries to understand how the tour operators' business is being conducted, could be of some help for the efforts being made to solve problems and enhance the positive developments in the business in particular and in the tourism sector in general.

9. Organization of the Study

This study comprised four chapters. In chapter one, the introduction part, the researcher have deal with the statement of the problem and objectives of the study. In this part is also presented the methodology used to conduct the study. Chapter two is on the conceptual frame work discussion on the different terms and issue like-defining classification of tour operators, history of tour operators and the nature of products and services offered by the tour operators etc. Chapter three discusses the history of tourism and Tour operators industry in Ethiopia, analyses and discusses the practices of tour operators in the study area. Chapter Five summarizes the major findings, conclusions, and recommendations based on the analyses and discussions.

Chapter Two

2. Related Literature

2.1. Definition and Classification of Tour Operators

Many authors have defined the term tour operators in various, but essentially similar, ways. A tour operator typically combines tour and travel components to create a holiday package (wikipedia.org). They are referred to as wholesalers who buy in bulk from the suppliers of travel products and services, break the bulk into manageable packages and sell as package holidays to travel agents and also directly to the consumers (Koutoulas et al, 2009; Van Der Merwe, 2003; Tepelus, 2000). Tour operators act not only as wholesalers but also as producers by creating a new product referred to as the “inclusive tour”, resulting from putting individual components of the tour together and offering it at an overall price (Koutoulas et al, 2009). Tour operators, according to Budeanu (2000), have a central connection between customers and providers of services, possessing the power to influence both. One problem of the definition of tour operators that is indicated in the literature is making a distinction between tour operators, tour brokers, tour agents and tour guides.

According to Van Der Merwe (2003), tour brokers do most of the things that tour operators do, i.e. coordinate between client and service provider by arranging tour itineraries, game safaris and accommodation. The main difference is that tour operators own vehicles; whereas, tour brokers don't possess but hire vehicles. Unlike tour

operators, who are wholesalers of holiday packages, the travel agents are tour retailers who provide products and services package business tours, theatre bookings, car hire, cruising holidays, air or rail tickets, travel insurance, foreign exchange, and visa and passport applications, etc. Tour guides, who are expected to know the details and the safety situations of the destination area very well guide visitors in the language of their own and interpret the cultural and natural heritage of the areas. Tour guides could be hired by the tour operator.

The literature classifies tour operators based on the one hand on their geographical location relative to the origin and destination of the tourists, and based on the kinds of services they provide. Tour operators are categorized as “outbound” and “inbound” where the former are located in the home countries of the tourists and sending the visitors to destinations in different parts of the world and the latter are located in the receiving countries meeting travelers at airports, ports and border crossings (Tepelus, 2000). The inbound operator may be an independent business, a subsidiary company that is owned by the outbound operator or a joint venture involving both (Higgins, 2001). The other classification scheme of tour operators is that tour operators can be “mass operators” when they provide the traditional or miscellaneous package tours, which involve all kind of people; and tour operators can be “specialized operators” when they create niche markets of specific products for particular needs of particular groups of people, such as cycling tour, spa, etc. for teenagers, married couples, etc. (Budeanu, 2000). This

classification in line with the what Hebestreit (1992), in Koutoulas et al (2009), identified as ready-made inclusive tours and tailor-made tours.

2.2. History of Tour Operation

Cavlek (2004) has documented the history of tour operation, tracing it from the 1950s in which it emerged as a key component of the global tourism business. The Political, economic, technological, and environmental changes after World War II have created a situation where developing countries became aware of their tourism potential, and developed countries as generators of mass tourism demand became aware of the attractiveness of the destinations. Business entities, which came to be known as tour operators sensed the opportunity to make profits from supplying packaged holidays to a great number of people. Tour operation grew very rapidly because of the ability by tour operators to arrange cheap enough packages for mass consumption. The stages of development of tour operation were also identified in Cavlek (2004). They followed the stages of world economic development as: traditional stage, take-off stage, maturity stage and mass consumption stage. Obviously, tour operation must have expended at the latest stage due to the advent of mass transportation (jumbo jet, etc) and globalization.

2.3. The Nature of Products and Services Offered by the Tour Operators

Although it was not necessarily the most important influence in the choice process of customers, Bergin (1998) underlines the importance of accreditation to consumers particularly in relation to staff competence, safety practices, professionalism, and environmental protection. With regards to the kinds of products are offered by tour



operators to consumers, Calveras (2006) distinguishes what are known as “search goods”, whose quality may be learned prior to purchase or consumption, and “experience goods”, the quality of which is learned only during or after actual consumption of the good. Hence, most, if not all, tourist products are experience goods. Although products designed around consumers' lifestyles are becoming more and more common, for many people destination remains the main factor in a holiday purchase (Johnson, 2002). However, while most consumers may be satisfied by the products received, Gilbert and Soni (1991) argue that, the level of the tour operators' responsiveness to its consumers is not high enough to recognize the current changes in consumer preferences.

Van Der Merwe (2003) has identified the characteristics of tourism products that are sold by the tour operator, as contrasted with other non-tourism products: Intangibility- which cannot be seen, felt, heard, tasted, or smelled prior to purchase (Can be made to seem tangible through promotion using pictures); Inseparability- where suppliers and consumers have to be both present when the product is being consumed; Variability- products cannot be offered in exactly the same way or same level because no two consumers have exactly the same needs and emotions (Standardized service is difficult to attain); Perishability- some products such as sport events, festivals, seasonally appearing wildlife, etc. happen only for a short period of time (Loss of profit can occur if the time passes). Another problem related to the kinds of services provided is whether, for instance hotels, must maintain the standards similar to the homes of the tourists or the

design must have a cultural touch of the destination area (Van Der Merwe, 2003; Kauffmann, 2008).

2.4. Destination Image Creation by Tour Operators

The image of a destination is critical for the development or underdevelopment of the tourist industry. The example of Ethiopia clearly shows how decisive image is. Only 10% of 400 Africa focused UK and European tour operators are selling Ethiopian tourism products partly due to its poor image (Kauffmann, 2008). Tour operators compete both in terms of the product they sell and the travel images they create (Reimer, 1990). Because of the very important role they have in creating the images of destinations decisions of individual tourists on where to spend a holiday very often depend on the attitude and practice of tour operators towards a particular destination (Cavlek, 2002). In a case study on tourism destination images of Turkey, Egypt, Greece, and Italy as perceived by US-based tour operators and travel agents promoting these destinations it was found out that they have differentiated images of the four destinations (Baloglu and Mangalolu, 2001). Another study by Kim (1989), showed the significance of the role of tour operators in that *the most influential factors that discouraged them from developing tours to Korea were the their negative images of the country and their lack of information on Korea travel.*

Santos (1998) argues that sometimes, the images created may result in inappropriate expectations of the holiday experience overall and hence potentially result in elements of dissatisfaction. Hanefors and Larsson (1993) have also asked, in a research on the use of

video for image creation and influencing of attitudes, whether tour operators act knowledgeably and responsibly in tourism situations where people of differing cultural backgrounds are brought together. The pictures of dream and fantasy promise social relations, thrills, adventure and self-fulfillment.

The problems associated with the incompatibility of the images created by tour operators and the realities in destinations or on the way to destinations is not limited only to the dissatisfaction that could arise from the customers. Cavlek (2006) stresses that, the issues of peace, safety and security are primary conditions for normal tourism development that destinations cannot compete successfully without them, even if they have the most attractive and best quality natural and built settings. As the tour business grew bigger and bigger, the risks of personal injury of tourists have also increased. The tour operator could be subject to liability if a guest is hurt during a tour. Although some tour operators may be owners of the service in which the tourist may be injured and may be accountable, most are independent third-party vendors. However, the tour operators have the responsibility to warn the customers of the potential danger, possible crime or other threat in the destinations (Abbott and Abbott, 1997).

2.5. Marketing Communication by Tour Operators

Van Der Merwe (2003) has elaborated the kinds of communication methods tour operators use to promote the image of their destinations: Media, which are non-personal including newspapers, magazines, television, radio, outdoor advertising and electronic advertising; Interactive marketing, which involves two way communication, such as

email; and personal selling- a direct contact with the buyer. The effect by promotions on tourist loyalty differs according to the purchasing pattern of the consumer. Loyalty of first-time consumers may not be eroded by price promotions; but specific loyalty policies have to be designed for consumers who have already acquired trips with the same tour operator (Martinez and Guillen, 2006).

Tour operators do the work of intermediation between the supplier and the consumer. According to Calveras (2006), in the traditional (pre-internet) framework, tour operators diminish transaction costs by: facilitating coordination among the several components of the package tour; reducing search costs of potential tourists; and providing credible information on the true quality of the tourist product.

After the advent of internet direct coordination by potential tourists themselves has reduced their searching costs and caused disintermediation of the tour operators. However, Calveras (2006) feels that the need for intermediation by the tour operators still remains because the quality uncertainty between buyers and sellers is still an issue in the era of internet. At the global scale, Zhang and Lynch (2008) have observed that tour operators remain influential over international tourism flow and are highly active in the exploration of emerging markets.

2.6. Tour Operators' Business Linkages

In order to run their business smoothly, tour operators are linked with hotels, airlines, tour guides, etc. The increasingly competitive rivalry among tour operators, suggests how important it is for the tour operators to exercise some control over the hotel companies

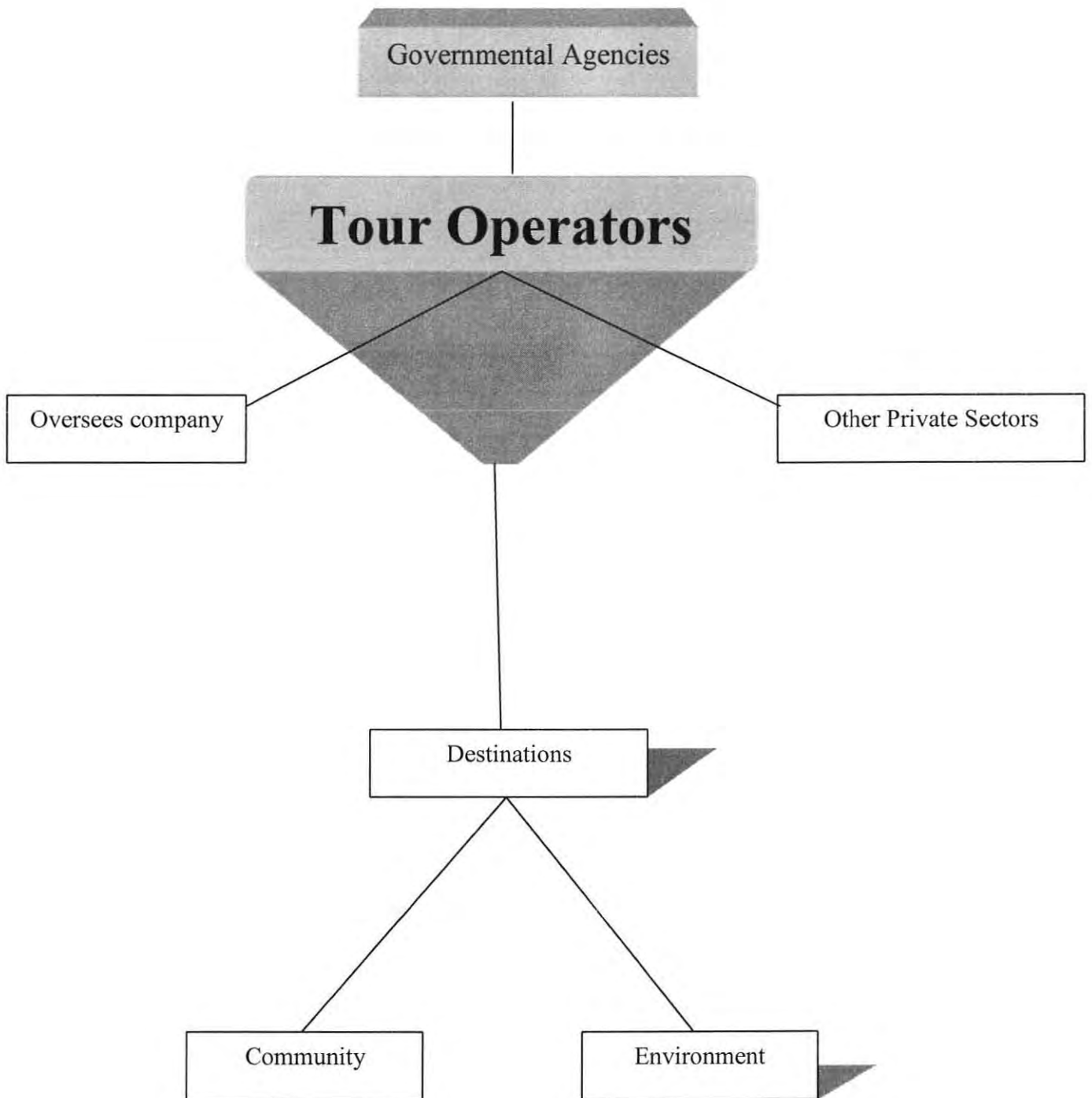
they deal with (Medina-Muñoz and Medina-Muñoz, 1993). Dealing with so many tour operators results in the practice of overbooking at hotels by accepting more reservations than their available capacity (Hadjinicola and Panayi, 1997). *This kind of arrangement also holds many benefits for the hotels* (Dickerson, 1982). Moreover, because of the huge experiences tour operators have with hotels they are in better position to rate hotels according to the star system than the national rating systems (Clerides et al, 2007). The employment relationship between tour operators and tour guides that tour guides' perceptions about the tour operator may affect their ultimate customer service delivery (Gavino et al, 2010).

The linkages tour operators have could take the forms of integration. There are two types of integration; horizontal integration amongst tour operators, (merger of many into a single large one). This serves the attainment of the economy of scale of operations, such as mass advertising. The other kind of integration is vertical integration where the supply chain is controlled which includes owning airlines, accommodations, etc. (Budeanu, 2000). Vertical integration with travel retailers and airlines can influence pricing and contracting methods and the consolidation of ownership amongst tour operators is likely to increase the power of companies vis-à-vis destinations (Klemm and Parkinson, 1993). Thus, many tourist-receiving destinations have to face the intervention of foreign tour operators in their tourism industry (Andriotisy, 2004), resulting, among many other things, in 'leakage' where much of the money spent on holidays ends up back into the source countries where the outbound tourists are registered (Tepelus, 2000).

2.7. Tour Operators and Sustainable Tourism

The growth of the tourism industry has led to increased negative environmental and social impacts such as resource consumption, pollution, waste generation, disruption and destruction of local culture, and introduction of unwanted activities such as drugs and prostitution (TOI 2003). The central position in the tourism system and the economies of scale and integrated activities tour operators have gives them great potential to influence the decisions and behavior of both tourists and service providers determining the development patterns of destinations in particular, and the sustainability of tourism development in general (Cavlek, 2002; Budeanu, 2000; Van Beugen, 2005; Sigala, M. 2008; Carey and Gountas, 1997). Although nowadays there are several tour operating companies offering 'eco' holidays (Holden and Kealy, 1996) they are accused of remaining rooted in a market based economy, the main concern of which is to stay in business; and they are not yet ready to fulfill their responsibilities towards society as a whole (Van Beugen, 2005). Moreover, local tour operators apply western models of management on subsistence economies, and tend to treat their own communities as the 'other' to be exploited as before (Wearing and McDonald, 2002). The tour operators are responsible for the negative impacts of tourism because of their significant market share; but it was up to the interest of the tour operators to protect a clean and pristine environment and an authentic local culture, because this is the reason why tourists come in the first place (TOI 2003).

2.8. Analytical framework



Chapter 3

Data Presentation and Analysis

3.1 A Brief History of Tourism and Tour Operating Firms in Ethiopia

One of the objectives of this study is *narrating the history of tourism and the tour operating industry in Ethiopia*. This section explores how the concept of tourism was introduced to Ethiopia and the historical development of the tour operating industry in Ethiopia.

The concept of tourism was introduced to Ethiopia in a very unique way. Ato Habte Sellassie Tafesse is the man who is credited for introducing the concept of tourism to Ethiopia. Ato Habte Sellassie, who served as Minister of Tourism, brought the concept of tourism to Ethiopia for the first time around 1961. At the time, not only the concept of tourism was not well understood in Ethiopian but also the majority of Ethiopians considered foreign visitors as mere strangers. The benefit of tourism as the source of income was a foreign concept for many and the self-concept of the local population as proud nationals who do not need foreign recognition was a hindrance to successful promotion of the country's tourism resources and potentials.

Most countries that are successful in tourism have unique identifiers such as the pyramids in Egypt, the Eiffel Tower in France, and the Great Wall in China. Recognizing the importance of having such unique tourism identifier, Ato Habte Sellassie coined the slogan *Thirteen Months of Sunshine* to express the unique Ethiopian calendar and

abundant sun shine as major tourist attractions. He was also instrumental in creating what has become to be known as *The Historic Route*, a collection of tourist attractions that consists of The Blue Nile Falls, Lake Tana, Gondar, Lalibela, and Axum.

Although Ato Habte Sellassie introduced the concept of tourism to Ethiopia in 1961, institutions that promote and support tourism in the country took long to take footings. Ato Habte Sellassie was tasked to establish an institution that promotes tourism in Ethiopia. However, he faced several challenges including lack of skills in the field and lack of the necessary financial and material resources. The country in general and tourist attraction sites in particular did not have proper infrastructure that supports tourism: roads, water, electricity, telephone, and hotels and other forms of accommodations did not exist in major tourist attraction sites. To overcome the challenges of sufficient financial resources for promoting tourism, Ato Habte Sellassie established *The Ethiopian Tourist Enterprise* to sell duty free items for tourists.

On a federal level, tourism became a ministerial affair in 2005 with the establishment of The Ministry of Culture and Tourism. Before 2005, tourism was managed through a Tourism Commission although most of the responsibilities were allocated among ministries and commissions for economic affairs.

In 1997, the Ethiopian Tourism Commission (ETC) was established under the completely centralized control of a single government office. Proclamation No. 1982/1980 allowed establishing ETC as an autonomous public agency that has its own judicial personality

with its accountability to the office of the Chairman of the Council of Ministers and transferred all rights, obligations, assets and liabilities of the former Ethiopian Tourist Organization (ETO). ETO was created in 1964 by Order No. 36 as an autonomous public authority of the Imperial Ethiopian Government acting under the supervisor of the Prime Minister had.

A year later, in 1985, the Commissioner of ETC issued regulations for the establishment of three corporations:

1. National Hotels corporation (NHC)
2. Ethiopian Tourist Trading Corporation (ETTC)
3. National Tour Operation and Travel Agency (NTO)

For several years since May 1975 E.C, the tour operating industry in Ethiopia had been dominated by the state owned National Tour Organization (NTO).

The NTO is a public enterprise under the supervising of ETC. Its general manager was appointed by the government and all the rights and obligations of the former Ethiopian Hotels Fund Tourism Corporation concerning tour operations had been transferred to NTO. Therefore, with the establishment of ETTC, the car hire and tour business of Ethiopian Trading Corporation were transferred to the National Tour Operation (NTO), making it the only outfit of its kind that has inherited all facilities and properties of private tour operators and travel agencies that were nationalized by the government.

When NTO was established in 1975 with a capital of two million Ethiopian birr, it had seven vehicles and 171 personnel among which only five were trained in tour operation.

The organization had tour operations in Bahir Dar, Gondar, Axum, Lalibela, and Massawa. It was later privatized. ABC Plc purchased the previously state-owned National Tour Operation and Travel Agency Enterprise (NTO). Presently, there are more than two hundred tour operating firms in Addis Ababa.

The Ethiopian Tour Operators Association (ETOA) was established in 2003 as a professional association that represents legally registered tour operators in Ethiopia, and it comprises of 108 individual tour and travel agency companies.

3.2 Accreditation and Licensing

Tour operating firms must receive accreditation and licensing before engaging in any of tour operation activities. A tour operating firm must satisfy the requirement set by the Ministry of Tourism and Culture. The first requirement relates to obtaining an operational license from the Ministry of Trade and Industry or from the Ethiopian Investment Agency. Other requirements include insurance and safety provisions for the vehicles that a tour operator uses, the skill and training of personnel, location of the tour operating firm's office, office equipments and organization, availability of communication devices such as satellite phones, mobile phones, communication radio, camping equipments, and travel and tour packages.

3.3 Profile of Tour Operating Firms Covered by the Study

Table 3.1: Percentage Distribution of Year of Establishment

Year (GC)	Respondents	
	Number	%
1990-1994	6	15
1996-2000	8	20
2001-2005	7	17.5
2006-2010	18	45
2011	1	2.5
Total	40	100

The study covers a sample of 40 different tour operating firms that are located in Addis Ababa. The sample firms are selected randomly. 35 percent of these firms were established before the year 2001, whereas 45 percent of the firms were established between 2006 and 2010.

As can be seen Table 3.1 most of the tour operators have started their operation since 2006, although private investment in the tourism sector in Ethiopia began to increase following the change to a free market system. Considering the fact that most tour operators were new to the field, lack of appropriate skills and experience to run the business can be expected.

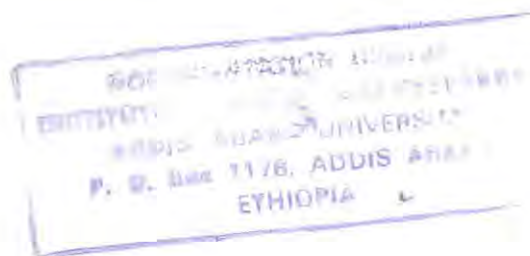


Table 3.2: Percentage Distribution of firm's capital

Total Capital	Respondents	
	Number	%
100,000.00-999,999.00	14	35.00
1,000,000.00-1,999,999.00	6	15.00
2,000,000.00-2,999,999.00	3	7.50
3,000,000.00-3,999,999.00	2	5.00
4,000,000.00-4,999,999.00	2	5.00
5,000,000.00-5,999,999.00	1	2.50
6,000,000.00-6,999,999.00	1	2.50
7,000,000.00-7,999,999.00	1	2.50
8,000,000.00-8,999,999.00	0	0.00
8,000,000.00-8,999,999.00	0	0.00
10,000,000.00-10,999,999.00	1	2.50
11,000,000.00 and above	1	2.50
No answer	8	20.00
Total	40	100

As can be seen from Table 3.2, 35 percent of the tours operating firms surveyed have a capital of less than one million Birr, whereas 2.5 percent of the firms have a capital of

more than eleven million Birr. 20% of respondents did not disclose the size of their capital.

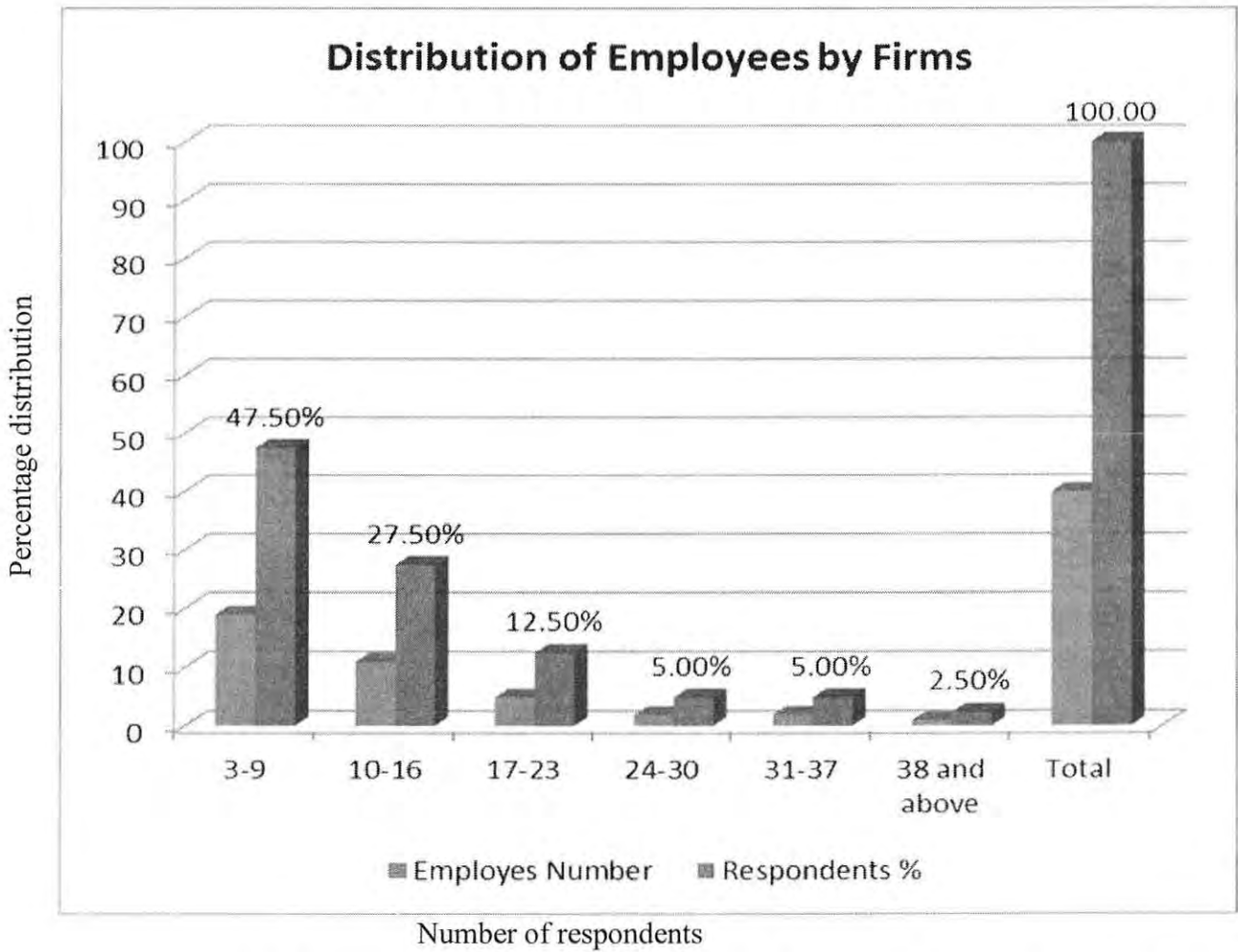


Figure 3.1: Graphical Representation of Number of Employees by Tour Operating Firms

Table 3.3 Percentage Distribution of employees hired by the firm

No. of Employee	Respondents	
	Number	%
3-9	19	47.50
10-16	11	27.50
17-23	5	12.50
24-30	2	5.00
31-37	3	7.50
38 and above	1	2.50
Total	41	102.50

The survey also attempted to measure the number of employees each tour operator has. As can be seen from Table 3.3, 47.5 percent of the firms that were surveyed employ less than 10 people whereas 2.50 percent of the firms hire more than 38 employees.

3.3.1 Educational Backgrounds of owners

Table 3.4: Educational Level of Owner

Level of Education	Respondents	
	Number	%
12th grade	6.00	15.00
Diploma	11.00	27.50
BA/MBA	18.00	45.00
MA/MSc	4.00	10.00
PhD	1.00	2.50
Total	40.00	100.00

As far as educational level of the respondents from tour operators that were surveyed is concerned, 15 percent of respondents have completed 12th grade, 27.5 percent of respondents possess diploma, 45 percent of the total respondents possess first degrees, 10 percent of the respondents possess second degrees (MA/MSc) and only one respondent or possess a PhD.

Table 3.5: Distribution of Respondents by Area of Training

Training	Respondents	
	Number	%
Management	18.00	45.00
Tourism	8.00	20.00
Geography	0.00	0.00
History	0.00	0.00
Others	14.00	35.00
Total	40.00	100.00

As far as owners of tour operating firms are concerned, 45 percent of the owners are qualified in management, 20 percent of owners are trained in tourism, and 35 percent of the owners are trained in other disciplines. Among these respondents, the area of disciplines range from accounting, bio medical engineering, and marketing management to other technology related fields. This indicates that only a few owners of tour operating businesses are trained in tourism-related areas.

3.3.2. Nationality of Owner of Tour Operating Firms

The survey results indicate that expatriates own only 5 percent of tour operating firms whereas Ethiopians own 95 percent of tour operating firms.³²

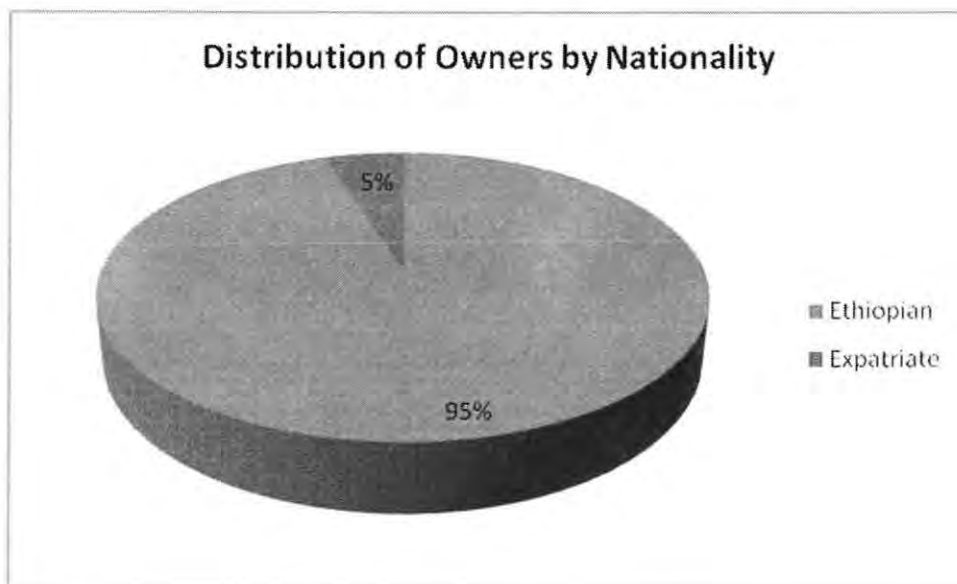


Figure 3.2: Distribution of TOs by Nationality of Owner

3.3.3.: Specialty Area of Package Tours

Tour operating firms operate in a wide variety of tours appealing to all interests whether historical, cultural, or natural. The survey reveals some insights in to tour operators' specialization areas and the type of tourism and activities they offer.

All tour operating firms surveyed are engaged in historic tours; 72 percent have specialized in cultural tour; 65.00 percent have specialized in tours of nature, and 47

percent are engaged in other types of tours such as adventure, city, religious, photo safaris, conference, taking, rafting, medical, and educational tours.

Table 3.6: Percentage Distribution of Tour Operators Specialization Areas

Areas of specialization	Respondents	
	Number	%
Historic tour	40	100
Culture tour	29	72.5
Nature tour	26	65
Others	19	47.5

One of the roles of tour operating firms is directing tourist flow. The survey results reveal tourist destinations as organized by tour operators. Among the firms surveyed, 37 percent of firms organize tours in areas all over Ethiopia.

Based on the responses obtained from the survey, tourist destinations are categorized as shown in Table 3.7.

Table 3.7: Distribution of TOs by the Types of Destination as per responses from respondents

Destination	Number	%
All over Ethiopia	15	37.5
<u>The Historic rout consists:</u> (Bahirdar (Blue Nile Falls, Lake Tana), Gondar, Lalibela, Axum, Simien Mountains National Park)	25	62.5
Omo valley (South Omo) consists: (Hamar, Mursi, Karo, Benna, Tsemai, Surma, Jinka, Yabello, Arba Minch); Key Afer, Mago National Park, Omo National Park	16	40
The Rift Valley consists: (Nechisar, Ziway, Langano, Awassa, Abijiata, Shalla)	13	32.5
The South-East consists (Bale Mountains National Park, Sof Omar caves)	6	15
The West consists (Ambo, Gambelia, Jimma)	7	17.5
The East consists (Diredaw, Harar)	6	15
The Capital (City tour and Sigh seeing tours)	12	30
Afar consists (Eartal, Dallol, Denkil)	5	12.5

Note: The total number of tour operators surveyed is 40. Some respondents indicated that they organize tours to more than one tourist destination

The Ethiopian tourism industry can be more or less divided into two important tourist zones. The first one is the historic northern route, and the second one is the far south where pastoralist communities form tourist attractions. On the other hand, based on the classification of tourism types, nature tourism can be identified as a third segment of Ethiopia's tourism market, next to culture and history tourism.

The survey results indicate that 62 percent of TOs organize tours to the historic route; relics of ancient and glorious civilizations such as Gondar, Lalibela and Axum as shown in Table 3.7.

40 percent of the respondents organize visits to the Omo Valley (South Omo). The Omo Valley is endowed with incredibly rich natural and cultural attractions, and in many cases seems frozen in a time and place far from the trappings of modern day life. The great hospitality of the local people is also a very big part of the tour in the Omo Valley that makes tourists' experience in the area unique. Unique geographical features – highlighted by the country from South-East and the west are a sight to see a tremendous diversity of plant and animal life. The survey results indicate that 32.5 percent, 15 percent and 17.5 percent of TOs organize visits to the Rift Valley, South east and the Western parts of Ethiopia, respectively.

As can be seen from Table 3.7 15 percent of respondents organize tours to the walled city of Harar and Direda. 30 percent of firms organize tours in the main gate including city tour and sight-seeing tours.

The Afar region is a great tourist attraction. It provides astonishing geological sights of the Dalol volcano crater where salt, sulfur and other minerals that have combined to produce one of the most intensely colorful naturally occurring sights. Also in Afar, tourists can view simmering lava flows casting their fiery glow into the night at Erta Ale (Smoking Mountain). Afar is also where some of mankind’s earliest ancestors are thought to come from. The survey results show that 12.5 percent of TOs organize tours for those willing to go off the Afar beaten path.

3.4 Tour Operation Business Outlets and Integration

A total of 40 different tour operating firms were included in the study; 90 percent of them are domestic firms whereas the rest are subsidiaries of foreign firms. Overall, 82.5 percent of the tour operating firms own other related lines of business.

Table 3.8: Related business owned by Tour Operators

Types of Related Business	Respondents	
	Number	%
Travel Agent	25	62.5
Car Rent	19	47.5
Hotel	9	22.5

Restaurant	2	5
Lodge	1	2.5

Note: The total number of tour operators surveyed is 40. Some respondents responded that they are engaged in more than one related line of business.

The vertical and horizontal integration of the tour operating firms included in the study reveals some insights into the type of related businesses they are engaged in.

A majority of the tour operating firms (62.5 percent) own travel agencies, and 47.5 percent of firms own car rental firms. Only 22.5 percent of firms own hotels, and the proportion of firms that own restaurants and lodges is 5 percent and 2.5 percent, respectively.

Table 3.9: Links with Overseas Tour Operating Firms and Other Domestic Related Lines of Business Firms

Business firms	Respondents	
	Number	%
Domestic Business Firm	40	100
Oversees Tour Operating firms	24	60
Total	40	100

Despite the lower level of vertical integration in some areas, all firms included in the study have business associations with important sectors such as hotels, restaurants, and lodges. In addition, 60 percent of the firms have business links with companies located overseas.

In response to the how tour operators work with firms overseas, some respondents indicated that they work on commission per package of tour basis. Others have direct links with overseas tour operating firms, or an agreement with different tour operators that are located globally and which provide groups of tourists. Other respondents indicated that they have mutual connections with other similar firms overseas where the other firms promote the tour operator's products on their own websites, whereas some other respondents indicated they operate as agents and middle men with other overseas firms.

The study also attempted to assess tour operators that have relation with other businesses by interviewing respondents that include heads of restaurants and airlines. According to the responses, tour operators have a very good business relationship and cooperation with all other tourism service principals such as hotels, restaurants, airlines, travel agents, and car rentals.

Also, some tour operators have horizontal relationship with other tour operators in the form of renting cars from other tour operating firms and using freelance guides from other tour operating firms. They regularly contact and deal with hotels and restaurants that are located at tourist destinations as well as the capital, Addis Ababa.

They also have credit systems and bilateral agreements with hotels and restaurants. As shown in Figure 3.3, all tour operating firms have links with others that provide accommodations for tourists, i.e. hotels, restaurants, lodges, etc.

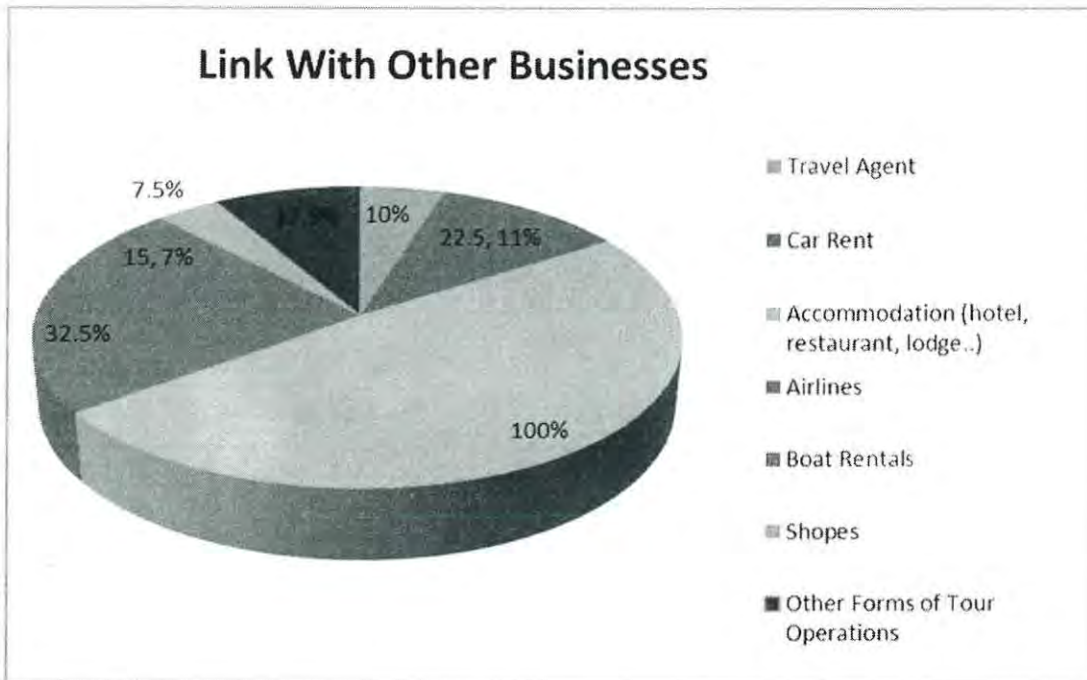
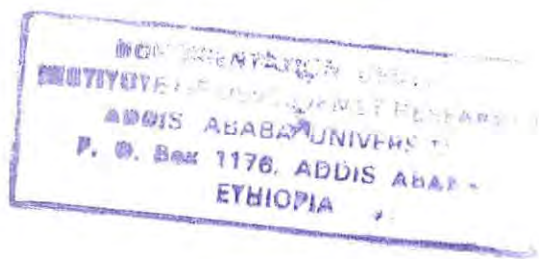


Figure 3.3: Proportion of Firms that Have Links to Other Businesses

Note: The total number of tour operators surveyed is 40. Some respondents indicated that they have business link with more than one business firms

The distribution of branch offices in tourist destinations reveal important data: 72.5 percent of tour operating firms covered in this study does not have branch offices in any of tourist destination sites, whereas 22.5 percent of firms have branch offices in some tourist destination sites. Only five percent of the firms have branch offices in all tourist destination sites.



3.5 Promotion and Communication Means

Table 3.10 (A): Medium for Promotion Used by TO Firms (Electronic Media)

Medium	Respondents	
	Number	%
Website	40	100
Satellite TV	1	2.5
Domestic Radio	2	5

Note: The total number of tour operators surveyed is 40. Some respondents indicated that they use more than one promotional medium.

Tour operating firms use different types of medium to promote their services. The study identified the type of domestic and international media used by firms ranging from websites to satellite televisions.

Figure 3.10 (A) reveals that all tour operating firms use their own websites for promotion. Other forms of media are not largely used and the number of firms that use satellite TV and domestic radio stations is negligible.

Table 3.10 (B): Medium for Promotion Used by TO Firms (Print Media)

Medium	Respondents	
	Number	%
International Newspaper	5	12.5
Domestic newspaper	8	20
International magazines	11	27.5
Domestic Magazines	13	32.5
Broachers	26	65

Note: The total number of tour operators surveyed is 40. Some respondents indicated that they use more than one promotional medium.

Tout operators make advertisements in both domestic and international newspapers and magazines. The survey results indicate that 32.5 percent of firms use domestic magazines followed by 27.5 percent firms using international magazines. Brochure is the other printed materials used by a larger proportion of firms, which is 65 percent.

Table 3.10 (C): Medium for Promotion Used by TO Firms (Billboards)

Medium	Respondents	
	Number	%
Billboards in Destination areas	4	10
Billboards in Addis Ababa	7	17.5
Other	7	17.5

Note: The total number of tour operators surveyed is 40. Some respondents indicated that they use more than one promotional medium.

As can be seen from Table 3.10 (C), the minority of the respondents constituting 17.5 percent of tour operators use billboards in destination areas while only four tour operators constituting only 10 percent of tour operators surveyed use billboards for promotional activities in the capital, Addis Ababa.

Survey respondents also use other forms of medium to promote their services, such as fliers, exhibitions, trade fairs, CDs, word of mouth, yellow pages in telephone directories, and Chamber of Commerce directories.

On the other hand, some respondents including ETOA raised concerns difficulty of participation in international trade fairs due to the selection criteria used by the Ministry of Culture and Tourism to select those who can participate in international trade fairs.

As far as customer communication is concerned, the survey results indicate that firms use different means to communicate with customers. The survey particularly identified the proportion of customer communication through telephone, email, fax, and mail. All tour operating firms use telephone and email; 75 percent of firms use fax, and only eight percent of firms use mail to communicate with customers.



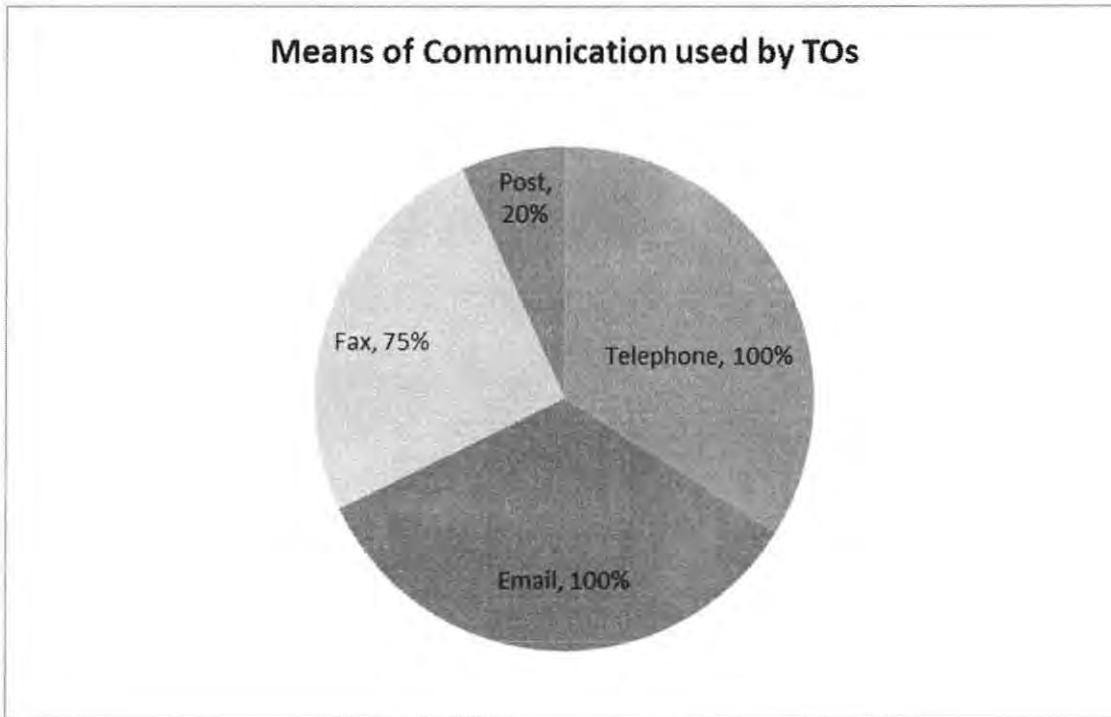


Fig 3:4: Means of Communication used by TOs

Note: The total number of tour operators surveyed is 40. Some respondents indicated that they use more than one means of communication.

3.6. Safety, Security, and Local Community Involvement

The survey also attempted to assess the safety measures and the extent of responsibility tour operating firms bear as far as the safety of tourist customers is concerned. Among the firms included in the study, 70 percent of firms indicated that they bear full responsibility for the safety of tourist customers whereas 30 percent of firms indicated that they bear partially responsibility.

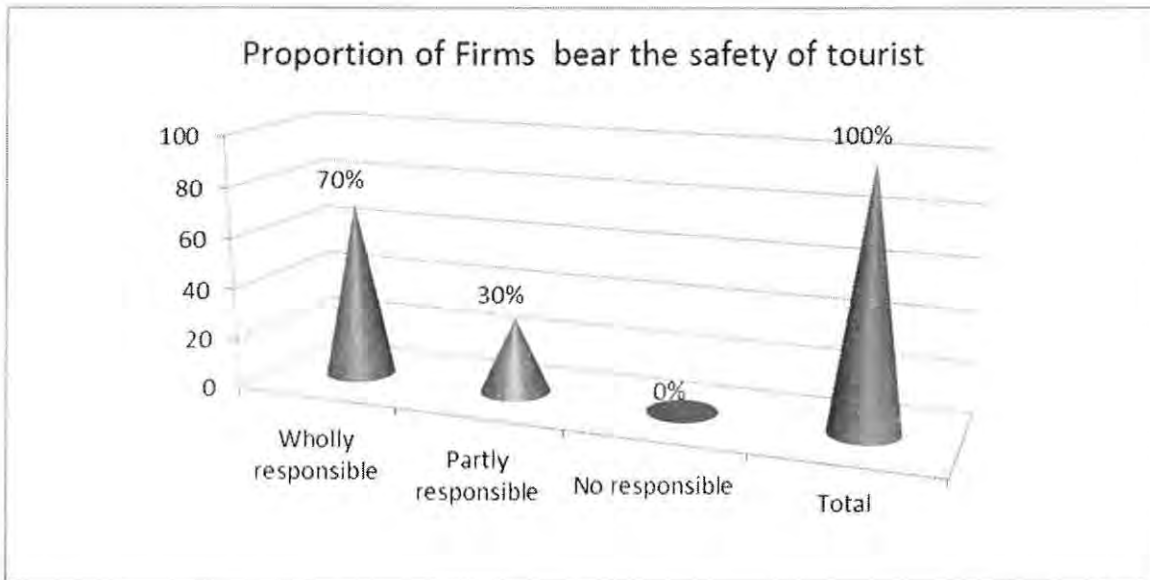


Figure 3.5: Proportion of Firms that Bear Responsibility for the Safety of Tourists

The safety measures include necessary procedures to deal with travel and vehicle related emergencies such as comprehensive insurance; the use of vehicles equipped with belts, fire extinguishers, emergency tires, and other necessary tools to deal with emergencies; the use of skilled tour guides; availability of communication devices, and other safety measures. Security procedures generally include procedures in place to provide protection for tourists against personal harms arising from various causes, and damages of losses of property and personal belongings. In addition to safety measures related to tourist customers, 37.5 percent of firms have procedures in place to protect tourist attractions.

With respect to the question whether tour operating firms have any procedures to help protect the tourist attractions, some indicated that they inform clients beforehand about the norms and the life styles of the local community to create awareness, and remind

tourists to be eco-friendly and to respect the customs of the locals. Others indicated that they always try to protect the tourist attraction sites by respecting the rules and the regulation applicable to tourist destination sites while some others indicated that they help protect tourist attractions via The Ethiopian Tour Operator Association. This response was cross checked through an interview with the Ethiopian Tour Operators Association head who confirmed the response and further indicated that the association always raises the issue with pertinent government officials and continue to press members to contribute their share and work towards the protection of tourist destinations as well as tourist attractions.

As far as involving local communities in tour operating activities is concerned, 52.5 percent of the firms surveyed actively involve the local community in their tour operating activities whereas 47.5 percent of the firms indicated that they do not involve the community.

A response forwarded from some respondents for the question how they involve members of the local community who live around tourist destination sites in their tour operating business indicate that tour operating firms are obliged to use local tour operators or local tour guides in different tourist destination areas because they can help tourist or explain attractions in their respective areas better than other guides hired by tour operating firms. In addition using tour guides, tour operating firms use guest houses and transports owned by local communities where tour operating firms also provide local

communities with jobs and clients. Some tourists request to stay with local people so that they will be able to do different activities with them.

Some respondents and the representatives of ETOA further commented that the tourism sector in Ethiopia has not grown as other neighboring countries suggested the following to make the country among the best tourist destinations:

- Better infrastructure development and tourism arrangement business with more government participation and help;
- Greater cooperation among government, service industry organizations and the community;
- Skilled manpower in tourism and
- Appropriate measures by the government to curb illegal tour operating activities and firms

Chapter 4

Summaries and Conclusions

4.1 Summaries

Tour operators are more of service providers that deliver the most convenient option for tourists to visit, stay, as well as leave from the destinations. They work in **coordination** with several key enablers of tourism such as airlines, hotels, restaurants, travel agents, tour guides as well as tour operators. They also have important **business links** between tour operating firms overseas. Tour operators are more of **middlemen** that **connect** customers with services and create a strong **link** between the **tourist** and the **destination** thereby representing a leverage point for leading the move towards sustainability.

Tour operating firms are **critical links** in the tourism **supply chain**. Tour operators based in source markets are a major driver of business. They **direct the flow of tourists** towards a particular destination, and provide business and employment opportunity which is vital for tourist destinations.

Ethiopia possesses enormous potential for the expansion of tourism. It has great cultural, historical, and natural attractions. Nevertheless, the country has not exploited its potentials adequately. There are several business organizations in Ethiopia that have direct or indirect connection with the tourism sector. Although they all have their own particular roles in enhancing the tourism sector, none of them match the burden of responsibility that tour operating firms bear. More than two hundred tour operators are

located in Addis Ababa, and they form the most useful target for research aimed at investigating the reasons for the tourism sector in Ethiopia being not as productive as one might expect. An investigation of the operational details of tour operating firms provides insights into key problems and helps identify solutions.

This study has the main objective of examining the role played by tour operators in Ethiopian tourism. The study has the following specific objectives:

- Narrating the history of tourism and the tour operating industry in Ethiopia
- Identifying the types of business outlets tour operating firms use, and explore their linkages with other forms of businesses, and vertical and horizontal integrations
- Identifying how tour operators create and develop destination images
- Examining the means of communications used by tour operators to communicate with customers, and the level of responsibility tour operators bear for the safety of tourist customers
- Examining the relationship between tour operating firms and the local population at tourist destination sites

It has been indicated that the concept of tourism was introduced to Ethiopia in a very unique way, through individual efforts by Ato Habte Sellassie Tafesse around 1961. At the time, the concept of tourism was unknown to most Ethiopians and foreign visitors were considered as curios strangers. Ato Habte Sellassie coined Ethiopia's unique

tourism identifier *Thirteen Months of Sunshine* and he was instrumental in creating what has become to be known as *The Historic Route*, a collection of tourist attractions that consists of The Blue Nile Falls, Lake Tana, Gondar, Lalibela, and Axum. Through his individual efforts despite lack of proper training in the field, he established an institution that promotes tourism in Ethiopia. However, the institution suffered from lack of skills in the field and other necessary financial and material resources. Lack of proper infrastructure that supports tourism has remained the greatest hindrance to the development of tourism in the country.

The history of tour operating firms in Ethiopia dates back to 1975 E.C. (1983 G.C) with the establishment of the National Tour Organization (NTO). For several years since 1975, NTO had dominated the tour operating industry in Ethiopia. Presently, there are more than two hundred tour operating firms in Addis Ababa alone. The study randomly selected 40 different tour operating firms that are located in Addis Ababa. 35 percent of these firms have a capital of less than one million Birr, whereas 2.5 percent of the firms have a capital of more than eleven million Birr. 90 percent of the firms are domestic firms whereas the rest are subsidiaries of foreign firms.

A greater majority of the tour operating firms are highly vertically integrated as revealed by the fact that 82.5 percent of the tour operating firms own other related lines of business such as travel agencies, car rentals, hotels, restaurants, and lodges. Moreover, all firms included in the study have business associations with important sectors such as hotels, restaurants, and lodges.

The tour operating firms covered by study have extremely low branch distribution as revealed by the fact that 72.5 percent of the firms do not have branch offices in any of tourist destination sites, whereas 22.5 percent of firms have branch offices in some tourist destination sites. Only five percent of the firms have branch offices in all tourist destination sites.

Tour operating firms use different types of medium to promote their services. All tour operating firms use their own websites for promotion. Brochures are used by 65 percent of the firms. The use of satellite TV and domestic radio stations for promotional activities is negligible. As far as communication means with customers are concerned, all tour operating firms use telephone and email; 75 percent of firms use fax, and only eight percent of firms use mail for communication with customers.

The study also attempted to assess the safety measures and the extent of responsibility tour operating firms bear as far as the safety of tourist customers is concerned. Among the number of firms included in the study, 70 percent of firms indicated that they bear full responsibility for the safety of tourist customers whereas 30 percent of firms indicated that they bear partially responsibility. In addition, 37.5 percent of firms indicated that they have procedures in place to protect tourist attractions whereas 62.5 percent of firms do not have such procedures. Among the tour operating firms investigated in this study, only 52.5 percent of firms actively involve the local community in their tour operating activities.

3.2 Conclusions

Some important conclusions can be made based on the above findings, such as the development of tourism through individual efforts, the high vertical integration of tour operators, low branch distributions, promotional activities, and slightly average involvement of local communities in tourism activities at tourist destination sites.

Since the establishment of institutions that promote tourism, lack of man power skilled in the field and other resources has remained prevalent. Despite continuous improvements, the sector is still plagued by lack of infrastructures that support tourism. Roads, electricity, water, and accommodations are in short supply in several tourist destination sites. Generally, lack of infrastructures hamper the development of tourism and forces the country to lose invaluable benefits that could have been gained in the form of revenues and other intangible benefits.

Vertical integration is widely observed among the sample tour operating firms covered by the study. 82.5 percent of the tour operating firms own other related lines of business such as travel agencies, car rentals, hotels, restaurants, and lodges. Such integration is believed to allow tour operators control supply chains and give them greater power to influence pricing and contracting methods which can negatively affect destination sites.

The tour operating firms covered by study have extremely low branch distribution. A greater majority of the firms (72.5 percent) do not have branch offices in any of tourist destination sites, whereas only five percent of the firms have branch offices in all tourist

destination sites. Such low branch distribution may deprive tour operators of the capacity to offer additional services at tourist destination sites, such as organized site-seeing and other forms of tour packages.

Promotional activity is one of the key elements the study investigated. In addition to maintaining websites, 65 percent of the firms use brochures for promotional purposes. Considering that tour operators by large do not use other forms of media and the negligible use of satellite TV and domestic radio stations, the effectiveness of websites and brochures for locating and attracting customers is questionable. The use of personalized promotional methods is significant considering the fact that the needs of tourist customers are rather varied, and the offering of non-standardized products. Therefore, it can be argued that the use of websites and brochures alone do not provide the best form of promotion.

The data regarding safety and security measures by tour operating firms is encouraging. The fact that 70 percent of the firms bear full responsibility for the safety and security of tourist customers can encourage tourists to consider destination sites in Ethiopia as safe and viable options. It can also be used as a distinctive promotional feature by tour operators that have such safety and security procedures in place.

Another important aspect of tour operation is the involvement of the local community at destination sites. Involvement of the local community can be vital in providing security to tourist customers and preserving tourist attractions. This can support the local economy

or entire community. This also considered an integral part of true ecotourism. Use local transportation, guides, inns, restaurants and markets, can help create a buffer zone for the environments surrounding protected natural areas by giving locals an economic benefit. The fact that only 52.5 percent of the tour operating firms that are covered by the study actively involve the local community in their tour operating activities indicates that improved efforts must be made to increase participation of local communities at tourist destination sites.

3.3 Recommendations

Based on the summary and conclusions in previous sections, the following important recommendations are made:

- Responses from the survey indicate concerns of illegal tour operating practices in the country. The appropriate regulatory bodies should investigate whether such practices exist and take the appropriate measures to curb such practices.
- Tour operating firms should be encouraged to have better branch distribution at tourist destination sites so that they can provide services to tourists at those sites.
- The Ministry of Culture and Tourism should have to reconsider the selection criteria of TOs that can participate in international tourism fairs. It should also encourage TOs to use different types of promotional means to attract potential foreign tourists. Tour operators also should increase promotional

activities in some international newspapers and magazines that appeal to wide range of tourists.

- Safety and security at the destination place is considered as one of the major factors for tourist attraction. Regulatory bodies should continue to make sure all TOs provide adequate safety and security to tourists.

3.4 Limitations and Direction for Further Research

This survey and its findings are not free of limitations. From a conceptual perspective the research is limited to the context of its own objectives. The study attempts to discern the roles played by tour operators focusing on the defining characteristics and nature of a sample of 40 tour operating firms in Addis Ababa. The study does not cover how effective these firms perform different tour operating functions, and does not measure their effect on the development of the tourism sector in the country. Further researches can be made to measure the operational effectiveness of tour operators and to assess their impact on the tourism sector in Ethiopia.

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Interview Guide (Ministry of Culture and Tourism)

1. Role of tour operators in destination development and image creation or improvement
2. Link of the ministry with tour operators
3. Accreditation process
4. List of active (operating currently) tour operators and their addresses
5. Perception of the ministry on tour operators.



Interview Guide (NTO)

1. History of Tour Operation in Ethiopia
2. History of NTO
3. Role of NTO in tourism development

Interview Guide (Ethiopian Tour Operating Association)

1. History of Tour operation in Ethiopia
2. Role of tour operators in rural resources, culture and Environment
3. Vertical and horizontal relationships of tour operators

Interview Guide (Ministry of Trade and Investment Agency)

4. Licensing process



Interview guide (Ethiopian Airlines)

1. Nature of link with tour operators
2. Perception on tour operators' activities

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Last but not the least I want to thank Semhal Berhe and Matiwos Reda for collecting the questioner and conducting the interviews respectively; and for all the respondents that have participated in the study for sacrificing their precious time.

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