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# **Analysis of the development of convention tourism in Addis Ababa**

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June, 2014

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# **Analysis of the development of convention tourism in Addis Ababa**

**A thesis submitted as a partial fulfillment of the  
requirements for the award of MA/MSc degree in Marketing  
Management**

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**June, 2014**

**Addis Ababa University  
School of Commerce  
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**Addis Ababa University School of Commerce,  
Graduate studies, MA Program**

**“Analysis of the development of convention tourism  
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**By: Dawit Tesfaye**

**Approval of Board of Examiners**

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## Declaration of Authorship

I hereby declare that the following thesis report, under the title of **“Analysis of the development of convention tourism in Addis Ababa”** submitted in partial fulfillment of the requirements for the award of degree of Masters in marketing management to Addis Ababa University School of Commerce, is my original work and not submitted for the award of any other degree, diploma, or any other similar qualifications by any till date.

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**Letter of Certification**

This is to certify that Dawit Tesfaye has worked on “**Analysis of the development of convention tourism in Addis Ababa**” under my supervision. This work is original in nature and it is suitable for submission in the partial fulfillment of the requirement for the Degree of Master of Marketing Management.

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**Teklay Tesfay (Ass. Prof.)**

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## Acronym

ADB: African Development Bank  
AUC: African Union Commission  
CCU: Conference Coordination Unit  
COMESA: Common Market for East and South Africa  
CRS: Computer Reservations Systems  
CVB: Convention Visitor Bureau  
DMC: Destination Management Companies  
DMO: Destination Marketing/Management Organization  
GDP: Gross Domestic Product  
GDS: Global Distribution Systems  
IACB: International Association of Convention Bureaus  
IGAD: Inter Governmental Authority on Development  
LP: Laissez-Passer  
MDG: Millennium Development Goals  
MI: Ministry of Information  
MICE: Meeting, Incentive, Conference/Convention and Event  
NEPAD: New Partnership for Africa's Development  
NGO: Non Governmental Organizations  
NTO: National Tourism Organizations or Authorities  
OAU: Organization of African Unity  
UN: United Nations  
UNCC: United Nations Conference Centre  
UNECA: United Nations Economic Commission for Africa  
UNWTO: United Nations World Tourism Organization  
WB: World Bank  
WTO: World Tourism Organization  
WTTC: World Tourism and Travel Council

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## **Abstract**

The objective of this research was to analyze the development of convention tourism in Addis Ababa at present by exploring the determinant factors affecting the selection of destination and observing the opportunities and challenges on the development of the sector. In doing so, the research has followed a mixed research approach having a descriptive and exploratory research types. Since the research's focus was on the supply side of the sector, an in-depth interview has been used to gather qualitative data from the respective informants, even though some quantitative data had been collected from the demand side for the purpose of triangulation. After the completion of the study, the research have brought the following findings, first Addis Ababa's convention tourism is moderately growing from a quantitative perspective than the quality aspect. Secondly safety and security, destination location, convenient venue and related costs have been found the most important factors affecting decision making process while selecting convention sites. Thirdly, destination marketing, management and integration problems are the most visible gaps observed at the destination that hinders it from developing the product with quality to enhance competitiveness. Finally various opportunities and challenges have found in relation to the convention business in Addis. Based on the conclusion the research has made a conceptual model for the development of competitive and sustainable convention tourism product and destination in Addis Ababa as a recommendation which consists of five pillars. The recommendation includes that responsible stakeholders needs to understand the different interrelated environments that are relevant for the smooth operation of convention tourism and work hard in cooperation with each other. Further there is a need to work very hard to enhance quality of infrastructures, products and services and there is a need to build image of the destination so as to make it more competitive.

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# Chapter One

## 1.1. Introduction

According to UNWTO (2012) tourism in general has experienced continued expansion and diversification in the last six decades, becoming one of the largest and fastest growing economic sectors in the world. Further many new destinations have emerged, challenging the traditional ones of Europe and North America. According to UNWTO's recently updated (2012), long-term outlook and assessment of future tourism trends, the number of international tourist arrivals worldwide is expected to increase by 3.3% a year on average from 2010 to 2030. This represents some 43 million more international tourist arrivals every year, reaching a total of 1.8 billion arrivals by 2030.

Business tourism is known by its acronym MICE to represent meeting, incentive, conference or convention and events. Even if business tourism is one of the giant tourism branches, it is an umbrella for those related sub-sectors of tourism businesses. Swarbrooke (2001) identified some fifteen categories of business travel and tourism sub-sectors. The current research will focus only on one sub-sector which is the convention or conference tourism.

Researches show that there are a number of factors influencing the decision making process of convention participants and event planners on their destination selection including socio-cultural, economic, political and technological factors. It has also been found that approximately 40% of business travelers return as leisure or other form of tourists when their previous business travel was successful (Swarbrooke, 2001). With this high re-purchase (return) rate, convention destinations need to work extensively to make a first impression to participants so as to increase this rate. All stakeholders including hoteliers, event planners, policy makers, service providers etc in the industry have this responsibility.

## 1.2. Background of the study

The 21<sup>st</sup> century is well recognized with globalization where by people can easily interact across the globe with little barrier. According to Kotler (2010) it is the era of collaboration and cooperation which helps people to act jointly towards their needs and against their problems. On the same token, history is witnessing the relevance of coordination and cooperation to resolve common problems be it cultural, political, and social or of any sort. For instance, we can see the contribution made by the World Economic Forum of the 2013 to reduce barriers to economic

growth and create jobs by setting itself as a cooperation that stands for an event that is “*Committed to Improving the State of the World*”. When the report on Travel and Tourism Competitiveness was published by the World Economic Forum in 2013, within the framework of the global competitiveness and benchmarking network and the industry partnership program for aviation, travel and tourism had the focal point. Kotler has further suggested that the era is characterized as the age of participation, the age of globalization paradox and the age of creative society which facilitates the exchange of bundles of information among the society across the globe. With this regard the digital age and information technology is vital for a successful development of competitive tourism structure; with strong collaboration among individuals, groups, government, and key players of the sector.

In recent years tourism in general has become one of the fastest growing sectors of the world economy and is widely recognized for its contribution to regional and national economic development. The free flow of information due to the advancement in IT and ICT and the growing accessibility of cheap internet have also enhanced the rate of travel and tourism in the world which has also created a motive to engage the researcher to search more in the area.

Thanks to the technology for promoting use of social media which increase interconnection among various consumers and travelers across the globe to share their experience, creative idea and problems facing. We can consider the role of Trip Advisor, Face Book and Tweeter in facilitating the provision of up-to-date information and create interconnection among individuals, groups, enterprises, governments and other parties. In the same fashion tourism marketing strategy developers are getting clues to their customer’s expectation at each destination.

Convention sub sector is growing faster showing a trend of growing interest by different groups including government’s increasing awareness of economic benefits of the so-called MICE industry (that is, meetings, incentives, conventions and events/exhibitions). The growing interest for the sector assisted to the formation of International Association of Convention Bureaus (IACB) in 1914 then to the foundation of the Journal of Convention and Event Tourism in 1999 (Getz, 2010). Several research journals are devoted to this field, starting with Festival Management and Event Tourism in 1993, later renamed Event Management. Finally Convention and Exhibition Management is recently renamed as Convention and Event Tourism, and an online journal of Event Management research has been established (Getz, 2010).

On the other hand, different writers including Seebaluck et al., (2012) wrote various relevant topics concerning the convention tourism, its diverse benefits and other related contribution to nation's economy. According to the report made by World Tourism Organization (2013), tourism has the particular ability to aid at the elimination of poverty, yet poorer countries do not always benefit from the economic force of it. Given that the alleviation of poverty is one of the Millennium Development Goals (MDGs) delineated by the United Nations and Ethiopian Growth and Transformation plan, MoFED (2012), it is crucial that the World Tourism Organization provide the means for which tourism can aid developing nations lift themselves out of their disadvantaged states.

Ethiopia is following a policy which promotes the interconnection and collaboration of countries in its region and we are witnessing the active participation of the country in the creation and coalition with different international and regional blocks and economic integrations. According to the Ministry of Information (2004), a holistic approach to cooperation has been established and people-to-people relations have been promoted and strengthened among its neighbouring countries like Sudan, Djibouti and Kenya. Further Ethiopia's geo-political location helped a lot to play a vital role at the region for interrelationship, economic progress and political stability.

On the other hand, Ethiopia is one of the pioneer founding members of different organizations such as; Inter Governmental Authority on Development (IGAD), Organization of African Unity (OAU), African Development Bank (ADB), United Nations (UN) and active member participant of other blocks such as; New Partnership for Africa's Development (NEPAD), Common Market for East and South Africa (COMESA), etc. This active participation and leading role has become an opportunity to Ethiopia to host tremendous number of conventions and made the country in general and Addis Ababa in particular to be selected as a political centre for Africa and a seat for many international organizations.

### **1.3. Statement of the Problem**

The origin of business travel and tourism can be traced back to thousands of years before the birth of Jesus Christ. Once agriculture has been developed in Africa, Asia and Europe communities have begun to trade their products. This lead for the growth of markets, and producers travelled far to take their products to the markets. According to Swarbrooke (2001), the rise of great empires including those of Egypt, Persia, Greece and Rome, among others, further stimulated this growth of trade-based business travel. Then the concept of conference or

convention has been born in the 20<sup>th</sup> century in United States of America. But it is only after the 1950's that the sector has been dramatically growing to become a dominant player in an economy.

The specific starting time of convention tourism is not well documented in Ethiopia, yet history shows that it has got fame after the construction of the African Hall and the United Nations Conference Centres at the capital city. The Ethiopian government has been paying a considerable attention to the convention tourism due to its considerable significance to the nation and its citizens. Leaders and other convention participants are increasingly seeking Addis Ababa as convention destination than ever. Venues such as the African Hall and United Nations Conference Centres have gained worldwide recognition to be among the best places to attract convention tourists.

Different authorities including the WTO (2010) are witnessing the immense potential for tourism industry at large and convention tourism sub-sector in particular in the country which will help the poverty reduction goal of Ethiopia. Apart from the potential for the convention tourism and the attainment of a leading role in the sector, researchers did not significantly engage in conducting their research to come up with relevant output to assist stakeholder's decision making process. It is due to the lack of published researches on the development of convention tourism, its attractiveness and sustainability that this thesis was conceived to be conducted.

On the other hand, the unavailability of resources as additional source for readers has further triggered this research. According to a study conducted by Jelena et al., (2012) in order to remain competitive in this sector it is necessary to respective researches by destination management organizations, hotels, conference centers, other venue hosting conferences and individuals and improve the quality of their destination product and services. Besides, the current tourism strategy of the country is designed focusing on the development of aggregate tourism industry at large. Where as it is necessary to consider the convention tourism as a niche market and the product be positioned in the minds of its targeted customers and consumers, given identity and favored to boost the country's image at large. Besides most of prior researches done in the area were focusing on convention tourism destination attractiveness, competitiveness and its economic importance. At the same time literatures have introduced different convention destination attractiveness and competitiveness attributes but the importance of those attributes is

not totally measured in the context of convention business in Addis Ababa considering the city as a convention destination. These are the main research gaps identified by the researcher. Hence; based on factors identified by prior researchers as determinants of convention city attractiveness and competitiveness, this research has tried to analyze the development of convention tourism in Addis Ababa.

### **1.3.1. Basic Research Questions**

Having the main objective of analyzing the development of convention tourism in Addis Ababa, the research has addressed the following specific research questions.

- ✚ What are the determinants of destination choice for convention tourists in Addis Ababa?
  - What are the most important factors affecting the destination choice?
  - Within the factor, which attributes are most important than other attributes?
- ✚ How can Addis Ababa as a destination be more competitive for convention tourism?
  - How is the condition of each factor in Addis Ababa?
  - How is the marketing activity of DMOs in relation to convention tourism in Addis Ababa?
  - What are the challenges and/or opportunities in relation to convention tourism business in the city?
  - How could Addis Ababa enhance its competitiveness as a convention destination?

## **1.4. Objective of the study**

### **1.4.1. General objective**

The general objective of this research was to analyze the development of convention tourism in Addis Ababa and its competitiveness in the sector. Further it intended to see the respective stakeholders' responsibilities for the development of the sector. In order to exhaustively address the issue raised the researcher had the following specific objectives.

### **1.4.2. Specific objectives**

- ✚ To analyze the characteristics of the convention tourism business in Addis Ababa.
- ✚ To identify the most important determinant factors affecting convention destination choice in the context of Addis Ababa.

- ✚ To see the most important attributes for the selection of the destination within the factors.
- ✚ To analyze the general marketing activity of DMOs in Addis Ababa in relation to convention tourism.
- ✚ To identify the potential opportunities and/or challenges related to the convention tourism in Addis Ababa.
- ✚ To explore and analyze the strategy and measures undertaken by Addis so as to improve its regional and worldwide convention tourism position.

### 1.5. Significance of the study

- ✚ By addressing such a least researched topic in the country yet with a higher potential to contribute for the economy, the result will give some clue to the industry stakeholders to better explore the sector through a thorough understanding of the issue. Furthermore other key decision and policy makers will have a better understanding of the sector and its determinants and can further read to fill their gap so as to play their respective roles.
- ✚ As a student researcher, it has forwarded a lesson on the basics of a research work and has enriched the experience of basic concepts and procedures of conducting and analyzing such industry wide research topics.
- ✚ It will serve as an additional material for peer researchers who are interested to explore in the area and will also serve as a source of information for any other readers. It can also be a triggering point to other researchers to conduct their work in the same industry and improve the quality of decision to be made in relation to the topic.

### 1.6. Scope of the study

The general objective of the study was to analyze the development of convention tourism in the capital city, Addis Ababa at present which intended to focus on only one sub sector of the giant tourism industry. It would be sound if the research would consider the entire value chain in the sub-sector in an integrated form incorporating the interdependency among the different elements or service providers of the convention tourism sub-sectors. But, due to time, energy and resource constraints, the researcher has found it viable to delimit the scope of the study to focus on the current convention tourism of the city which is only one sector of the big umbrella. This study will also be limited to Addis Ababa in terms of geography and from 2013 to 2014 in terms of time boundary.

### 1.7. *Limitation of the study*

The research needs to incorporate primary data source both from convention participants and industry practitioners to see their attitude about the convention facilities and other related services which will make the work very tough as the convention participants cannot be easily identified in terms of number and time. Besides, it might be some how difficult to consider all participants in the sample frame since most of them includes higher officials and heads of states. With a tight security firsthand data might be difficult to access directly from these participants.

The time allotted to complete the research work and to see trends and their effect in the future is not matching. Such a research needs to have a relatively longer time and own involvement as observation to make it more comprehensive. Hence this research is limited to cover the time from June 2013 to May 2014. All other incidents out of this time period may not be applicable to the study.

In addition to this, the study attempted to analyze the components of the conference product from the conference suppliers' point of view and also identified the existing and potential components that could be improved or developed in order to meet customer's actual and potential need in the sector.

Besides, this study have not performed a competitiveness analysis or discussed a total sub-sector's marketing activity. Instead, it focused on the core of such a process, which is how to understand and manage the object of the convention tourism service as a product which requires the understanding of factors that determines the decision making processes of conference organizers and convention center selection decision makers. Furthermore, the study had only considered those product elements that have a direct effect on the service delivery. Thereby, the back-stage such as the management control system was not considered.

It also has to be pointed out that this study had explored the internal dimensions of a product, which means that the focus was on the convention suppliers' own goods and services. This is a narrower view compared to the view from the standpoint of the tourists or demand side where the product covers the complete experience from the time they leaves home to the time they returns back.

### 1.8. Definition of used terms

- **Convention:** is a large meeting or assembly commonly so described in the USA, when referring to an association meeting held on an annual basis, whilst conference or congress is more often used elsewhere (S. Medlik, 2003)
- **Destination:** Swarbrooke et al., (2001) define a destination as being a place where events take place. Within the destination, a wide range of venues, attractions, facilities, services and infrastructures are available to attract business tourism.
- **Determinants of tourism:** are factors determining the scale and patterns of participation in tourism. Demand determinants of private travel include such economic and social influences as the standard of living; supply determinants include the availability, quality and price of tourist attractions, facilities and services, and their promotion. The volume of holidays (vacations) abroad is additionally strongly influenced by the size of the country of residence, its geographical location and the relative costs of domestic and foreign holidays, (S. Medlik, 2003).
- **Destination marketing organization (DMO):** is a national, regional or local organization whose major function is the promotion of its destination, (Swarbrooke et al., 2001).
- **Tourism stakeholders:** Persons or groups who can affect or be affected by the tourism business within a particular market or community and who have interests in the planning, process (es), delivery, and/or outcomes of the tourism business.

### 1.9. Organization of the research

The entire research work has been organized in to five chapters in order to discuss all issues addressed during the research process. The first chapter has clearly articulated the research and its approach which covers statement of the problem, background of the study, basic research questions, main and specific objectives of the study, significance and scope of the study.

Chapter two has dealt with the review of the related literature. Here review of books, articles and related works on the subject matter is incorporated. On this part relevant theories and views has been reviewed to serve as a benchmark to compare existing theory with actual practice.

Chapter three has dealt with the research design and methodology part. In this chapter the type of research, participants of the study, source of data, instruments used to collect data, procedure of data collection and the method used to analyze the data are explained in detail.

At last, presentation of the data collected, its analysis, findings of the study, discussions and interpretations has been dealt in chapter four. Further the summary, conclusion and recommendation parts are presented at the last chapter.

## Chapter Two

### Review of the related literature

#### 2.1. Business tourism

Generally tourism is broadly categorized in to leisure and business tourism. The fact is that they both require somehow similar infrastructure in terms to accommodation, transportation, entertainment, information service, etc as noted by Cooper et al., (2008). As Swarbrooke et al., (2001) defined business tourism coating Davidson (1994) “*Business tourism is concerned with people travelling for purposes which are related to their work. As such it represents one of the oldest forms of tourism; man having travelled for this purpose of trade since very early times*”.

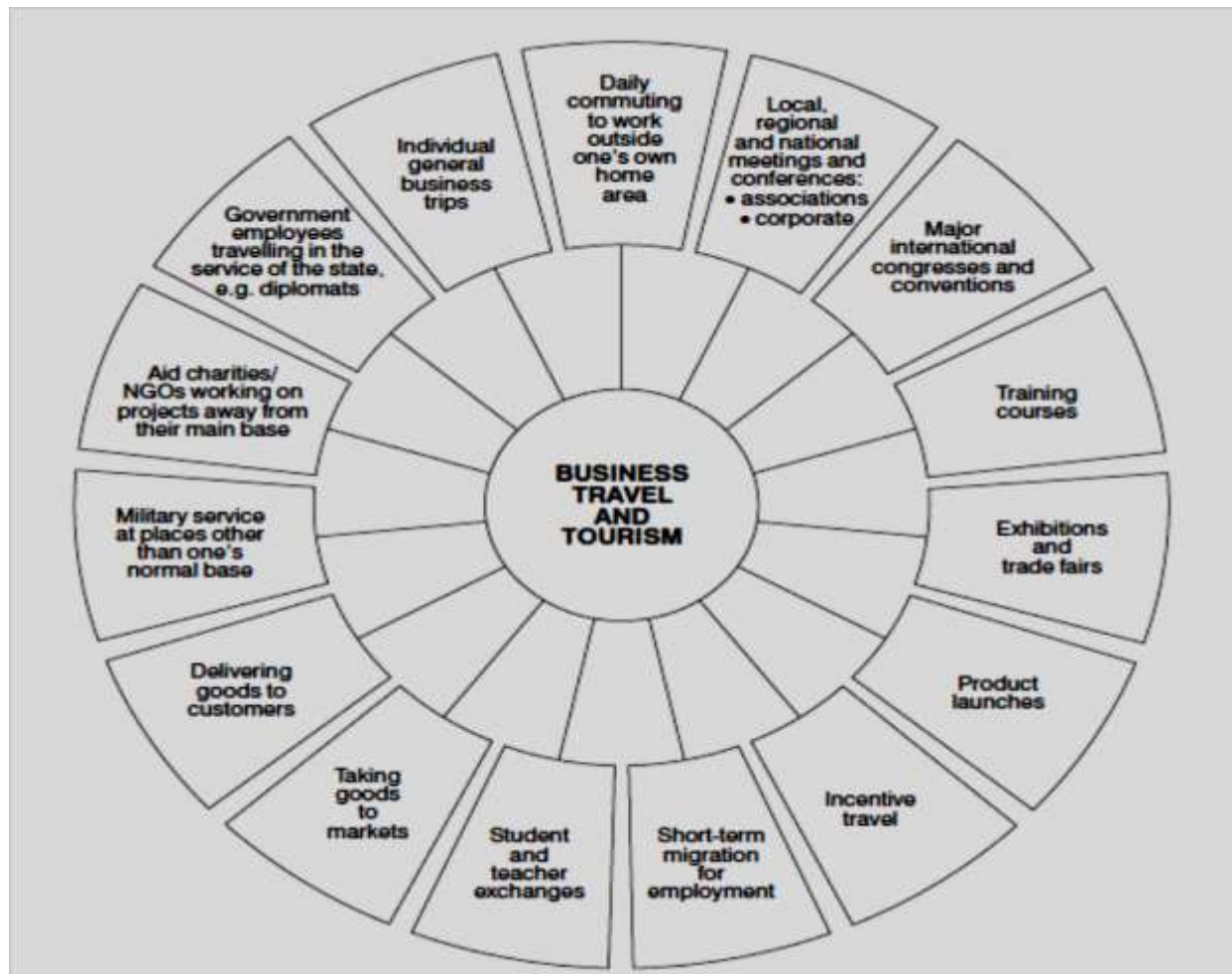
Business tourism is one big segment out of the giant tourism industry from which about fifteen other sub-segments are existing. The current research will focuses on only one of this big segment which is called the convention tourism. All the fifteen sub-sectors of the business tourism shares similar product provisions from the destination as noted earlier. Otherwise each has their own differentiating characteristics. For instance convention tourists require a venue while exhibition and trade fair tourists may require other plat form which is suitable for the trade and exhibition activities.

The different segments under the business tourism category may share some similar features such as accommodation, infrastructure including transportation and utilities, convention centres and the consumption of human resources. Convention business may then extend to the variety of customers and consumers as noted by Swarbrooke et al., (2001) in his business tourism typology. The business tourism typology shows different sub-wings or types of business tourism activities traveling for different purposes. Some may travel for an extended period of time while others travel just for a night to attend a short meeting.

#### **Convention:**

The term convention, conference and congress can be used interchangeably to mean an assembly or a meeting with a relatively large number of participants. According to Swarebrook (2001) a small gathering is a meeting and a large meeting is usually called a conference in the UK and a convention in the USA and a congress in other parts of Europe. Hence the definition may take the different names given to the large meeting in different parts of the world to mean the same.

Figure 2.1 Typology of Business tourism adopted from Swarbrooke et al., (2001)



For instance, Medlik (2003) defined it as an assembly of or gathering of a large group of people to discuss common matter on an annual basis. It is a formal meeting for information, consultation and discussion. The emphases in the definition are the presence of large participants in the meeting and its periodic practice.

## 2.2. Potential for Convention Tourism in Ethiopia

Ethiopia has massive tourism potential owing to its natural, historical and cultural gifts (Walle, 2010). Out of the generic tourism sector, convention tourism is an infant and fastest growing sector in the country. The peace, stability and welcoming culture of the people assisted the country to achieve advantage of hosting national, regional and international conferences. To name some; African Union summits, Economic Forum for Africa, IGAD meetings and different

international conferences had been accommodated with success repeatedly and Ethiopia has got the credit of hosting as large as up to 54 heads of states peacefully.

Ethiopia has international standard conference centers such as, the African hall and United Nations Conference Centers and Educational Institutions and hotels to accommodate different seminars, conferences and trainings. To help with this the government is encouraging investors who are interested to construct tourist standard hotels for the expansion of the industry at large. The sector is significant in economic benefit, cultural and people exchange which promotes the exchange of idea, knowhow and technology.

Different authors such as Liben, (2001) suggested that the most common reasons for hosting many international conferences in the country may include:

- ✓ Ethiopia has an established track record in hosting major international events.
- ✓ Ethiopia is a meeting place for the economic and political figures of the African continent, seat for the Headquarters of the African Union, seat for the United Nations Economic Commission for Africa and other operational activities and specialized agencies of the United Nations.
- ✓ The country offered conference facilities of a high standard with custom built centers designed in accordance with international specifications.
- ✓ Ethiopia is an ideal gateway to North East Africa and the continent as a whole or the possession of strategic area in terms of geographic location.
- ✓ The presence of a magnificent scenery and wide choice of pre and post-conference tours.
- ✓ Ethiopia is one of the safest places in Africa to conduct conference activities.

### **2.3. The need for meeting and event planners**

Meeting and conventions planner basically organize meetings and arrange travels for companies and associations, as an employee or as an outside consultant, in conjunction with hotels, resorts and conference centers (Crouch et al., 2004). As convention tourists are related to a busy working condition, the involvement of planners and facilitators has getting importance. Their provision extends from arranging the transportation, booking the accommodation, arranging the conference centers and organizing other pre and post side-entertainments to participants at destination.

## 2.4. Stakeholders of the convention tourism

According to Swarbrooke et al., (2001) MICE industry is characterized by its high complexity and high fragmentation where lots of buyers, supplier organizations and businesses are involved. The tourism industry as a whole has five major stakeholders, namely; Government, tourists, tourist service providers, development agencies and host communities, SNV East & Southern Africa, (2007). Sharpley et al., (2005) also defined stakeholder as “a person or group of people who have an interest in the operation of a particular organization and it can hold a form of internal and external to an organization. Stakeholder analysis helps the convention tourism sub-sector to identify the individual responsibilities and implementation of policies so as to achieve national tourism objectives.

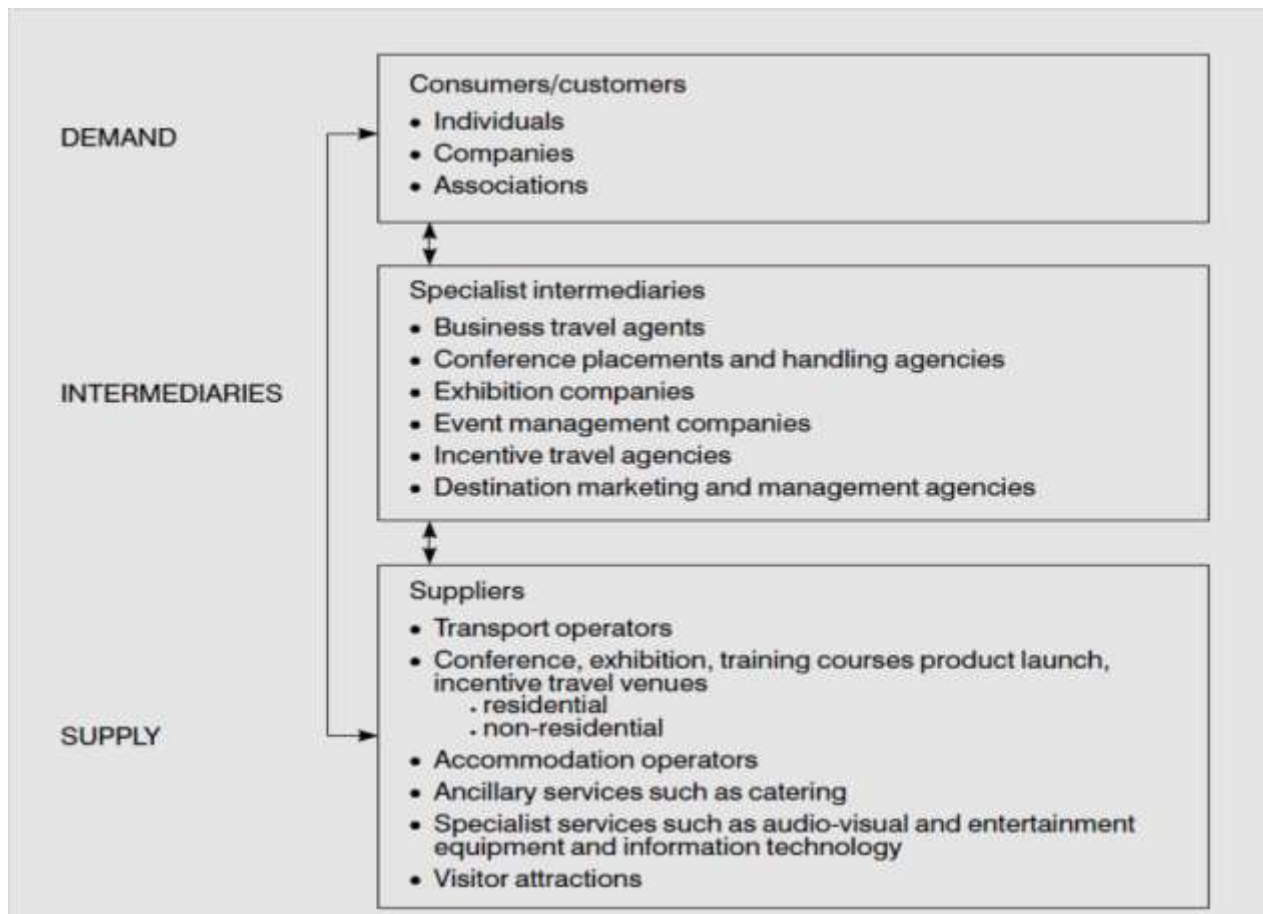
When Sau-Ling Lay, (2009) categorized the convention tourism destination choice factors in to three naming as convention related, city related and tourism related; Swarebrooke et al., (2001) categorized the business travel and tourism stakeholders as customers and consumers from the demand side, different service providers from the supply side and other special intermediaries from the intermediaries’ side.

### 2.4.1. The Demand

✚ **The Buyer:** According to Rogers, (1998) buyers are defined as “*Conference organizers and meeting planners who buy or more accurately hire conference venue and related services in order to stage their events*”. While talking about the demand-side of MICE tourism, Swarbrooke et al., (2001) highlight the importance of distinguishing the customer and the consumer as each of them has different needs so different marketing strategies must be applied. As users of a destination differ, their respective motive for the service varies between customers (employers) and consumers (the travelers). Motivators also varies with different proposes of travel as convention, exhibition or incentive travel.

✚ **Customers:** “Employers or sponsoring organisations who make decisions that employees will travel, or give permission for employees to travel; employers or sponsoring organisations who usually pay the bill for the travel undertaken by employees or representatives”.

Figure 2.2 Structure of business travel and tourism adopted from Horner and Swarbrooke, (2001)



✚ **Consumers:** “Employees who actually travel and consume business travel and tourism services; employees and representatives who travel but do not usually pay the bills themselves”.

However, sometimes the customer and the consumer can be the same person for instance if a person chooses a venue, pays the event and finally attends and consumes tourism services (Swarbrooke et al., 2001). In recent years, other categories of buyers have appeared such as the public and the entrepreneurial buyer.

### ✚ **The Corporate Buyers**

Corporate buyers work for corporate organizations with a motive of making profit. Most of the time, these private organizations come from the industry sectors. The main industries that

organize business tourism events are mainly energy, medical, computing, engineering, financial services, retail and wholesale distribution and travel and transport (Swarbrooke et al., 2001).

Majority of corporate events are held in hotels while others take place in purpose-built conference centers. In addition to this, the other important factor to be considered is the selection site for their event. The corporate buyer usually holds its events in accordance with the location of its business and headquarters (Weber, 2001) while the association one is much more flexible.

Swarbrooke et al., (2001) have identified different types of corporate events that may include; Annual general meeting (AGM), Board meeting/ retreat, corporate hospitality/ entertainment, exhibition/ exposition, Incentive travel, road-show, product launch, sales conference, training course or seminar, technical conference, symposium etc.

#### **The association Buyer**

The association buyer represents numerous associations such as professional and trade associations, voluntary associations and societies, charities, religious organizations, political parties and trade unions. Most of them are non-profit organizations consequently the delegate's expenditure is lower than the corporate one but the number of attendees is much higher up to 10,000 delegates for international annual convention as highlighted by Swarbrooke et al., (2001) and they stay longer than the corporate segments. Due to their relative large number, they usually plan their convention much earlier up to two years in advance than corporate buyers.

#### **The public sector buyer**

The public sector buyer is also called the “government” buyer, has lots of similarities with the association buyer (Rogers, 1998). The organizations are mainly local authorities, central government departments, educational and health services (Swarbrooke et al., 2001). Both of them represent a high demand for infrastructures and meeting services, Rogers, (1998) and stress that the government buyers have high price sensitivity which results in low expenses and tight budget. They are non-for-profit organizations which do not spend lots of money even if the recent trends show higher standard bookings and higher expectations. In addition, new trends show that they tend to use specialist intermediaries to plan their events.

### **The entrepreneurial buyer**

As Rogers, (1998) noted, the entrepreneurial buyer works as a conference entrepreneur. They always keep an eye on the market trends by identifying “hot topics” which can be exposed and debated by experts in conferences. In the planning of such events, high costs are involved without guarantee that they will be recouped and profits made. Publishing houses, trade associations, academic bodies and independent conference organizers are generally the one which hold these conferences.

### **Buyers in Ethiopia**

Researches show that most of the travelers coming to Ethiopia as tourists belong to the older age group (World Bank, 2006) who come due to the registered world heritages. The destination is also suitable and be selected by those who have a good travel experience and traveled once to Africa. Nearly 90% of tour operators’ clients to Ethiopia are affluent, well-traveled and well-educated professionals that have been to Africa before.

The World Bank (2006) reported as it is expected that the cultural and heritage tourism market will grow as the post-family, ‘baby-boom’ generation matures. This growth will be boosted by the ever increasing number of destinations developing a cultural tourism product to appeal to this market. On the other hand the country has the potential in the convention tourism sector (Atlabachew, 2013) which is fostered by the presence of different regional and international organizations as a seat in the capital city. Besides the increasing role of Ethiopia on the political issues of the continent, and taking the preemptive role of founding different regional blocks, makes the city to be a capital city for Africa too. It is also emphasized that by linking this attractive product line (convention tourism) with the rest of the tourism product lines it is possible to expand the customers and consumers of the sector.

Some consumers purchase most of the components of the end product in a package tour and others purchase selected elements. At an extreme, the Independent Traveler (IT) may purchase only transportation from one distributor and accommodation directly from the supplier. Tour operators and travel agents mainly handle the sale of the end product to the consumer, although transportation companies, such as Ethiopian Airlines, also sell the end product directly to tourists. The distributors, or intermediaries, decide which end products to market to separate

segments of potential demand based on the quality and competitiveness of the product, the evidence of market acceptability through the positive or negative reactions of returning tourists, the margins the distributors receive from selling a particular end-product, and, most importantly for Africa and Ethiopia, the distributors own interest and specialization. These decisions can be influenced by the promotional and marketing activities of tourist destinations and external factors such as media attention in the form of stories about the destination (WB, 2006).

#### **2.4.2. Agencies and intermediaries**

Agencies link all the suppliers with the appropriate buyers, in other words it links the demand and the supply-side. Besides, their activities are always evolving due to the fast-changing market environment. Many researchers such as Davidson and Rogers (2006), Rogers (2003) emphasize that the success of an event depends on a careful planning and organization. That is why, companies employ skilled and experienced people that are the intermediaries for the success of their event. Generally, the intermediaries are classified into two categories, the ones working on behalf of suppliers and those working for buyers (Davidson and Rogers, 2006).

##### **a. Intermediaries working on behalf of the suppliers**

###### ***Destination Marketing Organizations (DMOs)***

Destination marketing organizations have a vital role on the marketing of cities or destinations for various buyers. According to Cooper et al., (2008) now days the DMOs are changing to Destination Management Organizations due to their non-marketing roles. On the other hand Davidson and Rogers (2006) highlight that the major role possessed by the Destination Marketing Organizations is related to the marketing and promotion of a particular destination.

It may take a form of NTOs (National Tourism Organizations or Authorities) with a responsibility of managing and marketing of tourism at a national level, regional, provincial or state Destination Management Organizations with a responsibility of managing and marketing of specific destination in terms of a region, province or state and local DMOs that are called Convention Visitor Bureau (CVBs) with a responsibility of small geographic area which is usually a city or a town. The other point to be noted is that, whatever the name and level they possess, they differ from destination to destination and from country to country (Davidson and Rogers, 2006).

## **b. Intermediaries working on behalf of the buyers**

They include the incentive travel houses, the PCO, the destination management companies (DMC), venue-finding service, conference production service, corporate hospitality company, business travel agency and exhibition organizer (Rogers, 2003).

## **Intermediaries in Ethiopia**

The facilitators of the end-product sale are the developers of computer reservations systems (CRSs) and global distribution systems (GDSs); and financial service providers who facilitate payment transactions between the producers, distributors and consumers. Increasingly, the Internet is becoming a major source of sales of the tourism and travel end product (WB, 2006). Likewise Ethiopia has the National Tourism Organization vesting the similar responsibility, Regional Tourism Bureaus and other stakeholders responsible for the development, management and marketing of the tourism destinations of the country.

The transversal nature of the tourism sector implies that various ministries, institutions and bodies from public as well as the private sector have strong ties with the development process of activities in this industry. The Ministry of Culture and Tourism of the country has the responsibility to promote the development of the tourism industry in the country and the responsibility for the management and coordination of policies related to tourism, as well as the management of conservation areas from a tourism point of view. It will also have the duty of coordinating regional tourism activities in collaboration with the Regional Culture and Tourism Bureaus. As the World Bank (2006) indicated in its study of the tourism sector for the government of Ethiopia, it came up with some recommendations on the needs to have various institutions that can help for the development of the sector. It includes:

### **I. The Inter-sectorial Coordination Body:**

The very nature of the industry requires the development of an adequate platform for inter-institutional coordination. The establishment of an inter-ministerial body for the sector, whose key function is the coordination and guidance of tourism development as well as the establishment of inter-sectorial linkages with the aim to facilitate and increase tourism flows and arrivals into the Country.

## **II. The Tourism Fund:**

The Government should play a facilitating role in the development of tourism, in particular relating to the support of capacity building among national companies and local communities in their role as providers of tourism services.

To execute this role, the Government should create specialized funds which main function is to provide technical and financial support to organizations and individuals who intend to carry out tourism or related projects.

## **III. Bodies for the Promotion of Development in Priority Areas for Tourism Investment:**

These are institutions or entities with specific responsibilities relating to the promotion of projects and investment in tourism in areas considered as strategic for the development of tourism, with emphasis on the active involvement of communities and the civil society.

## **IV. Municipalities**

The municipalities play a critical role in the development of tourism in urban centers. Their intervention relates especially to physical planning conform the principles established in this policy. There are good practices in some towns such as Gondar. The municipality of Gondar town has prepared a master plan in conformity with tourism development objectives and principles.

## **V. Consultative Bodies**

### **Counselling Body for Tourism Matters**

In the light of the establishment of a platform for participative involvement, reflection and alignment of the interests of the different entities that interact in the process of tourism development, a consultative body that integrates various entities with recognized experience and expertise in the sector, should be created. The main role of this standing body will be to provide the sector with specific recommendations about issues related to the policy and its implementation.

### **Body for the Coordination of Tourism Promotion**

With the objective to coordinate tourism promotion activities and to promote synergies between the parties interested in the development of the sector, a multi-sectoral body should be established that integrates entities representing the public and private sector and that through its experience, capacity and interest in the sector, facilitates in the execution of activities related to

the promotion of the national tourism product. The responsibilities of this body, will, amongst others, include the program of promotional activities, the identification and mobilization of financial recourses for the execution of the programs and the further definition of the marketing strategy of the Country.

### **Local Tourism Bodies**

For an active and consistent participation in the development process of tourism, residents in the priority areas for tourism investment should constitute themselves in local tourism bodies. These local tourism bodies are associations that integrate economic agents and community leaders of the concerned areas, representatives of NGO's that operate in the area and other entities that for various reasons are recognized as influential in the socio-economic development of the area. The objectives of these bodies, among others, are to represent the residents in relation to plans for the utilization of the area for tourism purposes, to promote actions that improve the physical appearance of the area and to create awareness among residents about how to benefit from tourism.

#### **2.4.3. The Supplier**

All the MICE activities require different suppliers including international and domestic transport, accommodation, catering, pre- and post-conference activities, purpose-built convention centres, exhibition facilities and audiovisual services as noted by Dwyer et al., (2000). Owing to the increasing competition, all the suppliers must have a clear marketing strategy (Davidson and Rogers, 2006) which take into account clients' needs. A careful identification of clients' needs will enable the suppliers to fulfill their expectations. On the other hand Swarbrooke et al., (2001) categorize the suppliers into destinations, venues, transports, accommodations and ancillary services. Indeed, it is crucial to differentiate a destination with a venue as both of them are composed of different elements so different marketing strategies can be applied.

##### **I. Destination:**

Swarbrooke et al., (2001) define a destination as being a place where events take place. It is with this destination that one can find a wide range of venues, attractions, facilities, services and infrastructures availed to convention tourists. They further added that these elements of a destination are mostly private even if the destination is promoted by public organizations and sometimes owned by public and private partnership and these elements may measure

destination's attractiveness. Rogers (2003) stresses that the destination i.e. the "location" is much more important than price, type of venue, quality of services and accessibility to tourist attractions in the decision-making process of site selection.

## **II. Venue:**

Contrary to a destination that represent areas, a venue refers to individual units within these areas (Swarbrooke et al., 2001) i.e. almost any type of building where MICE events took place being residential or non-residential and provide one or some of the services required by travelers. All these infrastructures such as a convention centre, meeting rooms play a vital role to hold MICE activities. They are providing one or more services to the business tourists while destinations are supposed to deliver all the services that the business tourists need (Swarbrooke et al., 2001). In the provision of MICE facilities, hotels have a huge importance and usually they hold more events than the other types of venues (Davidson and Cope, 2003).

### **Purpose-built centres**

The purpose-built centres are particularly designed to host meetings and conferences for hundreds or thousands of participants (Rogers, 2003). According to Swarebrooke et al., (2001) purpose-built centres combine conference and exhibition facilities usually.

### **College, universities and other academic venues**

In recent years, educational venues have done lots of investments to improve their facilities in order to be able to hold meetings and conferences. In addition, some of these educational venues have developed high-standard services which may be compared to a three-star hotel (Rogers, 2003). This type of venue is mainly available during student vacation periods. Nonetheless, these venues are more and more used and it is also beneficial for educational establishments which receive incomes from the events (Davidson and Cope, 2003).

On the other hand there are also venues such as civic venues found as committee rooms and town halls, unusual or unique venues to offer some memorable and unique experience for travelers. It may include sporting venues for golf courses, football grounds, cultural and entertainment facilities including theatres and museums and so on.

### **III. Accommodation providers:**

The tourism industry at large comes to viability in the existence of accommodation providers. Accommodation can take a form of hotels, motels, guest houses, private rooms or any other form of accommodation with Variety of services accompanying. Business travelers must look for an accommodation if the event takes place in a non-residential venue and it is usually the conference organizers who will book it for them (Davidson and Rogers, 2006). Accommodation and travel account for the largest part of the delegate's budget (Swarbrooke et al., 2001). Thus, business travelers can use a wide range of accommodations from the up-market with its five-star hotels to the small non-star facilities.

### **IV. Transport and Ancillary Services:**

The transport services the basic characteristics with accommodation service in terms of its application. All tourists and travelers need to use both services without any condition regardless of the type and quality. These services may extend from the time the traveler left home till go back to home after the business has been completed. Business travelers use different types of transport whether by air, by rail, by road or by boat varying according to the type of business tourism (Swarbrooke et al., 2001).

As far as ancillary services are concerned, the presence of specific services can represent an asset for the destination (Swarbrooke et al., 2001). Business tourism needs a wide scope of ancillary services such as: audio-visual contractors, telecommunications companies, interpreters and translators, video-conferencing specialists and so on. So they are facilitators of the different types of business tourism activities.

## **Infrastructure in Ethiopia**

Infrastructure is basic to the tourism industry and provides the physical linkage between demand and supply. In this context, infrastructure linkages between and within areas of tourism potential are essential. Tourism encourages infrastructure construction, while infrastructure on its turn serves as a catalyst in the development of other economic activities which in turn will help to alleviate poverty.

Ethiopia is a developing country, covering significant landmass, where infrastructure plays an extremely important role. It is important to recognize that, although tourism is currently not in a position to lead infrastructure delivery in Ethiopia, the sector does have a significant influence.

The fact that tourism is not a stand-alone sector, but rather is inherently linked to other economic sectors points to a requirement to adopt an integrated approach to infrastructure planning and delivery, actively involving tourism. The government of Ethiopia has taken some encouraging measures to build roads and in some cases access roads, airports (upgrading existing and building new), electric power grids, installation of piped potable water system, etc. In developing countries like Ethiopia, the role of government is significant in the development of infrastructure (WB, 2006).

Almost all visitor arrive Addis Ababa by flying in to Bole International Airport. The airport handles over a million passengers a year and was up-graded in 2000 to a level that is more than adequate for current demand. Of the 400 or so scheduled flights into Addis each week, 290 (72%) are Ethiopian Airlines (WB, 2006). In Ethiopia, transportation is one of the most important components of the tourism value chain. All other components depend on transportation as a key variable. The two modes of transportation to the cultural heritage areas from Addis Ababa through Debre Markos, Bahrdar, Gondar, Debarke, Axum, Adigrat, Mekele, Woldiya, and Lalibela back to Addis are by car and by airplane. On the other hand, until the current light city rail way rout construction has been completed, the only transportation in the city of Addis Ababa lays on road transport, both with public and private vehicles.

Addis Ababa, as a convention tourism destination provides a wide range of accommodation that extends from a world class luxury collection hotel to non-star facilities. It is also one of the Ethiopian Government priority sector to invest on hotels and any other tourist accommodation facilities which is creating the opportunity for convention suppliers to develop their product widely and competitively. On the contrary, the major problem of the country in terms of accommodation is the number and quality of tourist standard hotels in tourism destinations out of the capital.

### **2.5. Determinants affecting the selection of convention Site or destination**

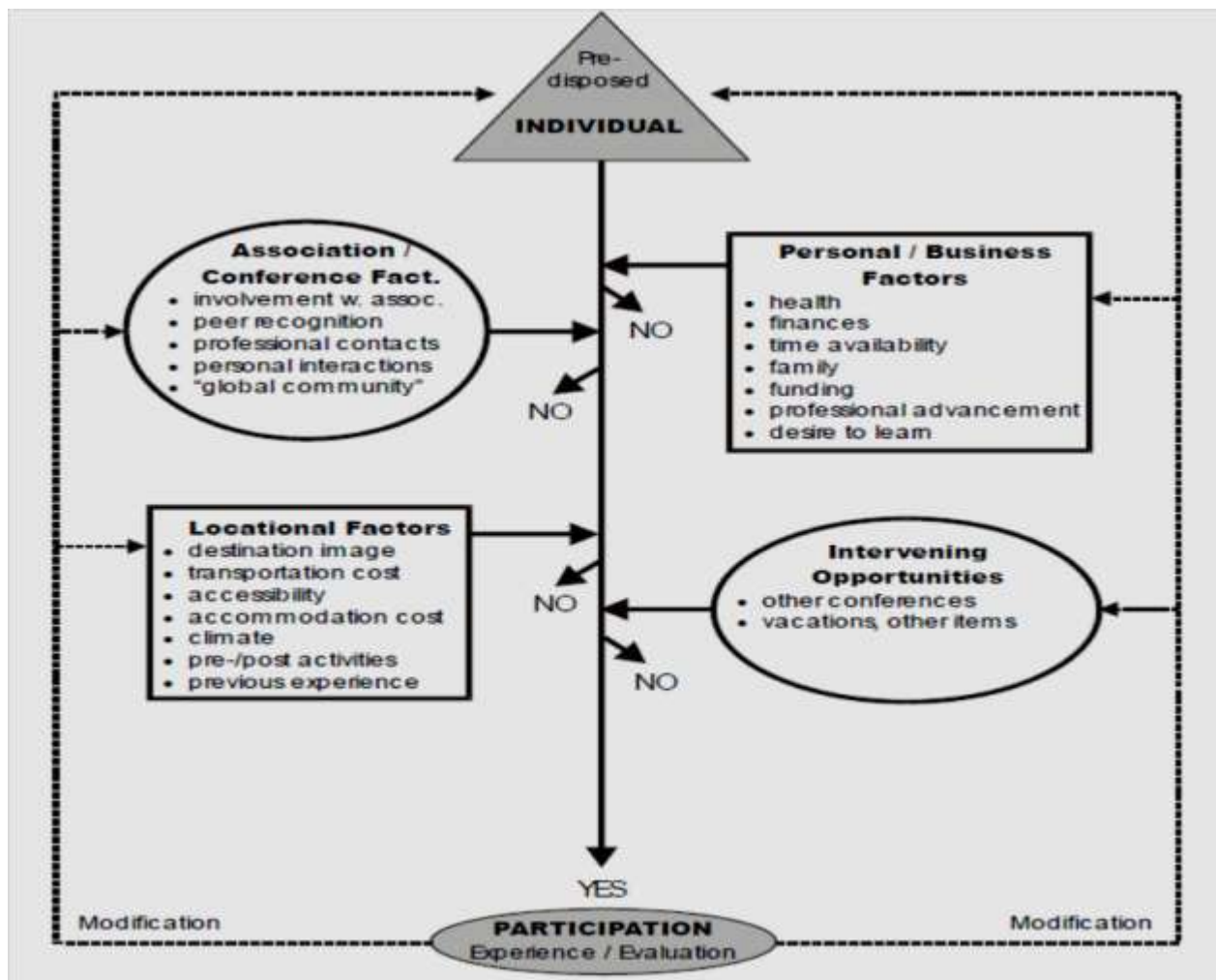
Different factors affect all type of travelers either directly or indirectly (Swarebrooke et al., 2001). For instance if a person decides to travel, the first question in his/her mind will be to persuade his/her employer that the attendance will be worth the cost in terms of time and money. Then if the employer agrees the employee may not be able to attend again due to several reasons such as overbooking of hotels at the conference place, the financial situation of the traveler's

organization, lack of flight space etc. Even if this trip goes ahead, its characteristics will be determined by a wide variety of factors, including:

- ✓ what level of expenses the company has given the traveler for the trip
- ✓ the weather in the destination at the time of the conference
- ✓ whether or not our traveler already knows some of the other delegates
- ✓ the quality of accommodation in which the delegate is staying
- ✓ the cost of living in the destination.

For individual business trips the main determinants of what kind of business trip will be taken is often where the company has business interests. Past experience and perceptions can also be a major determinant of behavior. Business tourists travelling to new destinations may well like the security of using airlines and hotels with which they are already familiar and satisfied.

Figure 2.3 Conference participation decision making process, adopted from Oppermann and Chon (1997)



As Swarbrooke et al., (2007) noted determinants can broadly be classified as personal to the tourist and reasons external to the tourist. Some of the determinants might even restrict the travelers from their travel when it is connected with their health and extreme finance problem. Others may affect only the type of trip to be taken. The other important point to be noted is that different individuals perceive the same determinant differently due to different attitude, perception, individual principle, fear and past experience. Oppermann et al., (1997) highlighted about four groups of categories of determinant factors including; personal/ business factors, association/ conference factors, location factors and intervening opportunities.

Sau-ling Lai (2009) has also categorized the convention destination choice determinants as the convention factor which are related to the convention facility, the city factor which are related to the destination city and the tourism factor which are related to other tourism infrastructures including complex shops, hotels, restaurants, recreational facilities and so on.

Tozser (2010) has developed a new tourism competitiveness model and came up with seven major factors which determine the destination choice with about 30 elements within the seven factors. The model is a general tourism destination competitiveness model and has the relevant factors affecting the convention tourism destination choice determinants as a parent industry. The main factors in the model includes; determining factors before and during travel, factors determining selection of destination, key factors, support factors, management factors, impacts of tourism on living conditions and factors of macro environment.

The model developed by Crouch (2007), of destination competitiveness is more comprehensive and general to the entire tourism industry. It has all the necessary elements required for convention tourism destination as well as for other types of tourism destinations. It has classified the elements in to core resources and attractors, supporting factors and resources, destination management, destination policy, planning and development, and qualifying and amplifying determinants.

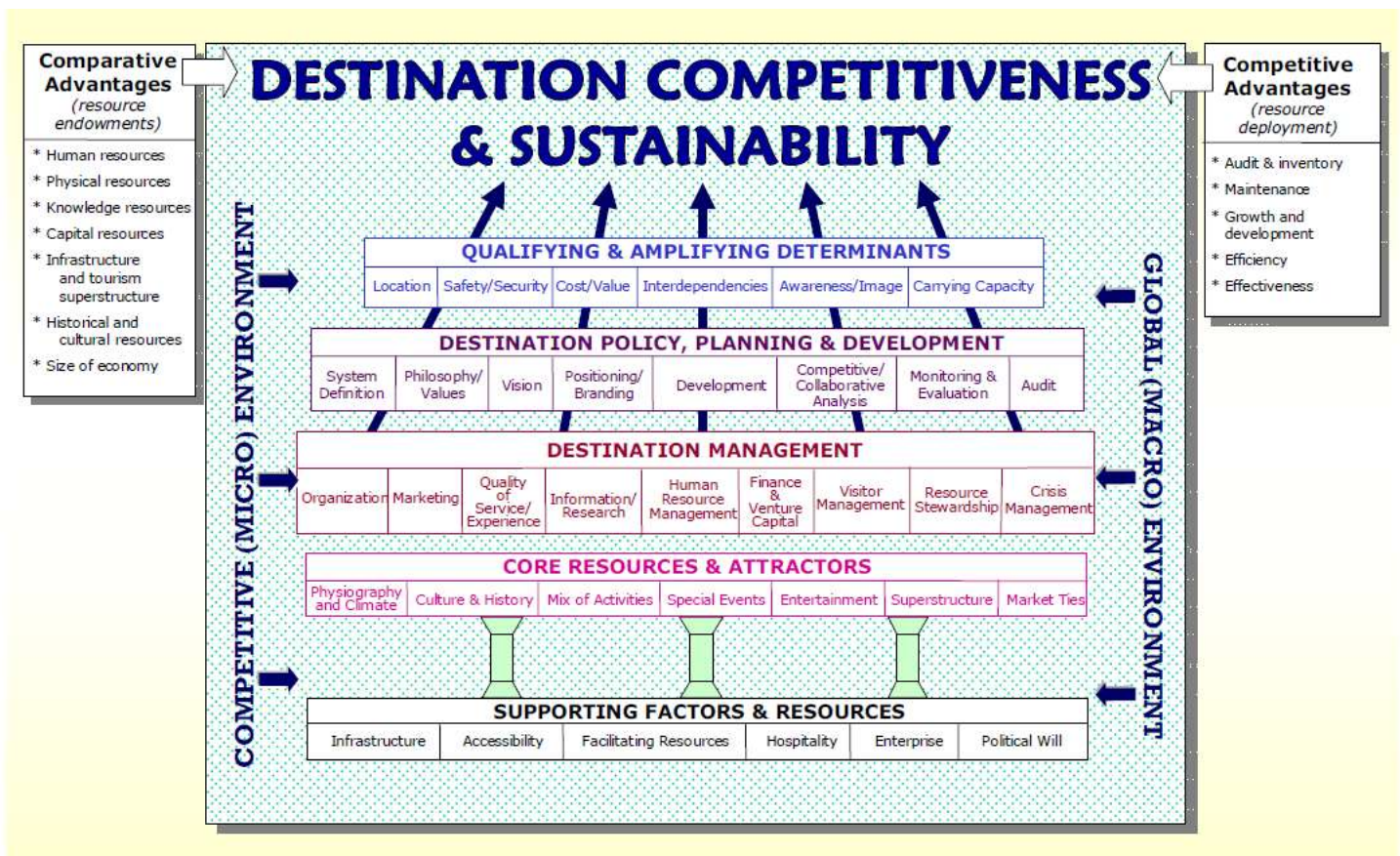
## **2.6. Development of Convention destination (Site)**

Swarbrooke et al., (2001) noted the importance of destinations in the conference or congress or convention- sector referring Roger, (1998). They further suggested that conference organizers attach greater importance to “location” (destination) than any other single criterion when

selecting their sites. Then the destination will only be acceptable if it is accompanied by venues and various related services. Basically destinations for convention or conference should offer:

- ✓ a suitable venue for the meeting or meetings
- ✓ sufficient accommodation if the venue is non-residential
- ✓ attractions for successful social and/or partner programs
- ✓ good accessibility to the generating market(s)
- ✓ efficient transport systems within the destination
- ✓ acceptable level of safety and security to participants, etc and taking in to consideration value for money.

Figure 2.4 Conceptual model of destination competitiveness, adopted from Crouch, 2007



Developing tourism infrastructure should be seen as a vital part of encouraging the growth of not only the general tourist industry, which also benefits from these facilities and attractions, but also for the development of the convention industry; without these facilities, the destination will not be as attractive to convention hosts, who are working not only for the

effective execution of their event, but to attract individuals to the convention who wish to enjoy the local tourist entertainments and attractions too (Sau-Ling Lai, 2009).

The destination, like all tourism products, is a combination of tangible and intangible elements. The intangible elements are essential to the success of the destination, but are highly subjective and are subject to customers' perception. It may create perceptions related to:

- ✓ safety, security and stability
- ✓ perceived ambiance and atmosphere
- ✓ the degree to which the destination is seen to be friendly or not
- ✓ the perceived efficiency and reliability of services within the destination etc

Development of convention business requires a quality infrastructure necessary for congress organization and tourism offer, which will meet the needs of the attendees and organizers of meetings. Today, a convention product is described as a package of goods and services requiring varieties of services and goods for delegates (Bubalo & Nilsson, 2004); tourist destinations that have elements of attractiveness are also often desirable place for hosting various business events. As noted by Swarebrook et al., (2001), the scope of development of convention tourism development may extend to incorporate different types of infrastructures in relation to convention centres. For example the design of

- ✓ main buildings and structures - location, scale and materials
- ✓ internal fittings and fixtures including catering facilities, retail outlets and toilets
- ✓ landscaping around the buildings and structure
- ✓ the layout of the site, as a whole
- ✓ support services such as car parks
- ✓ signing

The more attractive the destination is, the more attractive the event would be for potential attendees. The services provided in a destination and its facilities are critical to the success of the meeting destination. According to Bauer et al., (2008) accessibility of convention centers, availability of other entertainments, shopping centers, fast internet facility with access to secretarial services and financial institutions play significant role in enhancing the satisfaction of

business tourism participants. In addition to this the welcoming nature of the people at destination, tolerance of other culture, safety and security, quality of the convention centers its neatness, accommodation, transportation, the human resource and other infrastructure is of most importance to contribute for their satisfaction on the other side.

Swarebrooke et al., (2001) has also emphasized on the importance of destination development or design of a convention site consideration in relation to its impressiveness, user friendliness, environmental friendliness, safety and security, economy related to development and operation cost and multi-purpose use. When designing a convention centre one has to consider first and most importantly, who will be using the facilities and for what purpose? The target markets and the likely occupants of the facilities are crucial to their viability and must be considered separately at each stage of the design. In other words, form must follow function, not the other way round, which is too often the case, The Right Solution Limited, quoted in Rogers (1998) suggested that the design should consider different types of users such as users who need the facility for presentation (audiovisual and special effect equipments), video conferencing, those arriving with baggage and need storage facilities, those who have different physical disability and those who do not speak the language of the destination area etc.

Tourism is one of the most highly integrated industries in the world constructing a value chain with major players of the tourism industry, particularly airlines, hotels, travel agents and tour operators, have increasingly integrated in an industry whose boundaries are becoming increasingly blurred. Now days, airlines are built having international standard hotels in which convention facilities are equipped and providing other necessities for the participants.

On the same taken, the need to perform image marketing in association with the development of convention tourism destination by governments has been recommended by researchers such as (Mahadzirah et al., 2011). It is also recommended to own separate convention facilities with separate administration and build the country's image through marketing activities. The image of a destination moulds tourist expectations before they actually visit and will also help in the dissemination of word-of-mouth advertisement. Apart from the destination image (Odunga et al., 2007), it is necessary to emphasize on the convention tourism brand differentiator. Hence

building a strong brand will help to create the positive image and association for easy recall and recognition.

### **2.6.1. Ethiopian Tourism Product Development**

Considering tourism as a combination of different products, we can have various key product opportunities for Ethiopia including: Culture; nature (including ecotourism); business; adventure and entertainment. These products are based upon four broad themes:

- ✚ History and culture-based tourism experiences;
- ✚ Nature-based tourism experiences;
- ✚ Business and conference-based experiences; and
- ✚ People and urban environment-based experiences.

These themes will also provide the platform for product development and national tourism marketing. In order to compete internationally Ethiopia must upgrade its current provision of products and services and aim new product development at international standards as suggested by the (WB, 2006). The Government should take into consideration areas for tourism development targeted at a broad range of international, regional and domestic markets, and allocate resources accordingly.

### **2.6.2. The tourism industry's service characteristics**

Before trying to sale something to convention customers and/or consumers, it is essential to understand what the sub-sector is offering. In general terms, the tourism industry offers services than products which required understanding the different characteristics of services before marketing them to the target.

According to Kotler (2012) service marketing requires more than just traditional external marketing using the 4Ps. It also requires internal and interactive marketing. The former one means that the service firm must orient and motivate its customers-contact employees and supporting service people for the maximum satisfaction of its customers. On the other hand interactive marketing refers to the service quality depends on the quality of the buyer-seller interaction during the service encounter. Here the challenge for most service providing

customers is the competitive environment in terms of price and quality. Customers are even observing services as similar due to this harsh competition (Kotler, 2012)

Kotler (2012) again suggests that service companies can differentiate their service delivery by having more able and reliable customer-contact people, developing a superior physical environment in which the service product is delivered, or designing a superior delivery process. In addition to this, service companies also can work on differentiating their images through symbols and branding.

### **2.6.3. Marketing Destination and Venue**

#### **Marketing:**

Kotler (2012) defined marketing broadly as *“a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others”*.

Before talking about how to market destinations and venues, it will be necessary to see what the destination and venue looks like and is ready to offer as the definition by Kotler (2012) states. The starting point in marketing of a service or product will then be the assessment and identification of consumer's and customer's needs and wants. It is then only we can create and exchange value with these identified targets.

The issue of segmentation, targeting and positioning (Kotler, 2012) will come next to the careful design of the marketable service using the 7ps of service marketing mix elements based on the identified needs and wants. Marketers need to work on the positioning and image creation process once the market has been developed for the convention destination product.

### **2.6.4. Managing destination and venue:**

Destination management is vital if destinations need to satisfy its customers and consumers but it should be noted that it is not a one company task to manage the destination. Integration of different suppliers is required from the policy makers in the sector to the last touching service provider in the management process as emphasized by (Swarbrook et al., 2001). Basically the destination management or convention tourism product management must address attractions, amenities, accessibility, image and price as it creates competitive advantage for the destination

and in the long run it will help for the development of a sustainable tourism destination (Chaitip, 2008).

As noted earlier, it is necessary to distinguish with who the deal is, as the need for customers is quite different from that of the consumers. For instance, to be perceived as quality service the customer needs low price whereas for the consumer it will signify comfort. The service quality which gathers different aspects such as the reliability, a price adapted to the clients, an efficient service and a “fitness for purpose”, all of them are of prime necessity so as to fulfill or exceed the clients’ expectations (Swarbrooke et al., 2001). They further emphasizes that, all the stakeholders involve in business tourism must always bear in mind that business tourists have higher expectations and owing to their various experiences, they are experienced and they can compare the products of competitors. On the other hand, the previous experience and word of mouth recommendations are the most important factors in risk reduction strategies when trip planning. Here comes the role of social media in disseminating information and experiences of convention and other business tourism participants over the internet. For instance, Trip advisor shares the experience of travelers on the internet regarding their stays and hotel experiences both in terms of satisfiers and dissatisfies and rate the hotels for recommendation.

Accordingly the scope of a destination and venue management may extend to the planning and development of infrastructure, marketing and provision of information concerning the destination, the operation of publicly owned convention venues, provision of training and education to all staff involved in servicing the needs of convention tourists, managing quality standards in respect of all aspects of the product and taking action if there are deviations, maintaining the standards of physical environment including street cleaning, and maintenance of open spaces, ensuring the safety and security of the tourists in relation to crime and fire safety and ensuring the reliability of utilities such as electricity and water supplies. According to a study conducted by Jelena et al., (2012) in order to remain competitive in this sector it is necessary to respective researches by destination management organizations, hotels, conference centres and other venue hosting conferences and improves the quality of their product.

### **2.6.5. Future Convention Tourism business:**

In addition to the lack of proper description of the convention product, it can be assumed that the turbulent environment of the convention market makes it even more complicated for the convention supplier to ascertain how the product should be improved and developed in order to meet the customers' needs in the future (Bubalo et al., 2004). Considering the past, it can be recognized that the convention product has been constantly changing in accordance to the trends and it seems that the product has been combined with different activities, unique environments and different technological solutions in order to satisfy the existing demands though, these trends belong to the past and the future development is open for speculations.

The rapid growth of mobile coverage and smart phones has had a further major impact on the industry. Increasing numbers of travelers are connected as the number of mobile phones has outstripped the world's population. Travelers are now empowered with advanced smart-phones able to deliver new functionality related to location, payments and real-time information flows. By 2014, over 3 billion of the world's adult population will be able to transact electronically via mobile or internet technology with a 90% mobile penetration rate and 6.5 billion mobile connections (WTTC, 2011).

The internet's increasing role in social networking means that the online experience has shifted from searching and consuming to creating, connecting and exchanging. Previously passive consumers and web surfers are now generating content, collaborating and commentating. Traveler reviews, photos, trip planning and sharing, and blogging, are all influencing how travelers of all ages connect to and interact with suppliers, products and services.

User-generated content means that travelers no longer have to rely on the 'official' description of a destination, hotel or product, but can instantly access reviews from a large number people from many different socioeconomic backgrounds who have actually experienced the destination or product. Clearly, the repercussions of this have been, and will continue to be, significant.

The direct contribution of Travel & Tourism to global GDP is expected to rise by 54% in the next decade to over US\$2,860 billion by 2021, accounting for nearly 3% of global GDP. And it is also expected from the industry to create an additional 21 million (net) direct jobs over the

next decade, taking total direct employment to over 120 million (more than 3.5% of total employment).

Researchers suggested that it is necessary to adopt a holistic approach to develop the tourism products as a whole if one needs to attain a competitive position with respect to the convention tourism. Sau-Ling Lay (2009) noted that convention, exhibition, entertainment and gaming are activities that possess very visible linkage properties and a synergy of these core tourism sectors will drive the economic development of the destination. On one hand, the facility to be constructed for one of the sectors can serve the others and on the other hand, due to the seasonal nature of the tourism business it might be sound to segment the business to different customers and consumer groups based on their needs and wants.

#### **2.6.6. Ethiopian Convention Tourism Destination (Addis Ababa):**

Addis Ababa has got its name during the regime of King Menelik II of Ethiopia with an Amharic meaning of 'New Flower'. It is located at about 2440 meters above sea level on a plateau surrounded by hills. It is the capital city of the country and has become a seat of different international organizations hosting different regional and international conferences every year. Due to the role it is playing in relation to hosting various types and numbers of conventions, the city has got the name of 'a political capital city of Africa' (Ministry of Information, 2004).

Addis Ababa has also the busiest international airport in East Africa, some 8 kilometers from the center, 'Bole International Airport' and the hub of Ethiopian Airlines and serviced by several international airlines with daily flights to Europe, the United States, and Asia as well as inter-African destinations including Accra, Bamako, Brazzaville, Cairo, Dakar, Dar-es-Salaam, Djibouti, Khartoum, Harare, Johannesburg, Nairobi and many more cities in Africa.

#### **Climate**

Addis Ababa has a Subtropical highland climate. The city possesses a complex mix of highland climate zones, with temperature differences of up to 10°C, depending on elevation and prevailing wind patterns. The high elevation moderates temperatures year-round, and the city's position near the equator means that temperatures are very constant from month to month.

### 2.6.7. Immigration Requirements

Visas are required for all visitors/conference delegates travelling to Ethiopia, except for nationals of Djibouti and Kenya. The Government of Ethiopia requires that visitors/conference delegates from countries with Ethiopian Diplomatic Missions secure their visas from those missions. These travelers include holders of diplomatic and service/official passports as well as the United Nations Laissez-Passer (LP). If there is no Ethiopian Diplomatic Mission in the participant's country of origin, AUC will assist in obtaining a business visa on arrival, provided the following particulars are received two weeks in advance: full name, nationality, passport details - (number, date of issue and expiry); and flight details (arrival and departure).

The Ethiopian Immigration Authority requires that an official letter of invitation be presented at the Airport Immigration Desk, for securing a business visa on arrival. Please note that an Ethiopian visa costs \$US20.00 per person and payment must be made in US Dollars at the time of visa issue on arrival at the Airport Immigration Desk. Holders of Diplomatic and Service/Official passports as well as United Nations LPs will receive visas free of charge. Bank receipts for money changed must be kept securely as they may be requested upon departure. The airport tax on departure from Bole International Airport is \$US20.00 and is payable in cash US dollars (MoFA, World Travel Guide, 2013). There are also other requirements for visa processing as noted by World Travel Guide (2013) which includes the following.

#### *Health Requirements*

Visitors to Ethiopia should be in possession of a valid health certificate for yellow fever. Vaccination against cholera is also required for any person who has visited or transited a cholera-infected area within six days prior to arrival in the country.

#### *Shipping/Customs Clearance*

Conference participants and/or journalists coming to Addis Ababa with special equipment such as professional cameras, computers, exhibition equipment and materials should ensure that a list of these equipment, including model and serial numbers where applicable, are sent to the conference organizers. Equipment that is not cleared by the Ethiopian Customs Authority prior to their arrival may not be allowed into the country.

### 2.6.8. Conference centre

The Ethiopian Conference Centre Establishment Council of Ministers Regulation No. 23/97 proclaimed the Ethiopian conference centre is hereby established as an autonomous federal organ having its own legal personality and accountable to the Ministry of Information and Culture. The objective of the centre shall be to serve as a venue for the presentation of the artistic works of nations/nationalities and people with a view to helping the peoples of Ethiopia know each other and develop harmonious interaction amongst them (UNECA, 2013).

Addis Ababa has a number of conference centers including the United Nation Conference Centre, the African Hall, the Sheraton Addis, Hilton Addis, Radisson Blu and others. On the other hand, the New millennium Hall is getting fame in hosting different events including conferences.

#### *United Nations Conference centre*

The United Nations Economic Commission for Africa (UNECA) is one of the five regional commissions under the administrative direction of United Nations Headquarters in New York. UNECA uses its convening power for a number of statutory and other conferences, seminars and workshops and its united nations Conference Centre (UNCC), one of the largest and best equipped in Africa, hosts conferences for external and institutions in a commercial basis.

The United Nations Conference Centre (UNCC) is one of the most modern and sophisticated conference centers in the world offering state-of-the-art facilities. It is located in the UN compound on Menelik Avenue opposite to the National Palace. The main conference room is capable of seating 600 participants plus 180 in the gallery, the second with 400 delegates plus 48 in the gallery and four other with a capacity of 114 delegates each. The technical capacity of the center includes floor language and six simultaneous interpretation system, electronic voting and discussing management systems, and film, video, slide and overhead projection (UNCC-AA-Brochure, 2012).

The UNCC is composed of four floors;

- ✓ The basement consists of the reproduction unit and the technical teams
- ✓ The ground floor consists of the communication team, clinic, media center, translation team and training center
- ✓ The first floor is composed of all the conference rooms, caucus rooms and offices of the Conference Coordination Unit (CCU)

✓ The second floor is mainly composed of the cafeteria, dining rooms and coffee shop. On the other hand, the African Hall in the United Nations compound is a venue to host the Charter of the Organization of Africa in 1963. It has a seating capacity of 272 delegates with 100 microphones and 335 seats in the gallery.

### **Signage and direction in the City**

The name of roads around the city are few and often don't match the ones written on maps, so it is best to navigate by using landmarks. There are few signs and direction guiding information in the capital which makes the life of a tourist somehow complicated. Addis Ababa, unlike other developing State capitals, has a low record of common Petty theft, pickpockets and purse snatching are common crimes when opportune. The city is considered to be one of the safest capitals in Africa. Hence it will not be so difficult to use walking as an alternative means of looking for what visitors are looking for within the city (UNCC-AA-Brochure, 2012).

Generally the research will depend on the factors and attributes taken from the Conceptual model of destination competitiveness, adopted from Crouch (2007) and conference participation decision making process, adopted from Oppermann and Chon (1997). The factors taken from the two conceptual models that are important for the selection of destination includes: location or destination, safety and security, destination image, welcoming culture, convenient venue, related costs and conference product mix.

## Chapter Three

### 3. Research Methodology

This chapter will introduce about the research design and methodology to be used in the research at hand. It will give a brief view about the type of the research, its approach, sampling design, data source, data collection, data presentation and analysis.

#### 3.1. Type of Research

As stated previously, the grand objective of the research is to analyze the development of convention tourism in the city which needs the exploration of related literature and determinants (factors) in making decisions while selecting convention sites, observation of facts happened already or existing currently and further description of the facts. For instance, exploring the basic determinants or factors of the convention site selection in the context of Addis Ababa as a convention destination can only be approached with an exploratory research since there are no pre-tested factors. These variables may affect the performance of the destination on the development of competitive and sustainable convention tourism.

Besides, it is recommended that exploratory research is common in a travel and tourism area, for three main reasons: relatively the newness of the field, the changing nature of the phenomenon being studied and the frequent separation between research and action (Veal, 2011). Since the convention tourism is relatively new field of study there is a need to map the territory. Much of the researches therefore should focus on exploring facts. At the same time when the purpose of a study is formulation of a problem for more precise investigation with an emphasis of discovering idea and insights, exploratory research is appropriate as per Kothari (2004).

On the other hand, a descriptive research is helpful to answer the question “What is?”. According to Singh (2006), when objective of a research is factual finding and then to describe facts and events happened or existing already, a descriptive type of research is appropriate. Kothari (2004) also supports the same principle saying “... the major purpose of a descriptive research is description of the state of affairs as it exists at present...”

Hence the research would like to explore the existing factors that are affecting the decision making process of consumers and customers in selecting a convention tourism destination in

Addis Ababa. Further it needs to describe what is going to be explored during the research process. Due to this the research will have a mixed research types as the objective of the research is exploring, identifying, analyzing and explaining with a *mixed research approach* which combines both an exploratory and descriptive research types.

### 3.2. Research approach

Having a mixed research type, a mixed research approach has been implemented in this research. Qualitative research approach is an appropriate when the research type is an exploratory research type and qualitative research will be applicable as the type of the research is descriptive.

Qualitative research is concerned with qualitative phenomenon, i.e., phenomena relating to or involving quality or kind (Kothari, 2004). In the case of qualitative research, few respondents are involved and be analyzed in-depth (Veal, 2006). The selected exploratory research type will employ a qualitative research approach and will explore the most important factors considered by customers in selecting a specific convention site and centers. Qualitative research can be employed when little information is available on the topic in order to gain insight in to the topic under research.

On the other hand, quantitative research approach will be used for the descriptive type of research part. Quantitative research is based on a measurement or quantity and can be applied in a phenomenon that can be expressed in terms of quantity (Kothari, 2004).

### 3.3. Sampling

As the research has used a mixed research type (descriptive and exploratory research types) both quantitative and qualitative research approach has been followed in which data has been collected through the use of questionnaire and interviews respectively.

With regard to the quantitative research approach, a deliberate or non-probability sampling was used to select 10 four and five star hotels. These hotels were selected out of 26 hotels categorized by UNCC as a convenient accommodation centers for convention participants. As previously described; the necessity of incorporating quantitative data emanated from the need to check the accuracy of qualitative data or the need to triangulate the data collected from the two sources (demand and supply) and serve as a lead for the collection of qualitative data through

identification the most important factors influencing decision makers in selecting convention site and center. From the selected ten hotels found in Addis Ababa, 10 respondents are designed to fill out questionnaires (see Appendix A) and 100 respondents have been selected in a quota system.

On the other hand; for the use of qualitative research approach, 20 participants of which 14 for semi-structured interviews (see Appendix B) and 6 for a focus group discussion have been selected again with a purposive sampling technique.

The four and five star hotels are included in the sample due to the fact that they are the main places where tourists coming for conference, are staying at and are well equipped with conference infrastructures. Respondents who are staying in the hotels and spent for more than two nights as well as those who have participated on convention(s) have been selected based on convenience sampling (non-probability) or judgment of the researcher and its appropriateness is confirmed by Kothari (2006).

#### **3.4. Data type and source**

This study has used both quantitative and qualitative data types. Qualitative data has been collected from primary sources in the form of interview and focus group discussions. On the other hand, quantitative data has been collected from both primary and secondary data sources. Survey questionnaire and reports generated by authorities were used as quantitative data type.

#### **3.5. Data collection technique**

Semi-structured interview is selected as a means of data collection, as it provides “deep” information and knowledge from few respondents. The interview questions will be planned in advance and it allows the researcher to change their orders as well as ask additional questions when it is necessary to clarify a response as per Veal (2006). Accordingly interviews and focus group discussions are recommended as the best data collection instruments (Kothari, 2004). Hence, respondents were identified and a schedule has been developed to conduct interviews. After the development of an interview checklist, appointments have been taken from the respondents and data has been collected based on their consent. With the same fashion, a group

was formed having 6 participants who represent different key stakeholders of convention tourism for the focus group discussion and data has been collected with the help of audio recorder.

The questionnaire has been designed having a five point-Likert scale with options; 5 for strongly agree, 4 for agree, 3 for indifferent, 2 for disagree and 1 for strongly disagree to measure the level of agreement or sensitivity with related issues. The appropriateness of Likert scale to measure sensitivity of individuals on issues or level of their agreement to a given situation in social science studies is recommended by different authors including Kothari (2004).

On the other hand, secondary data was also used from different sources compiled for some other purpose. Government and authority publications have provided important background about the nature and characteristics of the industry. The research has taken in to account the drawbacks of such data sources as they have validity, reliability and compatibility problems.

### **3.6. Data Analysis and Interpretation**

A pilot test has been done on the questionnaire before its distribution to convention participants for its validity and accuracy. Accordingly a Cronbach's Alpha result of 93.2% was scored and the final questionnaire has been prepared having some adjustment. The respondents are presumed to answer all the questions to the best of their knowledge and in a manner that keeps their status to provide the maximum freedom.

After the collection of data with the questionnaire, it has been coded, summarized and analyzed with SPSS version 20 Statistical tool, Stepwise simple descriptive statistics have been analyzed to strengthen the results with numerical evidences. Hence frequency distribution and percentage were used to summarize and analyze the collected data.

## Ethical issues

The most important consideration; apart from the validity, reliability and applicability of a research work, is the issue of ethics. As a researcher, it is difficult to conduct a research without the participation and assistance of others and it is vital to respect respondents, their privacy and the confidentiality of their information (Dawson, 2002). The following are the most common issues expected to be considered in this research in relation to ethics.

### Consent

This is the procedure by which research subjects chosen, whether or not they wish to participate in a research study. Consent involves three elements: capacity, information, and voluntariness. All three elements must be satisfied for consent to be given.

- ✚ **Capacity:** is defined as the ability to acquire or retain knowledge, and the authority, or legal qualification to perform an act and is the subject able to decide if he wants to participate.
- ✚ **Information:** consists of ensuring the subjects are told of the purpose of the study, and do they understand the purpose of the study and their roles as subjects of the study.
- ✚ **Voluntariness:** means that the subject chooses to be in the study of his/her own free will and are free to withdraw from the study at any time. There must be no element of force, fraud, deceit, duress, ulterior form of constraint or coercion to get a subject to participate in the study.

In general special attention will be given to obtaining the consent of all the participants of this study in all the contexts mentioned above, i.e. (capacity, information & voluntariness).

### Privacy

Every subject of the study will be informed of the right to keep private the fact that he/she participated in this study, and the right that information to be given to the researcher not be directly or indirectly linked to them. Given the fact that, this research is based on information obtained from the subjects, and the information will be used in the study, and in principle the

research probably can be published, the researcher will do it in a manner that ensures the anonymity of all the subjects.

### **Deception**

Deception in research involves omission and/or misrepresentation of facts related to the purpose, nature, or consequences of a research study (Greener, 2008). The omission of facts is the same as misrepresentation. If any part of the study is misrepresented or material omission is committed then it can be taken as the subjects have not fully consented to the study and the researcher is morally in the wrong. To that effect, the researcher will attempt the maximum effort not to omit, be biased of own personal feeling and/or misrepresent any material fact in relation to this research.

## Chapter Four: Results and Discussion

### 4.1. Introduction

The nature of data in the case of qualitative study takes the form of formal and patterned to a widely scattered, unstructured and difficult to analyze in some instance. This research has first done a simple survey from the demand side of the sector. The reasons for considering the demand side was first, in order to have some ground for the interview process and make interview questions somehow semi-structured and manage the interviews with a reasonable time and energy. Secondly, the survey was designed to strengthen the outcome expected from the qualitative study through the use of triangulation system.

### 4.2. Analysis of Qualitative Data

Table: 4.1. The general characteristics of respondents from interview and focus group discussion

	Sources of participants	Participating Industry	Respondents profile		No. of participants
			Interviewee	Profile	
1.	DMO (Interview)	Conference organizers	Interviewee 1	Owner/Manager	3
			Interviewee 2	Marketing Manager	
			Interviewee 3	Marketing Manager	
		Event planners	Interviewee 4	Owner/Manager	2
			Interviewee 5	Owner/Manager	
		Hotels	Interviewee 6	Guest Services Director	5
			Interviewee 7	Not Expressed	
			Interviewee 8	Sales Manager	
			Interviewee 9	Sales and Marketing Manager	
			Interviewee 10	Banquet and Event Organizer	
2.	Government organization (Interview)	Ministry of Culture and Tourism	Interviewee 11	Special Advisor to the Minister	1
		Ethiopian Tourism Commission	Interviewee 12	Communication and Marketing Director	2
			Interviewee 13	Not expressed	
		MOFA	Interviewee 14	Not expressed	1
3.	Stakeholders (Focus group discussion)	Hotels	Speaker A	Marketing Manager	3
			Speaker B	Event Manager	
			Speaker C	Banquet and Event Coordinator	
		UNECA	Speaker D	Event Coordinator	1
		Travel Agency	Speaker E	Owner/Manager	1
		Hotel school (CTTI)	Speaker F	Tourism Instructor	1
<b>Total participants</b>					<b>20</b>

Participants of the interview were carefully identified using various techniques as explained in the methodology part. Since the data to be gathered was qualitative in nature, informants are designed to be expertise in the area of study. As disclosed in the literature (Kothari, 2004), suggests that key informants can be recruited with reference or based on judgment as to the level of expertise he/she has. This will help to dig out as much information as possible in relation to the area of study.

According to table 4.1, 85 % (17) of the respondents are directly related to the convention tourism operation. With this regard, the quality of the response expected from the participants is well enhanced.

Table: 4.2. Summary of questions and issues raised in the interview

1.	General growth of the Addis Ababa city as a convention destination
2.	General development of the convention product in Addis Ababa
3.	Factors and attributes that are important for the selection of convention destination (site)
4.	Marketing activity related issues in Addis Ababa in respect with convention tourism
5.	Policy issues and government activities in relation to convention tourism in the city
6.	Opportunities and challenges of the convention tourism in Addis Ababa

Table 4.2 above shows summarized items of questions and issues raised during interviews and the focus group discussion in the research. The first two issues; the general growth of the city as a convention tourism and the general development of convention product in Addis Ababa can help to answer the first objective which is intended to analyze the characteristics of the convention tourism business in Addis Ababa. The issue related to factors and attributes that are important for the selection of convention destination can help to answer the second objective which is intended to identify the most important determinant factors affecting convention destination choice in the context of Addis Ababa and to see the most important attributes for the selection of the destination within the factors. Marketing activity related issues in Addis Ababa with respect to convention tourism in the city is intended to explain objective four that is to analyze the general marketing activity of DMOs in Addis Ababa in relation to convention tourism. Finally opportunities and challenges related topics are expected to discuss the fifth and policy related issues to discuss the last objectives respectively.

### ***Analysis of the general growth of Addis Ababa as a convention destination***

A set of questions were asked to have a deeper understanding about the general situation or growth of Addis Ababa at present in relation to convention tourism. The questions under this category were focusing on different convention related service providing facilities, infrastructures supporting the sub sector and the human resource providing the services. Accordingly informants have suggested that Addis Ababa as a convention tourism destination is growing in terms of quantity of infrastructures and other service providing facilities, where as the general growth of the destination in relation to convention tourism in terms of quality is questionable.

*Table: 4.3. Growing areas related to the convention tourism business in Addis Ababa*

	<b>Interview</b>	<b>Focus Group Discussion</b>
<b>Current growing sub-sectors of the destination</b>	Accommodation (room-bed ratio)	ET airlines root (destination)
	Hotels and guest houses	Moderate skilled labour
	Event and conference organizers	People's attitude
	Service providing facilities	Capacity issue
	Infrastructure	Audio visual equipment providers
	Translation service providers	

*Source: Interview and Focus group discussion, 2014*

According to the data obtained from the interviews and focus group discussion, different sub-sectors and other businesses related to convention tourism are experiencing growth in Addis Ababa as shown in table 4.3 above.

As one of informants stressed, even though there is observable rapid growth of infrastructure and other aspects in the city, we are far behind from developing a competitive convention center backed by competitive products in general. But it is true that we are hosting a large number of conventions in the city both at national, regional and international levels due to various reasons. 80% (16) of the informants agree on the major reasons as, the political role played by the country, the overall safety and security related issues in the city, stability of the country, and the presence of many regional and international organizations in the city.

According to one of the informants, the general growth of the Addis Ababa in relation to convention tourism has two perspectives. One is from quality perspective and the other from quantity. From the quantity perspective, it is possible to say that Addis Ababa is growing faster than ever and is expanding the required facilities and infrastructures by the sector. The capacity to accommodate and host more number and volume of conference participants, the number of event and/or conference organizers and the number of Ethiopian Airlines destinations (routes) in the world is growing faster than ever.

As Crouch et al., (2004) stated in their literature, the role played by different actors of the convention tourism is vital for the growth of the business tourism in general. The expansion of Airlines destination, the expansion of meeting and event planners, the expansion of transportation system, accommodation, pre and post entertainment, etc are equally important to help a convention tourism destination grow and attract its participants in the city. On the same way, other service providers; such as, transport organizations, audio visual equipment providers, translation service providers etc are also coming to the market due to the demand existing to accommodate different regional and international conferences as explained the informants.

This implies that the destination is well growing in terms of the number of convention tourism infrastructures and skilled human power which is necessary to accommodate large number of convention participants. This further implies that the concerned stakeholders are not either aware of its later consequence in creating a sustainable convention tourist destination or they have no skill and know-how on how to make the city a sustainable and competitive destination.

On the other hand, the quality of hotels that are currently being constructed in the city, the quality of event and conference organizers' skill and knowhow, and the quality of venues is not up to the expected level as informants emphasized. Besides, the quality of human resource related to service industries in general is not matching the growing number of facilities and infrastructures in the city. Most of the informants in this study agree on the basic idea of service quality and said that Addis Ababa is suffering from quality problem in relation to the general service industry on both private and public sectors. This again indicates that the responsible authority is not performing well in strictly controlling the quality of the service sector as per the existing standard by anticipating the devastating outcome if the quality of the sector is not maintained. In this globally connected world, problems and dissatisfactions of service recipients

and/or convention participants can easily communicate each other across the globe via social media. This fact tells us that we need to strongly work hard on the quality aspect in order to maintain the standard of the sector as suggested by one of the informants.

According to informants in this study, it is not only the quality that is compromised in the service industry but there is also a serious problem related to integrated and centralized effort in the sector. Almost all of the sub segments of the convention tourism or all units contributing to the sector are acting separately without integration or collaboration which makes controlling, organizing and directing very challenging. This indicates that, the quality of infrastructures and other facilities being constructed in the city are having difficulties due to lack of integration and synergy. Individual participation forces all sub-sectors of the convention tourism to act without a central planning, controlling and coordination for a better output in the area of expertise.

Sharpley et al., (2005) have also suggested in the literature that stakeholder analysis will help to identify individual responsibilities and simplify implementation of policies so as to achieve national tourism objectives. While discussing question number 5.e.; (*How do you promote Addis Ababa as a convention destination on the national and international markets?*), informants explained that majority of the tourism sub sectors are using a self company oriented communication (promotion) than that of boosting the image Addis Ababa as a convention destination. While discussing about the pricing strategy; almost all except those respondents coming from non-business oriented organizations suggested that everyone is tagging any price they want for their products. Particularly one of the informants has elaborated the issue as; the difference between the quotation prices quoted by two different conference organizers in a certain bid can prepare another event. Similarly all sub-segments of the sector are charging or asking price which doesn't consider their cost or the value they are creating. Informants from the focus group discussion have emphasized on the application of double or more charges during AU summit and other big events at the city for accommodations and other services. For this reason it is assumed that Addis is becoming an expensive destination apart from offering an inferior quality.

This indicates that lack of coordination, centrally controlling and managing unit is going to aggravate the quality problem at the destination and continuing to permit the sub-sectors to act

separately will drag the destination to a more serious situation and may lead to the loss of the currently existing demand and competitiveness.

The general implication of our discussion above implies that Addis Ababa as a convention tourism destination is experiencing some level of basic and steady growth in terms of number or quantity while it needs to strictly work hard on the quality aspect of major expansions. The number of accommodation, Ethiopian flight routes, infrastructure such as road, rail way, electricity, schools, technology etc, the number of event and convention organizations, and other service providing companies are increasing which makes the destination to grow in steady manner in relation to convention tourism. Moreover, the increase in demand for convention tourism activity, the increase in mobility of people from place to place, the increase in local people's awareness towards the benefit of the sector, the increase in the use of hotels by travelers, the increase in international travel and tourism, the increase in international trade, the growth of social and political ties among nations etc played a great role in the growth of the city in relation to convention tourism.

### ***Analysis of the general development of the convention tourism product in Addis Ababa***

The questions raised related to the general convention-product development in Addis Ababa both at the interview sessions and focus group discussion were to construct an in depth understanding of the sector and to see the convention product development process in the city.

According to Kotler (2012), product development process may follow the following steps; idea generation, idea screening, concept development and testing, marketing strategy development, business analysis, product development, market testing and commercialization. Further a convention tourism destination, like all tourism products, has a combination of both tangible and intangible elements as stated in the literature (Sau-Ling Lai, 2009). The intangible elements are essential to the success of the destination, are highly subjective and are subject to customers' perception. It may create perceptions related to: safety, security and stability, perceived ambiance and atmosphere, the degree to which the destination is seen to be friendly or not and the perceived efficiency and reliability of services within the destination and so on.

With this respect the convention product didn't follow this pattern as explained by the informants. In the absence of marketing activity, there is no marketing strategy to be followed

and the convention business has started from the already existing demand for the service than from a marketing effort. According to the informants, even the current demand is becoming out of the control of the government and coming to the event planners without their effort.

On the other hand, Ethiopian Tourism Commission has classified the umbrella tourism industry in to leisure, business, convention, visiting friends and relative etc. It didn't go through the sub sectors individually. This implies that the convention tourism product is a result of demand from the participants' or their representatives. It also implies that since the demand came prior to the product development process, the stakeholders are facing a number of problems in their operation. This might also lead to a problem of misunderstanding the entire process too.

**Analysis of factors and attributes that is important for the selection of convention site and venue**

Questions related to factors and attributes were raised to have an understanding of the driving force(s) behind the decision makers in selecting their convention sites and understand the most important attributes or services they are expecting while selecting convention venues. In this regard, informants have suggested different factors and attributes based on their experience with their own justifications.

The result obtained from the interviews and focus group discussion shows that safety and security, location of a destination, convention associated costs and convenient venue are much more important than the rest of factors identified as factors by different authors in different researches. Similarly attributes existing in the selected factors that are critical for decision makers in selecting convention venue are identified well and are in conformity with the result obtained from the survey. These attributes are presented in the following table (table. 4.6).

*Table: 4.4. Factors and attributes necessary for the selection of convention site and venue respectively.*

Factors	Location	Safety and security	Related cost	Convenient venue
Attributes	Location of the venue	At the venue	Transportation	Neatness
	Access to the destination	On travel	Accommodation	Facilities
	Access to accommodation	In the hotel	Convention product related	Emergency instruments

*Source: Interview and Focus group discussion, 2014*

Table 4.7 above shows the factors selected as important elements for the selection of convention destination and attributes within these selected factors that are important for the selection of convention venue. On the other hand, it has a bit disparity with the existing theory since prior studies focus on the competitiveness and/or economic importance aspect of the sector and they recommend some more than 30 attributes relevant for decision makers to select venues and destinations.

### ***Analysis of marketing activity in relation to convention tourism in Addis Ababa***

According to the informants of this study, Ethiopia in general and Addis Ababa in particular are not totally advertised about their offer in international and regional Media as a convention destination. The previous discussion has brought an understanding about the absence of a responsible body for the integrated effort in coordinating the individual tasks being done by the individual service providers to create a team work atmosphere and a synergic effect. From the focus group discussion, we can again understand that activities around convention tourism are happening in uncoordinated manner and this is true for the communication sector too. Local Media are broadcasting convention related issues for the sake of local information consumption purpose. According to Swarbrook et al., (2001), marketers need to work hard on the positioning and image creation process once the market has been developed for the convention tourism product.

This implies that, either the public or the private sectors are not playing their roles of promoting the country in international Media in a coordinated manner. For instance, one of the points raised in the discussion was the promotion created for Ethiopian Airlines. The respondents said that it might help to craft the image of the Airlines up to the desired level but it doesn't say anything about what its target customers can do or get when their customers come to Ethiopia or Addis Ababa. As one of the informants explained; there are convention participants who were hesitating to come to Addis Ababa because they have never heard anything about Ethiopia at all or biased on what they are informed about the city or country. But after they decide to come to the destination, their impression will be automatically changed and be proud to be here. This is true particularly for most African and other black people. As the informant further explained about his experience, they will appreciate the culture and welcoming and friendly approach of the local people. Apart from this, they also appreciate the climate and history which implies that

the destination is experiencing a lack of responsible authority to communicate or promote in a coordinated manner and even there is no communication forwarded to the public as such to promote the destination as a convention center.

On the other hand, there are a number of stories and other attractions on which Addis Ababa can capitalize and promote the destination for regional and international convention tourists. Similarly, some informants believe that attitudes of the local people need to be crafted well towards belongingness, national pride and ownership. Accordingly first we need to accept ourselves and we need to stand to tell who we are, what our amazing stories and culture looks like and offer all our products related to the sector with responsibility.

As Cooper (2008) emphasized, there are intermediaries working on behalf of the suppliers such as Destination Marketing Organizations (the present day Destination Management Organizations) with the motto of engaging in marketing activity of the convention tourism. Similarly, there are DMO's in Addis Ababa, yet failed to play their major role of promoting and creating image to the destination, disseminating information to key stakeholders, controlling and managing all the marketing activities throughout the channel. According to one of the informants, destination management organizations on one hand and other convention tourism participants on the other hand are doing their business without a planned and programmed marketing practice. Similarly other informants from the focus group discussion have suggested that the destination is becoming more expensive than ever.

This implies that generally marketing is connected with everything in relation to the convention tourism operation from the creation of awareness, desire, purchase and repurchase to the creation of sustainability and competitiveness. Again this further implies that the sector is expecting much more effort from the DMOs so as to make it competitive and sustainable.

### ***Analysis of policy issues and government activities in relation to convention tourism in the city***

As one of the informants noted, the Ministry of Culture and Tourism is developing a national strategy to promote conference tourism focusing on the growing regional market. One of the prime destinations is Addis Ababa and there is an intention of establishing a directorate designed to promote Conference tourism. Culture and Tourism Office of Addis Ababa City administration has also a section for it. Whereas, some informants suggested that there is no support or focus to

the convention tourism sub-sector. The strategies and national policies are barely focusing on the giant tourism industry at large. In the literature it was disclosed that Ethiopian tourism strategy focuses on the use of tourism as a tool to reduce poverty and it doesn't really segregate on which sub sector to capitalize (focus). As a matter of fact, marketing dictates to capitalize on area of expertise or specialization so as to attain success.

This implies that the concerned government body was not assessing the area of specialization in relation to the tourism sector or convention tourism was not identified as one of the area of specialization from tourism industry.

This implies that the informants were referring to the policy and strategy issues that the concerned body is not noticing. There is no policy which encourages the DMOs to actively play their roles. As one of the informants explained, there are situations where DMOs failed to bring business related to conventions to the destination due to various problems. For instance; the issue of visa and customs are night mares to the DMOs. The other issues addressed were the frequent change of policies related to their operation and the presence of many policies.

According to one of the informants, MOFA has a trend of administrating the entire convention activity by organizing an accommodation committee for some big events such as AU summit, World Economic Forum and IGAD meetings. During such events the visa and other issues will be taken care of by the accommodation committee of MOFA. This seems that the concerned body is not willing or capable of providing similar supports to convention participants coming either by themselves or through DMOs. This might further create a safety and security, transportation and other service related problems unless backed by the support of the concerned body.

One of the informants discussed that, there are problems related to skilled professionals in the area. Hotel and other schools are not incorporating courses that may enable students to acquire knowledge in DMO skills. Moreover, there are no schools or universities that are offering such streams and we can see that there is lack of attention from all the concerned bodies.

According to one of the informants, even the assigned individuals to check the operation of DMOs are not aware of what they are supposed to perform. When the informant shared an experience, the company (a DMO) was asked to show pictures and posters that promote the

country in order to update the license while the company is working on selling air tickets to local travelers to travel to other countries. The reply was, since the DMO was working to the local community who wants to travel abroad there shouldn't be any poster showing or promoting the country. In fact if it has to promote, it should promote the destinations where those local people decide to travel. This implies that the knowhow of the personnel assigned to check the operations of these local DMO's is questionable. This will further imply that; even if we can centralize and control the general convention tourism activities, having experienced and knowledgeable individuals will fall in question again. This will lead us to the need to work hard from the institutions as a primary target.

On the other hand, from the consensus reached at the focus group discussion, we can understand that investors who are opening hotels and guest houses are simply constructing them and attaching any number of stars they are wished to possess by following their own standards. To verify this trend, we can simply observe the difference between the properties and services provided within and among the following hotels; Hilton Addis, Radisson Blu Hotel, Elilly Hotel, Grand Yordanos Hotel and Intercontinental hotel. This difference between these hotels can show the absence of a clearly stated standards, strategies, policies and controlling units in the sector while providing stars to the hotels. This again implies that the concerned government body is not first working in collaboration with DMO and responsible individuals and second is not playing a leading role of coordinating, managing and controlling the development of the sector.

### ***Analysis of opportunities and challenges of the convention tourism in Addis Ababa***

Under this topic the research has planned to show the overall opportunities and challenges faced by the destination in relation to convention tourism from different angles as illustrated in table: 4.9 below. Opportunities are favorable conditions used to benefit operations while challenges are non-favorable situations hindering the sector from operating in a better way for the success of an objective.

Table: 4.5. Opportunities and challenges related to Convention Tourism in Addis Ababa

		Opportunities	Challenges
		<b>Convention Tourism  Addis Ababa</b>	Growth of mobility of people
Increased use of social media	Technology barrier		
Increase in use of hotels and related services	Lack of knowhow in the area (school related problems)		
Growing number of event planners	Tax, customs and visa processing issues		
Expansion of hotels	Lack of skilled human resource		
Expansion of convention centres	Lack of well established Marketing practice		
Globalization	Capacity problem		
Political unrest among nations	Safety and security issue		
Ethiopian Airlines destination (roots)	Policy related issue		
Seat for regional and international organizations	Lack of appropriate product development		
Expansion of infrastructure	People’s awareness and ethical issue		
	Infrastructure		
	Quality of service providing facilities		
	Lack of coordination and management		
	Post convention report and feed back		

Source: Interview and Focus group discussion, 2014

**Opportunities**

Most of the informants agreed that Addis Ababa as a destination has enormous opportunities that can help the city to take the major share in the sector. For instance, some of the informants agreed that the country has a better political dominance in the region that helps the destination to attract more number of convention participants and the existence of unrest and political chaos in most African and Middle East countries made it difficult to think of conventions in those unsafe countries. In addition to this the focus group participants agreed on the growth of people’s mobility from place to place, on the growing trend of use of social media, on increasing trend of the use of hotels and related services and on the globalization of the world as some of the factors helping the convention tourism to be exposed to wider opportunities in Addis Ababa. On the other few informants agree on that the expansion of hotels, convention centers and event planners as some of the main opportunities for the sector to expect more participants.

On the other hand some informants agreed that businesses related to conventions is coming without the DMOs dedicated advertisement or marketing effort. Whatever the reasons are, the

key issue is that the business is coming in a large volume and there for the most important point should be how to explore these opportunities. They further explained that the level of awareness in relation to the convention tourism is somehow improving which creates the opportunity of cooperation among the concerned key stakeholders. In addition to this, the increasing trend in mobility of people from one place to the other, the increasing use of hotels and other related services, the increased use of social media and the growing number of event planners in the city is creating opportunities to the destination.

As discussed with the informants, the increasing trend in people's mobility has brought a great opportunity for the tourism industry at large and for convention tourism in particular. People travel from place to place across boundaries for various reasons such as business, education, trade, seminar, business launch, mission, exhibition, visiting FR, recreation, journalism, documentary filming, meeting etc to mention only few. These and any other form of travel creates an opportunity for the expansion of convention tourism. Further informants believes that an opportunity become a threat if not appropriately explored and used for own benefit. This shows that Addis Ababa as a convention destination needs to have a strategy on how to explore and entertain more number of conventions at the destination using the existing opportunities. It further implies that the DMOs need to play their role and arrange various events and entertainments that can last longer in the minds of these travelers coming to the destination for any reason.

At the same time; with the ever increasing mobility of individuals, the transportation system becomes expanded too. With this regard the Ethiopian Airlines has extended its destinations and created a better opportunity for those who would like to invest their money in any of the convention related businesses. It is more simple, less costly and safe to international travelers coming for convention tourism when the Airlines directly connect the destination with their country of origin. This implies that it is wise to use an airline with a direct flight to the debarkation for various reasons as listed above. Hence it is wise again to invest more on connecting foreign destinations with Addis Ababa and work hard to introduce what these travelers can get when they come to our destination. It also gives clue to the need to create a favorable image in the minds of the convention participants and the need to collaborate with other stakes in its advertisement.

Currently Ethiopian Airlines connects Addis Ababa with more than 55 destinations worldwide which create a link between these destinations to Addis. The reputation it has with its about 65 years of service period has developed credibility and safety image in the minds of its customers. In Crouch's conceptual model of destination competitiveness (2007), infrastructure plays a significant role in enhancing the competitiveness of a destination.

This way the Ethiopian Airlines created a wider opportunity to the expansion convention tourism at the city. According to the informants, being accessible to most of the flight destinations in the region and in the world will minimize the travelling cost and increase the level of safety and reputation for the Airline. This implies that Ethiopian Airlines is playing its role in increasing the accessibility of Addis Ababa and creating trust in terms of safety during travel than using multi modes of transports or routs and it is contributing its greatest role for the growth of the sector.

On the other hand, the increasing trend with the use of social media has facilitated the way people exchange information. Kotler (2010) stressed that social media facilitated the way people think, act, communicate, purchase and creating their own demand etc. This implies that social media is becoming a credible source of information and people are becoming dependent on suggestions of their relatives and their experiences. This further implies that there is a strong need to work very hard on the creation of first and lasting impression on each moment and every participant so as to increase the positive word of mouth advertisement via social media.

Either positive or negative experience faced by a traveler in some part of the world can be shared with in a fraction of second over the social media. This trend has facilitated to have a fast means of information exchange about the destination in mind to visit. Hence the social media plays a significant role in creating a big opportunity for convention tourism by serving as a means of information and exchanging opinion. From this we can infer that there is a need to avail information more accessible to convention participants for pre and post travel use.

According to informants the reason behind many international conventions in the city is due to the fact that this destination is a seat for many regional and international organizations. This makes it simpler to find someone who knows the local custom and other relevant issues to take care of the convention to be held in the city. Hence many of the regional and international organizations are organizing conferences through their local offices located in Addis Ababa.

From this we can infer that all the concerned stakeholders are required to strongly work with the local offices of these regional and international organizations to bring more conventions to the destinations and on how to improve the destination as to the expected standard.

### **Challenges**

Even though Addis Ababa as a convention destination has got a number of opportunities, it is also facing various challenges that might hinder the city from utilizing these opportunities as to the expected level. During the interview, it is disclosed that Addis is facing challenges in relation to human resource, quality of service providing facilities and capacity of service providing facilities as stressed out by informants. According to other informants, the other challenges faced by the destination include; people's awareness and ethical issues, communication (language in the local community), policy, technology and infrastructure related issues.

On the other hand informants agreed that in addition to what is stated above; lack of appropriate product development, some level of safety and security problem, lack of conference report generating company, lack of coordination and management, lack of marketing effort and lack of school program in the sector are the most serious challenges in the sector that needs correction and strict follow up. As some of the informants have explained during the interviews, human resource, quality of service providing facilities and capacity related issues to service, accommodation, infrastructure etc are the other challenges of the convention tourism.

In relation to human resource, the focal point starts from schools and universities. According to the informants, there are private and public hotel schools that are producing skilled man power in hotel and tourism areas. Whereas there are no schools or universities working on the destination management, event planning and other convention related sub sectors. The quality of the services in service generating organizations will depend on the quality of human resources the schools are producing. From the theory, we can understand that one can make his service recipient delighted just using his/her skill more than the product's feature (Kotler, 2012). This implies that the concerned stakeholder(s) need(s) to work hard on the skill, ethics and experience aspect and in all the required professions related to the sector.

As raised by the informants, the problems related to lack of awareness from the local people and lack of quality professionals in each related area have extended to the rest of the society in

relation to attitude and ethics. Unless the concerned body works hard in raising the level of awareness as to the benefit and expectation from the local society to the sector, the destination will be changed to a more challenging, expensive and unfriendly to the convention participants. For instance, unless convention participants feel free and secured, they will not participate on pre and post-convention activities such as dining out in town, involving in sightseeing, taking a walk around the city, shopping around, relaxing in town during night times etc which will force them to spread their money on the economy.

Apart from the attitude and ethical problems, local offices of the regional and international organizations participate in providing information to traveler related to different issues in the country and at our destination. For instance, under the safety and security section of their information, travelers are advised to use only main roads, be vigilant at all the time as pick pockets are very common now a day even at the main streets of Addis Ababa. Even if they are opportunity based than pre planned, including snatching, harassment is becoming common as of 2011, US Embassy (2014). This implies that the destination is actually becoming challenging to convention participants to come and do any pre and post conference activities. Further it implies that due to the problem related to the local people's awareness, such negative word of mouth can easily be disseminated among social media users and will spoil the image of the destination and the country at large.

The capacity related issue is concerned with the space and availability of convention centers, accommodations, restaurants, bars, banqueting spaces, transportation facilities, road etc ability to perform for larger groups as in the case of the world Economic Forum and AU summits. This implies that in such events the city should be able to avail sufficient number of facilities at an acceptable quality which is yet far behind fulfilling this requirement as the informants stressed out. Besides, the informants have discussed that hotel owners are tagging the number of stars they just want than based on some standard requirements. DMOs can run their business with fewer requirements and varying standards which doesn't make them satisfy the needs of most convention participants and is also against research based marketing practice. This further shows that the starting point of the convention business in Addis is the demand that already exists. This means that; demand analysis was not there, marketing effort is not developed, there is no

forecasting and the sector is not being centrally managed. This problem has also extended to have problems related to communication, coordinated promotion and management etc.

The approach followed by DMOs in doing their business is not considering the need to possess employees who are multi lingual rather they hire individuals who can speak different languages on contract bases as the need arises who technically do not know the nature of business they are in. This implies that the product was not developed appropriately and DMOs are trying to modify it depending on the nature of business they are doing.

On the other hand, easy communication with the local people is so far difficult as informants explained. Taxi drivers, different service providers, shop attendants and ordinary people are not communicative for two main reasons. One is for cultural difference and lack of common ground to make conversations longer and second is due to lack of communication skill in different international languages. Here we come to understand that at least people in service providing companies in relation to convention tourism are better in easy communication in our destination. This implies that schools are concerned on such issues only with regard to the hotel and tourism sector while schools need to work hard to bring such trends to the other sectors if they have to change the attitude of the local people so as to enhance their communicability.

Promotion is very critical for any product so as to create awareness, desire and action on purchases as Kotler (2012) stressed. In our case it is not common to experience advertisements that can boost the destination's image in aggregate manner. All the sub-sectors of the convention tourism are engaged in enhancing their own individual brand and image. This implies that there is a need to work harder to conjointly enhance the image of the destination on the ways of branding the convention product so as to take own shares in larger volumes.

The other related problems raised by the informants that are considered as challenges in the literature too include policy issue and post conference report and feedback generation units. When we come to understand the policy related problems informants have explained that there are a number of policies with a diverse consequence to the destination. For instance the policy related to high alcoholic beverages, luxurious sea food items and some cosmetic products dictate to impose very high import taxes so as discourage them or protect foreign currency against their importation. The indirect effect for such an act is reflected on the destination by increasing the

operational cost of hotels and other service providers. They are charging prices which are by far greater than participant's home prices. This implies that the destination is becoming expensive for the participants in living aspect which they will not be tolerant.

Apart from the tax related issues, visa processing to participant and to those DMOs is so far complicated, DMOs are not being supported to facilitate their own visas in order to travel abroad and participate in business searching or in updating own business related skills with organizations operating in similar areas. On the same way it is very tough to process visas for convention participants for DMOs from local office. Hence such and more other problems are challenge to make the destination more attractive and competitive in the region.

At last, lack of post-convention report and feedback compilation unit or firm is the other challenge stakeholders need to think about. This implies that, the presence of such unites can contribute in identifying area of improvement in the destination in terms of hosting such events and helps to make at least corrective actions that preventive ones.

### 4.3. Analysis of Secondary Data

Table: 4.6. The number and growth of tourists by purpose of travel from 2009-2012

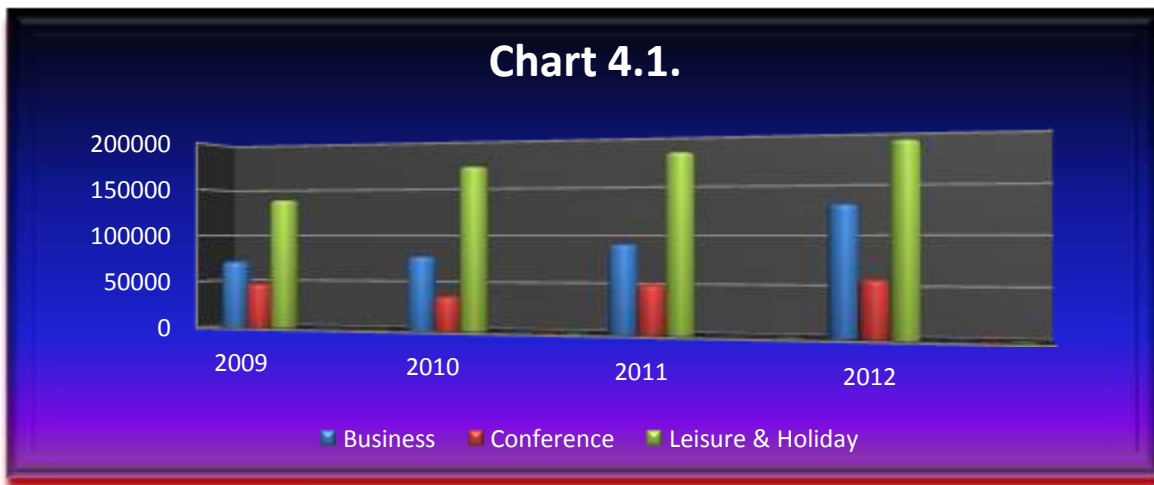
		Business	Conference	Leisure & Transit Holiday	VRF	Not stated	Total	
2009	TOTAL	71374	47516	138070	81481	35593	53252	427286
	%	16.70%	11.12%	32.31%	19.07%	8.33%	12.46%	100.00%
2010	TOTAL	77816	36145	171414	84229	28672	70029	468305
	%	16.62%	7.72%	36.60%	17.99%	6.12%	14.95%	100.00%
2011	TOTAL	91,064	50,531	183,008	86,020	37,116	75,699	523438
	%	17.40%	9.65%	34.96%	16.43%	7.09%	14.46%	100
2012	Total	130329	57578	191417	90980	45182	80855	596341
	%	21.85%	9.66%	32.10%	15.26%	7.58%	13.56%	100.00%

Source: Ethiopian Tourism Commission

Table 4.5 shows the total number of tourist arrivals by purpose of visit in Ethiopia from the year 2009 to 2012. It is indicated that in all the tourism sub sectors, the number of tourist arrival is growing in the country. As informants clearly stressed the growth of convention tourism is gradual and we can see even the growth of convention participants is gradual at the country

level. On the other hand, the responsible stakeholder is not analyzing reporting the data in segregated form like the data displayed in table 4.5 at a city level. This data has been considered to show the relative growth of the sector in Addis Ababa as currently the ministry is reporting the data only in the country level.

*Fig: 4.1. The percentage change between three tourism sub-sectors from 2009 to 2012*



From the figure above, we can understand that the level of change among business, conference and leisure & Holiday tourism sub sectors is growing in a declining rate. According to informants, the current standard of accommodation establishments was based on the previous classifications technique, which didn't clearly segregate the establishments according to the services they provide. However, the ministry is in the process of classifying existing hotels based on a new criterion. This implies that accommodation owners can simply launch their establishment with a minimum supervised standard and give stars to their hotels even if there is an absence of critical service(s). Further the data reported by the ministry implies that much is expected to be done from the stakeholders. Decisions need to be backed by an exhaustively analyzed and interpreted data. For this the authorized stakeholder is expected to avail a detailed data.

On the contrary, we can see from table 4.8 below that, the increase in percentage of convention tourists is highest from 2008 to 2009 and from 2010 to 2011 than any of the sub sectors. The percentage change from 2008 to 2009 is about 67% followed by 45% for other sub sectors which shows that the number of convention tourists has increased in a very high rate. This is also true to the year 2010 to 2011 having a growth rate of 28% followed by 23%, visiting Family and relatives.

Table: 4.7. Non-resident tourist arrivals by purpose of visit from 2008-2012

	2008	%	2009	%	2010	%	2011	%	2012
<b>TOTAL</b>	<b>330,157</b>	<b>23</b>	<b>427,286</b>	<b>9</b>	<b>468,305</b>	<b>11</b>	<b>523,438</b>	<b>12</b>	<b>596,341</b>
<b>LEISURE, RECREATION AND HOLIDAYS</b>	<b>99,394</b>	<b>28</b>	<b>138,070</b>	<b>19</b>	<b>171,414</b>	<b>6</b>	<b>183,008</b>	<b>4</b>	<b>191,417</b>
Holidays, recreation	99,394	28	138,070	19	171,414	6	183,008	4	191,417
<b>VISITING FRIENDS AND RELATIVES</b>	<b>25,482</b>	<b>28</b>	<b>35,593</b>	<b>-24</b>	<b>28,672</b>	<b>23</b>	<b>37,116</b>	<b>18</b>	<b>45,182</b>
<b>BUSINESS AND PROFESSIONAL</b>	<b>64,930</b>	<b>45</b>	<b>118,890</b>	<b>-4</b>	<b>113,961</b>	<b>20</b>	<b>141,595</b>	<b>25</b>	<b>187,907</b>
Business	49,209	31	71,374	8	77,816	15	91,064	30	130,329
Meetings, conferences, congresses	15,721	67	47,516	-31	36,145	28	50,531	12	57,578
<b>OTHER</b>	<b>140,351</b>	<b>-4</b>	<b>134,733</b>	<b>13</b>	<b>154,258</b>	<b>5</b>	<b>161,719</b>	<b>6</b>	<b>171,835</b>
Transit	77,572	5	81,481	3	84,229	2	86,020	5	90,980
Not stated	62,779	-18	53,252	24	70,029	7	75,699	6	80,855

Source: Ethiopian Tourism Commission

#### 4.4. Analysis of Survey Data

Accordingly, the most important factors have been suggested as safety and security, convention related costs, location of the city and convenient venue. Similarly the result obtained from the survey confirms these factors as the major factors for the decision making purpose while selecting a convention site and is shown in table: 4.6 below. According to the informants; the relative stability of the country made it preferable in the eyes of different state and other private convention participants. Safety and security of participants have got the biggest weight both within the city and while on travel.

Table: 4.8. Frequency distribution table for factors used to select convention site

		Responses		Percent of Cases
		N	Percent	
Response for important destination factors	Location or destination	84	28.0%	84.0%
	Safety and security	80	26.7%	80.0%
	Destination Image	2	0.7%	2.0%
	Welcoming culture	69	23.0%	69.0%
	Convenient venue	13	4.3%	13.0%
	Related Costs	27	9.0%	27.0%
	Conference Product Mix	25	8.3%	25.0%
Total		300	100.0%	300.0%

Source: SPSS version 21

Ethiopian Airlines has also played its own role by consistently advancing safety standards to create a positive image regarding on safety and security of travel in the minds of its customers as explained by one of the informants. One cannot expect or fear for his/her life as in the case of some African countries and some Arab world. Relatively Addis Ababa is one of the safest destination and we have witnessed serving more than 55 heads of states at a time without any safety and security issues as explained by the informants.

This implies that safety and security is an important factor for decision making purpose while selecting a convention destination and it can also be enhanced with different players of the sub sector. Safety and security issues can have two forms. One is related to a life threatening issues such as; assassination, accidents and terrorism while the other is related to non-life rescuing safety and security problems such as; feeling secured to transact and communicate with various service providing sectors at the destination, ordinary theft and related issues.

With this respect Addis Ababa is by far better in the quality of life threatening safety standards. On the contrary it is losing its popularity in terms of being the safest city in relation to non-life threatening safety and security standards. At this point convention participants are not safe to walk around the city, relax during the night time alone and transact at standard prices in shops. These may lead to force the convention participants from spreading their money on to the economy by participating in pre and post convention entertainments, shopping, inviting friends and relatives etc.

The other important factor selected by most of the participants was the issue of location which is related to access to and from the destination. One of the informants suggested that the number of routs covered by Ethiopian Airlines is playing a significant role in creating a convenient location or accessibility for convention participants. At the same time it is reducing the increasing air travel cost which is also the other most important factor for the decision makers.

For other informants, location is related to the strategic importance of a destination from a political point of view. With this regard Libon (2001) also described that Ethiopia is an ideal gateway to North East Africa and the continent as a whole which makes the country to possess a strategic geographic location in Africa. In the same manner, Oppermann and Chon (1997) have also classified that location related issues are one of the major decision making factors yet the

attributes raised in their literature include destination image, transportation cost, accessibility, accommodation cost, climate, pre and post conference activities and past experience. As implied by the result obtained from the interview related to location, we are in line with the theory and we are fortunately or unfortunately fulfilling the location requirement expected by our convention participants or their representatives. This further indicates that the reason for the demand to precede the product development is due to the convenient location and being selected by participants and their representatives regardless of the existence of modern and comfortable convention product.

At last Crouch (2007) has emphasized on the convenience of a venue as one of the main factors for a destination to be selected by its customers and consumers. Accordingly, informants have explained that convenient venue is among the necessary requirements for the selection of a convention site in Addis Ababa too. They further relate convenient venue with facilities such as translation and secretarial services, capacity of the venue, ventilation system, emergency signage and availability of different equipments necessary for the conference. Some of which were also confirmed during the survey by direct consumers or participants.

#### 4.5. Summary of findings (results):

This part will present the summary of the main results found in this study using interviews and focus group discussion with the major objective of analyzing the development of convention tourism in Addis Ababa. The summary of main findings will be discussed with respect to the specific objectives of this study.

**Objective 1:** *to analyze the characteristics of the convention tourism business in Addis Ababa:*

According to the data obtained from the interview, Addis Ababa is expanding in relation to convention tourism. Accommodation facilities, event and conference organizers, service providing facilities, infrastructure and audio-visual equipment providers have been growing in a better manner in terms of number while it needs to still grow in the quality perspective.

The data obtained from the interview further shows that skilled labor, people's attitude and capacity to host larger number of conventions needs to improve so as to match the growth of the sector in terms of quality with respect to quantity. Secondary data shows that Addis Ababa is hosting a steadily growing number of convention participants in the country (WTO, 2010).

On the other hand, the data obtained from the focus group discussion shows that the current convention tourism product has not been developed based on a product development process and is facing a number of challenges in consequence.

**Objective 2 & 3** *to identify the most important determinant factors and attributes affecting choice of convention destination and venue selection in the context of Addis Ababa:*

The data collected from the interview shows that the most important factors affecting customers and consumers in making decisions for the selection of convention destination includes safety and security, convention related costs, location and convenient venue as the finding of the study shows. On the same way the most important elements or attributes that are necessary in the selection of convention venue includes; location of the venue, access to the destination and access to accommodation from the location factor; neatness, different facilities and emergency instruments from the convenient venue factor; safety at the venue, safety during travel and safety

while staying in the city from the safety and security factor and finally transportation costs, accommodation and convention product related costs from related costs factor.

The data obtained from the focus group discussion and survey shows the same result regarding factors and attributed that are necessary in the selection of convention site and venue respectively.

***Objective 4: To analyze the general marketing activity of DMOs in Addis Ababa in relation to convention tourism***

In relation to some marketing activity such as promotion and pricing in relation to convention tourism in Addis Ababa was found frustrating. According to the data obtained from the interviews and focus group discussion, DMOs do not seem they are doing their business based on research oriented marketing effort. Generally there is no need based product development, there is no standard convention product being delivered to the market, and their operation is simply based on the demand coming to their hand. Prices are tagged without making any assessment at the regional or global market.

***Objective 5: To identify the potential opportunities and/or challenges related to the convention tourism in Addis Ababa:***

The thorough investigations of the study lead the researcher to arrive at the following findings in relation to opportunities and challenges of the convention tourism in Addis Ababa.

**Opportunities:**

According to the data obtained from the interview and focus group discussion, there are a number of opportunities in the city that can help the destination to grow faster and be competitive in the sector. These opportunities includes; growing mobility of people from one place to the other, growing trend in the use of social media, growing trend in the use of hotels and related services, growing number of event planners, expansion of hotels, expansion of convention centres, globalization, political unrest among different African and Middle East countries, the expansion of Ethiopian Airlines flight destination and the fact that Addis is a seat for different regional and international organizations.

### Challenges:

In the mean time the research has found different challenges that might hinder the destination from operating in a better position and might become a threat if not appropriately tackled. According to the data obtained from the interview, the challenges include; barrier related to communication or language, technology, problems related to policies, lack of skilled manpower in the area, lack of well established marketing practice, problems related to capacity, lack of appropriate product development, poor local people awareness about the pros and cons of the sector and how it operates, poor infrastructure, quality problems from the service generating sectors, lack of post conference report and feedback generating organ and in general lack of coordination and management.

**Objective 6:** *to explore and analyze the strategy and measures undertaken by Addis so as to improve its regional and worldwide convention tourism position:*

The research has critically analyzed the data collected from the interview and focus group discussion. According to this data analysis, the result related to measures taken and being implemented by the destination so as to improve its competitiveness and sustainability are discussed as follows.

According to the data obtained from the interview and focus group discussion, Addis Ababa is currently on its renaissance. The city is aggressively working on the development of different infrastructure that will facilitate the growth of the destination. Particularly a focus has been given to the expansion of community houses, expansion of road, rail way, convention center, hotel and other accommodations in the city. On the other hand, the data gathered from the focus group discussion shows that the construction of Ethiopian renaissance dam, the advancement of Ethiopian telecommunication and other related infrastructure that are necessary for the development of convention tourism have played a significant role for the sector. In addition to this, the expansion of higher education is also assisting much for the creation of more skilled manpower to further assist the sector.

## Policy

The data collected from the interview shows that the authorized body of the government has given priority to the tourism sector in general and is encouraging investors of the area by facilitating different issues such permission of tax free imports for construction and furnishing materials. The Ministry of Culture and Tourism is developing a national strategy to promote conference tourism focusing on the growing regional market, and one of the prime destinations is Addis Ababa. There is an intention of establishing a directorate designed to promote Conference Tourism. Culture and Tourism Office of Addis Ababa City Administration has also a section for the convention tourism promotion.

## **Chapter Five: Conclusion and Recommendation**

### **5.1. Introduction**

The previous chapter has critically analyzed the primary data collected from the source through semi-structured interviews related to convention tourism in Addis Ababa. This primary data has been analyzed with the consideration of secondary data presented in the literature review part, focus group discussion and triangulated with the results obtained from the survey.

This chapter will present the conclusion drawn from the findings of the study and recommendation of this thesis based on the conclusion.

### **5.2. Conclusion:**

This study had five main objectives while it planned to analyze the development of convention tourism in Addis Ababa and it has achieved all the objectives stated. Convention tourism in Addis Ababa is generally growing in a steady rate; the destination is growing faster than ever in terms of various aspects related to the convention tourism and the growth of the destination is only related to quantity than quality. Even though there is a general growth of the destination in terms of number of convention participants, Addis Ababa needs a number of improvements in terms of quality and capacity as stated by the informants so as to sufficiently accommodate the current and future demands as expected. It also lacks an appropriate product development process that can make the convention business flow freely leaving a lasting impression in the minds of convention participants.

Convention participants and decision makers on their behalf are using safety and security, conference related costs, location and convenient venue as their criteria to select their destination. At the same time there are some attributes that are necessary for them as they are selecting their venues which are part of these factors.

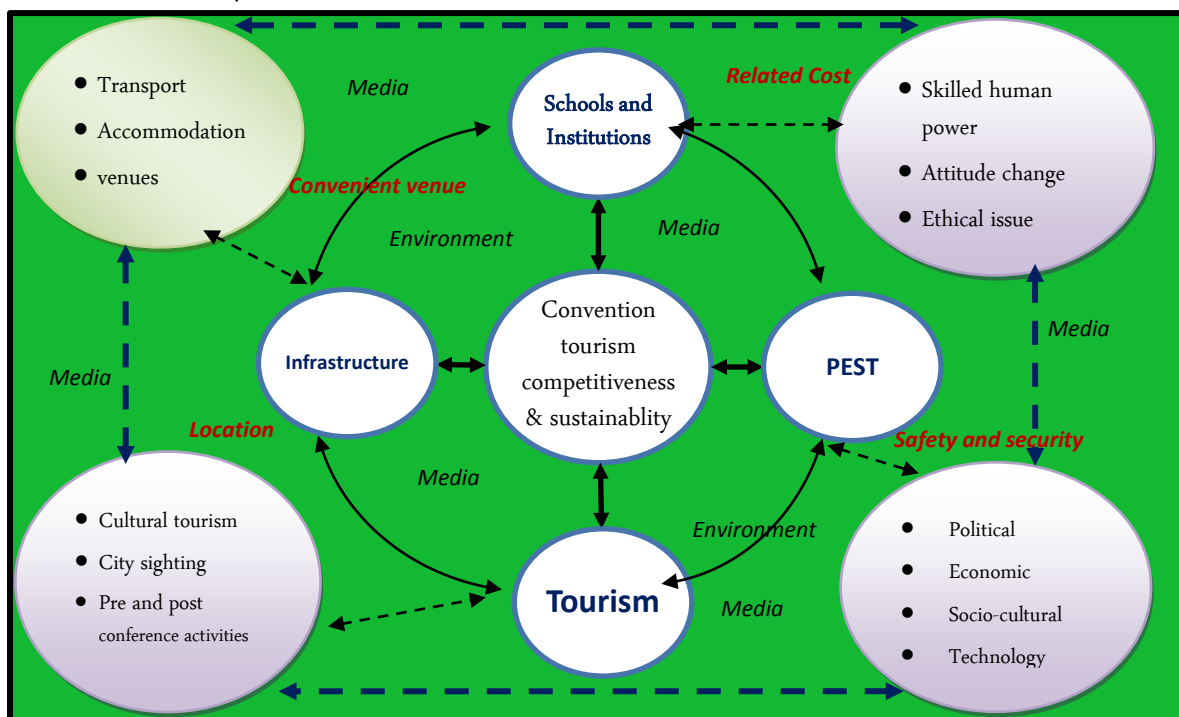
Addis Ababa has both opportunities and challenges that are contributing to its prosperity and hindering the destination from developing as expected respectively in relation to convention tourism. There are some policies that are benefiting the sector and there are also others imposing an indirect threat and make the sector to grow very slowly.

Finally the destination is trying to improve its stand by formulating a national strategy that will help to promote the destination as a prime convention center and by supporting those who are investing on tourism and service provision by putting the sector in priority list. The destination has started its growth by improving the entire infrastructure of the city which extends from transportation to the construction of venues and accommodation centers.

### 5.3. Recommendation

As discussed in the summary of findings part, Addis Ababa has opportunities that can help the sector to grow and various problems that hinder it from competitively developing the convention product and create sustainable convention tourism. Thus, the destination needs to maintain the strength and competencies it has so as to explore opportunities on one side and to improve area of weaknesses to cope up with problems it is facing on the other side. Some of the practices needed have been pointed out by the informants such as; the presence of government’s intension to develop a national strategy and promote Addis Ababa as a prime convention destination, the intension to build a village focusing on conference and event center around Hayat and practices of improvement of infrastructure by providing support to the sector.

Figure: 5.1. Proposed conceptual model for the development of competitive and sustainable convention tourism product and destination in Addis Ababa.



Source: research, 2014

**In the author’s opinion, other recommendations are needed such as:**

The city has to improve the coordination and ensure coherence between all the stakeholders involved in convention tourism, both public and private ones. For instance, several consultations should be made between all of the stakeholders so as to be able clearly understand the nature of

convention tourism in Addis Ababa and its problems. This will help them to come to an agreement and create a unique strategy that all of them can follow to their success. The student researcher has proposed a conceptual model that can be shared by all the concerned stakeholders and that can integrate their effort towards a sustainable and competitive convention tourism development in the city. The strategy then should focus on:

### 1. *PEST*

PEST stands for Political, economic, socio-cultural and Technological environments. Stakeholders need to understand the impacts of these environments and cooperate together and act accordingly so as to promote our convention tourism destination. As Swarbrook et al., (2001), suggested it is necessary to integrate the activities of different players of the destination. For instance, the creation of a favorable economic environment will facilitate the development of modern marketing practice and encourages investors to invest more in the sector. The political dominance in the region is already creating conditions to obtain consecutive regional and international conventions to the destination and is a tool to attract a better market. Further the socio-cultural stability leading to the development of a welcoming society will have a great impact for the successful entertainment of participants. At last the level of technology that the destination is employing in relation to the convention tourism has again measurable impact for the satisfaction of participants.

At this juncture, it is necessary to appropriately develop the convention product. Since the product is being offered without proper development due to the reason that the demand preceded the marketing activity, we can currently make improvements through benchmarking on best marketing practices including STP and use of marketing mix elements, national awareness, better technologies and political roles.

***Socio-Cultural:*** On the other hand, the DMOs need to work jointly with responsible stakeholders on the establishment of a separate unit that can teach the local people to create awareness as to the pros and cons of the convention tourism to the nation whereby we can control the small safety and security issue we have related to tourists. For instance, if the level of awareness is raised and everyone starts to feel ownership, then pick pockets and some harassment practices will not be expanded in the main streets of Addis Ababa.

**Political:** A strong association can influence policy makers and this unity can drive the policy makers to the benefit of the convention tourism. For instance, the visa issue is related to national security and cooperation with the concerned body is the only way out to such problems. In addition to this, ambassadors and other higher officials assigned in different parts of the world need to convince potential convention participants at their assignment to come to our destination. Hence diplomatic roles can further increase the confidence of potential convention participants and enhance the political ties between nations.

**Economic:** Indeed, the development of convention tourism requires the development of businesses. The private business sector should strictly follow standards, be a business lead and take responsibility to the destination and participate in the improvement of ethical business practices. For instance, private transportation service providers need to benchmark the competitive prices of other destinations in the region and tag prices in a visible manner to users. This way we can develop trust from the users' perspective and avoid any unnecessary charges on them. If similar practices are going to be implemented in all other convention tourism support sectors, the destination will be saved from being expensive destination. On the other hand CEOs, owners and managers of different businesses in the country needs also to play their roles by involving in insisting their foreign partners to come to our destination.

Adopting know-how and technology is not a simple task. If a coordinated effort is extended among stakeholders, adoption of best practices from well known destinations can enhance the level of technology we need for the convention tourism sector. For simplicity, if adoption is difficult, DMOs need to facilitate all the convention related services while being at their offices. Through innovation they need to introduce a technology that permits them to take orders from participants, give orders to support sub sectors, process visas, clearing customs, arrange travel tickets, arrange video conferencing services etc.

## **2. Schools and Institutions**

National awareness should be raised and can start from schools. Private schools and institutions are in large number than the public one and should take the initiative to improve the system. First and for most professions should be respected and new sectors should be started on DM and event planning. Secondly all professionals should be aware of their contribution to the convention

tourism sector. For instance having banking personnel in a hotel without any idea about customer service in a hotel setting is worthless and the same is true for translators being multi lingual while lacking a customer service ethics. Hence education institutes have to consider such multi needs and work on their trainees giving a mission of contributing their best for the development of their country at large.

Schools and institutes should work jointly with DMOs to develop post convention report and feedback generating units so that improvements will be based on only feedback from previous mistakes and research and development.

### **3. Infrastructure**

As discussed earlier it was found that Addis Ababa is one of the fastest growing cities in the continent in terms of some infrastructural sectors. It was also disclosed that this growth is more of quantity based than quality. The point is that the destination needs to focus on standards or qualities of the infrastructures related to the convention tourism. For instance, the quality of hotels being constructed at the current time is somehow frustrating and a controlling unit should be developed from both the public and DMOs so as to strictly follow up on this aspect. Here again we may take a benchmarking of the best practices of successful destinations as to how they are giving standards and controlling quality issues.

### **4. Tourism**

Once we are able to create credibility and make the track convenient to convention participants, we need to think about how to arrange pre and post convention activities. As Swarbrook et.al (2001), suggested, working on the attraction part is one of the major destination management tasks for pre and post convention activities. For instance we can offer NTO and other tour operators to prepare a city tour for some fixed time depending on the convenience of participants before or after they attend their conference, we may arrange national restaurants to prepare a national (traditional) dinner night even during their convention period in the evening. On the other hand, the responsible stakeholder who is processing the event needs to arrange the convention to be held during some cultural and religious ceremony days such as Timket, Meskel, the Great Run, Nations and Nationalities day etc.

## **5. The Media**

At last it is the media that can play the major role in creating awareness among the responsible stakeholders and disseminate information for the public and international community. Since information is one of the major inputs for the expansion of convention tourism, the media should aggressively participate in the preparation of post conference report and feedback generation tasks by collaborating with the responsible stakeholder(s). Further there is a need to avail information about the destination and its offers, the culture, the economy, the politics, the physical environment, the technology and other relevant aspects of the city. More importantly, the media is a sole means to build image and create psychological accessibility. In order to do these two tasks, all sorts of media shall have their respective audience so as to increase level of accessibility for every audience.

### **5.4. Area of further study**

This research is limited to the supply side of the convention tourism focusing on convention tourism product. In order to have a full picture of the convention tourism product development at the destination, it needs to have a complete understanding of the detailed operation by each actor in the sector. In order to have again a complete idea about factors and attributes necessary for the selection of convention destination (site) and venue respectively, it is necessary to have a wide view from the demand side. Hence peer researchers are recommended to see the following areas:

- ✓ To see the demand side of the convention tourism in Addis Ababa
- ✓ To see the roles of individuals, Ethiopian embassies found in foreign countries and other missionaries on the promotion of convention tourism in Addis Ababa.
- ✓ To see the contribution of the convention tourism to the general growth of tourism industry and its economic importance to the country.
- ✓ To make a convention tourism competitiveness analysis and total marketing activity related to the sector.

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## Annex

### Appendix A: *Survey questionnaire*

**Part two:** kindly put a tick mark (✓) on the choice you are making for the following questions asking for your experience about Addis Ababa as a conference destination during your stay.

**Key-** SA: Strongly agree    A: Agree    N: Neutral    D: Disagree    SD: Strongly Disagree

S/No	Items	SA	A	N	D	SD
1.	My conference center was suitable for my needs (location, products and services)					
2.	My finance related issues; such as credit card service, ATM, use of foreign currencies etc, have been fulfilled					
3.	The price of accommodation charged was fare					
4.	The price of my air travel was fair					
5.	The service related to immigration was fast and up to the standard					
6.	Complex shops are accessible with all necessities at hand					
7.	There were pre and post conference entertainments					
8.	The conference center is equipped with the necessary facilities: internet, fax, telephone, secretarial services etc					
9.	My hotel was accessible to the general market					
10.	The safety and security of the conference center was in an acceptable level of standard					
11.	The ambiance or atmosphere of the conference center was attractive					
12.	Addis Ababa is well advertised as a convention destination					
13.	Emergency exit signs and other relevant information are sufficient at the conference center					
14.	The conference center has a mechanism to assist different language speakers (participants)					
15.	My hotel offers services such as; internet, secretarial service, fax, mobile rental etc...					
16.	Language is not barrier to communicate with people outside the venue; such as in shops and other service areas					
17.	I am satisfied with the quality of accommodation, restaurants and bars					
18.	Overall, the current condition of the venue and its facilities (outlets) is excellent					
19.	The conference center is equipped with video conferencing equipments					
20.	Overall, the price I paid for different services and products related to the conference is reasonable					
21.	Overall I am satisfied with the products and services at this destination					
22.	I will use the conference center and its services again when I got the chance					
23.	I will recommend Addis Ababa as a competitive conference destination					

**Part Three:** this part has two questions, kindly respond as requested.

**I. Choose three (3) factors which you think are most important to select convention destination in your opinion?**

- |                            |                      |
|----------------------------|----------------------|
| 1. Location or destination | 4. Welcoming culture |
| 2. Safety and security     | 5. Convenient venue  |
| 3. Destination image       | 6. Related costs     |
| 7. Conference product mix  |                      |

**II. Within the factors you have selected, which 2 (two) specific attributes do you think are more important to participants?**

1. Location	2. Safety and security	3. Destination Image
a. location of the venue	a. at the venue	a. country's identity
b. access to market	b. on travel	b. country's past record
c. access to accommodation	c. in the hotel	c. Participant's perception towards Addis Ababa
d. access to the center of the city	d. at the city	d. slogans used to promote the destination

4. Welcoming culture	5. Convenient venue	6. Related costs
a. people's cooperation	a. Convenient meeting rooms	a. transportation cost
b. tolerance of other's culture	b. neatness	b. conference product related cost
c. cultural similarity	d. Venue facilities	c. accommodation cost
d. others _____.	e. others _____.	d. living cost

**7. Conference product-service mix**

a.	promotion
b.	price
c.	product and services
d.	people
e.	physical evidence
f.	place
g.	process

## Appendix B: Interview Checklist

### Questions:

1. What is your opinion about the current situation of Addis Ababa's convention tourism destination?

2. According to you, for which reason(s) is Addis the selected-city to hold Convention business?

- a. For what factor(s) do your clients give higher emphasis in selecting their destination?
- b. For what attribute do your clients give higher priority in selecting a specific venue?

3. Is there any strategy followed to improve Addis's convention business?

- a. Is there special pricing policy on different seasons?
- b. What are your marketing products? How do you differentiate your products from the competitors?
- c. Do you have different segments? How do they defer from each other?
- d. Are your clients mainly corporations, individuals, associations or others? Why? Which segment do you pay more attention to?
- e. Which type of communication do you use for the different segments if so? How do you promote Addis as a convention destination on the national and international markets?

4. What is the opinion of the concerned government bodies regarding convention tourism development in Addis?

5. What is your opinion about the existing infrastructures to hold convention activities in Addis? Are they sufficient for the current demand?

6. What do you think about the future developments that are going to be carried out, such as the new city rail way, the construction of the new dam for electricity, the airport expansion and the construction of new hotels in the AU and within the city?

7. Finally, which recommendations and improvement should be made in order to improve the competitiveness and visibility of Addis's offer?

Appendix C: **List of hotels selected for the study**

*List of hotels used to collect data in the form of survey, interviews and focus group discussion*

5 stars hotels	4 stars hotels
<b>Sheraton Addis a Luxury Collection Hotel</b>	Nexus Hotel
<b>Hilton Hotel</b>	Intercontinental Hotel
<b>Radisson Hotel</b>	Imperial Hotel
<b>Grand Yordanos Hotel</b>	Global Hotel
	Ghion Hotel
	Jupiter International Hotel