



**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**DEPARTMENT OF MANAGEMENT**

**ASSESSMENT OF ADDIS ABABA AS A BUSINESS TOURISM  
DESTINATION FROM THE SUPPLIERS' PERSPECTIVE**

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TOURISM DESTINATION FROM THE SUPPLIERS'  
PERSPECTIVE**

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This is to certify that the thesis research prepared by Frew Abebe, entitled “Assessment of Addis Ababa as a business tourism destination from the suppliers’ perspective” and submitted in partial fulfillment of the requirements of the degree of Master of Business Administration complies with the regulation of the university and meets the accepted standards with respect to the originality and quality.

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## DECLARATION

I declared that the work in this thesis entitled “ASSESSMENT OF ADDIS ABABA AS A BUSINESS TOURISM DESTINATION FROM THE SUPPLIERS’ PERSPECTIVE” has been performed by me in Addis Ababa University College of Business and Economics Department of Management, under the supervision of Dr. Ethiopia Legesse. The information derived from the literature has been duly acknowledged in the text and a list provided. This thesis was not previously presented for another degree or diploma at any University.

Frew Abebe \_\_\_\_\_

May 31, 2017

## **DEDICATION**

This thesis is lovingly dedicated to my mom Emebet Yirdaw and grand mom Gebeyanesh Azene, who had given me all the sacrifices in all my journey to where I am now. their prayers, support, encouragement, and constant love have sustained me throughout my life.

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## **ACRONYMS AND ABBREVIATIONS**

**AU:** African Union

**AUCC:** African Union Conference Center

**BTDC:** Business Tourism Destination Competitiveness

**ECA:** Economic Commission for Africa

**ICCA:** International Congress and Convention Association

**IPA:** Importance Performance Analysis

**MICE:** Meetings, Incentives, Conferences/Conventions and Exhibitions

**MoCT:** Ministry of Culture and Tourism

**PCO:** Professional Conference organizers

**SPSS:** Statistical Package for the Social Science

**TBU:** Total Business Unit

**UFI:** Union des Foires Internationales

**UNECACC:** United Nations Economic Commission for Africa Conference Center

**UNWTO:** United Nations World Tourism Organization

**WTTC:** World Travel and Tourism Council

## ABSTRACT

*Tourism worldwide is becoming increasingly competitive. Performance of destinations has been associated in the tourism literature as a critical element for the success of tourism destinations. Particular emphasis is placed on identifying and analyzing the various factors that influence the competitiveness of tourism destinations. The aim of this study was to present the results of a survey on the performance of Addis Ababa as a business tourism destination from a suppliers' perspective. The study was descriptive and used cross sectional data. The data were collected using survey questionnaire from supply side stakeholders found in Addis Ababa city. In addition, secondary data were also utilized. The data collected were analyzed quantitatively using descriptive statistics and results were discussed on importance-performance analysis (IPA) grid. The study reveals that Addis Ababa is not performing well in many of the business tourism destination attributes. It is only 22% of the total attributes presented to the respondents that the destination was viewed to be competitive when almost all attributes were seen to be important for Addis Ababa as a business tourism destination. The study also suggests recommendations which should be taken to increase the competitiveness of Addis Ababa as a business tourism destination.*

**Key Words:** Business Tourism, Destination performance, Addis Ababa, Suppliers' perspective

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

In the international business environment, destination performance and competitiveness is a well-known and widely applied concept (Ritchie & Crouch, 2003:12). It became an issue in the tourism industry in the second half of the 20<sup>th</sup> century due to the globalization of tourism, increased local openness to foreign tourists, large-scale growth in air travel, development of telecommunication and information technologies as well as the generally rising importance of tourist expenditures to businesses, cities, and entire tourist regions (Mika, 2012).

One way of improving destination performance and achieving competitiveness in tourism industry is through analyzing how tourism destinations develop, maintain and strengthen their competitive positions in a rapidly changing and competitive global marketplace. Nowadays, the number of tourism destinations worldwide is continually growing with a wide variety of options for the visitors they attract. As destinations tries to achieve a larger market shares, there is great competition on the international tourism market. Thus, competitiveness at this time is no longer an advantage, but has become compulsory as it is indicated by Enright and Newton (2005) that competitiveness is increasingly being seen as a critical influence on the performance of tourism destinations in competitive world markets.

The tourism industry can be mainly divided into leisure tourism and business tourism or what is commonly known as MICE (Meetings, Incentives, Conventions and Exhibition) tourism. Recently, MICE Tourism is label as "The Meetings Industry" which encompasses all Meetings, Incentives, Conventions and Exhibitions (UNWTO, 2014). It revolves around service provision to business travelers attending seminars, workshops, conferences and conventions.

Business travelers now represent growing segment of the international tourism market and business tourism is considered as one of most desirable forms of tourism development at

destinations worldwide. According to UNWTO (2007), business tourism is high quality and high yield, can be positioned as a key part of an economic development strategy and the sector is resilient to the types of events and economic downturns that affect leisure tourism. Therefore, the number of destinations that recognized benefits of business tourism development is constantly increasing, thus, the competition is more intensive now than it used to be.

Tourism industry in Addis Ababa shows great interest in business tourism development since Addis Ababa is considered as “the African capital”, “regional air hub” and home of many national and international organizations. Even though Addis Ababa is the home of many national and international organizations, the MICE activities are not that much strong compared with other destinations in Africa.

According to Formica (2000) rather than using visitors’ perspectives, the use of tourism experts such as tourism stakeholders have potential benefits and advantages. Their solid knowledge and experiences of the entire portfolio of existing tourism resources and attractions is useful in evaluating destination attractiveness and performance.

Therefore, the main aim of this study was to understand the strong and weak side of business tourism in Addis Ababa from the suppliers’ point of view by applying Importance Performance Analysis (IPA) to understand the weak and strong side of Addis Ababa’s business tourism and recommend possible actions to boost business tourism in the region.

## **1.2 Statement of the Problem**

The continuous development of new tourist destinations and the growth of the existing ones impose the need for continuous and responsible destination management in order to achieve and maintain an appropriate level of competitiveness. Tourism competitiveness is an ability of destination to meet visitor needs on various aspects of the tourism experience (Ritchie, Crouch, 2003) which means that competitive position of a destination on the tourism market, depending on which and how well the destination resources are managed. Thus, destination’s performance can be advanced if there are adequate matches between tourism resources and

management of the destination as it is planned and implemented by the supply side stakeholders.

In order to achieve proper matches between tourism recourses and management strategies, it is necessary for the industry and government to understand where Addis Ababa's performance is (the weakest as well as strongest) in relation to business tourism. In addition, it is helpful for both industry and government to know how competitiveness is changing and why these changes are occurring (Dwyer, Forsyth & Rao, 2000).

Even though, Addis Ababa's opportunity to be a business tourism destination is enhanced as the city is considered as a diplomatic center and home of many national and international organizations, the number of meetings organized in the city every year is very less compared to other cities in Africa. According to ICCA, Ethiopia ranks 82<sup>nd</sup> from the countries of the world and Addis Ababa ranks 230<sup>th</sup> from cities in the world with hosting 12 and 10 meetings per annum respectively. This shows that Addis Ababa's competitiveness as business tourism destination doesn't get much attention compared to the major competitors in Africa like Cape town hosting 48 meetings per annum and Nairobi hosting 17 meetings per annum (ICCA statistics report, 2016). Moreover, the vision of MoCT is to make Ethiopia ranks among the top five destinations in Africa in terms of tourist flow and tourism revenues by 2025. In order to achieve this vision, it is very important to diversify tourism offerings to the international market particularly business tourism activities which generates large amount of foreign currency and employment opportunity to make it sustainable throughout the year. To help achieve this it is imperative to understand where the position of business tourism is in Addis Ababa. (MoCT 2014/15)

As highlighted by Rogerson (2005), the current available research on business tourism is fragmented and predominantly focused on the developed world, namely North America and Europe. It is observed that the 'developing world as a whole has been a limited focus for research on business tourism, not least the continent of Africa, which has received no scholarly attention' (Rogerson, 2005: 177). Swarbrooke and Horner (2001) also raise several problems in the study of business tourism, such as there is a general lack of literature and reliable statistics in this field.

Pearce (2002), identifies how different stakeholder groups evaluate destination competitiveness are required for a better understanding of this concept. However, based on prior study investigation only a few studies have investigated conference tourism and general destination competitiveness of Addis Ababa. Uma (2015), assesses the role of conference tourism in building Addis Ababa's brand from the stakeholders and international conference participants' perspective. Similarly, Belachew (2012), investigates the Dynamics of conference tourism development in the case of Addis Ababa. These researchers focus on making conference tourism as a brand for Addis Ababa and assessing the challenges and opportunities of conference tourism in Addis Ababa respectively. Considering these two researches, either of the two researchers didn't address the Addis Ababa's performance considering business tourism competitiveness model. On the other hand, Anteneh, et. al. (2014), studies Competitiveness as an Indicator of Sustainable Development of Tourism: Applying Destination Competitiveness Indicators to Ethiopia. In this research the main issue was assessing sustainability of economic benefits of tourism for Ethiopia by applying destination competitiveness indicators. Also, Aschalew and Gedeon (2015) tries to assess the Competitiveness of North Gondar Zone, Ethiopia as a Tourism Destination from the Suppliers' Perspective. In this finding it tries to identify North Gondar Zone's strengths and weaknesses which will help the policy makers to develop future strategies. From previous research investigations, almost no research has considered destination performance and competitiveness of Addis Ababa. But the research done by Aschalew and Gedeon (2015) is very close to this research theme and were used as a baseline and the research has been replicated in accordance with the business tourism aspect in the city of Addis Ababa.

Thus, stakeholder related research is needed to understand the factors that drive or inhibit business tourism destination competitiveness from stakeholders' perspective. This study was undertaken to analyze the suppliers' perspective on business tourism performance of Addis Ababa city.

### **1.3 Research Questions**

This study attempted to answer the following research questions.

1. How important business tourism is for the existence of supply side stakeholders in Addis Ababa?
2. How important the business tourism destination attributes are in characterizing Addis Ababa as a business tourism destination from the suppliers' perspective?
3. What does the performance of Addis Ababa as a business tourism destination look like when seen through these factors from the suppliers' perspective?
4. What are the factors of business tourism destination competitiveness to be taken into consideration to make Addis Ababa attractive business tourism destination from the suppliers' perspective?

### **1.4 Objective of the Study**

#### **1.4.1 General Objective**

The general objective of the study was to assess Addis Ababa as a business tourism destination from the suppliers' perspective.

#### **1.4.2 Specific Objectives**

The specific objectives of the study are:

1. To assess the importance of business tourism for the supply side stakeholders' in Addis Ababa city.
2. To measure the importance of attributes for Addis Ababa as a business tourism destination from the suppliers' perspective.
3. To examine the performance of Addis Ababa as a business tourism destination against those attributes as perceived by the suppliers.
4. To identify the important factors that needs focus to make Addis Ababa appealing business tourism destination from the suppliers' perspective.

## **1.5 Scope and delimitation of the Study**

The scope of this research was bounded to analyze the supply side of business tourism by assessing the suppliers' view on business tourism as one of a segment of tourism product in Addis Ababa based on the attributes of business tourism destination competitiveness that are agreed from the literature review. This research was undertaken to understand the destination planning concept of the destination management for developing a competitive product. With primary reason that tourism is a highly-interconnected sector involving diverse stakeholders and requires the expertise and knowledge while developing a product for a destination and for it to be successful (Hall, 1999).

Due to the insensitive nature of business tourism to seasonality and its contribution to the economy of a country, based on the findings of prior studies, there was a need to conduct a research to understand how the supply side stakeholders perceive Addis Ababa as a business tourism destination. Also, to find out the potential of business tourism in Addis Ababa as a product to offset seasonality which would further enable the promotion of Addis Ababa as a year-round destination. Additionally, to identify weak side of business tourism in Addis Ababa, the stakeholders could work together to address these challenges and bring competitive advantage to the business tourism segment, thus, positioning itself in the country's business tourism market in particular and global business tourism market in general.

In analysing the performance of business tourism destination many researchers use 'visitors' or 'tourists' perspective. It has been argued that this approach is somewhat limited due to the short period of visiting time, and a limited knowledge of or familiarity with attractions existing in a given region (Formica, 2000). Thus, Formica (2000) suggested that rather than using visitors' perspectives, the use of tourism experts such as tourism stakeholders have potential benefits and advantages. Their solid knowledge and experiences of the entire portfolio of existing tourism resources and attractions is useful in evaluating destination attractiveness and performance.

Therefore, the study was focused on assessing the performance of Addis Ababa as business tourism destination only from the supply side stakeholders' perspective and further researches will boost the result of this study by assessing from the tourists' perspective.

## **1.6 Significance of the Study**

The main purpose of this study was to provide a clear understanding of the current situation of business tourism and analyzing the strong and weak side of Addis Ababa as a business tourism destination by presenting the result of the survey made by employing the BTDC model using the Importance Performance Analysis. The study will strengthen the theoretical analysis to the existing literatures on business tourism competitiveness. It also tried to identify the possible supply side factors, since the study focuses on destination management aspect, that could help in developing and promoting Addis Ababa as a business tourism destination. Further, it will initiate other researchers to undertake advanced researches on the area of business tourism competitiveness. Finally, this research could give significant insight to the policy makers and experts to develop feasible policies and guidelines for development and promotion of competitive business tourism in Addis Ababa.

## **1.7 Definition of Terms**

**Tourism:** people traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. (UNWTO, 1995).

**Destination:** the place to which someone or something is going or being sent for different purposes or a place where people will make a special trip to visit.

**Destination competitiveness** - the ability of the place to optimize its attractiveness for residents and non-residents, to deliver quality, innovative, and attractive (e.g. providing good value for money) tourism services to consumers and to gain market shares on the domestic and global market places, while ensuring that the available resources supporting tourism are used efficiently and in a sustainable way.

**Business Tourism** - the provision of facilities and services to the millions of delegates who annually attend meetings, congresses, exhibitions, business events, incentive travel and corporate hospitality". (ICCA)

**MICE:** is an acronym for Meetings, Incentives, Conferences and Exhibitions. It refers to a specialized niche of group tourism dedicated to planning, booking and facilitating conferences, seminars and other events. (Dwyer, P. (2001).

**Conference:** A conference is a symposium, seminar, workshop, or any other organized and formal meeting, whether conducted face-to-face or via the Internet, where individuals assemble (or meet virtually) to exchange information and views or explore or clarify a defined subject, problem, or area of knowledge, whether or not a published report results of such meeting.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURES**

#### **2.1 Introduction**

This chapter tries to present the theoretical and empirical review on the concept of business tourism, destination performance and competitiveness by reviewing related literatures from different sources so as to relate it with the study that was undertaken.

#### **2.2 Theoretical Review**

##### **2.2.1 The Concept of Business Tourism**

Appending the two concepts "tourism" and "business" seems paradoxical. The first immediately evokes holidays, relaxation, pleasure and all the fun aspects related to it. As for the second, on the contrary, it refers to a very different reality, that of trade, wealth creation and employment. However, both have common points induced by the same necessity that of visiting a destination and using the same transportation services, accommodation and catering. What radically separates them is the purpose of the trip, mostly professional for the second, even if the attractiveness of the place, visiting museums, historical monuments, theaters and operas may also be part of the stay and may eventually influence the choice of the destination. According to the WTO (2007), a tourist is "any person who is traveling with at least one overnight stay outside the usual environment, regardless of the reason for the trip." This definition includes the business traveler while for the latter the trip is constrained in its purpose, its duration, its organization and its financial coverage. So, his/her connection with any economic activity is thus erased, which is also the case for business travelers who have the freedom to organize themselves their contacts and tours. This concept relating to organizing conferences, seminars, business meetings is mostly concentrated in big cities which include central governments, large manufacturing and processing plants, etc., but also those with adequate infrastructure for the organization of international meetings (conference rooms, convention centers, etc.). All professionals stress that the definition of "business tourism" is imprecise at the national and international level. Business tourism associates on

the one hand, tourism meaning the movement and the necessary consumption for people's stays (accommodation, catering, hospitality, transfers and sometimes leisure).

Business tourism has experienced in the recent years, a continuous and rapid growth despite successive economic crises that the world endured. The pace of its development has outperformed other sectors of goods and services production. As an economic factor, the business tourism market has created new occupations, jobs, and as a social factor it produces a reconciliation of all sections in the international community, even political, religious, ethnic and cultural affiliations.

Although it represents only one form of selective tourism, business tourism, or MICE as called by eminent scientists (Rogers, 2006, 121), can be considered the additional contribution to the main tourism form. Abbreviation MICE indicates: Meetings, Incentives, Congress and Exhibitions. As with every tourism activity, business tourism has characteristics similar to all other tourism activities, but it also has its own particular traits. These traits can be reflected in the following characteristics: the reduction of seasonal character, with references affecting the extension of the tourist season, higher consumption of meeting participants, communication-educational aspects of conferences and meetings, and interaction with other economic activities, components and drivers, help in shaping the image of a/the selected business tourism destination.

One of the important business tourism characteristics is seasonality, which stimulates the development of the tourism destination, subsequently prolongs the tourism season, and increases the occupancy rate of accommodation capacities (Lucianovic, 1980, 61). Potentials in the year-round tourism development, with the help of potential seasonality factors, also bring higher employment of local residents. Congress participant expenditure is up to three times higher than the mass tourism per capita consumption (Vidic, 2002, 28).

Owing to the per diem costs paid by their companies (the participant's company pays transfer, accommodation, food, congress participants are therefore able to spend their money on non-business related activities (Bowdin, 2006, 41). Consumption amount is both directly and indirectly related to the main purpose of travel, i.e. to the participation in a congress or similar event. Consumption factors which can be influenced are quality and accessibility of other

services or offers. One of the most important factors, accessibility, is nevertheless constrained by the length of the participant's stay.

Furthermore, their stay in a hotel or within a destination is primarily tied to work and not to leisure, but it's the work component that is dominant of the business tourism; congresses are mostly organized during weekend, which understands the rather short stay of business people within the destination. Such guests must be given the opportunity to access other aspects of tourism. A short stay within the destination and easy access to quality services and other facets of tourism adds to the enlarged daily consumption of congress participators, according to the "time is money" proverb present in the business world. Such increased congress participant consumption brings quicker return on investments (ROI) in the business tourism infrastructure. Due to their increased paying capability business people want to get quality service according to the "value for money" definition (Davidson & Cope, 2003, 88), and in recent years "experience for money."

The communication-educational characteristic of business tourism represents the need for communication between business people, which leads to the organization of business meetings and congress. Consequently, congress communication implies exchange of information, new ideas, spreading news on scientific achievements within a particular area, and, furthermore, establishing contacts with other congress participants. Particular forms of business tourism include business meetings, conferences, workshops, and congresses of educational contents. Development of technology and science contributes to the development of both business tourism and the society, where the development of business intelligence and intellectual capital significant. It motivates individuals in their personal business development and continuing education, while companies send their employees to conferences or seminars to keep them in step with innovations and new ideas and to improve or refresh already acquired knowledge from their line of work. In order to ensure good business results, knowledge is crucial for business people and companies.

Everything stated so far indicates business tourism and all its segments give rise to new insight values. Interaction of business tourism and other economic activities present on the tourism scene is of utmost importance (Weber & Chon, 2002, 91). Besides the organization of the

gathering itself in a rented hall and the use of the local hotel accommodating capacities, various other economic components indirectly supporting congresses: transport services, telecommunication services, catering services, local shops, organization of various excursions or particular events, which all contribute to the better post-congress experience of participants. For instance, the organization of excursions and sight-seeing tours to places of cultural and historical heritage can induce and motivate local authorities to undertake all possible actions in environmental preservation and improvement of road infrastructure, induces local inhabitants to activate services, native goods and local customs, and restore to life economically eventual inactive or less attractive places and simultaneously introduce congress participants to local customs and life of local people (Davidson, R., Rogers, T., 2006, 83).

It all indicates the breadth of positive economic effects of business tourism. All previously mentioned economic segments stimulate each other and function as a whole within a particular national tourism destination.

Business tourism forms the image of a destination. It helps a site oriented towards mass tourism understand the potentials of business tourism development and not spare pains to invest in its development to improve its status and image in the tourism market.

The promotion of the business tourism destination is influenced by the conference participants themselves, who relate their positive post-conference experiences to their friends and acquaintances.

From the all above stated, business tourism has a multiplicative effect on economic and social components of the destination through stimulation of its development towards the high-value destination, highly positioned in the business tourism market.

### **2.2.2 Business Tourism Destinations**

In business tourism, the competition among destination is more intensive now than it used to be, as countries worldwide continuously put various meeting venues and facilities on the market. Therefore, in this section of the thesis, it is necessary to define business tourism as a type of tourism, and, moreover, variables or factors that determine the performance of a

business tourism destination should be discussed in order to explain the model used in this study for measuring the situation of Addis Ababa as a business tourism destination.

According to WTO (2007, p.18), business tourism is seen as “a travel to attend an activity or event associated with business interest”. Main components of business tourism are: meetings, incentives, conventions and exhibitions. Similar to WTO (2007), Davidson and Cope (2003) grouped four sectors: meetings, incentive trips, exhibitions and corporate hospitality, as business tourism. Davidson (1994) states that business tourism is concerned with people travelling for purposes related to their work. According to Swarbrook and Horner (2001), business tourism brings great benefits to destinations and has a number of advantages over leisure tourism. Thus, every year, destinations worldwide compete in attracting business events such as conventions, exhibitions, incentive travels.

According to Crouch and Weber (2002), the service provided in a destination and its facilities are critical to the success of the meeting destination. A business tourism destination has to offer a suitable venue for the meeting, sufficient accommodation (if a venue is nonresidential), attractions, good accessibility to the generating markets and efficient transport system within the destination (Swarbrooke & Horner, 2001).

Numerous studies have investigated specific destination variables that influence the selection of a destination for holding business events and its competitiveness (Ching-Fu, 2006; DiPietro et al., 2008; Crouch & Louviere, 2004; Yoo & Chon; 2008, Zhang et al., 2007).

Crouch and Ritchie (1998) grouped 36 destination attributes, that govern a choice of meeting destination, into a set of eight primary categories: accessibility (cost, time, frequency, convenience, and barrier attributes), local support (local chapter, convention and visitors’ bureau/convention center, and subsidies attributes), extra conference opportunity (such as entertainment, shopping, sightseeing, recreation, and professional opportunities), accommodation facilities (capacity, cost, service, security and availability), meeting facilities (capacity, layout, cost, ambiance, security, availability and experience attributes), information (reputation and marketing attributes), site environment (including climate, setting, and infrastructure attributes) and other criteria (such as risks, profitability, association promotion and novelty attributes). In a study of the competitiveness of Hong Kong as an international

conference destination in South-east Asia, Qu et al. (2000) concluded that accommodation, convention facilities, accessibility, safety and infrastructure system were perceived as important site selection criteria. In the analysis of Seoul as an international convention destination, Kim and Kim (2003) state that meeting room facilities, service quality, restaurants, transportation and destination attractiveness are the major attributes for choosing one destination for holding business events. According to Crouch and Weber (2002), although the literature has highlighted the importance of the available meeting and accommodation facilities, it is clear that a number of additional destination attributes (such as accessibility of the congress site to the majority of attendees, attractive pre-and post-congress recreational or vacationing opportunities, appealing destination image) play critical roles in destination selection process. Chacko and Fenich (2000, p. 218) state that “the promotional appeal of a site is a vital contributor to overall convention destination attractiveness”. In study on convention site selection in Australia, Crouch and Louviere (2004) concluded that convention and accommodation facilities are critical, but one destination must offer additional attributes to succeed in an ever more competitive environment. “Destinations need to create unique combinations of attributes to develop strong competitive positions” (Crouch & Louviere, 2004, p.128), using knowledge of the factors that meeting planners and buyers value most in their site choice decisions.

### **2.2.3 Business Tourism Market**

#### **A. Conventions and Corporate Conventions**

The term "convention" is used today in the strict sense, it is a gathering of people in order to exchange ideas and communicate the results of their studies, in the broad sense it is used to refer to the different types professional events, such as business conventions, product launches, symposiums, seminars, conferences, road shows, study days, etc. It is generally considered that a convention is a meeting of a large number of participants from the same corporation, federation or association, who do not necessarily share the same profession, but come together to discuss a theme of common interest directly related to their concerns or activities. In fact, the notion of convention is multifaceted because it can include events that are:

- Local, regional, national or international;
- International either with a governmental and non-governmental vocation;
- Pertaining to companies or associations;
- Professional or addressing ideas (political, religious, social ...), etc.

There is also a great multiplicity of terminologies that are not always entirely respected.

The term "Corporate convention" on the other hand evokes all the events organized by companies that can take many forms: gathering sales force, strategic agreements, product launch convention or a road show. The corporate convention is an internal meeting of a particular organism which may be national or international following the objectives shared by the group. The opportunity to participate in it is restricted to members of this organization and gathers either all the staff, managers or sales force. In fact, the use of this term has been limited and is no longer used except for internal company meetings that gather their employees periodically. Moreover, some events that appear under the name conventions are actually corporate conventions.

## **B. Fairs and Exhibitions**

Fairs are formed by the periodic gathering of exhibitors in order to present to professional buyers or the public samples of products or services with the intention of raising awareness of their qualities and prompt sales.

Exhibitions on the other hand is when these fares are especially dedicated to a particular category of goods, they are called exhibitions. Specialized exhibitions cater to a particular sector, activity or a group of specific sectors of activities. Some are open to the public but most are professional trade fairs, not accessible to the general public. Nevertheless, there are some trade shows that are now open to the latter often in limited conditions (evenings, days, etc.). Specialized exhibitions are characterized by a triple vocation:

- Gather at the same time and in the same place the supply and demand of an industry;
- Provide direct, current, and customized information of visitors and exhibitors;

- Place the national and international buyers in a position thanks to which they see, compare and place orders.

### **C. Incentives and seminars**

Incentives are professional tours for members of a company or business partners in order to reward them for reaching their quantitative and qualitative objectives. The tourist side, the destination and the schedule of proposed activities are more important than in other professional events since here, the goal is to mark the participants strongly and positively. The increase in corporate demand for European and Mediterranean destinations is a real opportunity for France, which has a very wide range of activities often associated with the richness of different regions. Some Incoming travel agencies specialize in the sector; it is the DMC (Destination Management Companies). They plan for the trip combining logistics and creativity to meet and exceed the companies' marketing and commercial requirements.

Seminars on the other hand are open to specialists in a certain discipline and are organized by professionals to complete specific training for participants while developing teamwork. If we exclude the companies' internal seminars, this kind of meeting is open to all interested parties, which are also solicited and who pay a contribution for the entire session (one to two weeks). The seminar's particularity is being a meeting with the unifying role which is primarily work. That been said, the seminar may have several objectives more or less assigned depending on the case: information, training, research, creativity, stimulation, etc. Some types of seminars are also close to the incentives: motivation stays that combine relaxation, leisure and work.

#### **2.2.4 Stakeholders in Business Tourism**

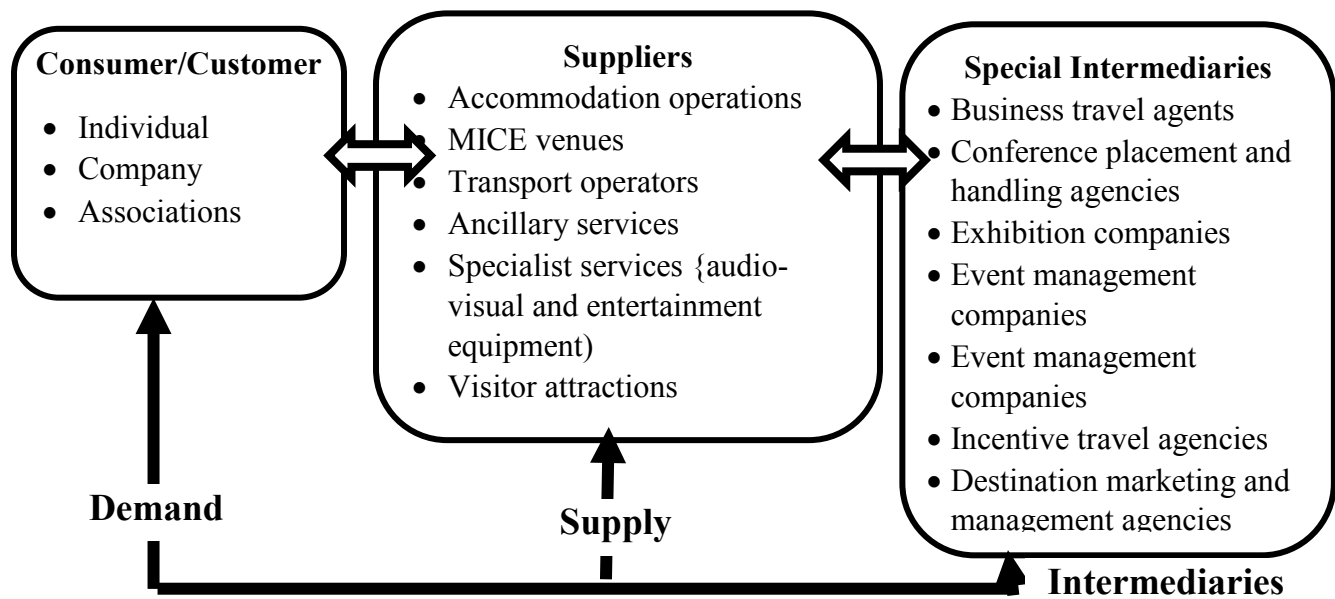
For a business tourism to be effective, the involvement of the vast range of stakeholders is a key factor. By mentioning stakeholders, it can be any individual or organization working towards the coordination and management of business tourism activities such as government organizations, industry organizations, venues providing different facilities, convention and visitor bureau, professional conference organizers, transport providers, caterers and other support services (McCabe et al., 2000)

Conversely, the review of the study conducted by Oppermann, (1996) reveals that there are only three main players in the MICE industry such as the association meeting sector, the association conference s organizers referred to as tour operators and conference participants. The association meeting sector and the tour operators or the conference organizers work towards selling and attracting as many attendees or conference participants to their destinations as the potential attendees have the option to choose from different conferences at different locations with varying cost and time.

In addition, Lau, (2009) attempts a slight detail explanation of the key main players as;

- **Clients:** the main decision making organizations and can be further divided in to associations, corporations and event planners.
- **Suppliers:** any organization or enterprise providing services and facilities for business tourism activities such as convention visitor bureau, venues, accommodation, entertainment, transport and technical specialist and intermediaries.
- **Other players:** government organizations, convention industry association and the commercial sponsors (in order to promote the company brand, some company provide funds for Business tourism events)

However, for the benefit of this study the framework of business tourism stakeholders defined by Swarebrooke and Horner, (2001), as shown in the next page in Figure 1, will be examined. Their study involves all the stakeholders mentioned above and has developed a clear distinction of the different types of stakeholders in the business tourism industry, as illustrated by Figure 1 in the next page. Their study also clearly points out that there is an interdependent relationship between the stakeholders. The stakeholders have been distinguished into three types such as Demand, Intermediaries and Suppliers.



**Figure 1: Structure of Business Travel & Tourism (Source: Swarbrooke & Horner, 2001)**

### **2.2.5 The Demand side of Business Tourism Industry**

The demand side of business tourism industry includes any individual, company or associations and has been framed under customer or consumer. Moreover, the study emphasizes that there is a wide difference between customer and consumer. Customers are any organizations or employers who decides or allows their employee to travel and bears the entire travel cost, whereas, consumers are employees travelling on the cost of the customers. However, the study also points out that a customer or consumer occasionally can be a same person or organization. For example, certain international association committees decide the venue for the conference, bear the cost to attend the conference, and undertakes the travel, thus, making them consumer and customer.

Swarbrooke and Horner (2001), also mentions that the high level of economic development, political stability, lower cost of living in the destination, and high exchange rates of generating regions against the destination influence the demand side. In addition, other factors such as stronger historical and cultural links, common interest in particular industries, products and

services, and government support in free trade policy in both the generating region and destination stimulates the demand side of business tourism industry.

### **2.2.6 The Supply side of Business Tourism industry**

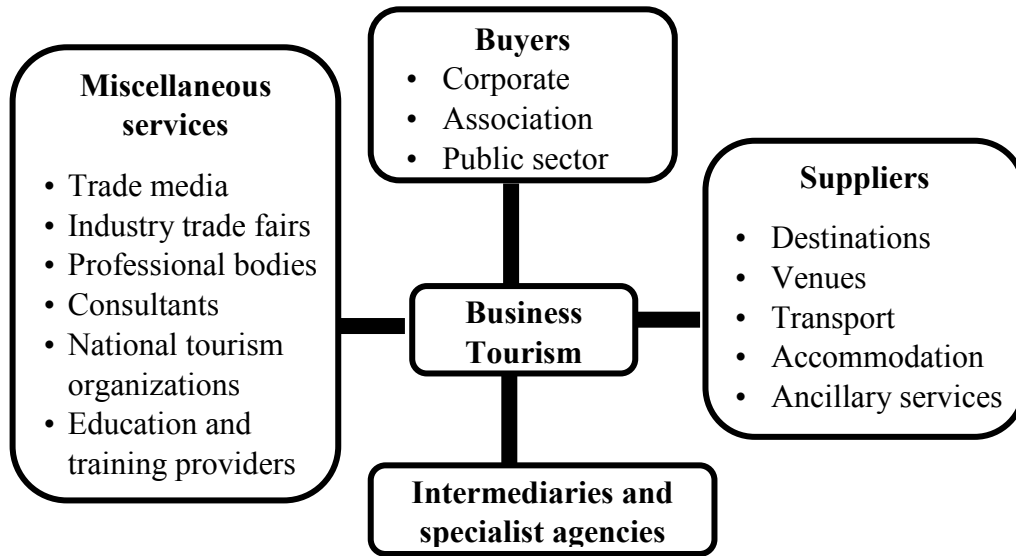
The supply side of Business tourism industry is considered multifaceted mainly because of the different types of business tourism events and each of the components has their own specific requirements. Moreover, in their study, Swarbrooke and Horner, (2001), states that suppliers can also be classified into three types:

- **Compulsory supplies** - those services which are a fundamental part and required by all the components of business tourism, namely transport
- **Sectoral supplies** - those services which are specifically required by a particular component of business tourism, such as exhibition venues for the exhibition sector
- **Optional supplies** - those services which are not very important such as bars and entertainment but could be used to enhance the experiences of the delegates

However, Swarbrooke and Horner, (2001), has provided a generalized classification of suppliers into four different types as illustrated in Figure 2, and is further elaborated in the following sections.

#### **A. Buyers**

As shown in Figure 1, buyers consist of corporate, association and public sector. Swarbrooke and Horner, (2001), define corporate buyers as an employee of a private sector whose main responsibility can be organizing Business tourism events or an additional task. Further reference has been made to the research conducted by Rogers, (2008), since it has been mentioned widely in the study of Swarbrooke and Horner, (2001). Buyers in business tourism industry as defined by Rogers, (2008), are conference organizers or meeting planners who buy or hire the venue or services to host their events. Consequently, Rogers, (2008) defines corporate buyers as conference organizers often referred to as meeting planners in North America working for corporate organizations and are found mostly in industry sectors such as manufacturing or service companies.



**Figure 2: Four types of MICE Tourism Suppliers (Source: Swarbrooke and Horner, 200)**

In contrast to corporate buyers, association buyers are those who organize large conferences with or more than 10,000 delegates and involves a lot of different organizations such as professional or trade associations/institutions (whose members join because of their employment), voluntary associations and societies (whose members join primarily to further an interest or hobby), charities, religious organizations, political parties and trade unions (Swarbrooke & Horner, 2001 & Rogers, 2008).

Unlike the corporate buyers, the public-sector buyers are employees of government organizations for whom organizing business tourism events are just a small part of their job descriptions and operate with a very tight budget. The public-sector buyers are similar to association buyers since they are both employed by non-profit organizations. However, the difference lies in the fact that the public-sector buyers cover the cost of attending the event for the participants and therefore, uses venues that are not so expensive such as government facilities, universities, colleges and hotels up to 3-star standard (Rogers 2008, Swarbrooke & Horner, 2001).

## **B. Suppliers**

According to Rogers, (2008), suppliers are those who provide the facilities required for hosting a business tourism events. Rogers, (2008), points out that suppliers have increased in

number and only few of them are dedicated in providing the required facilities for business tourism.

However, Rogers, (2008) and Swarbrooke and Horner (2001) classifies suppliers into five types such as Destination, Venues, Transport, Accommodation and Ancillary services, also indicated in Figure 2. Since the suppliers provide the required facilities without which a business tourism event cannot take place, it would be useful to look in detail the description of each supplier to understand their roles in making the business tourism event happen and be successful. Each supplier is described in the following section.

**(i) Destination**

As per Rogers, (2008) destination is also referred to as location and can be defined as town, city or region of the country. It is the most important criteria business tourism organizers consider significant when selecting the sites for business tourism events. However, these destinations, in order to be able to host business tourism events, should have appropriate venues, facilities and attractions as illustrated in Table 1.

**Table 1: Factors that determine successful business tourism destination**

<b>Hard factors</b>	<b>Soft factors</b>
<ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• Meeting rooms</li> <li>• Accessibility</li> <li>• Security</li> <li>• City team</li> <li>• Costs</li> <li>• Good services</li> <li>• Economic and social stability</li> </ul>	<ul style="list-style-type: none"> <li>• Living standards</li> <li>• Culture</li> <li>• Business tourism professionals</li> <li>• Flexibility</li> <li>• Hospitality</li> <li>• Tourism attractions</li> </ul>

**Source: ICCA Presentation, IT&CM China 2011 as cited in PATA, 2011**

Destination, in order to be successful in the business tourism market, has to offer an amalgamation of products and in the words of Swarbrooke and Horner, (2001). If one element fails, the whole product collapses. This, as per Swarbrooke and Horner (2001), means that the factors mentioned above are highly dependent on each other and both tangible and intangible services are very crucial for the success of a destination. Similarly, Bornhorst et al., (2010) reinforces that though the visitor ultimately defines the success of destination in tourism, there are diverse factors or elements which should be developed prior to the arrival of the visitor in order to offer a memorable and successful experience. These factors or attributes that determine a successful business tourism destination have been explored more in detail in the earlier section so as to understand the influence of these attributes on a destination.

#### **(ii) Venue**

As defined by Swarbrooke and Horner, (2001), venue is a place where the business tourism event takes place and Rogers, (2008) mentions that any type of building can be promoted to host business tourism events. In a report of UFI, Global Association of the Exhibition Industry, (2012), the space available globally for exhibition alone in 2011 is 1,197 as compared to 57 in 2006.

#### **(iii) Transport**

Swarbrooke and Horner, (2001) points out that transport is a significant part of business tourism as it helps the participants to reach the business tourism destination and move around in the destination. The business tourism uses all types of scheduled and chartered transport such as air, rail, road and water transport.

#### **(iv) Accommodation**

Similar to transport, accommodations are very crucial for business tourism especially, those involving the residential type events. Accommodation can also act as a venue, where the delegates meet for the event as well as utilize staying overnight one or two nights. Besides the hotel, accommodations are also provided by the following types (Swarbrooke & Horner, 2001):

- Timeshare developments
- Self-catering complexes
- University halls of residence
- Youth hostels
- Cruise ships

**(v) Ancillary services**

The business tourism industry, in order to offer a complete service to their clients, requires the services of many other different service providers and these services are called as ancillary services (Rogers 2008; Swarbrooke & Horner, 2001).

**C. Intermediaries and Specialist Agencies**

Though the buyers organize most events, the use of intermediaries and specialist agencies to plan and manage the event has increasingly become predominant. The clients often pay commission or a fixed fee to agencies that do all the planning to host an event on behalf of them.

With increasing competition, there are many agencies that have entered the market offering the best price to carry out all the work for the clients providing many options to the clients to choose from (Swarbrooke & Horner, 2001).

**D. Miscellaneous services for business tourism industry**

Besides the ancillary services, the business tourism industry also requires the services of many miscellaneous service organizations for additional information, assistance to function professionally and to set certain code of practices/standards (Rogers 2008; Swarbrooke & Horner, 2001).

Within the business tourism industry, Swarbrooke and Horner, (2001) in their study has identified six organizations that provide different services in their capacity namely trade media, industry trade fairs, professional bodies, consultants, national tourism organizations and education and training providers

Having examined the different types of stakeholders, it can be concluded that business tourism industry is a multi-stakeholder industry, and all the stakeholders have different roles to play. One most important point to be noted is that all the stakeholders are dependent on each other and have to work together to make the business tourism event successful.

### **2.2.7 Stakeholders of Business tourism in Addis Ababa**

Having studied the stakeholders of global business tourism industry, this section will examine the stakeholders involved in business tourism in Addis Ababa. Since business is a new form of tourism implemented in Addis Ababa, currently, there are no separate or dedicated stakeholders for this particular segment. The most important stakeholders are:

#### **a) Government**

Most of the meetings held in Addis Ababa is organized by intra-government and national government organizations and to name few: African Union, united Nations, Ministry of culture and tourism, Ministry of Agriculture, Ministry of Health, and the like.

#### **b) Hotels**

In Addis Ababa, hotels are the most important stakeholders in business tourism industry as they provide venue for meeting as well as the accommodation for the participants. It is mandatory for the tour operators to provide minimum of 3 star accommodations to the guest (Yuden, 2013). As of 2016, there are 79 accredited hotels in Addis Ababa, out of which 7 hotels fall under the 5-star category, 14 hotels under 4-star category and 28 hotels under 3-star category and the remaining below 3-star category. (MoCT, 2016 accessed from [www.moct.gov.et](http://www.moct.gov.et)).

#### **c) Tour Operators and Travel agents**

In Addis Ababa besides the hotels, tour operators are also important stakeholders, because many tourism activities in Addis Ababa follows the tour operator led model, where most tourist coming to Addis Ababa came via a tour operators' arrangement. As transport is a significant part of business tourism, many tour companies provide transport facilities for many international business tourism participants.

#### **d) Associations**

Besides the government, some association such as Association of Ethiopian Tour Operators and Addis Ababa Chamber of Commerce and sectoral association also organizes and supports business tourism events held in Addis Ababa.

#### **e) Ethiopian Airlines**

With regard to air transport, Ethiopian airline is a government owned company managed providing access to many business tourists to Addis Ababa and many African countries. Ethiopian commands the lion share of the pan-African passenger and cargo network operating the youngest and most modern fleet to 92 international destinations across five continents. The Addis Ababa Bole International Airport, one of the largest airports in Africa, is the major hub for Ethiopian Airlines which operates with 92 international and 20 domestic destinations. Addis Ababa Bole international airport has a capacity of providing world class passenger and cargo services to more than 6.5 million international and domestic passengers each year (Ethiopian airline fact sheet, 2016).

#### **f) Event Organizers**

Event organizers are companies which conceive, create, develop or manage trade and consumer events. According to Addis chamber of commerce and sectorial association there are about 56 companies recognized as an event organizers in Addis Ababa. (<http://tradedirectory.addischamber.com>)

Moreover, apart from the above listed stakeholders, Addis Ababa university and many vocational and educational institutions are also major stakeholders supporting the business tourism of Addis Ababa by producing skilled manpower in the area of tourism and hospitality.

## **2.3 Empirical Review**

### **2.3.1 Destination Attractiveness and Competitiveness**

As a concept in business, management and international trade, destination attractiveness has received widespread interest and attention (Ritchie & Crouch, 2003). Attempts to conceptualize and analyze attractiveness have come from a variety of different academic disciplines, including economics, management, politics and culture, each with its own perspective on the subject.

Scott and Lodge (1985, p.3) viewed national competitiveness as “a country’s ability to create, produce, distribute, and service products in international trade while earning rising returns on its resources”. They also noted that this ability “is more and more a matter of strategies, and less and less a product of natural endowments”. World Economic Forum in its Global Competitiveness Report, (2015-16) defines competitiveness as “the ability of a country or company to, proportionally, generate more wealth than its competitors in world markets”. Competitiveness is viewed as combining both assets and processes where assets are inherited (e.g., natural resources) or created (e.g., infrastructure) and processes transform assets into economic results (e.g., manufacturing).

Ritchie and Crouch (2000) viewed a destination’s competitiveness as a country’s ability to create added value and thus increase the national wealth by managing assets and processes, attractiveness, aggressiveness and proximity, and there by integrating these relationships within an economic and social model that takes into account a destination’s natural capital and its preservation for future generations (Ritchie & Crouch, 2003).

Hong (2008, p.6) defines tourism attractiveness as the ability of a destination to create, integrate and deliver tourism experiences, including value-added goods and services considered to be important by tourists. These experiences sustain the resources of a destination, and help it maintain a good market position relative to other destinations.

Destination attractiveness has been associated in the tourism literature as a crucial factor for the success of tourist destinations (Mihalic, 2000; Buhalis, 2000; Dwyer & Kim, 2003; Enright

& Newton, 2004; Mangion et al., 2005; Mazanec et al., 2007; Chen, 2008). Tourism studies, in general, seem to imply that by being competitive a tourist destination could expand its tourism industry and hence the quality of life of the populace (Dwyer & Kim, 2003; Kim et al., 2006).

A number of authors have provided some inputs into the understanding and practical research of attractiveness in tourism destinations (Crouch & Ritchie 2003; Dwyer et al., 2002; Enright & Newton, 2005; Bonn et al., 2005; Miller et al., 2008; Dragicevic et al., 2009).

In order to measure the destination as a business destination, different models were created. These models differ by the elements (indicators) which are used to measure the competitiveness or attractiveness of a destination in a particular type of tourism.

Well known Porter's (1990) "diamond of national competitiveness" includes aspects of both the multidimensional strand of economics together with an emphasis on the management and strategy field, focuses not on the competition between national economies but rather on the competition between, and competitiveness of, specific industries in different locations. This four-part framework, which was based on research undertaken in eight advanced and two newly industrialized countries, postulates that success in international competition in a given industry depends on the relative strength of an economy in a set of business-related features or "drivers" of competitiveness, namely, factor conditions, demand conditions, related and supporting industries, and firm strategy, structure, and rivalry specifically related to the industry (Enright & Newton, 2005). This approach found its application in measuring tourism destination competitiveness. De Holan and Phillips (1997, p.781) explicitly recommend the inclusion of Porter's framework, particularly when examining tourism in developing countries.

The authors De Keyser and Vanhove (1994) in their competitiveness model argue that the analysis of a competitive position should take five groups of competitiveness factors into account: tourism policy, macroeconomic, supply, transport and demand factors.

### **2.3.2 Conference and Convention destinations**

Rogers (1998) recognized the importance of destinations in the conference – or congress or convention – sector when he stated: ‘Conference organizers attach greater importance to ‘location’ (destination) than any other single criterion when selecting their sites.’

However, the destination will only be acceptable if it offers the right range of services and facilities, including individual venues. Thus, there is a strong link between destinations and venues.

Most conferences take place in large urban areas or coastal resorts. The destination has to offer:

- A suitable venue for the meeting or meetings
- Sufficient accommodation if the venue is non-residential
- Attractions for successful social and/or partner programmes
- Good accessibility to the generating market(s)
- Efficient transport systems within the destination.

A destination also has to be seen to offer an acceptable level of safety and security for delegates, and to offer all these features at a price which is perceived to offer value for money.

### **2.3.3 Ritchie and Crouch’s Conceptual Model of Competitiveness**

Well-known tourism competitiveness researchers Ritchie and Crouch (2003) presented the most recently improved version of their competitiveness model: A Conceptual Model of Destination Competitiveness, which is among the best known of recent attempts to conceptualize an approach that includes elements of tourism competitiveness and industry competitiveness and has undergone a number of iterations since its earliest public presentation (Ritchie & Crouch, 1993). Some of the variables identified by Crouch and Ritchie (1999) have been included in the above mentioned Integrated model of destination competitiveness. Ritchie and Crouch (2003) model includes five key determinants: destination policy, planning and development, qualifying and amplifying determinants, destination management, core

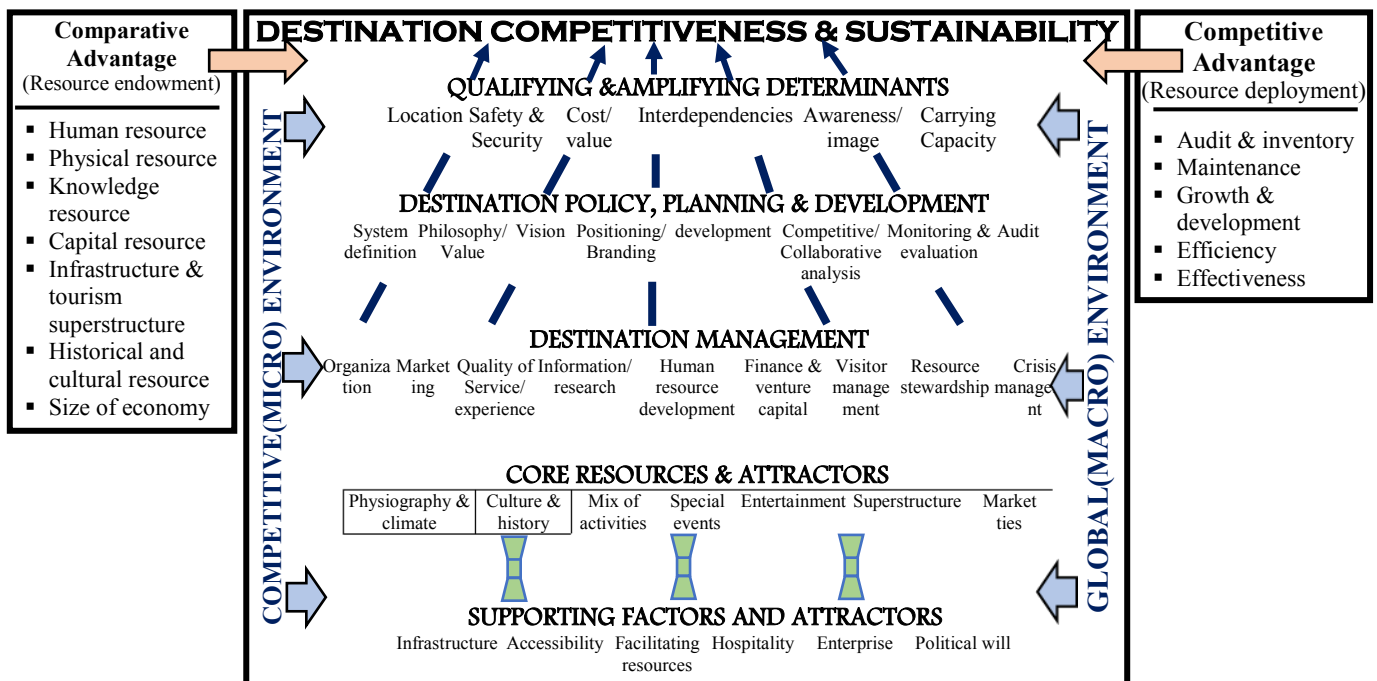
resources and attractors, and supporting factors and resources. It also points out the importance of the global macro environment and the competitive microenvironment surrounding the destination.

The five main groups of factors of destination competitiveness

- i. **Core resources and attractors:** the primary elements of destination appeal. It is these factors that are the key motivators for visitation to a destination. They are described as the fundamental reasons that prospective visitors choose one destination over another while other components are essential for success and profitability. They are sub-divided into, physiography and climate, culture and history, market ties, mix of activities, special events, entertainment, and the tourism superstructure.
- ii. **Supporting factors and resources:** certain of these factors make core resources more effective in motivating visitation. A destination with abundance of core resources and attractors but with scarcity of supporting factors and resources, may find it very difficult to develop its tourism industry as the latter provide a foundation upon which a successful tourism industry can be established. One of the most important supporting factors is the condition and extent of a destination's general infrastructure. Facilitating resources and services include those such as the availability and quality of local human, knowledge and capital resources, education and research institutions, financial institutions, various areas of the public service, etc. Another important thing is that the tourism industry is full of many small to medium sized Enterprises. Accessibility within a destination can mean the accessibility of tourism resources such as mountains, national parks, unusual land formations, scenic regions, lakes and rivers etc. Regarding hospitality, quite simply, it is not enough to deliver all the attributes of an experience in a cold and detached manner. And finally, political will is not just a function of the attitudes and opinions of politicians alone.
- iii. **Destination management:** focuses on those activities which implement, on a daily basis, the policy and planning framework established under destination policy, planning and development, enhance the appeal of the core resources and attractors, strengthen the quality and effectiveness of the supporting factors and resources, and adapt best to the

constraints or opportunities imposed or presented by the qualifying and amplifying determinants.

- iv. **Destination policy, planning and development:** can be understood as the ‘intellectual process that uses information, judgment and monitoring to make macro-level decisions regarding the kind of destination that is desirable, the degree to which ongoing performance and related changes in the nature of visitation and the physical character of the destination are contributing to the achievement of the kind of destination that stakeholders want’ (Vanhove in Benedetti, 2010).
- v. **Qualifying and amplifying determinants:** those are factors either screen out potential visitors or that tend to enhance destinations appeal. These qualifiers and amplifiers moderate or magnify destination competitiveness by filtering the influence of the other three groups of factors. They may be so important as to represent a ceiling to tourism demand and potential, but are largely beyond the control or influence of the tourism sector alone to do anything about. Although destinations have little or no control over these factors, the extent to which destinations act proactively towards the threats and opportunities represented by these factors has likely an influence in their competitiveness.



**Figure 3: The Ritchie and Crouch’s Conceptual Model of Competitiveness, (Source: Ritchie & Crouch (2003))**

Ei Ei Khin,(2014) tested Ritchie and Crouch's destination competitiveness model on the case of Bagan, Myanmar and in 2014 and its methodology was applied to evaluate the tourism competitiveness of North Gondar zone (Aschalew & Gedyo, 2015).

In this study, the main determinants of Ritchie and Crouch (2003) destination competitiveness model have been kept as it is adapted with business tourism determinant factors by Dragicevic et. al (2012).

#### **2.3.4 Critical Success Factors of a Business Tourism Destination**

Previous studies on business tourism have found that management is of importance for competitiveness and sustainability (Ramgulam et al. 2012:71). Furthermore, strategic management is about the management of the big picture, ensuring a more competitive fit between an organization, or, in this case, a sector, and its changing environment (Cassidy & Kreitner 2011:264). Identifying critical success factors has become an important concept in strategic management (Nieh & Pong 2012:424).

It has been found that the type and nature of the tourism operation influences the critical success factors for effective management and that it should be identified for each sector, since it may differ between sectors (Burger & Saayman 2009:26). It is also interesting that these factors can be determined by focusing either on the demand or supply side depending on the focus of the research.

Amidst the increasing pressure, competition and growth, it is important to understand which critical success factors management should focus on. understanding these factors that can lead to the success of business tourism within Addis Ababa can improve the industry, leading to the success of individual tourism ventures within the destination, and also boosting the development of Addis Ababa as a business tourism destination. in addition, the growth of Addis Ababa's business tourism can offer entrepreneurs new opportunities in terms of products and services, given the fact that the business tourism sector involves a variety of other sectors and industries.

According to Marais et. al. (2017), finance, human resource, product and customer related aspects are the most critical success factors for the destination to perform well as a business tourism destination and attract a large number of tourists. Their study focuses the importance of human resources as a critical success factor within the tourism industry. Constructs such as teamwork, training and skills and working with attendees remain important as staff members within this industry constantly interact with the tourists and attendees. It is recommended that managers should ensure that their staff members are well trained and informed and that they understand what leads to customer satisfaction and to success.

### **2.3.5 Tourism Destination Planning**

Though there were studies conducted on tourism, researcher started to study tourism planning only from the 1970s (Alipour, 1996). In Gunn-s formulation, planning is a multidimensional activity and seeks to be integrative, it embraces social, economic, political, psychological, anthropological, and technological factors; it is concerned with the past, present and future.

In the words of Dregde et al., (2006), planning is about identifying appropriate steps to achieve some predetermined goal or set of goals and may involve planning for many areas such as infrastructure planning, social planning or business planning with common elements.

A destination from the consumer-s point of view is the sum of the products and services offered in a given region in an individual way. Therefore, the most effective solution to fill in this gap is to develop integrated plan and coordination between all stakeholders, at all levels (Risteski et al., 2012).

Enright and Newton (2004 & 2005) supports that the destination planning as a generic business factor determines the competitiveness of a destination that influences the success of the tourism destination in the world. Poon (1993), proposed four key principles, which a destination must adopt in planning so as to gain competitive advantage over the competitors (Wilde & Cox, 2008).

Similarly, Hassan (2000) implies that a thorough analysis of the destinations, competitive factors and development strategies should be guiding the process of planning and promotion

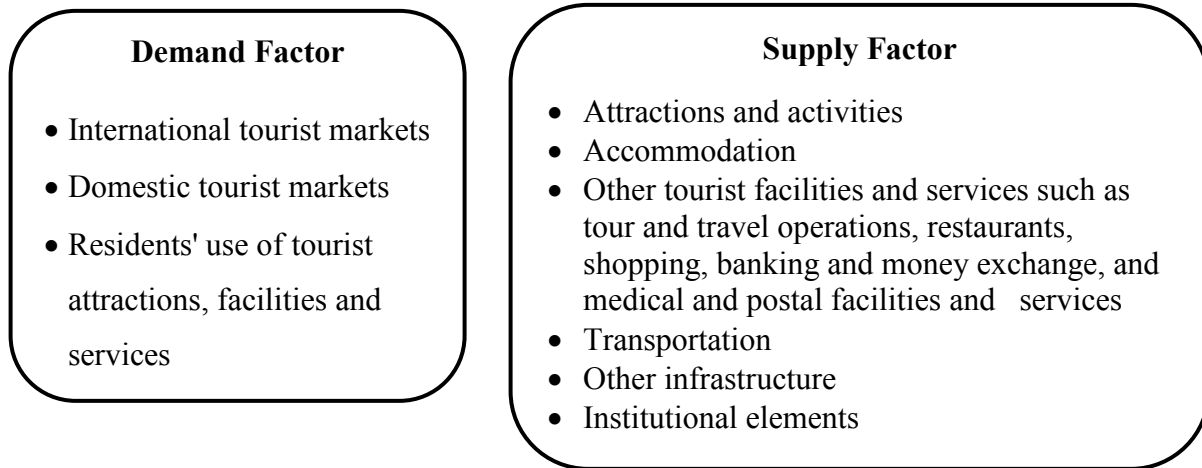
of tourism destinations (Mohammadi et al., 2010). Also, Risteski et al. (2012) exerts that Destination Management Planning encompasses all the practices and ideologies of:

- **Destination Development Planning:** which involves assessing the potential of tourism destination and monitoring of progress; constructing effective consultation and collaboration with all stakeholders; emphasizing on attracting investment and infrastructure projects; creating employment opportunities; developing long-term tourism strategies to propagate the industry.
- **Destination Marketing:** which involves research to identify and target suitable markets, including new and emerging markets; building and increasing awareness in the target market(s); increasing visitation and yield.
- **Destination Management:** which involves protecting the unique tourism assets of the destination, ensuring quality visitor experiences, and developing a unique and sustainable tourism industry within the destination.

Similar opinion by Dragicevic et al. (2012) stated that destination management includes all the undertakings of the destination management organizations such as destination marketing, destination policy, planning and development, human resource development and environment management. Where, destination policy, planning, and development consist of philosophy, vision, audit, positioning, development, competitive/collaborative analysis, monitoring, and evaluation.

Tourism planning is a complicated process that requires taking into consideration the involvement and efforts of all stakeholders to provide a realistic and effective guideline for tourism development and management.

Since tourism is a complicated activity that involves many different sectors of the society and economy, tourism planning process should inter-relate the demand and supply factors (Inskeep, 1994) as illustrated in Figure 4 next page.



**Figure 4: The Tourism System (Source: Inskeep (1994))**

This integrated planning process ensures coordination between all the components of tourism and further, allows tourism to perform much more effectively and generate the desired benefits (Inskeep, 1994) and therefore, can be referred to as interactive or collaborative approach within the planning process.

### **2.3.6 Important attributes of Destination for Business Tourism**

With the continued growth in this market segment, the competitions between destinations are increasingly becoming intensive in order to be selected as the location for business tourism and as a result of this high competitions, many countries worldwide are continuously developing various meeting venues and facilities (Oppermann, 1996; Draicevic et al., 2012;). Because of the growing intensity of competition, it is necessary for those competing for business to understand the fundamental factors affecting the site selection process for hosting MICE (Chen, 2006).

Many researchers have identified diverse attributes that are important for a destination competing in the business tourism market. These attributes have been explained in detail, however, a summarized description have been presented in the following table.

**Table 2: Summarized business tourism destination attributes**

<b>Authors</b>	<b>Attributes</b>
Oppermann (1996)	<ul style="list-style-type: none"><li>• Accessibility</li><li>• Availability of facility</li><li>• Quality of service</li><li>• Affordability</li><li>• Destination image</li><li>• Safety/security</li></ul>
Buhalis, (2000)	<ul style="list-style-type: none"><li>• Amenities</li><li>• Accessibility</li><li>• Accountability</li><li>• Affordability</li><li>• Attractions</li><li>• Activities</li><li>• Destinations providing high-level of efficiency</li><li>• Safety</li><li>• Elegance and leisure opportunities</li><li>• Destination image</li></ul>
Swarbrooke and Horner (2001)	<ul style="list-style-type: none"><li>• Suitable venue for the meeting</li><li>• Sufficient accommodation (if a venue is non-residential)</li><li>• Attractions</li><li>• Good accessibility</li><li>• Efficient transport system within the destination</li><li>• Certain level of safety and security</li></ul>
Romero, (2007)	<ul style="list-style-type: none"><li>• Accessibility</li><li>• Venues closer to the airport</li></ul>
DiPietro et al., (2008)	<ul style="list-style-type: none"><li>• Support services</li><li>• Quality hotels</li></ul>

Authors	Attributes
	<ul style="list-style-type: none"> <li>• Meeting spaces</li> </ul>
Ananzeh and Chiu (2012)	<ul style="list-style-type: none"> <li>• Amenities</li> <li>• Accessibility</li> <li>• Accountability</li> <li>• Affordability</li> <li>• Attractions</li> <li>• Activities</li> </ul>
Chiappa (2012)	<ul style="list-style-type: none"> <li>• Good accessibility</li> <li>• Appropriate hospitality and meeting facilities,</li> <li>• Good tourist attractions</li> <li>• Unique destination brand</li> <li>• Overall affordability,</li> <li>• Quality and efficiency of industry personnel Convention</li> <li>• Bureau assistance</li> <li>• Physical and socio-cultural settings</li> <li>• Safety and security</li> <li>• Local transportation costs and time</li> </ul>
Crouch and Ritche (2003) and Dragicevic (2012)	<ul style="list-style-type: none"> <li>• Core resources and attractors</li> <li>• Supporting factors and resources</li> <li>• Destination management</li> <li>• Destination policy, planning and development determinant</li> <li>• Qualifying and amplifying determinants</li> </ul>

Business tourism destinations, despite the venue where the meeting is being organized requires a lot of peripheral services such as good accessibility, appropriate hospitality and meeting facilities, good tourist attractions and broadly, a unique destination brand which directly or indirectly contributes to the organization of meeting (Chiappa, 2012). Therefore,

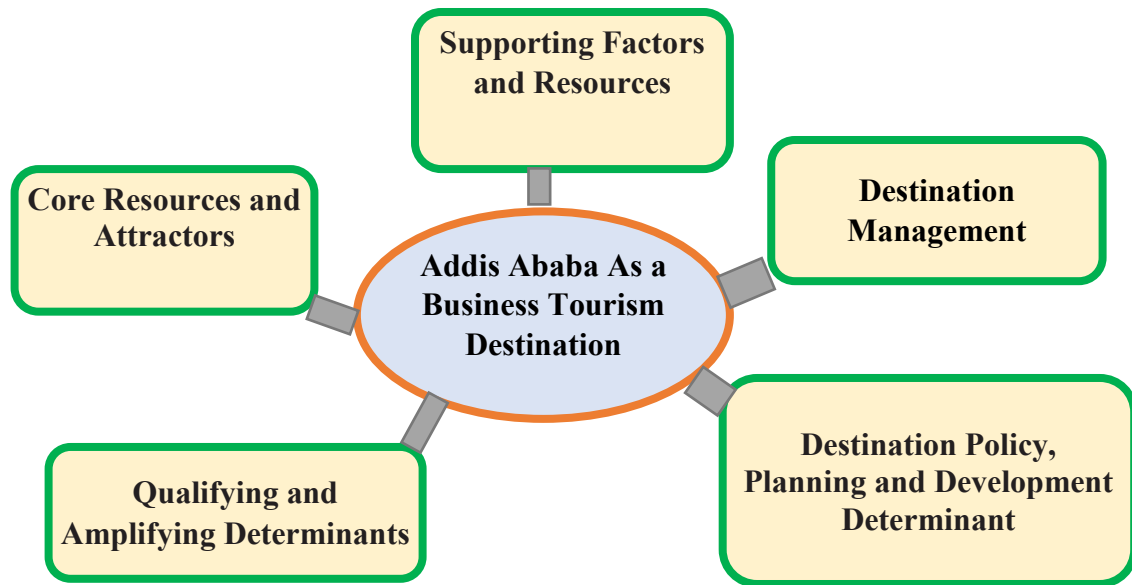
Chiappa, (2012), in addition to the peripheral services identifies six more attributes that are equally important in all types of meetings, that is: overall affordability, quality and efficiency of industry personnel, Convention Bureau assistance, physical and socio-cultural settings, safety and security and, finally, local transportation costs and time

A business tourism destination has to offer a suitable venue for the meeting, sufficient accommodation (if a venue is non- residential), attractions, good accessibility to the generating markets, efficient transport system within the destination and a certain level of safety and security (Swarbrooke and Horner, 2001). On the contrary, Romero, (2007), explains that most of the planners choose smaller cities and destinations, known as the “second-tier cities” mainly because of accessibility and prefer venues closer to the airport which will reduce the cost. Similarly, Chiappa, (2012), stresses that the numbers of accommodations available near the airport or the convention center is significant for conferences and conventions because of the cost incurred in logistic transfers, as all the participants cannot be accommodated in a single hotel.

## **2.4 Conceptual Framework**

In order to assess Addis Ababa as a business tourism destination from the suppliers’ perspective the conceptual framework was done based on the model of Ritchie and Crouch’s (2003) conceptual model of destination competitiveness and a set of factors that affect destination (site) selection for holding business events. The main determinants of Ritchie and Crouch (2003) model and also the adapted business tourism competitiveness model of Dragicevic, et. al. (2012) which is best towards measuring Addis Ababa’s performance as a business tourism destination are kept in this study. Specific business tourism factors, which are identified by Dragicevic et. al. (2012), that affect destination competitiveness is added to general tourism destination attributes. Since the study is focused on destination management aspect the model of Ritchie and Crouch along with the attributes identified by Dragicevic is best to assess Addis Ababa as a business tourism destination from the suppliers’ perspective. Other models with destination attributes are more focused with tourists’ perspective. Therefore, the model resulted in 51 destination attributes which were grouped into each of five determinants of Ritchie and Crouch (2003) model: core resources and attractors,

supporting factors and resources, qualifying and amplifying determinants, destination management and destination policy, planning and development determinant.



**Figure 5: Conceptual Framework (Source: Adapted from Ritchie and Crouch (2003), and Dragičević, et. al. (2012))**

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Description of the Study Area

Addis Ababa, the capital of Ethiopia, is located at 09<sup>o</sup> 02'N 38<sup>o</sup> 42'E. The city is geographically situated in the central part of Ethiopia and at an elevation of around 2,355 meters above sea level that made the city the 5<sup>th</sup> elevated city in the world (en.wikipedia.org) after Lapaz (Bolivia), Quito (Ecuador), Thimphu (Bhutan) and Bogota (Colombia) which gives Addis Ababa a mild annual mean temperature of approximately 16C<sup>o</sup>. The total area of the city occupies 220km<sup>2</sup>.

Addis Ababa was brought to the international community with the opening of European and North American Embassies in 1900s that increased Addis Ababa's prominence within the international community to the existence of two organizations. These were; United Nation Economic Commission for Africa (UNECA), established in 1958 and the Organization for African Unity (OAU), established in 1963. Since then, Addis Ababa has served as the seat of various regional, continental and international organizations (Uma, 2015).

According to Ministry of culture and Tourism, the city has around 79 star rated hotels and more than 469 tour operators specializing in different types of tourism activities. Similarly, The Addis Ababa chamber of commerce website states that there are about 56 event organizers in the city. Moreover, with presence of AU and UNECA, the city has standardized conference centers such as AUCC and ECACC. In addition, the recently built millennium hall and exhibition center have also the ability to host different meetings and exhibitions in the city.

#### 3.2 Research Approach and Design

This study attempted to obtain information concerning the current status of the phenomena with the single cross-sectional descriptive research design. As this study assesses the competitiveness of Addis Ababa as a business tourism destination from the suppliers' service

perspective, to focus mainly on tourism supply side stakeholders of Addis Ababa city were appropriate.

Due to the fact that several tourism stakeholders with varying level experiences and different areas were targeted in this study, survey method was appropriate both for the type of data collected and from the point of view of economic and time efficiency as well. A survey instrument was a questionnaire with a five point Likert-type scale.

### **3.3 Study Population**

In research methodology, population can be defined as any complete group of entities such as people, organizations, institutions, or the like that share some common set of characteristics in agreement with the purpose of the study under investigation and about which researchers want to be able to draw conclusions and plan to generalize (Zikmund, 2002). This research aims to assess the competitiveness of Addis Ababa as a business destination from the stakeholder's perspective using a set of destination attributes. Therefore, the population of the study were tourism stakeholders from the supply side. The reason for targeting supply side stakeholders is based on the arguments raised by Enright and Newton, (2005) where it has been mentioned that tourism stakeholders like event organizers, conference centers, hotels, tour operators, government organizations, tourism practitioners and professional associations are well aware of the overall situation of tourism industry and know what is appropriate for the development of the tourism industry. Therefore, they are equipped to comment on what factors are required for the development of business tourism and hence may produce more accurate and rich responses. Although tourists are able to evaluate a destination's attractiveness, they are less able to evaluate factors such as destination management or destination policy. Formica (2002) discusses that both experts' and tourists' evaluations of destination competitiveness could have the highest degree of accuracy. However, many other literature supports targeting industry experts in measuring destination competitiveness (Gomezelj & Mihalič, 2008; Enright & Newton, 2004, 2005; Crouch, 2010).

### 3.4 Sampling Frame

It is a common practice in research in the generic management field, including competitiveness research, for the survey population to be managers and other industry practitioners, as this is the population seen to be the most knowledgeable about management and competitiveness (Enright & Newton, 2005, p.343). Thus, the sampling frame for this study were managers (2 managerial positions from each company) and business tourism practitioners from the selected supply side stakeholders found in Addis Ababa. For the purpose of this study the supply side stakeholders are listed in tabular form:

**Table 3: List of supply side stakeholders in Addis Ababa**

S. No	Stakeholders	Total No.	Targeted Population
1	Register Tour Operators	469	$469*2 = 938$
2	3-5 Star Hotels	46	$46*2 = 92$
3	Registered event organizers	56	$56*2 = 112$
4	Government organizations	5	$5*2 = 10$
5	Conference and exhibition Centers	4	$4*2 = 8$
6	Professional Associations	2	$2*2 = 4$
7	Tourism Academics	62	$62*1 = 62$
	<b>Total</b>	<b>649</b>	<b>1226</b>

### 3.5 Sampling Method

Since the study is descriptive and survey method was used so as to get quantitative data from the respondents, the sampling method was stratified random sampling in order to give equal opportunity for all types of the stakeholders.

The data were collected through close ended questions from tourism supply side stakeholders about their perception of Addis Ababa's competitiveness as a business tourism destination. The participants were the middle and top management hierarchies in both government and private sector organizations. They are the top planners and decision makers in their organization and in addition, are the most knowledgeable about the topic discussed.

### 3.6 Sampling Size

In order to gather quantitative data that represent the total population size of the stakeholders, it is very important to determine the total number of population in those identified supply side stakeholders. The total population for this study is 1226 and from which the sample size is 302. The sample is determined using the following formula.

$$n = \frac{N}{1+N(e)^2} \quad n = \frac{1226}{1+1226(0.05)^2} \quad n = \frac{1226}{4.065} = 301.37 \approx 302$$

Where:

n = the sample size

N = the population size and

e = the level of precision which is ( $\pm 5\%$ ) Where Confidence Level is 95% and P = .05. (Yamane, 1967)

As a result, the sample size 302 is about 25% of the total population. Therefore, as the sampling method is stratified random sampling, 25% of the population in each stratum with more than 30 population were considered as a sample. In addition, for the strata less than 30 population all the population were considered in this study. Due to this reason, the sample size was increased to 324.

**Table 4: Sample size of each strata**

S. No	Stakeholders	Targeted Population	Sample size
1	Register Tour Operators	938	235
2	3-5 Star Hotels	92	23
3	Registered event organizers	112	28
4	Government organizations	10	10
5	Conference and exhibition Centers	8	8
6	Professional Associations	4	4
7	Tourism Academics	62	16
	<b>Total</b>	<b>1226</b>	<b>324</b>

### **3.7 Data Collection**

The study used both primary and secondary data in order to gain an accurate picture of business tourism sector in Addis Ababa.

#### **3.7.1 Primary Data**

As primary data are new data collected specifically for the purpose of the study (Sekaran & Bougie 2009), the particular data for this particular study were gathered through survey questionnaire from the stakeholders such as Event Organizers, conference centers, Hotels, Tour Operators, Government organizations, Tourism practitioners and Professional Associations.

#### **3.7.2 Secondary Data**

Secondary data as defined by Sekaran and Bougie (2009), any type of information or published data such as published or unpublished information available from website, organization reports, from previous studies and library. Accordingly, the secondary data for this research were examined and referred from the following sources:

- Industry report from ICCA, UNWTO, WTTC
- Journal articles on Business tourism
- Publications on Tourism in general and MICE tourism in Particular
- Documents and Data on tourism from Ministry of Culture and Tourism of Ethiopia, Culture and Tourism Bureau of Addis Ababa, Ethiopian Tourism Organization, Addis Ababa Chamber of Commerce & sectorial Association, and other Tourism Industry Associations.
- Website of Tourism related organizations in regional, national and international level

### **3.8 Data Collection Procedures**

The respondents were informed about the reason of undertaking the research orally and also in written form by attached consent letter with the survey questionnaire. Then, they were given some time to fill out the questionnaire and the filled questionnaires were collected by contacting with telephone. A total of 324 survey questionnaires were distributed to the business tourism supply side stakeholders found in Addis Ababa in person using 4 data collectors. Of the 324 survey questionnaires distributed, 245 were returned, with 229 participants having completed the entire survey without any problems and 16 were incomplete (all of them were not usable) resulting in a total response rate of 70.6% which is a high response rate for descriptive type research.

### **3.9 Data Analysis Technique**

The results of the survey were analyzed quantitatively using SPSS version 22. All the data collected from the respondents was entered to and analyzed on a computer and then tabulated discussion with the help of importance-performance analysis (IPA) grid which uses the mean importance and performance scores from the five-point scale survey and provides a clearer understanding of what factors (attributes) Addis Ababa is more competitive with or where it is less competitive and needs improvement.

Importance-Performance Analysis (IPA) is one of the most ever-present methodological tools within the tourism literature. It is commonly used to distinguish discrepancies between what stakeholders' think is an important component of a specific issue and their actual perceptions of how well the issue is being managed (Lai & Hitchcock, 2015; Oh, 2001). Importance-performance analysis (IPA) allows researchers to visually identify gaps between stakeholders' perceptions of the importance of a specific attribute and the actual performance of a firm or destination on managing that attribute. By being able to simultaneously graph the mean importance and performance results for attributes, managers are able to see in which of the four quadrants the attribute falls: Quadrant I: "Concentrate Here," Quadrant II: "Keep Up the Good Work," Quadrant III: "Low Priority," and Quadrant IV: "Possible Overkill." Once this

has been established, managers can then appropriate resources to adjust accordingly between importance and performance (Martilla & James, 1977).

Therefore, in this study, descriptive statistics such as means, mode, median standard deviations, frequency distributions, and percentages were used. Though the numerical data from the survey was presented in the form of tables considering the mean value of the response, in order to provide a further insight on the mean values of the responses, the mode, median and standard deviation values were also presented.

### 3.10 Validity and Reliability of the Study

All the survey questionnaire items in this study have shown to be valid and reliable. Face and content validity of the items were reviewed by selected experts by undertaking pilot study by targets 8 representative experts from hotels, tour operators, government officials and academicians. Comments made by these individuals were incorporated to make better of the survey items. On the basis of the comment from the experts, ambiguous and unimportant items were excluded and only the selected items were used.

Reliability of the resulting data from the survey was subjected to internal consistency measures. The Cronbach's Alpha for both importance and performance of the 5 categories of attributes are presented in the following table which in both cases alpha result is above 0.7 indicating a high level of internal consistency which then means a high degree of reliability.

**Table 5: Cronbach's Alpha Result**

Attributes	Cronbach's Alpha	
	Importance	Performance
Core resources and attractors	.843	.764
Supporting factors and resources	.721	.814
Destination Management	.888	.896
Destination policy, planning and development determinants	.866	.807
Qualifying and amplifying determinants	.835	.785

### 3.11 Ethical Consideration

In the context of research, according to Saunders, Lewis and Thornhill, (2001:130), “ethics refers to the appropriateness of your behavior in relation to the rights of those who become the subject of your work, or are affected by it”. The following ethical considerations was considered in the this study:

- ❖ **Informed consent:** Participants were given the choice to participate or not to participate, and furthermore were informed in advance about the nature of the study.
- ❖ **Right to privacy:** The nature and quality of participants’ performance must be kept strictly confidential.
- ❖ **Honesty with professional colleagues:** Findings are reported with a complete and honest fashion, without misrepresenting what has been done or intentionally misleading others as to the nature of it. Data was not fabricated to support a particular conclusion.
- ❖ **Confidentiality/Anonymity:** It is good research practice to offer confidentiality or anonymity, as this will lead to participants giving more open and honest responses.

## **CHAPTER FOUR**

### **RESULT AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents the results of statistical analysis of the data. First, the demographic characteristics of respondents are presented. Second, the current and future importance of business tourism as perceived by the supply side stakeholders is presented to address the first research objective. Then, the results of the perceived importance and performance of the business tourism destination attributes are presented to address research objective and 3. Finally, with the intention of addressing the fourth research objective importance performance gaps were analyzed by using importance performance grid that shows all the attributes in four sections of the quadrant.

#### **4.2 Demographic Profile of the Respondents**

As it is indicated in table 6 next page, the majority of the respondents which is 140 (60.1%) were male and 89 (38.9%) were female. According to age, the lions share has been taken by respondents with the age between 25-34 tallying 108 or 47.2% followed by aged 55-64 (25.8%) and 18-24 (25.8%), while the respondents with the group of 35-44 and 45-54 represented 23.6% and 8% respectively. Of the 229 respondents, the largest share was from tour, travel operation and car rental services (59.8% of the sample) while 10.5% were event organizers and 9.6% managerial employees of accommodation facilities. Also, the sample included tourism academicians (7%), government officials from both Addis Ababa city administration and federal culture and tourism bureau (4.4%), event and exhibition centers employees (3.5%), professional associations (1.7%), local tourist attraction managers (1.7%), Airline employees and Addis Ababa chamber of commerce (0.9% each). Regarding with the educational background, 113 (49.3%) of the respondents are bachelor's degree holder followed by 69 (30.1%) with above bachelor's degree and 47 (20.5%) diploma holders.

With reference to the work experience of the respondents in travel and tourism industry, most respondents 109 (47.6%) had 10-15 years of experience, 54 respondents (23.6%) had 5-10 years of experience while 46 (20.1%) and 20 (8.7%) of the respondents had above 15 years and 1-5 years of experience respectively. The educational background and work experience characteristics particularly shows that more than 79% of the respondents had bachelor's degree and above and nearly 91% respondents had 5 years and above experience. This shows that high educational attainment and work experience of participants makes them to make concrete justification in order to rate the importance and performance of business tourism destination attributes. Almost have of the respondents were married counting 115 (50.2%) whereas single, widowed and divorced equaling 104 (45.4%), 7(3.1%), and 3(1.3%) respectively.

**Table 6: General information of respondents**

		Freq	%			Freq	%
<b>Gender</b>	Male	140	61.1%	<b>Type of organization</b>	Accommodation facility	22	9.6%
	Female	89	38.9%		Airlines	2	.9%
<b>Age</b>	18-24	59	25.8%		Tour and travel operation & Car rental services	137	59.8%
	25-34	108	47.2%		Professional Association	4	1.7%
	35-44	54	23.6%		Educational institutions	16	7.0%
	45-54	8	3.5%		Local tourist attractions	4	1.7%
	55-64	59	25.8%		Chamber of commerce	2	.9%
	65 or older				Event Organizers	24	10.5%
<b>Education</b>	Less than Grade 8				Event and Exhibition center	8	3.5%
	Grade 9-12				Government Tourism office	10	4.4%
	10+ Certificate			Other			
	12+ Certificate			<b>Experience</b>	1-5 years	20	8.7%
	12+ Diploma	47	20.5%		5-10 years	54	23.6%
	Bachelor's Degree	11 3	49.3%		10-15 years	109	47.6%
	Above degree	69	30.1%		Above 15 years	46	20.1%
<b>Marital Status</b>	Single	104	45.4%				
	Married	115	50.2%				
	Widowed	7	3.1%				
	Divorced	3	1.3%				
	Separated						

### **4.3 Importance of Business Tourism**

One of the objective of this study is to assess the perceptions of supply side stakeholder in relation to the current and future importance of business tourism to their respective organization. Considering this, the respondents were asked to rate the current and future importance of business tourism with 5 point Likert scale. Out of 229 respondents, 133(58.1%) respondents saw business tourism (in Addis Ababa) is currently very important for the existence of their organization while 59(25.8%) and 37(16.2%) respondents saw business tourism as 'important' and 'moderately important' respectively with a mean value of 4.42 and standard deviation of 0.754.

On the other hand, as depicted in table 7, 187 (81.7%) of the respondents saw business tourism (in Addis Ababa) will be very important in the future for the existence of their organization whereas the remaining 38(16.6%) and 4(1.7%) respondents saw business tourism (in Addis Ababa) as 'important' and 'moderately important' respectively. The mean and standard deviation value for the future importance of business tourism is 4.8 and 0.443 respectively.

The smallest standard deviation for current importance of business tourism (0.754) and future importance of business tourism (0.443) shows strong agreement among the respondents that they all believe (with a very small variation) that business tourism in Addis Ababa is really very important for the existence of their organization.

**Table 7: Views of respondents on the importance of business tourism for the existence of their organization**

	Response Alternatives	Freq.	%	Mean	Median	Mode	St dv
Current importance of business tourism for organizations	Very Important	133	58.1%	4.42	5.00	5	.754
	Important	59	25.8%				
	Moderately important	37	16.2%				
	Slightly important						
	Not important						
Future importance of business tourism for organizations	Very Important	187	81.7%	4.80	5.00	5	.443
	Important	38	16.6%				
	Moderately important	4	1.7%				
	Slightly important						
	Not important						

#### **4.4 Importance of Business Tourism Destination Attributes**

Here, the views of respondents on the importance of a given set of factors which (directly or indirectly) affect the competitiveness of Addis Ababa as a business tourism destination are presented. In total, 51 attributes were identified from literature review (adapted from Dragicevic, 2014 and Ritchie and Crouch, 2003). These individual destination attributes or factors are grouped into five major categories. Thus, the performance of Addis Ababa is analyzed by each competitiveness determinant, in order to evaluate the weakest, as well as the strongest attributes of Addis Ababa's business tourism. About the importance of each attributes or factor (supporting factors and resources, core resources and attractors, destination management, destination policy, planning and development determinant, and qualifying and amplifying determinants), respondents were presented with five response alternatives to choose from (1= Not important, 2= Slightly important, 3= Moderately important, 4= Important, 5= Very important).

#### **4.4.1 Supporting Factors and Resources**

Under this category, there are five attributes namely, hospitality of local residents, accessibility of destination, local transportation quality, presence of foreign/international companies and incentives for tourism development. Views of participants on the importance of these attributes for Addis Ababa to be a competitive business tourism destination is presented in tabular form in the next page.

As table 8 show, the highest rating from the supporting factors and resources was assigned to accessibility of destination with mean value of 4.93, local transportation quality with mean value of 4.80 and incentives for tourism development with mean value of 4.81. the other two attributes in this category has got relatively lower rating. Therefore, the respondents believe that accessibility of destination, local transportation quality and incentives for tourism development are the most important factors in this category. The standard deviation value for these attributes (0.248), (0.453) and (0.391) respectively, which is very small, shows there is a minor difference among the respondents view on the importance of these attributes.

**Table 8: Results on the respondents' view of the importance of 'supporting factors and resources' attributes**

No.	Factors/Attributes	Importance										Mean	Median	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
1	Hospitality of local residents					21	9.2%	58	25.3%	150	65.5%	4.56	5.00	5	.657
2	Accessibility of destination							15	6.6%	214	93.4%	4.93	5.00	5	.248
3	Local transportation quality					5	2.2%	36	15.7%	188	82.1%	4.80	5.00	5	.453
4	Presence of foreign/international companies			2	.9%	42	18.3%	75	32.8%	110	48.0%	4.28	4.00	5	.789
5	Incentives for tourism development							43	18.8%	186	81.2%	4.81	5.00	5	.391

**Note:**

- All the areas shaded in gray shows all the response alternatives are not chosen by respondents.
- 1\*= Not important    2\* = Slightly important    3\*= Moderately important    4\*= Important    5\*= Very important
- SD\*\* = Standard Deviation

#### 4.4.2 Core Resources and Attractors

Under this category, there are fifteen attributes namely multicultural ambience, gastronomy(food) offer, entertainment, festivals and events, attractiveness of cultural heritage, specific venues for holding business events (e.g. fortresses, museums, galleries), sport-recreation activities, fairs and exhibition centers, availability of up-to-date audio-visual equipment, climate, unspoiled nature, quality of hotel services, tourist attractions signaling, professional conference organizers(PCO) and presence of 3-5 star hotels. The respondents perceived importance of this category is presented in table 9 next page. The study reveals that nearly 70% of the attributes in this set are very important since the mean values of ten attributes are more than the average value of the set (4.56). Only 5 attributes are considered less important than the other ten attributes with the mean values less than 4.56.

As table 9 show, the highest rating from the core resources and attractors was assigned for quality of hotel service with mean value of 4.91, presence of 3-5 star hotels with mean value of 4.82 and professional conference organizers (PCO) with mean value of 4.72. on the other side, tourist attraction signaling is not considered as the most important factor in Addis Ababa's business tourism with a relatively lower rating (Mean=4.24). Therefore, the respondents believe that the quality of hotel service, presence of 3-5 star hotels and existence of professional conference organizers (PCO) are the most important factors in this category. The standard deviation value for these attributes (0.283), (0.457) and (0.545) respectively, which is very small, shows there is a strong agreement between the respondents that these factors are very important for Addis Ababa's business tourism.

**Table 9: Results on the respondents' view on the importance of 'core resources and attractors' attributes**

No.	Factors/Attributes	Importance										Mean	Median	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
1	Multicultural ambience	2	.9%	12	5.2%	18	7.9%	50	21.8%	147	64.2%	4.43	5.00	5	.909
2	Gastronomy(food) offer					11	4.8%	54	23.6%	164	71.6%	4.67	5.00	5	.565
3	Entertainment					32	14.0%	56	24.5%	141	61.6%	4.48	5.00	5	.729
4	Festivals and events					12	5.2%	68	29.7%	149	65.1%	4.60	5.00	5	.589
5	Attractiveness of cultural heritage					14	6.1%	40	17.5%	175	76.4%	4.70	5.00	5	.577
6	Specific venues for holding business events (e.g. fortresses, museums, galleries)					13	5.7%	81	35.4%	135	59.0%	4.53	5.00	5	.603
7	Sport-recreation activities			16	7.0%	43	18.8%	52	22.7%	118	51.5%	4.19	5.00	5	.975
8	Fairs and exhibition centers					23	10.0%	39	17.0%	167	72.9%	4.63	5.00	5	.660
9	Availability of up-to-date audio-visual equipment			3	1.3%	17	7.4%	46	20.1%	163	71.2%	4.61	5.00	5	.683
10	Climate			4	1.7%	5	2.2%	79	34.5%	141	61.6%	4.56	5.00	5	.630
11	Unspoiled nature			4	1.7%	42	18.3%	44	19.2%	139	60.7%	4.39	5.00	5	.844
12	Quality of hotel services							20	8.7%	209	91.3%	4.91	5.00	5	.283
13	Tourist attractions signaling	17	7.4%	12	5.2%	4	1.7%	63	27.5%	133	58.1%	4.24	5.00	5	1.194
14	Professional Conference Organizers(PCO)					11	4.8%	41	17.9%	177	77.3	4.72	5.00	5	.545
15	Presence of 3-5 star hotels					7	3.1%	27	11.8%	195	85.2	4.82	5.00	5	.457

**Note:**

- All the areas shaded in gray shows all the response alternatives are not chosen by respondents.
- 1\*= Not important    2\* = Slightly important    3\*= Moderately important    4\*= Important    5\*= Very important
- SD\*\* = Standard Deviation

#### **4.4.3 Destination Management**

The survey results for the importance of destination management attributes were presented according to the mean importance ratings in table 10. It showed the 11 destination attributes of business tourism had mean scores ranged from 4.55 to 4.78, donating that most stakeholders ranked these attributes as “important” and “most important”. The top four most important attributes were knowledge of foreign languages among employees in tourism (mean= 4.78), promotion of destination as business tourism destination (mean=4.75), co-operation between public and private sector in tourism field (mean=4.74) and opportunities for education in tourism field (mean=4.71). Considering this, the result reveals that most stakeholders perceived employee’s communication skill is very important since many of the business tourism participants came from abroad with different language background. Similarly, the importance of collaboration of different parties to boost business tourism in Addis Ababa is also rated high since tourism industry is not a single standing or isolated industry. On the other side promoting Addis Ababa as a business tourism destination is perceived as the most important attribute in this category with 77.3% of the respondents’ rate as “very important” attribute. As indicated in Table 10 the most frequent selection from the alternatives was five (very important). This means that destination management aspects are very important for Addis Ababa to be competitive in the business tourism market.

**Table 10: Results on the respondents' view on the importance of 'destination management' attributes**

No.	Factors/Attributes	Importance										Mean	Median	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%				
1	Knowledge of foreign languages among employees in tourism					6	2.6%	38	16.6%	185	80.8%	4.78	5.00	5	.473
2	Opportunities for education in tourism field					1	.4%	64	27.9%	164	71.6%	4.71	5.00	5	.463
3	Educational profile of employees in tourism					7	3.1%	77	33.6%	145	63.3%	4.60	5.00	5	.549
4	Existence of adequate education programs in business tourism					8	3.5%	60	26.2%	161	70.3%	4.67	5.00	5	.541
5	Destination reputation related to business events and tourism					5	2.2%	70	30.6%	154	67.2%	4.65	5.00	5	.522
6	Development and innovations of business tourism product			5	2.2%	3	1.3%	68	29.7%	153	66.8%	4.61	5.00	5	.630
7	Availability of tourist promotion materials in foreign languages					5	2.2%	61	26.6%	163	71.2%	4.69	5.00	5	.509
8	Co-operation between public and private sector in tourism field					3	1.3%	53	23.1%	173	75.5%	4.74	5.00	5	.467
9	Human resources specialist for business events					8	3.5%	67	29.3%	154	67.2%	4.64	5.00	5	.550
10	Promotion of destination as business tourism destination					5	2.2%	47	20.5%	177	77.3%	4.75	5.00	5	.481
11	Availably of information linked to business tourism on destination					20	8.7%	62	27.1%	147	64.2%	4.55	5.00	5	.651

**Note:**

- All the areas shaded in gray shows all the response alternatives are not chosen by respondents.
- 1\*= Not important    2\* = Slightly important    3\*= Moderately important    4\*= Important    5\*= Very important
- SD\*\* = Standard Deviation

#### **4.4.4 Destination Policy, Planning and Development Determinants**

As presented in table 11, ten attributes of destination policy, planning and development determinants had the mean scores ranged from 4.28 to 4.83, and it showed the least and most important attributes.

From the ten attributes of this category six of the attribute fall above the overall mean value (4.61). This reveals that the supply side stakeholders of business tourism in Addis Ababa believes that Potentials for holding congresses, conferences and exhibitions, Membership in international associations, Tourism investments environment, recognized importance of business tourism for destination development, Investments in business tourism development, congress and visitor bureau and Destination recognition on African business tourism market are the most important attributes whereas the remaining attributes are relatively perceived less important. Among the important attributes, congress and visitor bureau (mean=4.83) got the best score, almost all stakeholders agree that congress and visitor bureau is very important (SD= 0.373). To be competitive enough in business tourism different tourist facilities are important. Hence, the presence of 3-5 star hotels and fairs and exhibition centers are rated very important by the stakeholders. This in turn shows there is a need for investment in those business tourism infrastructures. To make this happen the stakeholders also believe that tourism investments environment is very important as the other destination attributes.

In contrast, according to the respondents perceived importance, clusters and other forms of cooperation in business tourism (mean= 4.28) was rated as the least important attribute from this category compared with other factors(attributes) in this category.

**Table 11: Results on the respondents' view on the importance of 'destination policy, planning and development determinants' attribute**

No.	Factors/Attributes	Importance										Mean	Median	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq.	%	Freq.	%	Freq	%	Freq	%	Freq.	%				
1	Potentials for holding congresses, conferences and exhibitions					3	1.3%	49	21.4%	177	77.3%	4.76	5.00	5	.458
2	Potentials for incentive trips					12	5.2%	82	35.8%	135	59.0%	4.54	5.00	5	.596
3	Membership in international associations					16	7.0%	63	27.5%	150	65.5%	4.59	5.00	5	.620
4	Tourism investments environment					7	3.1%	55	24.0%	167	72.9%	4.70	5.00	5	.522
5	Recognized importance of business tourism for destination development					6	2.6%	68	29.7%	155	67.7%	4.65	5.00	5	.530
6	Destination recognition on business tourism market in East Africa			3	1.3%	14	6.1%	74	32.3%	138	60.3%	4.52	5.00	5	.673
7	Investments in business tourism development			3	1.3%	10	4.4%	51	22.3%	165	72.1%	4.65	5.00	5	.628
8	Clusters and other forms of cooperation in business tourism			3	1.3%	42	18.3%	72	31.4%	112	48.9%	4.28	4.00	5	.806
9	Congress and visitor bureau							38	16.6%	191	83.4%	4.83	5.00	5	.373
10	Destination recognition on African business tourism market					5	2.2%	78	34.1%	146	63.8%	4.62	5.00	5	.531

**Note:**

- All the areas shaded in gray shows all the response alternatives are not chosen by respondents.
- 1\*= Not important    2\* = Slightly important    3\*= Moderately important    4\*= Important    5\*= Very important
- SD\*\* = Standard Deviation

#### **4.4.5 Qualifying and Amplifying Determinants**

Within the determinant “qualifying and amplifying determinants” the average grade points of attributes range from 4.39 to 4.87. The worst average rating has the attributes ‘economic stability’ (4.39), Costs of transport (4.49), Geographical location (4.54) and On line booking of accommodation (4.54). On the other hand, the highest average rating is recorded by the attributes Political stability (4.87), Overall destination image (4.86) and safety and security (4.85).

As it is stated in table 12, among the attributes in this category, all the respondents rated the 10 attributes of ‘qualifying and amplifying determinants’ between 4 (important) and 5 (very important).

The average rating for this category is  $M = 4.64$  with a standard deviation less than 1. This suggests that there is a relatively broad consensus of the respondents on the situation of the analyzed attributes.

**Table 12: Results on the respondents' view on the importance of 'qualifying and amplifying determinants' attribute**

No.	Factors/Attributes	Importance										Mean	Median	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%				
1	Geographical location					18	7.9%	70	30.6%	141	61.6%	4.54	5.00	5	.638
2	Costs of transport					16	7.0%	85	37.1%	128	55.9%	4.49	5.00	5	.626
3	Safety/security					1	.4%	32	14.0%	196	85.6%	4.85	5.00	5	.368
4	Hotel prices					12	5.2%	68	29.7%	149	65.1%	4.60	5.00	5	.589
5	Overall destination image							33	14.4%	196	85.6%	4.86	5.00	5	.352
6	Political stability							29	12.7%	200	87.3%	4.87	5.00	5	.333
7	Value for money					17	7.4%	49	21.4%	163	71.2%	4.64	5.00	5	.617
8	Cleanliness of destination					16	7.0%	41	17.9%	172	75.1%	4.68	5.00	5	.599
9	Economic stability			5	2.2%	31	13.5%	63	27.5%	130	56.8%	4.39	5.00	5	.801
10	On line booking of accommodation					20	8.7%	66	28.8%	143	62.4%	4.54	5.00	5	.652

**Note:**

- All the areas shaded in gray shows all the response alternatives are not chosen by respondents.
- 1\*= Not important    2\* = Slightly important    3\*= Moderately important    4\*= Important    5\*= Very important
- SD\*\* = Standard Deviation

## **4.5 Perceived Performance of Business Tourism Destination Attributes**

This section of the study shows the views of respondents on the performance of Addis Ababa as a business tourism destination when measured in 51 business tourism destination competitiveness attributes which are grouped into five categories.

The performance of Addis Ababa as perceived by the suppliers is an interesting phenomenon to assess the competitiveness of the city in the rapidly competitive market. This is because supply side stakeholders play a significant role in managing most of the business tourism destination attributes, facilitates and different products and services to the business tourism participants in the city. As the study is focused on the destination management aspect of business tourism in the city, the perceptions of the supply side stakeholders have paramount importance in order to identify the weak and strong side of Addis Ababa towards business tourism activities as they are highly engaged in the business tourism activities. Respondents were asked to assess the levels of performance of Addis Ababa by using 51 business tourism destination attributes on a 5-point Likert scale (5=Very high to 1=Very Low). The stakeholders were also asked to mention the 3 most competing destinations of Addis Ababa in business tourism so as to rate the performance of Addis Ababa in comparison with those competing destinations.

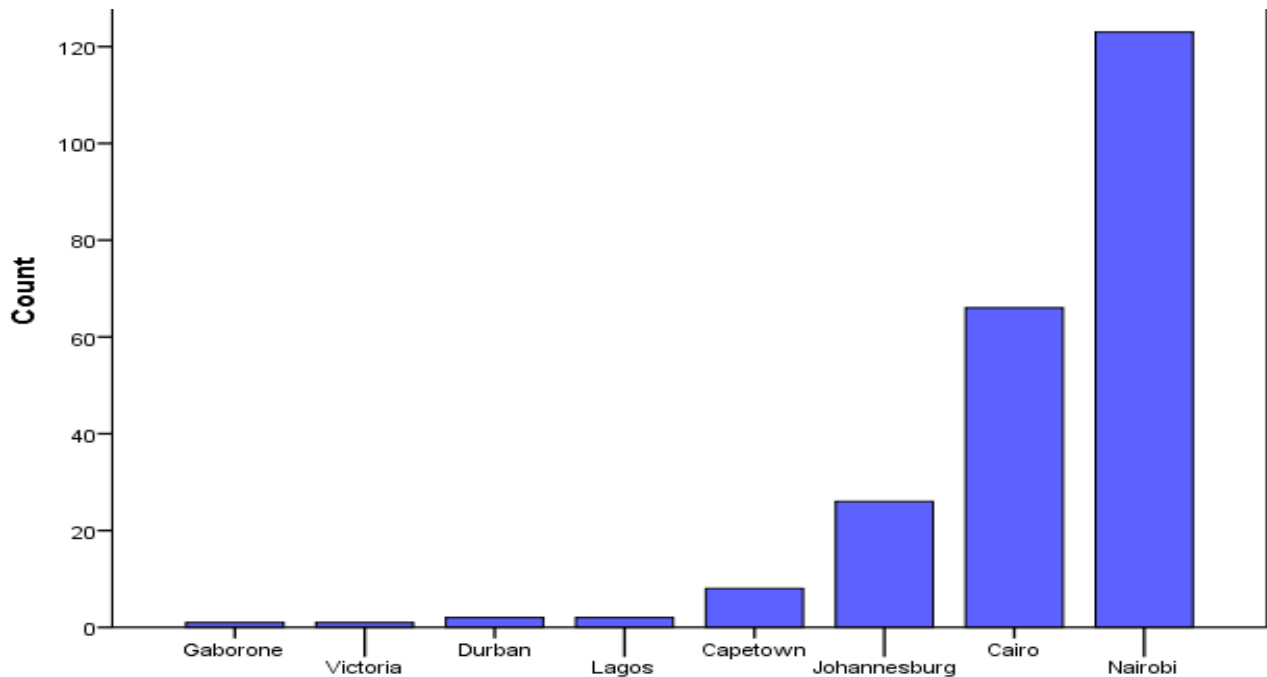
### **4.5.1 Major competitors**

For the purposes of defining the main competitors of Addis Ababa as a business tourism destination, respondents were asked to form a set of three destinations that they believe were the main competitors. It was deliberately defined in the questionnaire that they should be destinations from Africa as the study starts the justification of the study with Addis Ababa is not hosting as many business events as other African destination.

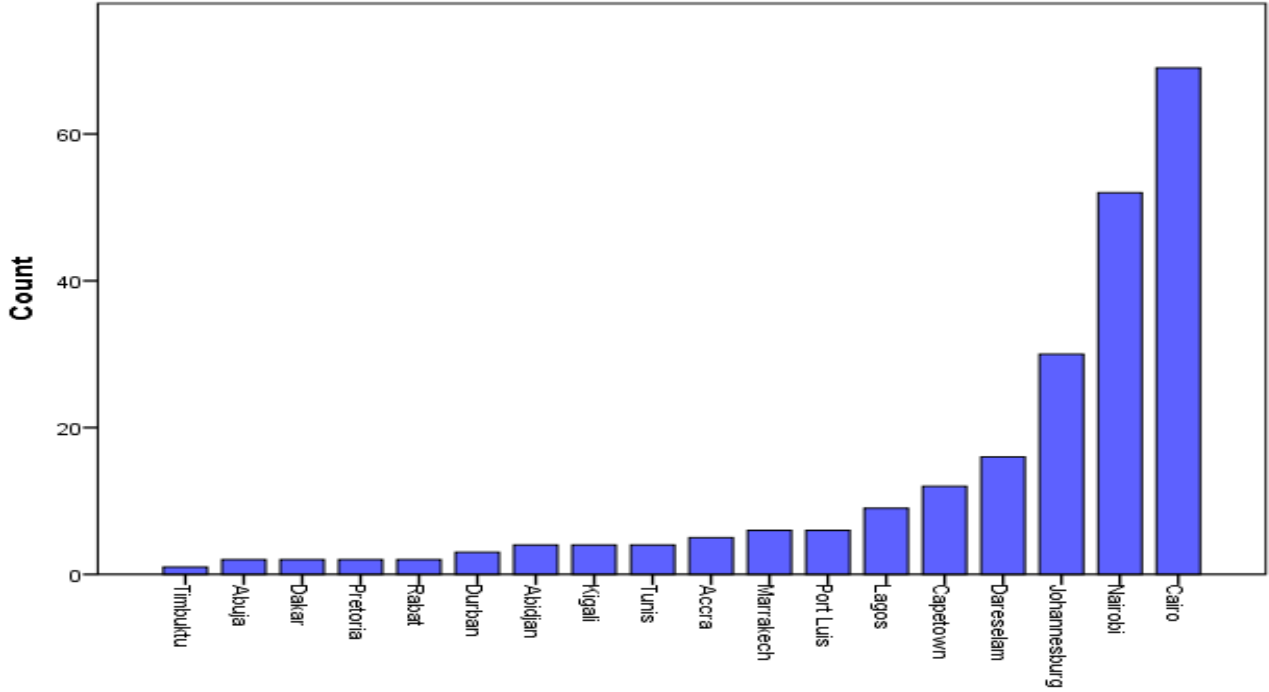
As indicates in figure 5, in the first competitor rating category respondents mention 8 destinations from Africa which they believe compete with Addis Ababa in business tourism segment. Among the 229 respondents 53.7 % of the supply side stakeholders select Nairobi as major competitor followed by Cairo (28.8%) and Johannesburg (11.4%). While in the

second-place rating of business tourism competitor’s respondents stated about 18 African destinations which they believe the second-tier competitor of Addis Ababa in business tourism market. As presented in figure 6, among those 18 African destinations most of the respondents chose Cairo (30.1%) as the most competitor of this group followed by Nairobi (22.7%) and Johannesburg (13.1%). Although, Figure 7 shows that the respondents mention 19 possible competitors of Addis Ababa as a third-tier competitor. In this tier of competition, from the 19 possible competitors, Johannesburg got the highest rank (22.7%) followed by Cairo (20.1%) and Nairobi (10.5%). In addition, 3.5% of the respondents see Cape town as a first-tier competitor, 7% Dareselam and 5.2 % Cape town as a second-tier competitor, 5.2 % Kigali and 4.4 Rabat as a third-tier competitor.

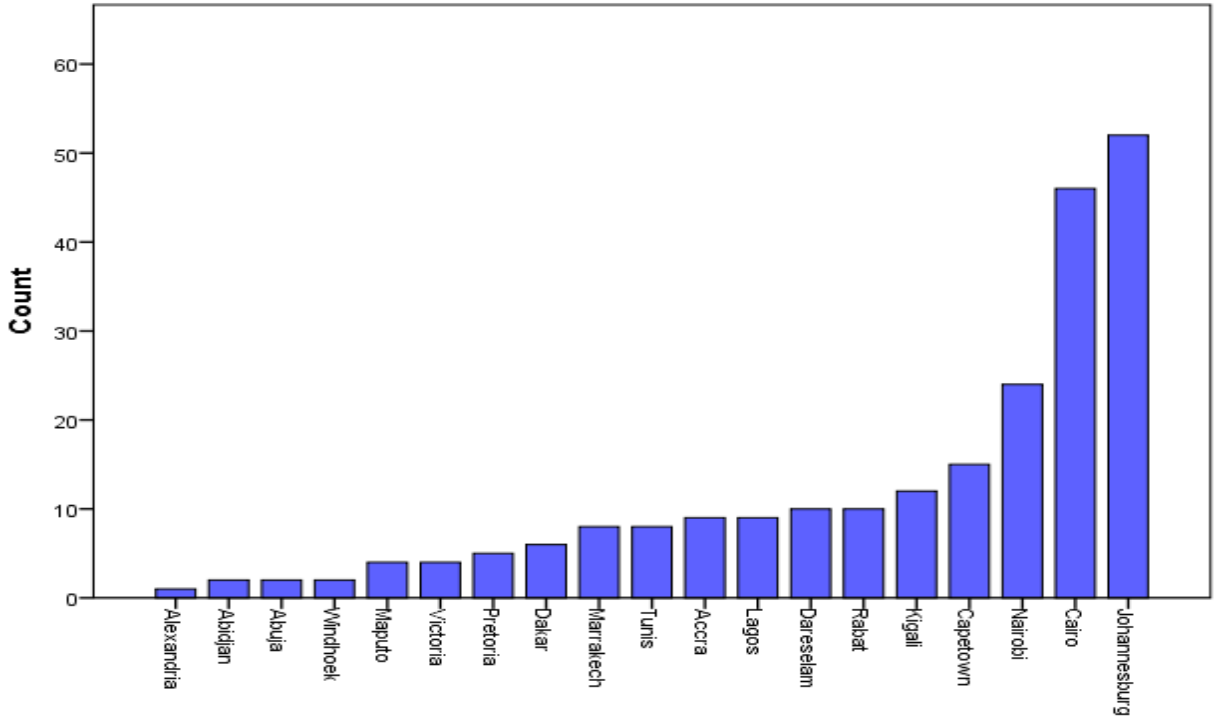
Therefore, it can be concluded that Nairobi, Cairo and Johannesburg are the strong most competitor of Addis Ababa in business tourism market. On the others hand, the percentage share of competitor destinations show that Nairobi is the strong competitor of Addis Ababa relative to Cairo and Johannesburg as Nairobi’s share is more than that of the sum of the shares of Cairo and Johannesburg in the first tier and more than half of the share of Cairo’s share in the second tire and almost half of Johannesburg’s share in the third tier.



**Figure 5: 1<sup>st</sup> tier competitive destination of Addis Ababa**



**Figure 6: 2<sup>nd</sup> tier competitive destination of Addis Ababa**



**Figure 7: 3<sup>rd</sup> tier competitive destination of Addis Ababa**

#### **4.5.2 Performance of Supporting Factors and Resources**

Within the determinant “Supporting factors and Resources” the average grade points of attributes range from 2.49 to 3.64. The worst average rating has the attributes Local transportation quality (2.49) and Incentives for tourism development (2.81). On the other hand, the highest average rating is recorded by the attributes Hospitality of local residents (3.64) and the Accessibility of destination (3.28).

As it is stated in table 13, the mean value of the attributes shows, the respondents believe that Addis Ababa is characterized with relatively good hospitality of local residents, average accessibility and presence of international companies. Whereas, Addis Ababa is performing relatively lower in local transportation which is the key as a competitive destination since participants require efficient and quality transportation in and around the activity areas. Similarly, the respondents also believe there is low incentives for tourism development to enhance business tourism in the city.

The standard deviation for most of the attributes of supporting factors and resources is greater than 1. Particularly the standard deviation of the attribute hospitality of local residents is 1.22 with a mean value of 3.64. this implies that even if the rated performance of the attribute is close to high (4), there is a great variation of response among the respondents. This is a surprising result as Ethiopians in general are considered as hospitable people. This suggests that there is a relatively narrow consensus of the respondents on the situation of hospitality of the residents of Addis Ababa. In relation to the presence of foreign/international companies, which has higher standard deviation, it was rated with low performance category but all the stakeholders didn't agree with the rating since some of the respondents feel that the performance is far better than low.

From the survey result we can conclude that among the five attributes of the Supporting factors and Resources category, Addis Ababa performs lower in local transportation quality and incentives for tourism development while performing relatively normal in hospitality of local residents, accessibility of destination and presence of foreign/international companies.

**Table 13: Results on the respondents' view on the performance of 'supporting factors and attractors' attribute**

No.	Factors/Attributes	Performance										Mean	Median	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
1	Hospitality of local residents	12	5.2%	31	13.5%	63	27.5%	45	19.7%	78	34.1%	3.64	4.00	5	1.226
2	Accessibility of destination	8	3.5%	46	20.1%	87	38.0%	51	22.3%	37	16.2%	3.28	3.00	3	1.067
3	Local transportation quality	50	21.8%	68	29.7%	77	33.6%	16	7.0%	18	7.9%	2.49	2.00	3	1.142
4	Presence of foreign/international companies	26	11.4%	39	17.0%	77	33.6%	47	20.5%	40	17.5%	3.16	3.00	3	1.229
5	Incentives for tourism development	33	14.4%	42	18.3%	105	45.9%	34	14.8%	15	6.6%	2.81	3.00	3	1.067

**Note:**

- 1\* = Very low      2\* = Low      3\* = Normal      4\* = High      5\* = Very High
- SD\*\* = Standard Deviation

### 4.5.3 Performance of Core Resources and Attractors

Under this category, there are fifteen attributes namely multicultural ambience, gastronomy(food) offer, entertainment, festivals and events, attractiveness of cultural heritage, specific venues for holding business events (e.g. fortresses, museums, galleries), sport-recreation activities, fairs and exhibition centers, availability of up-to-date audio-visual equipment, climate, unspoiled nature, quality of hotel services, tourist attractions signaling, professional conference organizers(PCO).

Within the determinant "core resources and attractors" average value of the importance of attributes ranging from 1.68 to 4.04. The lowest average rating has the attribute fairs and exhibition centers (1.68) and the highest average grade has the attribute climate, (4.06). The standard deviation value for all the attributes is less than 1 and it shows that there is a broad consensus of the respondents with the rating of state of attributes within this determinant.

The average score for the determinant 'core resources and attractors' is  $M = 2.84$ , which is even below the normal performance state. This survey result reveals that Addis Ababa is performing low in relation to core resources and attractors of business tourism. Comparing the mean values of each attribute with the total mean value of the category, it is possible to conclude that Addis Ababa is performing low in 9 of the 15 attributes of this category. Specially the city has a low performance in fairs and exhibition centers (1.68) and professional conference organizers (1.97) which are the key drivers of business tourism. To be competitive enough there is a need to improve these attributes of the destination. Similarly, the performance of Addis Ababa in relation to entertainment, sport and recreational activities, availability of up-to-date audio visual equipment, quality of services and presence of 3-5 star hotels is weak as all the attributes has got below mean value of 3 which is still below the total average score.

The standard deviation for most of the attributes of 'core resources and attractors' is less than 1. This suggests that there is a relatively broad consensus of the respondents on the situation of the analyzed attributes.

**Table 14: Results on the respondents' view on the performance of 'core resources and attractors' attributes**

No.	Factors/Attributes	Performance										Mean	Median	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
1	Multicultural ambience	7	3.1%	34	14.8%	50	21.8%	79	34.5%	59	25.8%	3.65	4.00	4	1.108
2	Gastronomy(food) offer	12	5.2%	46	20.1%	78	34.1%	65	28.4%	28	12.2%	3.22	3.00	3	1.067
3	Entertainment	21	9.2%	57	24.9%	151	65.9%					2.57	3.00	3	.656
4	Festivals and events	40	17.5%	51	22.3%	130	56.8%			8	3.5%	2.50	3.00	3	.901
5	Attractiveness of cultural heritage	8	3.5%	37	16.2%	30	13.1%	80	34.9%	74	32.3%	3.76	4.00	4	1.168
6	Specific venues for holding business events (e.g. fortresses, museums, galleries)	20	8.7%	62	27.1%	100	43.7%	31	13.5%	16	7.0%	2.83	3.00	3	1.005
7	Sport-recreation activities	35	15.3%	124	54.1%	55	24.0%	12	5.2%	3	1.3%	2.83	3.00	3	1.005
8	Fairs and exhibition centers	73	31.9%	156	68.1%							1.68	2.00	2	.467
9	Availability of up-to-date audio-visual equipment	40	17.5%	92	40.2%	84	36.7%	1	.4%	12	5.2%	2.36	2.00	2	.952
10	Climate			31	13.5%	31	13.5%	64	27.9%	103	45.0%	4.04	4.00	5	1.063
11	Unspoiled nature	2	.9%	48	21.0%	75	32.8%	72	31.4%	32	14.0%	3.37	3.00	3	.994
12	Quality of hotel services	2	.9%	59	25.8%	120	52.4%	28	12.2%	20	8.7%	3.02	3.00	3	.876
13	Tourist attractions signaling	36	15.7%	76	33.2%	86	37.6%	25	10.9%	6	2.6%	2.52	3.00	3	.972
14	Professional Conference Organizers(PCO)	70	30.6%	96	41.9%	63	27.5%					1.97	2.00	2	.763
15	Presence of 3-5 star hotels	23	10.0%	112	48.9%	94	41.0%					2.31	2.00	2	.645

**Note:**

- All the areas shaded in gray shows the response alternatives are not chosen by respondents.
- 1\* = Very low    2\* = Low    3\* = Normal    4\* = High    5\* = Very High
- SD\*\* = Standard Deviation

#### **4.5.4 Performance of Destination Management**

The average performance of the attributes in Addis Ababa with regards to the determinant 'destination management' range from 1.75 for the attribute existence of adequate educational programs in business tourism to 2.82 for the attribute opportunities for education in tourism. Cooperation between public and private sector in tourism field (2.45) and knowledge of foreign languages among employees in tourism (2.42) have slightly higher average score than two other attributes. Nevertheless, the average score for all attributes are almost close to 2 indicating a poor state of destination management.

The standard deviation for almost all attributes "destination management" is less than 1, except for availability of tourist promotion materials in foreign language (sd = 1.07). This indicates a significant consensus of the respondents in evaluating attributes within this determinant.

The average score for the determinant "destination management" is  $M = 2.24$ . Therefore, five of the attributes are performing well relative to the other attributes. However, as the average score is almost close to 2, this determinant has the lowest average rating indicating the weak performance of Addis Ababa in this determinant. This state should be changed as soon as possible in order to improve the overall tourism product of Addis Ababa, particularly business tourism product.

**Table 15: Results on the respondents' view on the performance of 'destination management' attributes**

No.	Factors/Attributes	Performance										Mean	Media n	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
1	Knowledge of foreign languages among employees in tourism	40	17.5%	79	34.5%	85	37.1%	23	10.0%	2	.9%	2.42	2.00	3	.922
2	Opportunities for education in tourism field	15	6.6%	62	27.1%	110	48.0%	33	14.4%	9	3.9%	2.82	3.00	3	.898
3	Educational profile of employees in tourism	21	9.2%	122	53.3%	86	37.6%					2.28	2.00	2	.623
4	Existence of adequate education programs in business tourism	89	38.9%	109	47.6%	31	13.5%					1.75	2.00	2	.680
5	Destination reputation related to business events and tourism	13	5.7%	116	50.7%	100	43.7%					2.38	2.00	2	.592
6	Development and innovations of business tourism product	42	18.3%	119	52.0%	50	21.8%	18	7.9%			2.19	2.00	2	.826
7	Availability of tourist promotion materials in foreign languages	57	24.9%	81	35.4%	65	28.4%	14	6.1%	12	5.2%	2.31	2.00	2	1.075
8	Co-operation between public and private sector in tourism field	41	17.9%	80	34.9%	81	35.4%	19	8.3%	8	3.5%	2.45	2.00	3	.992
9	Human resources specialist for business events	63	27.5%	106	46.3%	54	23.6%	6	2.6%			2.01	2.00	2	.786
10	Promotion of destination as business tourism destination	57	24.9%	111	48.5%	61	26.6%					2.02	2.00	2	.719
11	Availably of information linked to business tourism on destination	56	24.5%	103	45.0%	68	29.7%			2	.9%	2.08	2.00	2	.785

**Note:**

- All the areas shaded in gray shows the response alternatives are not chosen by respondents.
- 1\* = Very low    2\* = Low    3\* = Normal    4\* = High    5\* = Very High
- SD\*\* = Standard Deviation

#### **4.5.5 Performance of Destination Policy, Planning and Development Determinants**

As far as the attribute "Destination policy, Planning and Development Determinants " is concerned, as it is stated in table 16, the mean value of the attributes shows the respondents believe that Addis Ababa is characterized by weak performance of the attributes with average value of below 3. Among the low performing attributes, congress and visitor bureau is the worst of all the attributes in this category and other categories with a mean value of 1.35. this in turn indicates that there is no specialized body to coordinate and facilitate business tourism activities in Addis Ababa which most international event organizers require to give an opportunity for destination to host mega events.

Table 16 summarizes the means score supply side stakeholders assigned to the performance of destination policy, planning and development determinants. The attributes having the lowest mean score for performance which is congress and visitor bureau is the attributes which has got the highest rating of importance. As indicated in Table---, all the attributes had a performance mean score below 3 (normal).

The average score for the determinant "Destination policy, Planning and Development Determinants " is  $M = 2.21$ . Therefore, four of the attributes are performing low relative to the other attributes. However, the attribute tourism investment environment is fairly performing compared with other attributes in this category with the mean value close to 3(normal performance).

The standard deviation for almost all attributes "Destination policy, Planning and Development Determinant" is less than 1. This indicates a significant consensus of the respondents in evaluating attributes within this determinant.

**Table 16: Results on the respondents' view on the performance of 'destination policy, planning and development determinants' attribute**

No.	Factors/Attributes	Performance										Mean	Median	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
1	Potentials for holding congresses, conferences and exhibitions	29	12.7%	58	25.3%	109	47.6%	27	11.8%	6	2.6%	2.66	3.00	3	.934
2	Potentials for incentive trips	52	22.7%	105	45.9%	59	25.8%	13	5.7%			2.14	2.00	2	.833
3	Membership in international associations	27	11.8%	109	47.6%	71	31.0%	15	6.6%	7	3.1%	2.41	2.00	2	.892
4	Tourism investments environment	19	8.3%	67	29.3%	115	50.2%	18	7.9%	10	4.4%	2.71	3.00	3	.892
5	Recognized importance of business tourism for destination development	53	23.1%	91	39.7%	72	31.4%	13	5.7%			2.20	2.00	2	.859
6	Destination recognition on business tourism market in East Africa	28	12.2%	107	46.7%	92	40.2%	2	.9%			2.30	2.00	2	.688
7	Investments in business tourism development	43	18.8%	84	36.7%	80	34.9%	17	7.4%	5	2.2%	2.38	2.00	2	.945
8	Clusters and other forms of cooperation in business tourism	40	17.5%	93	40.6%	80	34.9%	11	4.8%	5	2.2%	2.34	2.00	2	.896
9	Congress and visitor bureau	149	65.1%	80	34.9%							1.35	1.00	1	.478
10	Destination recognition on African business tourism market	40	17.5%	134	58.5%	47	20.5%	8	3.5%			2.10	2.00	2	.715

**Note:**

- All the areas shaded in gray shows the response alternatives are not chosen by respondents.
- 1\* = Very low    2\* = Low    3\* = Normal    4\* = High    5\* = Very High
- SD\*\* = Standard Deviation

#### 4.5.6 Performance of Qualifying and Amplifying Determinants

Concerned with “qualifying and amplifying determinants”, as it is stated in table 17, the mean value of the attributes shows, the respondents believe that Addis Ababa is characterized with fair performance of the attributes with average value of above 3 except the attributes ‘cleanliness of destination’ (1.98), economic stability (2.89) and online booking of accommodation (2.62). Among the fair performing attributes, the highest average score goes to the attributes ‘geographical location’ (3.83) almost near to high performance and political stability (3.63) which is also pretty more than average performance. This indicates that Addis Ababa has the good geographical location and political stability which will be the best possible opportunity to attract many business activities to the city.

Table 17 summarizes the means score the respondents assigned to the performance of qualifying and amplifying determinants. Under this category, the attributes having the lowest mean score for performance is cleanliness of the destination (1.96) which is perceived as an important attribute by the stakeholders. This reveals that there is a need for immediate intervention to make the city clean and attractive for the participants of business tourism activities in the city.

The average score for the determinant “qualifying and amplifying determinants” is  $M = 3.12$ . Therefore, it is possible to conclude that Addis Ababa is performing fairly good in most of the attributes in this category.

The standard deviation for some of the attributes “qualifying and amplifying determinants” is less than 1 and is greater than 1 for some attributes. This indicates a significant consensus of the respondents in evaluating some of the attributes within this determinant and wider consensus for some other attributes. However, respondents were agreed with the low performing attribute (cleanliness of the destination,  $st\ dv = 0.77$ ) and the highest performing attribute of this category (geographical location,  $st\ dv = 0.75$ ).

**Table 17: Results on the respondents' view on the performance of 'qualifying and amplifying determinants' attribute**

No.	Factors/Attributes	Performance										Mean	Median	Mode	SD**
		1*		2*		3*		4*		5*					
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
1	Geographical location			2	.9%	82	35.8%	98	42.8%	47	20.5%	3.83	4.00	4	.756
2	Costs of transport	13	5.7%	40	17.5%	81	35.4%	78	34.1%	17	7.4%	3.20	3.00	3	1.002
3	Safety/security			40	17.5%	54	23.6%	79	34.5%	56	24.5%	3.66	4.00	4	1.033
4	Hotel prices	10	4.4%	28	12.2%	118	51.5%	48	21.0%	25	10.9%	3.22	3.00	3	.948
5	Overall destination image	6	2.6%	58	25.3%	98	42.8%	44	19.2%	23	10.0%	3.09	3.00	3	.974
6	Political stability			22	9.6%	101	44.1%	45	19.7%	61	26.6%	3.63	3.00	3	.980
7	Value for money	8	3.5%	52	22.7%	85	37.1%	57	24.9%	27	11.8%	3.19	3.00	3	1.028
8	Cleanliness of destination	73	31.9%	93	40.6%	63	27.5%					1.96	2.00	2	.771
9	Economic stability	18	7.9%	64	27.9%	94	41.0%	31	13.5%	22	9.6%	2.89	3.00	3	1.052
10	On line booking of accommodation	38	16.6%	67	29.3%	78	34.1%	37	16.2%	9	3.9%	2.62	3.00	3	1.064

**Note:**

- All the areas shaded in gray shows the response alternatives are not chosen by respondents.
- 1\* = Very low      2\* = Low      3\* = Normal      4\* = High      5\* = Very High
- SD\*\* = Standard Deviation

## **4.6 Importance Performance Analysis**

The importance and performance scores presented in Appendix A shows the performance–importance gap of the five major categories of business tourism destination attributes.

Appendix A in the Appendix Section illustrates the mean scores of the 51 business tourism destination attributes of Addis Ababa perceived by supply side stakeholders in relation to Importance and Performance. The data were then plotted onto the IPA grid presentation (Figure 8). In Figure 8, the X-axis represents the perceptions of Performance score relating to Addis Ababa’s performance against the business tourism destination attributes. The Y-axis represents the relative scores of Importance on the same attributes. The mean Importance rating for the pooled data was 4.62 and the mean Performance rating was 2.67.

The mean Importance and Performance ratings derived from the survey data provided the grid crushers presentation on which the four quadrants were identified. As shown in Figure 8, seventeen attributes identified in concentrate here quadrant, eleven attributes in Keep up the Good Work quadrant, eleven attributes in the Possible Overkill quadrant and twelve attributes in the Low Priority quadrant. The following section provides some meaningful insights about the ‘quadrant’ presentation.

### **First Quadrant: Concentrate Here**

The Keep Up the Good Work quadrant contains attributes that are high in both importance and performance scores. Figure -- shows that seventeen out of fifty-one attributes of the business tourism destination attributes are located in this quadrant. The findings suggest that in this quadrant sixteen attributes were identified. These attributes are Local transportation quality, Fairs and exhibition centers, Availability of up-to-date audio-visual equipment, Professional Conference Organizers(PCO), Presence of 3-5 star hotels, Knowledge of foreign languages among employees in tourism, Existence of adequate education programs in business tourism, Destination reputation related to business events and tourism, Availability of tourist promotion materials in foreign languages, Co-operation between public and private sector in tourism field, Human resources specialist for business events, Promotion of destination as business tourism destination, Potentials for holding congresses, conferences and



**Table 18: Key of the Importance Performance Grid**

SF1 = Hospitality of local residents	DM28 = Co-operation between public and private sector in tourism field
SF2 = Accessibility of destination	DM29 = Human resources specialist for business events
SF3 = Local transportation quality	DM30 = Promotion of destination as business tourism destination
SF4 = Presence of foreign/international companies	DM31 = Availability of information linked to business tourism on destination
SF5 = Incentives for tourism development	DP32 = Potentials for holding congresses, conferences and exhibitions
CR6 = Multicultural ambience	DP33 = Potentials for incentive trips
CR7 = Gastronomy(food) offer	DP34 = Membership in international associations
CR8 = Entertainment	DP35 = Tourism investments environment
CR9 = Festivals and events	DP36 = Recognized importance of business tourism for destination development
CR10 = Attractiveness of cultural heritage	DP37 = Destination recognition on business tourism market in East Africa
CR11 = Specific venues for holding business events (e.g. fortresses, museums, galleries)	DP38 = Investments in business tourism development
CR12 = Sport-recreation activities	DP39 = Clusters and other forms of cooperation in business tourism
CR13 = Fairs and exhibition centers	DP40 = Congress and visitor bureau
CR14 = Availability of up-to-date audio-visual equipment	DP41 = Destination recognition on African business tourism market
CR15 = Climate	QA42 = Geographical location
CR16 = Unspoiled nature	QA43 = Costs of transport
CR17 = Quality of hotel services	QA44 = Safety/security
CR18 = Tourist attractions signaling	QA45 = Hotel prices
CR19 = Professional Conference Organizers	QA46 = Overall destination image
CR20 = Presence of 3-5 star hotels	QA47 = Political stability
DM21 = Knowledge of foreign languages among employees in tourism	QA48 = Value for money
DM22 = Opportunities for education in tourism field	QA49 = Cleanliness of destination
DM23 = Educational profile of employees in tourism	QA50 = Economic stability
DM24 = Existence of adequate education programs in business tourism	QA51 = On line booking of accommodation
DM25 = Destination reputation related to business events and tourism	
DM26 = Development and innovations of business tourism product	
DM27 = Availability of tourist promotion materials in foreign languages	

### **Second Quadrant: Keep Up The Good Work**

Eleven attributes were identified in this second quadrant. The findings indicated that these attributes are perceived as high importance by the respondents and at the same time their performance was very good. So, the destination managers and marketers should keep up the good work with regard to these attributes. In other words, Accessibility of destination, Incentives for tourism development, Gastronomy offer, Attractiveness of cultural heritage, Quality of hotel services, Opportunities for education in tourism field, Tourism investments environment, Safety/security, Overall destination image, Political stability and Value for money were the major strengths of Addis Ababa that destination managers and stakeholders should continue to emphasize.

### **Third Quadrant: Low Priority**

The third quadrant was called ‘Low Priority’ because the attributes identified in this area were considered lower in both importance and performance. Twelve attributes fell into this category including Entertainment, Festivals and events, Tourist attractions signaling, Educational profile of employees in tourism, Development and innovations of business tourism product, availability of information linked to business tourism on destination, Potentials for incentive trips, Membership in international associations, Destination recognition on business tourism market in East Africa, Clusters and other forms of cooperation in business tourism, Destination recognition on African business tourism market and On line booking of accommodation. Although the result showed that supply side stakeholders did not perceive these items important, this does not mean that destination managers and marketers should reduce their efforts to improve such services. On the contrary, these service categories are often considered as the essential facilities or basic needs to business tourists. Also, Martilla and James (1977) emphasize that IPA technique measures the relative but not absolute importance and performance of the attribute. Relative to other attributes, these attributes located in the Low Priority quadrant are a little less important and a little less well performed in Addis Ababa.

#### **Fourth Quadrant: Possible Overkill**

Under this category eleven attributes were identified with low importance and high performance, which includes Hospitality of local residents, Presence of foreign/international companies, Multicultural ambience, Specific venues for holding business events (e.g. fortresses, museums, galleries), sport- recreation activities, Climate, Unspoiled Nature, Geographical location, Costs of transport, Hotel prices and Economic stability. Destination managers and marketers need to strategically consider these aspects. Therefore, these attributes need not be overemphasized and further investment to enhance these attributes needs to be considered carefully.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter summarizes about the results of the study that have been presented in chapter 4. It also gives some conclusions from the result findings and discussions depending upon the research's questions and objectives. Finally, it suggests some future recommendations on important issues that should be done and taken into consideration by concerned bodies accordingly and future research implications.

#### 5.2 Summary of Findings

This study set out to examine the performance of Addis Ababa in away how Addis Ababa is utilizing its resources to compete with others destinations in Africa by analyzing the strong and weak side of Addis Ababa as a business tourism destination. It began by looking at prior studies in business tourism areas, competitiveness in general, then destination competitiveness and models that have been suggested to explain the competitiveness of business tourism destinations. The literature provided factors that affect competitiveness mainly by the well-known destination model of Crouch and Ritchie (2003), while destination attributes suggested in business tourism model organized by Dragicevic (2014) form the conceptual framework for the study. The attributes have been adopted as some of the issues that influence destination competitiveness with Addis Ababa as the destination under study. The research study used Importance performance analysis to clearly understand the strong and weak side of Addis Ababa as a business tourism destination. The attributes are rated by 229 supply side stakeholders found in Addis Ababa as they are experienced and have enormous knowledge about the destination.

It is found that 42 attributes from all the 51 attributes were seen by the respondents '**very important**' for the competitiveness of Addis Ababa in the international business tourism market having a mean value of 4.5 and above (ranging from 'destination recognition on

business tourism market in East Africa' (4.52) to 'Accessibility of destination' (4.93)). The values of the standard deviations for all 51 attributes ranged from the highest (0.97) to the lowest (0.24) except tourist attraction signaling (1.19), which are all between zero and one (between 0 and 1) and are considered to show not much difference between respondents' views on the importance of the attributes for the competitiveness of the city. But, even the remaining 9 attributes were viewed as 'important' having a mean value of ranging from 'sport recreation activities' (4.19) to 'cost of transport' (4.49) just to say that they were not seen as 'very important'.

However, as far as performance is concerned, the views of the respondents are different from that of importance of attributes not in all attributes was the city considered to have performed well as an international business tourism destination. Addis Ababa was viewed by the respondents as having a 'high' performance in the attribute 'Hospitality of local residents of 'supporting factors and resources' category, 'multi-cultural ambience' and 'climate' of 'core resources and attractors' category, geographical location, safety and security and political stability of 'qualifying and amplifying determinants' category with the mean values of close to 4. In other words, the destination is competitive in only seven attributes of from supporting factors and resources, core resources and attractors' category and qualifying and amplifying determinants' categories. This leaves us with the conclusion that from the 51 attributes the respondents viewed as having high importance for the competitiveness of the city; Addis Ababa is competitive in only 7 of them. On the other hand, considering the mean values of the attributes, the city is not competitive at all attributes of destination management and destination policy, planning and development attributes.

The mean values for all the above 7 attributes ranged from the highest 4.04 of 'climate' to the lowest 3.63 of 'political stability'. The views of the respondents for most attributes have very small variation as the values of the standard deviations for these attributes ranged from 0.47 ('congress and visitor bureau') to 0.99 ('unspoiled nature') which is all between zero (0) and one (1).

Other attributes in which the city was seen as having a 'normal' (neither 'low' nor 'high') performance included the attributes 'accessibility of destination', 'presence of

foreign/international companies' and 'incentives for tourism development' of 'supporting factors and resources' category, 'gastronomy offer', 'specific venues for holding business events (e.g. fortresses, museums, galleries)', 'sport-recreation activities', 'unspoiled nature' and 'quality of hotel services' of 'core resources and attractors' category, 'opportunities for education in tourism field' of 'destination management' category, 'potentials for holding congresses, conferences and exhibitions' and 'tourism investments environment' of 'destination policy, planning and development determinants' category and 'costs of transport', 'hotel prices', 'overall destination image' and 'value for money' of 'qualifying and amplifying determinants' category with the mean values of close to 3.

In the rest 29 attributes of destination competitiveness, Addis Ababa was viewed by the respondents as having a weak performance including 'local transportation quality' of 'supporting factors and resources' category, 'entertainment', 'festivals and events', 'fairs and exhibition centers', 'availability of up-to-date', 'audio-visual equipment', 'tourist attractions signaling, 'professional conference organizers(PCO)' and 'presence of 3-5 star hotels' of 'core resources and attractors' category 'knowledge of foreign languages among employees in tourism', 'educational profile of employees in tourism', 'existence of adequate education programs in business tourism', 'destination reputation related to business events and tourism', 'development and innovations of business tourism product', 'availability of tourist promotion materials in foreign languages', 'co-operation between public and private sector in tourism field', 'human resources specialist for business events', 'promotion of destination as business tourism destination' and 'availably of information linked to business tourism on destination' of 'destination management' category, 'potentials for incentive trips', 'membership in international associations', 'tourism investments environment', 'recognized importance of business tourism for destination development', 'destination recognition on business tourism market in east Africa', 'investments in business tourism development', 'clusters and other forms of cooperation in business tourism', 'destination recognition on African business tourism market' of 'destination policy, planning and development determinants' category 'cleanliness of destination', 'economic stability' and 'on line booking of accommodation' of 'qualifying and amplifying determinants' category with low performance and 'congress and visitor bureau' of 'destination policy, planning and development determinants' category with a very low performance.

But, when it comes to prioritizing attributes on the IPA grid, the picture is a bit different from what has previously been concluded. As this method puts the attributes into only a 'high-low' matrix from a total mean value of 'importance' and 'performance' of attributes and there are no other alternatives such as 'very low', 'normal' or 'very high', what was seen as having a 'high' importance might fall into a quadrant which suggests 'low' importance. However, as this analysis gives responsible bodies a quick picture of all priorities in an easily applicable format; it is helpful for efficient allocation of resources.

Therefore, those areas which need immediate attention and allocation of resources include: 'local transportation quality' of 'supporting factors and resources' category, 'fairs and exhibition centers', 'availability of up-to-date audio-visual equipment', 'professional Conference Organizers(PCO)' and 'presence of 3-5 star hotels' of 'core resources and attractors' category, 'knowledge of foreign languages among employees in tourism', 'existence of adequate education programs in business tourism', 'destination reputation related to business events and tourism', 'availability of tourist promotion materials in foreign languages', 'co-operation between public and private sector in tourism field', 'human resources specialist for business events' and 'promotion of destination as business tourism destination' of 'destination management' category, 'potentials for holding congresses, conferences and exhibitions', 'recognized importance of business tourism for destination development', 'investments in business tourism development' and 'congress and visitor bureau' of 'destination policy, planning and development determinants' category, and 'cleanliness of destination' of 'qualifying and amplifying determinants' category.

Addis Ababa as a business tourism destination is suggested to keep up the good work in areas such as 'accessibility of destination' and 'incentives for tourism development' of 'supporting factors and resources' category, 'gastronomy offer', 'attractiveness of cultural heritage' and 'quality of hotel services' of 'core resources and attractors' category, 'opportunities for education in tourism field' of 'destination management' category, 'tourism investments environment' of 'destination policy, planning and development determinants' category and 'safety/security', 'overall destination image', 'political stability' and 'value for money' of 'qualifying and amplifying determinants' category.

The rest, about twenty three (23), attributes fall into either ‘low importance’-‘low performance’ quadrant or ‘low importance’-‘high performance’ quadrant which doesn’t need either immediate attention or maintaining it at the moment. This does not mean they are not important at all but should be seen strategically for some time in the future.

### **5.3 Conclusion**

Destinations are nowadays increasingly competing each other in order to get a large share of market. In order to achieve this, they will try to utilize their resources effectively and efficiently and tackle any possible factors that could affect their competitiveness. A successful destination should be able to identify the strong and weak side of particular tourism business so as to compete with other similar competing destinations and attract more visitors and also promote repeat business. Considering this, the research was undertaken in order to assess the competitiveness of Addis Ababa as a business tourism destination from the suppliers’ perspective. Since suppliers are well knowledgeable about the destination management aspects of a particular place, the study was focused on the suppliers’ perception of the importance and performance of business tourism destination competitiveness attributes. The study used 5 point Likert scale survey questionnaire to collect data from the supply side stakeholders. Even though, Addis Ababa has a good opportunity to develop business tourism with the existence of UNECA, AUCC and international organizations, the study reveals that Addis Ababa is not competitive in most of the attributes and a lot of work is expected to be done in order to improve the competitiveness of the city. Moreover, the stakeholders express their perception about the importance and performance of 51 business tourism destination attributes. The stakeholders rate the importance of destination attributes by rating from 1-5 and similarly Addis Ababa’s performance by rating from 1-5. In addition, the performance-importance gap(difference) were also presented to identify which factor is very critical and not critical. The views of the suppliers were presented with importance performance grid and the critical points that need immediate action were also identified. Considering this, the study answered all the research questions and achieved its objectives. Hence, if the proposed recommendations by this study are effected the city’s competitiveness will be enhanced and it will be possible to attract many international events to the city which in turn will create an abundance of employment and income to the local people.

## 5.4 Recommendations

The study concludes that for Addis Ababa to be competitive in the business tourism market, the areas where the importance is high and the perceived performance was low should be given due attention. Therefore, to address those issues and improve the performance of Addis Ababa as a business tourism destination, the researcher has provided the following recommendations based on the findings of this research.

- Public transport contributes to the global appeal of a city. It plays an essential role in business tourism development, as it is often the prime means for visitors to get about the city, to access heritage and cultural sites, and to access local businesses. Therefore, in terms of local transportation quality there must be encouragement of tourists to use public transportations by creating strong collaboration with public transport providers to provide modern and high quality transportation vehicles to the business tourists in the city. To this regard, the government should consider the public transportation planning to take the needs of business tourists into account.
- Based on the study result, amenities and facilities in relation to business tourism in Addis Ababa are very limited such as 3 and above star hotels and conference and exhibition centers. Therefore, it is recommended that facilities essential for business tourism should be enhanced in order to be competitive in the market with other competing destinations. The existing hotels that are catering to such business tourism activities should improve their facilities like up-to-date audio visual equipment and the new hotels being built should have international standard well equipped conference hall with the capacity to host huge groups. The weak performance of fairs and exhibition centers was also identified by the stakeholders. However, the existence of ECA and AUC conference centers is not enough to increase the competitiveness of Addis Ababa as a business tourism destination. Currently, there are some initiatives to build international standard conference and exhibition centers in Addis Ababa by the private sector. But, further improvements are needed by the private, government and organizations such as NGOs and corporations in developing good standards

conference halls with the required facilities which could be used for domestic and international markets.

- Fully-fledged and well-funded congress and visitor bureau that is either government run, Quasi-government or privately funded congress and visitor bureau should be established as the current global growth in the meetings industry is momentous both in size and type of demand and thus requires well-coordinated efforts for a destination to win international conference bids. Therefore, the congress and visitor bureau provides an integrated avenue in coordinating business and conference tourism marketing and international conference bidding.
- More focused marketing of business tourism is paramount important. This will entail standardizing marketing and promotional strategies tailored to business tourism products to ensure Addis Ababa is one of the best business tourism destination locally and internationally. Such areas that would require attention would be; promotional materials about business event facilities in different foreign languages; standardized website which continuously provide updated and detail information about business tourism activities and information.
- The sector suffers due to shortage of professionally qualified manpower; the ministry of culture and tourism should actively work with Catering and Tourism Training Institution which is dubbed as the center of excellence (MoCT, 2015) by the ministry and other governmental and Private institutions to develop curriculum for conference and conventions management in short term and long term programs. In this regard, partnerships can be developed with different international institutions and stakeholders. In addition, there should be upgrading of current event organizers skill by giving them trainings and any kind of business events organized by government organizations should be given to local event organizers so as to gain professional experience which could later help them in organizing large international events.
- For destinations to be successful in attracting tourists for business tourism, strong connection has to be developed with all private and public sector stakeholders within and outside the country involved in the development of tourism industry. This is very important because these organizations have great influence on the decision-making process of tourists for business tourism events (Buhalis, 2000). Working in partnership

with all stakeholders will help to understand the requirements of business tourists related to such tours and therefore, will be able to offer suitable services to provide quality experience for tourists.

- For destinations to be successful implementing any new tourism products like business tourism, there is a need to formulate a comprehensive strategy where all the factors related to the development and promotion of such products are addressed. The strategy should encompass how to attract high spending business tourists for such events. Further, criteria should be developed to provide government assistance that clearly specify the extent of government support and the types of events that will be supported.
- In addition, all the responsible bodies in the supply side stakeholders should keep their eyes in maintaining and performing the attributes which has been categorized under high importance- high performance category even better than now.

## **5.5 Implications for Future Studies**

This study applies IPA framework to assess Addis Ababa's as a business tourism destination. The findings of this study can be applied by different responsible stakeholders and policy makers in relation to business tourism in Addis Ababa city. As a result of limitations in time and other resources, the scope of this study was restricted to supply side stakeholders of business tourism in Addis Ababa, a phenomenon that limits the generalizability of these findings. Also, only a single research instrument, a questionnaire, was used to measure competitiveness. This study identifies the following areas that need more attention in the near future:

- There is a need to conduct further study using qualitative research methods (in-depth interviews and/or participant observation). Qualitative research enables a researcher to explore why certain phenomenon occurred during the study. This technique would provide more understanding about why is not performing well in most of the business destination attributes. These techniques will bring more information about competitiveness factors.
- This study assessed the importance and performance of the attributes of business tourism destination competitiveness only from the suppliers' view. There is a need to

conduct a study to assess the importance and performance of the attributes of business tourism destination competitiveness from the international business event participants and international congress and conference organizers perspective.

- The study identified the major competitors of Addis Ababa in business tourism market. Using the result, there is a need to assess the competitiveness of Addis Ababa by applying a comparative study with the major competitors of the city to clearly identify the gaps with other competing destinations.

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## APPENDIXES

### Appendix A: Results on importance performance difference

Factors/Attributes		Importance		Performance		Difference (P-I)
		Mean	SD	Mean	SD	
<b>Supporting Factors and Resources</b>	1. Hospitality of local residents	4.56	.657	3.64	1.226	-0.92
	2. Accessibility of destination	4.93	.248	3.28	1.067	-1.65
	3. Local transportation quality	4.80	.453	2.49	1.142	-2.31
	4. Presence of foreign/international companies	4.28	.789	3.16	1.229	-1.12
	5. Incentives for tourism development	4.81	.391	2.81	1.067	-2
<b>Core Resources and Attractors</b>	6. Multicultural ambience	4.43	.909	3.65	1.108	-0.78
	7. Gastronomy(food) offer	4.67	.565	3.22	1.067	-1.45
	8. Entertainment	4.48	.729	2.57	.656	-1.91
	9. Festivals and events	4.60	.589	2.50	.901	-2.1
	10. Attractiveness of cultural heritage	4.70	.577	3.76	1.168	-0.94
	11. Specific venues for holding business events (e.g. fortresses, museums, galleries)	4.53	.603	2.83	1.005	-1.7
	12. Sport-recreation activities	4.19	.975	2.83	1.005	-1.36
	13. Fairs and exhibition centers	4.63	.660	1.68	.467	-2.95
	14. Availability of up-to-date audio-visual equipment	4.61	.683	2.36	.952	-2.25
	15. Climate	4.56	.630	4.04	1.063	-0.52
	16. Unspoiled nature	4.39	.844	3.37	.994	-1.02
	17. Quality of hotel services	4.91	.283	3.02	.876	-1.89
	18. Tourist attractions signaling	4.24	1.194	2.52	.972	-1.72
	19. Professional Conference Organizers	4.72	.545	1.97	.763	-2.75
	20. Presence of 3-5 star hotels	4.82	.457	2.31	.645	-2.51

Factors/Attributes		Importance		Performance		Difference (P-I)
		Mean	SD	Mean	SD	
<b>Destination Management</b>	21. Knowledge of foreign languages among employees in tourism	4.78	.473	2.42	.922	-2.36
	22. Opportunities for education in tourism field	4.71	.463	2.82	.898	-1.89
	23. Educational profile of employees in tourism	4.60	.549	2.28	.623	-2.32
	24. Existence of adequate education programs in business tourism	4.67	.541	1.75	.680	-2.92
	25. Destination reputation related to business events and tourism	4.65	.522	2.38	.592	-2.27
	26. Development and innovations of business tourism product	4.61	.630	2.19	.826	-2.42
	27. Availability of tourist promotion materials in foreign languages	4.69	.509	2.31	1.075	-2.38
	28. Co-operation between public and private sector in tourism field	4.74	.467	2.45	.992	-2.29
	29. Human resources specialist for business events	4.64	.550	2.01	.786	-2.63
	30. Promotion of destination as business tourism destination	4.75	.481	2.02	.719	-2.73
	31. Availably of information linked to business tourism on destination	4.55	.651	2.08	.785	-2.47

Factors/Attributes		Importance		Performance		Difference (P-I)
		Mean	SD	Mean	SD	
Destination Policy, Planning and Development Determinants	32. Potentials for holding congresses, conferences and exhibitions	4.76	.458	2.66	.934	-2.1
	33. Potentials for incentive trips	4.54	.596	2.14	.833	-2.4
	34. Membership in international associations	4.59	.620	2.41	.892	-2.18
	35. Tourism investments environment	4.70	.522	2.71	.892	-1.99
	36. Recognized importance of business tourism for destination development	4.65	.530	2.20	.859	-2.45
	37. Destination recognition on business tourism market in East Africa	4.52	.673	2.30	.688	-2.22
	38. Investments in business tourism development	4.65	.628	2.38	.945	-2.27
	39. Clusters and other forms of cooperation in business tourism	4.28	.806	2.34	.896	-1.94
	40. Congress and visitor bureau	4.83	.373	1.35	.478	-3.48
	41. Destination recognition on African business tourism market	4.62	.531	2.10	.715	-2.52
Qualifying and Amplifying Determinants	42. Geographical location	4.54	.638	3.83	.756	-0.71
	43. Costs of transport	4.49	.626	3.20	1.002	-1.29
	44. Safety/security	4.85	.368	3.66	1.033	-1.19
	45. Hotel prices	4.60	.589	3.22	.948	-1.38
	46. Overall destination image	4.86	.352	3.09	.974	-1.77
	47. Political stability	4.87	.333	3.63	.980	-1.24
	48. Value for money	4.64	.617	3.19	1.028	-1.45
	49. Cleanliness of destination	4.68	.599	1.96	.771	-2.72
	50. Economic stability	4.39	.801	2.89	1.052	-1.5
	51. On line booking of accommodation	4.54	.652	2.62	1.064	-1.92

## Appendix B: Survey Questionnaire



**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT OF MANAGEMENT  
SCHOOL OF GRADUATE STUDIES**

Dear Sir/Madam,

I am a graduate student in Masters of Business Administration (MBA) in Management at Addis Ababa University. I am conducting a study on “**Assessment of Addis Ababa’s Competitiveness as a Business Tourism Destination from the suppliers’ perspective**”. I am writing this letter to invite you to participate in research in the form of a survey questionnaire. This study is aimed to identify the strong and weak side of Addis Ababa as a business tourism destination by using Importance Performance Analysis. It is also intended to investigate which attributes are important in order to be competitive and boost business tourism in Addis Ababa. As a result, the questionnaire is targeted towards the supply side stakeholders of business tourism in Addis Ababa city. Thus, it asks you to rate the importance of business tourism destination attributes and the performance of Addis Ababa against those attributes.

This research will help your organization by providing valuable information on which business tourism attributes you are expected to focus on related to your business. Therefore, I would kindly ask you to take few minutes of your time to filling out this questionnaire. Your participation is anonymous and voluntary, and the data will be used **EXCLUSIVELY** for the purpose of this study. Your help will greatly contribute to the study.

Thank you very much for your participation.

Sincerely,

Frew Abebe

Tel. no. +251 912 46 98 17

Email: [myfrew@gmail.com](mailto:myfrew@gmail.com)

**Part I. Respondents' general profile** (Please use ✓ to your selection)

1. Gender  Male  Female

2. Age  18-24  45-54  
 25-34  55-64  
 35-44  65 or older

3. Education

Less than Grade 8  12+ Diploma  
 Grade 9-12  Bachelor's Degree  
 10+ Certificate  Above Bachelor's degree  
 12+ Certificate

4. Marital status

Single  Widowed  Separated  
 Married  Divorced

5. Type of organization you are currently working in

Accommodation facility  Local tourist attractions  
 Airlines  Chamber of commerce  
 Tour and travel operation & Car rental services  Event Organizers  
 Event and Exhibition center  
 Professional Association  Government Tourism office  
 Educational institutions  Other (Please Specify) \_\_\_\_\_

6. How long have you been working in Travel and Tourism industry?

1-5 years  10-15 years  
 5-10 years  Above 15 year

## Part II. General Importance of Business Tourism

Please indicate how important business tourism in Addis Ababa is important for the existence of your organization. (Please use □ to indicate your choice)

1 = Not important                      2= Slightly important                      3= Moderately important  
4 = Important                              5= Very Important

Description	1	2	3	4	5
Current importance of business tourism for your organization					
Future importance of business tourism for your organizations					

## Part III. Importance and Performance of Destination Attributes

Please first **RATE** the following destination attributes in relation to how **important** they are for Addis Ababa to be a competitive business tourism destination. Then, mention 3 destinations which are major international competitors of Addis Ababa in the international business tourism market from other African destinations and please rate the **performance** of Addis Ababa on all the attributes against the first most competitor of your selected destinations. (Please use ✓ to rate)

### Major 3 International Competitors

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

1= Not important  
2= Slightly important  
3= Moderately important  
4= Important  
5= Very important

1= Very low  
2= Low  
3= Normal  
4= High  
5= Very High

Attributes	Importance					Performance				
	1	2	3	4	5	1	2	3	4	5
<b>I. Supporting factors and resources</b>										
1. Hospitality of local residents										
2. Accessibility of destination										
3. Local transportation quality										
4. Presence of foreign/international companies										
5. Incentives for tourism development										

<b>II. Core Resources and Attractors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
6. Multicultural ambience											
7. Gastronomy(food) offer											
8. Entertainment											
9. Festivals and events											
10. Attractiveness of cultural heritage											
11. Specific venues for holding business events (e.g. fortresses, museums, galleries)											
12. Sport-recreation activities											
13. Fairs and exhibition centers											
14. Availability of up-to-date audio-visual equipment											
15. Climate											
16. Unspoiled nature											
17. Quality of hotel services											
18. Tourist attractions signaling											
19. Professional Conference Organizers(PCO)											
20. Presence of 3-5 star hotels											
<b>III Destination Management</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
21. Knowledge of foreign languages among employees in tourism											
22. Opportunities for education in tourism field											
23. Educational profile of employees in tourism											
24. Existence of adequate education programs in business tourism											
25. Destination reputation related to business events and tourism											
26. Development and innovations of business tourism product											
27. Availability of tourist promotion materials in foreign languages											
28. Co-operation between public & private sector in tourism field											

29. Human resources specialist for business events										
30. Promotion of destination as business tourism destination										
31. Availably of information linked to business tourism on destination										
<b>IV. Destination Policy, Planning and Development Determinant</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
32. Potentials for holding congresses, conferences and exhibitions										
33. Potentials for incentive trips										
34. Membership in international associations										
35. Tourism investments environment										
36. Recognized importance of business tourism for destination development										
37. Destination recognition on business tourism market in East Africa										
38. Investments in business tourism development										
39. Clusters and other forms of cooperation in business tourism										
40. Congress and visitor bureau										
41. Destination recognition on African business tourism market										
<b>V. Qualifying and Amplifying Determinants</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
42. Geographical location										
43. Costs of transport										
44. Safety/security										
45. Hotel prices										
46. Overall destination image										
47. Political stability										
48. Value for money										
49. Cleanliness of destination										
50. Economic stability										
51. On line booking of accommodation										

