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ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

MARKETING MANAGEMENT PROGRAM UNIT

POST GRADUATE PROGRAM

**Role of Private Sector in Enhancing Tourism Development: The Case of
Selected Star Hotels in Addis Ababa City Administration**

By:

Megnot Kedir

ID NO: GSD 9949/11

Advisor: Dr. Getie Andualem (PhD)

JUNE, 2022

ADDIS ABABA, ETHIOPIA

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**A Thesis Submitted to Graduate Studies of Addis Ababa University in
Partial Fulfillment of Master's Degree in Marketing Management Program**

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Approval

This is to certify that the thesis prepared by Megnot Kedir; entitled “**Role of Private Sector in Enhancing Tourism Development: The Case of Selected Star Hotels in Addis Ababa City Administration**” is a product of my work and that all sources of materials used for my thesis have been appropriately acknowledged. It was submitted to partial fulfillment of the requirements for the Degree of Master of Arts in marketing management compiles in accordance of the regulations of the University and meets the accepted standards with respect to originality and quality.

Approval of Board of Examiners

Advisor-----Signature-----Date-----

Internal Examiner-----Signature-----Date-----

External Examiner-----Signature-----Date-----

Chair Man-----Signature-----Date-----

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Declaration

This thesis is my original work and has not been presented in any other university and college. All sources and materials used are duly acknowledged.

Students Name Megnot Kedir

Signature_____ Date_____

Advisors Name Dr. -----

Signature_____ Date_____

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Acronyms

ANOVA.....	Analysis of Variance
CTTI.....	Catering and Tourism Institute
ETB.....	Ethiopian Birr
GDP.....	Growth Domestic Product
IGAD.....	Intergovernmental Authority for Development
ILO.....	International Labour Organization
MoCT.....	Ministry of Culture and Tourism
MoFED.....	Ministry of Finance and Economic Development
MSEs.....	Micro and Small Enterprises
UN.....	United Nations
UNCTAD.....	United Nations Conference on Trade and Development
UNDP.....	United Nations Development Program
UNECA.....	United Nations Economic Commission for Africa.
UNWTO.....	United Nations World Tourism Organization
USD.....	United States Dollar
WB.....	World Bank
WTTC.....	World Travel and Tourism Council

Abstract

The private sector are the key player for the development of one the country, the role of private hotels in enhancing tourism development is the main theme of this paper that has been addressing to investigate role for tourism development. The objective of this study is to critically assess and examine the role of the star rated hotels for tourism development in Addis Ababa. The study address five basic research questions: How much do the hotel industries contribute to the development of tourism in Addis Ababa? Do the hotels have enough professional quality of human power for the development of tourism in Addis Ababa? What is the role of promotion performed by the hotels for the tourism development in Addis Ababa? What is the role of providing quality hotel infrastructures facilities for tourism development in Addis Ababa? What are the main challenges of hotels for development of tourism in Addis Ababa? The researcher collected both qualitative and quantitative data from primary and secondary sources using questioners, interview, document review and personal observation. The collected data were presented and analyzed using tables, graphs and charts. Results: The study result shows that the star rated hotels had important contribution for tourism development of the city. Their role is in promoting tourist attraction sites of the city, build the image of the country, and attract tourists providing training for the staffs however the sector lack of well-trained hotel professional, limited government support and the policy problem affects the tourism development in the city. This study concludes that most of hotels specifically one, two and three star rated hotels have limited contribution for the development of tourism in Addis Ababa. It also concludes that there is skill gap existed in the hotels. Finally, the researcher recommends that, the concerning government body can formulate appropriate policy to enhance the participation and contribution of the private sector for the development of the country.

Keywords: Key words: private sector, hotel roles, tourism development

CHAPTER ONE

1. Introduction

This chapter consists of the background, and description of the study area, the statement of the problem, the objective of the study, the scope of the study, the significance of the study, the definition of key terms, and the organization of the paper.

1.1 Background of the Study

The hotel industry has continued to grow all over the world and like any other business the hotel industry aims at improving revenues through value addition to guarantee repeated visits. The expectation is that the hotel management should embrace the marketing concept, which entails total customer focus. Organizations which are customer forecast endeavor to become obsessed with the desire to meet customers' needs. The service industry, and in particular the hotel industry exhibits tight competition within, thereby motivating individual firms to offer services of high quality so as to build and retain that competitive edge that results in sustained sales growth of its products and services offered to customer(Dorcas,2014).

According to Rahimi, Hospitality Industry is defined as “one of the segments within the tourism industry in which the process of customer retention is coming to be a strict mentality” (Rahimi, 2007). In the same way, Mulugeta(2019) noted that hospitality Industry is part of a larger enterprise known as the travel and Tourism Industry. The travel and tourism Industry is a vast group of businesses with one goal in common: providing necessary or desired products and services to travellers. Within the field of hospitality, hotels are very significant in offering services and play a sufficient role in expanding the tourism industry and in improving and developing economic circumstances. These days the hotel sector is experiencing a rise in globalization, competition, and higher level of customer turnover. Furthermore, increasing customer acquisition costs and growing customer expectations are making the hotels' performance and competitiveness depend considerably on their ability to satisfy customers efficiently and effectively.

The situation in Ethiopia is even worse. Even though its tourism potential is diversified and vast which comprises well preserved natural attractions, magnificent historical traditions and attractive cultural diversity of more than 80 nations and nationalities, the country is still one of the most poorly performing countries in terms of tourist arrivals and receipts (MoCT, 2010). For example, the total number of tourist arrivals in Ethiopia in 2012 was 596,000

which is more than four times smaller than the number in neighboring Kenya, 1,619,000 (UNWTO, 2014).

Addis Ababa comprises more than 80% of Ethiopia's hotel supply (Smith et al, 2016). The city is the capital of Ethiopia, the seat of the African Union, and United Nations Economic Commission for Africa. Moreover, there are more than 120 embassies that have the potential for conference tourism. As growth of hotels enhances the hospitality sector, different national and international conferences have been held in Ethiopia.

These conferences have roles for the growth of the tourism sector. In Addis Ababa, there are more than 138 star hotels among these 8 hotels are five stars, 21 hotels are four-star, 34 hotels are three-star, 33 hotels are two-star and 42 hotels are one-star hotels (MOCT, 2015).

The trend of international tourist arrival to Addis Ababa is increasing. According to the Addis Ababa's Culture and Tourism Bureau (2013), international arrivals in 2013 were more than 601,350 where more than 411,638,987 birr income was received by the city administration. As the city is the home to different national and international organizations, many conferences have been held.

The city has great potentials for conference tourism. As a result, many international brand hotels have been opened. Since the hotel sector shows an increment, it is important to know how much it contributes to the growth of tourism in the city. This study is aimed at assessing the role of star hotels for the growth of tourism.

Therefore, this study investigates the role of private sector in enhancing tourism development: the case of selected star hotels in Addis Ababa city administration.

1.2 Statement of the Problem

Hotel industry is one of the important elements of service industry, which functions as a provider of accommodation, catering and various additional services to citizens of Global level and foreigners. The investment prospects of Global level, improvement of living standards of the population, big global hotel chains entering the local market, have caused intensive development of hotel services and a necessity to improve their quality to match the world standards. The overall hotel industry management and the quality of hotel services in particular were dominated by administrative approach, without having a clear idea of the real customer needs or the situation in the market, which resulted in the loss of consumer appeal of the hotel services (Ganesh & Kannan, 2014).

From the global point of view, the private sector is active in tourism and travel sector by providing support services such as guide services, travel insurance and finance services, travel press services, marketing support services, schedule and timetable publications, and private tourism and hospitality education. The presence of the private sector in travel and tourism primarily aims to make a profit (Alina, & Raluca, 2011). The private sector plays a key role in reducing poverty and achieving rapid and sustainable development by increasing productivity, reducing unemployment and creating competition among workers it also provides goods and services and earns foreign exchange (World Bank, 2016). The private sector also improves service delivery efficiency through the establishment of public-private partnerships.

In Africa, The private sector plays an important role in creating job opportunities, increasing foreign currencies, enhancing the GDP. However, the role of the sector is constrained by restrictive policies and regulation, limited access to infrastructure service, lack of skilled human power and limited access to finance (Osman, 2017). In Africa, the Egyptian private sector plays an essential part in the economy, providing the lion's share of jobs.

With a GDP share of about 60% and an employment share of 74%¹, private sector operation has shown resilience even in the face of turmoil in recent years. Private sector operation is also relatively diversified, concerning manufacturing, forestry, retail trade, and hospitality.

However, policy uncertainty and macroeconomic vulnerability are the key challenges of the Egyptian private sector (European Bank for reconstruction and Development, 2017). Similarly, the Kenyan private sector is challenged by the macroeconomic uncertainty, the cost of capital and the volatility of the exchange rate and inflation which hinder the development of the private sector (African Development Bank, 2013).

On the other hand, empirical evidence on the role of the hotel sector for tourism development has been limited. Many studies about the hotel sector have been conducted with different titles, scope, and methodologies. For example, in India (Debaprasad, 2013) Studied with the title on Role of Hotel on Growth and Development of Tourism. His study revealed that the standard and quality of service offered by the hotel sector in India has been increased. The hotels have used modern technologies to enhance their service, environment-friendly service, market segmentation to expand the local as well as the international market. This study also revealed that the growth of hotel sector has been hindered by shortage of infrastructure, rising inflation, intercultural differences and shortage of skilled human power. Similarly, Kannan,

(2014), studied the role of Hospitality service in promoting the tourism industry in India whose study result shows that there are a highly increasing number of tourists but there is a shortage of accommodation, low-quality services and shortage of skilled personnel.

In Tanzania, Matatiz (2013) studied the contribution of Hotels to the growth of tourism whose findings show that, the availability of quality service offered in the hotels to the tourist has a positive contribution to the growth of tourism. The growth of tourism has a positive link to the quality of service provided by the hotels his finding also revealed that the hotels have limited linkage with other tourism and hospitality service provider such as tour operators, travel and tourist destination sites. The private sector in Ethiopia engages in agriculture, manufacturing, and service sectors. In the service sectors, the private sector has a share of 14.6 percent from trade, 3.2 percent from hotels and restaurants, and 6.9 percent from real estate, and business services (Addis Ababa Chamber of commerce, 2010, 40). However, the development and contribution of the private sector to the national economy is low due to lack of support from the government regarding the provision of land, infrastructure and the fear of political instability (Solomon, 2001).

In Ethiopia, there are limited studies conducted on the hotel sector. Some of the studies have been done by Ebsa and Anduaem (2013). The findings of their study shows that there is a gap between the demand for hotel and the supply of accommodation. Moreover, Gojjam Mulu (2011) studied the contribution of five-star Hotels for tourism development. Her study focused on five-star hotels in Addis Ababa and the findings shows that the service provision of two five -star hotels of Hilton and Intercontinental Addis hotel shows that the service provision of both hotels is not standardized enough to meet the needs of tourists. Similarly, other studies have been conducted on customer satisfaction in the hotels by Dereje (2014), Kalkidan (2018) and Samrawit (2015). These studies emphasize on customer satisfaction in five star hotels in the city of Addis Ababa. Both of the studies indicate service delivery at five and four star hotels is good but most of the hotels sought profit rather than customer satisfaction.

All of the above studies have not shown the role of the hotels in terms of employment opportunities, income generation, and promotion of its culture as well as the natural tourism potentials of the city. As a result, there is a shortage of works of literature that presents the information about the role of the hotels for tourism development of the city of Addis Ababa. So the researcher believes there is a lack of knowledge of the role of the hotel industry in enhancing tourism development. Besides, the researcher also identified the lack of knowledge

on the recent contribution of hotels for tourism development and the challenges of tourism development as a research gap. Specially, there isn't adequate research conducted about the role of hotels from 1-5 star rated hotels. Therefore the purpose of this study is to assess the role of hotels in enhancing tourism development in the study city administration of Addis Ababa.

1.3. Research Question

- a) How much do the hotel industries contribute to the development of tourism in Addis Ababa?
- b) Do the hotels have enough professional quality of human power for the development of tourism in Addis Ababa?
- c) What is the role of promotion performed by the hotels for the tourism development in Addis Ababa?
- d) What is the role of providing quality hotel infrastructures facilities for tourism development in Addis Ababa?
- e) What are the main challenges of hotels for development of tourism in Addis Ababa?

1.4 Objective of the study

1.4.1 General objective of the study

The General objective of the study was to assess the role of selected star hotels for the development of tourism in the Addis Ababa city Administration.

1.4.2 Specific objective

- a) To assess the contribution hotel industry for tourism development
- b) To examine the role of trained human power in the hotel sector for tourism development
- c) To assess the role of Advertisement of the hotel industry for the development of tourism in the city of Addis Ababa
- d) To assess the role of providing quality hotel infrastructures facilities for tourism development
- e) To identify the main challenges encountered in the hotel sectors in order to develop tourism in Addis Ababa?

1.5 Scope of the Study

The study was delimited to its time, geographical and thematic scope. In terms of time scope, the researcher used a time series data which incorporates data about number of rated hotels in the study area. The research was thematically bounded to be the role of the selected star hotels in Addis Ababa for the growth of the tourism industry. Geographically, the study was conducted in the city of Addis Ababa.

1.6 Significance of the study

The study is significant to know the status of the private sector especially in the hotel sector in the tourism industry and by knowing this the government can take the study for formulation policy and strategies and planning purposes, to enhance the tourism sector. The finding of the study is helpful for policymakers, authorities, investors and other stakeholders within the policy manner to the tourism and hospitality industry. Especially for the government, it will help to empower the private sector in the tourism and hospitality industry. In addition to this, the study will also be significant for the researcher who wants to research the tourism sector.

1.7 Limitations of the Study

The study has affected by the data it is used because the quality of research highly depends on the quality of the data collected; the quality of data depends on available resources and the interest of the respondents. The researcher didn't try to address all-star rated hotels to know the constitution for tourism development.

Therefore, the finding obtained from selected star hotels didn't fully address issues related to role of private hotels for the development of tourism industry.

1.8 Organization of the paper

The study was organized into five chapters. The first chapter presents the background of the study, statement of the problem objectives of the study, research questions, scope of the study, significance of the study, limitations of the study and definitions of key terms. The second chapter was focus on a related literature review on the theoretical framework, empirical literature, and conceptual framework. The third chapter was deal with research methods in this chapter the research method, sampling techniques research type, and research design will include the fourth was present the data analysis, interpretations and discussion and the last chapter **Five** was contain conclusions and recommendations of the study.

1.9 Definition of key terms

Tourism: Tourism is the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes (UNWTO, 1993). The act and process of spending time away from home in pursuit of recreation, relaxation, and pleasure, while making use of the commercial provision of services.

Tourism sector: - comprises all the companies which provide the product and service that are meant and used by tourists at different stage of travel and tourism. It is part of the economy which has a common function of meeting tourist needs, consisting of tourism-related industries to the extent to which they supply tourist rather than local and neighborhood markets (Medlik, 2003)

Tourism Development

Tourism development is a planning and implementation of strategies in tourism facilities. It is the process that aimed to enhance the tourism sector (Richard, 2009).

Hotel: an establishment that provides lodging and usually meals, entertainment, and various personal services for the public. It is the building where travelers can rent a room for a night, or eat in a restaurant, or drink in the bar (Adam& Bateman, 2005).

Hotel Industry: hotel industry Collective term most commonly applied to hotels and motels but sometimes also variously extended to include such establishments as guest houses and boarding houses (Medlik, 2003)

Hospitality: Hospitality is the act of kindness in welcoming and looking after the basic needs of customers or strangers, mainly in relation to food, drink and accommodation services for the public is rooted in the relationship that is developing between hosts and guests, a dynamic that has existed since the first human societies emerged. The early relationship was defined in terms of honor and respect within a mutual context (Maier, 2009).

Hospitality industry all the companies involved in providing services for guests, e.g. hotels, inns and restaurants, considered as a group (Adam& Bateman, 2005).

Private sector: The private sector is the segment of a national economy that is owned, controlled, and managed by private individuals or enterprises aims of making profit (UNDP, 2012)

Advertising

Advertising is a means of communication with the users of a product or service. It is a one-way communication whose purpose is to inform potential customers about products and services and how to obtain them (Bowie, 2004).

Star hotels

Hotel ratings are often used to rank hotels by their quality from the initial aim of informing travelers about specific amenities that can be anticipated. Hotel ranking criteria have developed into a concentration on the entire hotel experience (UNWTO, 2015).

CHAPTER TWO

2. RELATED LITERATURE REVIEW

2.1. Introduction

This chapter presented reviewed different previously published books, journals, official reports, Bulletins and other academic materials relevant to this study. The chapter also serves as an overview of the field and assesses the merits, deficiencies, and gaps within this academic literature. Therefore, this chapter deals with the role of star hotels in enhancing Tourism Development in the city of Addis Ababa. The Theoretical review of this study covers the private sectors in tourism development, an overview of the tourism and hotel sector in global, African Ethiopian and Addis Ababa levels. And also the empirical review includes various related researches of different countries. And the conceptual framework also included in this chapter.

2.2 Theoretical Literature

2.2.1 Private sectors

The concept of the private sector is referred to as the sector that is privately owned and managed via the market. The important point of the private enterprise is that the organization and its management are solely answerable to the owners via the board of directors. As a consequence, management activities reflect the supremacy of shareholders' interests (Rao, 1998). The private sector is the key to economic growth; the sector plays an important role in creating employment opportunities, pay tax and enhance the growth of the world economy. In developing countries, the private sector generates 90 percent of jobs, funds 60 percent of all investments and provides more than 80 percent of government revenues (Australian Government Department of Foreign Affairs and Trade, 2014). In addition to this the sector provides an ever-increasing share of essential services in developing countries, such as banking, telecommunications, health, and education. Foreign investment, particularly in exporting industries can accelerate domestic development. The private sector can range from the individual level up to the largest multinational corporations employing millions of people

2.2.2 Private sector in Tourism development

The Private enterprise in the tourism sector provides basic tourism products, facilities and essential services, such as accommodation, transport, restaurants, retail, various attractions, and even experiences (World Bank, 2013). This sector ranges from large vertically and horizontally integrated global corporations such as tour companies, airlines, and hotel chains, to tiny, remote local family businesses, such as craft shops and lodges. The private sector, therefore, plays an essential role in the development and management of tourism and must be equally involved with national, regional and local governments, in the management and sustainable development of tourism. The private sector in tourism and travel evolved mainly for-profit (Alina & Raluca, 2011). The development of the hospitality industry by the private sector has significantly encouraged tourism in destination areas (Lazarus et al, 2017).

In most tourism destination areas, the development of the hospitality industry by the private sector is to provide socio-economic opportunities for the people. Tourism due to the nature of the early return is appropriate for private sector investment and can attract private sectors to transform the economy. But the private sector due to lack of understanding about the tourism attractions and resources they are not willing to invest in the sector (Shahram et al, 2012). The private sector in tourism and hospitality carries large risks related to tourism investment as well as a large part of visitor satisfaction responsibility. The delivery of quality tourism services and the provision of value for money to the client are mainly the responsibility of the private sector. The various investments financed by the private sector in the tourism industry are more in accommodation and related tourism services (World Bank, 2013). The government's role in the tourism sector is undeniable. To enhance the participation of the private sector in the tourism and hospitality sector the government provides infrastructure, as well as appropriate policies to create a conducive environment for private investment.

2.2.3 The Private Sector in Ethiopian Tourism Development

The Ethiopian government has continued its strong support to enhance the competitiveness of the private sector through creating a conducive policy environment and supportive regulatory measures, improved infrastructure and public service delivery. The Government has revised and improved the investment code and restructured the Ethiopian Investment Agency to provide a one-stop service to private sector investments (MoFED, 2012/2013). The Ethiopian Government has long noted the contributions of the private sector to National Economic Development. The private sector contributes a lot to enhancing industrialization; creating

massive job opportunities and technology transfer (Addis Ababa chamber of commerce, 2016). The private sector in Ethiopia has more involved in the tourism and hospitality sectors, especially in hotels and restaurants. The hospitality sector especially, from hotel and restaurant, 99.8 percent of GDP and 99.3 percent of employment being generated by the private sector (Addis Ababa Chamber of Commerce, 2010).

The Ethiopian private sector employs a large number of employees of all ages in the formal and informal sectors. In businesses, ranging from micro-enterprises such as street vendors and small market traders to MSEs and large enterprises (Addis Ababa chamber of commerce, 2010). The government gives more emphasis on the participation of the private sector in the economy. In different development activities, the participation of private sectors is very important. In the tourism sector, the role of the private sector is very important because tourism development is a multi-sector engagement which touches almost all other sectors and requires a high amount of investment. On the other hand, it has been difficult for governments in developing countries to accomplish tourism development alone.

To enhance the tourism sector the government of Ethiopia formulates the tourism development policy in 2009. The policy clearly mentioned the responsibilities of the private sectors in tourism development activities based on the policy the private sector are expected to provide quality tourism services in types and capacities required, participate as leaders in the establishment and development of micro, small, medium-scale and big enterprises and service giving institutions, create and promote a culture of entrepreneurship that is essential for the growth of the sector, participate as leaders in the effort to set up educational and training centers of the type, number, and quality required for producing professionals in various fields, involve in the expansion of infrastructure needed in the localities of major tourist destinations, regularly enhance the capabilities, skills and ethical standards of professionals and other workforce employed in the establishment they own and manage, take part in marketing and promotional activities and to contribute their share in the endeavor to build a positive image of the country, participate in the development, protection, preservation, and management of attractions found in every area of the country and participate in sectoral associations, organizations, and coalitions as well as similar national and international organizations for mutual support and to promote its rights and interests (Ethiopian Tourism Development policy, 2009)

2.3 Tourism Sector Over View

Tourism is a worldwide phenomenon that incorporates a huge number of private and government entities. It is a source of substantial economic and social results and requires objective and scientific understanding (Alan et al, 2008). It is also a sound and resilient industry that helps bring stability to countries' balance of payments and it creates economic opportunities in areas that other industries do not reach, strengthening and diversifying the business fabric. World tourism is considered to be a major factor in the economies of many nations; today the infrastructure related to tourism in different areas of the world has improved the quality of life of local people and helped to promote local arts and crafts (Debaprasad, 2013). Besides, it led to increasing awareness of the protection of the environment and cultural heritage. The term tourism has been used throughout the 20th century and now a day occupies the nonexistent lifestyle of much of the world's population. It is also used to characterize a socio-cultural phenomenon that includes transport, motivations, accommodation, hospitality impacts and the economic, cultural, social and environmental sectors affected and filled by the movement of people around the world (Lohmann, 2017).

Currently, tourism has worldwide importance for many countries in developing as well as developed countries. It is considered to be an effective source of income and employment. The global contribution of tourism to employment and GDP and for many countries or destination areas, particularly with a dominant tourism sector, it is the major source of income and employment for local communities (Richard & David, 2015). According to Richard & David Tourists spend their money on tourism services and other products. The products created by tourism industries are such as accommodation, food and beverage services, passenger transport, travel agencies, and tour operators, cultural services and recreation and entertainment.

2.3.1. Tourism sectors in Africa

Tourism is an important economic sector in African economies. The sector has been grown significantly since the mid-1990s, with the number of tourist arrivals to the continent doubling from 24 million between 1995 and 1998 to 48 million between 2005 and 2008 (UNCTAD, 2017). Recently, the number of international tourist arrivals in Africa has increased because of A great deal of money had been put into building hotels, airports, roads for tourists, railways and powers, International financial support has come from organizations

such as the World Bank, the low cost of many goods and services in most of Africa helps to offset the high cost of getting there, many resorts in the developed world suffer from overcrowding and pollution (Sahlemariam, 1998). In Africa, tourism can promote diversification to productive sectors and activities that can provide sustainable livelihoods, thereby fostering structural change. Tourism is an important driver of economic, social, and cultural development in Africa, particularly in remote rural areas and supports economic development through strong inter-sectoral linkages. Developing strong linkages between tourism and agriculture and infrastructure, and further developing market segments such as ecotourism and cultural and medical tourism can create economic opportunities and generate new revenue streams. Moreover, strong inter-sectoral linkages can help to ensure the integration of local suppliers, producers, and enterprises into the tourism value chain, with the economic opportunities created (UNCTAD, 2017). The tourism sector is one of Africa's most important sectors in terms of development. In 2014, Africa received 56 million international tourists up from 26 million in 2000 (UNWTO, 2015). Africa has a major opportunity to harness the potential of tourism to foster development and increase its participation in the global economy. In addition, tourism creates opportunities for millions of host communities in Africa and provides revenues for cultural and environmental preservation. Creating capacity in Africa to develop and manage a competitive tourism offer is thus fundamental. Tourism products are a key pillar in the development of any tourism destination. The range and quality of the tourism product offering defines the competitiveness and attractiveness of tourism destinations and the visitors' experience.

2.3.2. Tourism Sector in Ethiopia

Ethiopia is one of the largest countries in sub-Saharan Africa. The country is endowed with a unique combination of natural, historical and cultural heritage; that is impressive scenery, suitable climate, rich flora, and fauna and recognized archaeological sites (Meseret, 2011). As a destination, Ethiopia has a lot to offer to international tourists. It has a unique and beautiful nature, a land of sunshine and rich culture. The Ethiopian tourism industry divided into three major tourist regions, the historic northern route, the southern tourist route and Addis Ababa, the capital, offers professional tourism services and a central place for international arrivals and departures (Kauffmann, 2008).

When compared to other African countries, the Ethiopian tourism prices are low when it comes to hotel accommodation, food services and transportation relative to other African countries. All of these factors make Ethiopia an enticing low budget tourist destination (sahlemariam, 1998). In the country, the role of the tourism industry has always been recognized in the socio-economic development of Ethiopia. The number of international tourist arrivals has increased significantly since the National Development Plan of 1965, which highlighted the role of the tourism industry in economic growth and development, leading to an average of 63,833 early arrivals (UNECA, 2015).

Table 2.1 International Tourist arrival and Money Receipt from 2016-2019

Year	Arrival		Receipt	
	Number of arrival	Growth rate %	USD	Growth rate
2016	870,597	0.7936	3,259,515,168	0.7936
2017	933,344	0.07207	3,494,439,936	0.07207
2018	849,122	-0.09	3,179,112,768*	-0.099
2019	811,604	-0.044	3,179,112,768	-0.0074

Source MOCT, 2013 tourist exit survey

2.3.3. Tourism sector in Addis Ababa

Addis Ababa is the gateway of many international tourists from Africa, the Middle East, Asia, and Europe. The city an important administrative center, not only for Ethiopia but also for the whole of Africa. It is a center of many international and regional organizations. The city is the world's fourth most important city for embassies and international organizations after Washington D.C, New York and London (Addis Ababa Culture and Tourism Bureau, 2009). The headquarters of the UN Economic Commission for Africa, the African Union, and many international organizations are found in the city this creates a big opportunity for the growth of tourism, especially for conference tourism. Additionally, it has many natural, cultural and historical tourist attractions that can attract both domestic and international tourists. The most tourist attraction sites of the city are the museums, monuments, parks

2.4. Hotel sector over view

A hotel is an establishment or building in which the traveling public receives meals and other facilities. Hotel industry history dates back to ancient times. Before the French Revolution (1789-99), the second half of the eighteenth century is referred to as the 'golden era of travel' as the popularity of the 'Grand Tour' gave the hotel industry a big boost. In Europe, at the beginning of the 15th century, the hotel industry arose (Le Na, 2010). The hotel must provide the physical facilities, price ranges, locations, and services that meet the expectations, wants, and needs of the travelers. Unless all of these facilities are at satisfactory levels, tourism cannot succeed. Among the major tourist facilities, hotel services are the means that accommodate tourist inflows. When tourists arrive at their destinations it is the hotel that they primarily want to take rest in, both, to have food and drink (Sahlemariam, 1998). And also the Hotel business is an important service industry in most countries of the world, especially those attracting a large tourist trade (Eja, Eja ,2013).In most countries, hotels play a vital role by providing facilities for business dealings, conferences, recreation, and diversion. In this sense, hotels are as important to economies and communities as adequate systems of transportation, communication and retail distribution for diverse goods and services.

2.4.1 Hotel Classification

Hotel classification is defined as a process of categorizing the Hotel establishment into classes or grades according to the services they provide (UNWTO, 2015). The Classification systems are widely used in the accommodation sector as a means of providing an indicator to both consumers and intermediaries on the standards to be found at individual establishments. The Hotel classifications can provide useful marketing platforms for individual hotels and for destinations wishing to promote the quality of their offer. According to UNWTO hotel grading and classification criteria, the hotels are rated one to five

One Star Hotels

The hotels in this classification are usually small and privately owned with a family setting. Informal services may be provided by the owner and family with a limited range of facilities and meals may be fairly simple. Some of the guest rooms may lack en-suite bath and shower rooms. The level of maintenance, cleanliness, and comfort should always be of an acceptable standard.

Two Star Hotels

The hotels in this category will range from small to medium in size, offering more facilities than one star hotel. Guests of two-star hotels should expect spacious, well-equipped, overnight accommodation with an en-suite bathroom and a shower. The reception and other staff will be more professional and will offer a wide range of simple services including food and drinks.

Three Star Hotels

The three-star hotels are usually of higher quality with a wider range of amenities and more high-quality staff providing good services than the one-and two-star hotels. The reception of the hotels and other public rooms will be more spacious and the restaurant will also normally cater to non-residents. The guest bedrooms have fully en-suite bath and shower with good comforts.

Four Star Hotels

The four-star hotels will be expected to offer a degree of luxury in addition to quality in the furnishings, decor, and equipment in all aspects of the hotels. The guest rooms will typically offer more space, good designed, harmonized furnishings and decor. The en-suite bathrooms will have both bath and fixed shower. There will be an adequate ratio of staff to guestrooms to offer quality services and the hotels will demonstrate a serious approach to good cuisine.

Five Star Hotels

The five-star hotels should be more spacious with luxurious accommodation of the best international standards. The interior and exterior designs should make an impression with its quality, exactness, comfort, and elegance. The furnishings and fittings should be spotless. The services provided to guests should be formal, well supervised and flawless without being intrusive. The restaurant should demonstrate a high level of technical skill producing cuisines to the highest international standards. The staff should be knowledgeable, helpful, and well-grounded in all aspects of guest care and uniting efficiency with courtesy (UNWTO, 2015).

2.4.2 Hotel sector in Africa

In Africa, much of the investment in tourism goes to the hospitality industry, hotels, resorts, lodges and other forms of accommodation used by travelers (UNWTO, 2015). The global and local hotel chains have targeted Africa as a growth region, due to both its relative undersupply of international-quality hotels, and the expectation of increased demand for

rooms. Underpinning this are Africa's long-term economic and demographic growth prospects, which have continued to attract hotel groups' interest despite a slowdown in overall African economic growth in recent years (Knight, 2018). Aside from the mature markets in the North Africa region (mostly Egypt, Morocco, and Tunisia) and in South Africa, most cities are under-supplied, with existing hotels often badly in need of renovation or, in the extreme, demolition. The average size of a new hotel in North Africa, particularly in Egypt, is larger than those planned in the rest of the continent. The current hotel stock of Africa is heavily concentrated in a small number of markets. South Africa has the largest supply, with almost 30% of the continent's chain hotels. Africa needs more quality hotel rooms, and the chains bring their much-needed expertise to the continent and will create thousands of much-needed jobs, contributing not only to Africa's tourism industry but to the development of the continent as a whole (UNWTO, 2015). In Africa, Just 10% of the region's hotel rooms are estimated to meet international standards, and South Africa has about half of this stock. Kenya, Mauritius, and Seychelles have established hotel investment/development markets; maturing hospitality markets are in Nigeria, Senegal, Tanzania, and Zambia. Unbranded guesthouses and lodges comprise the largest share of accommodation facilities (Christie et al, 2014).

2.4.3 Hotel sector in Ethiopia

The development of hotels in Ethiopia is related with the increasing number of both domestic and foreign travelers. Developments in Ethiopia's foreign relations, particularly during the reign of Menelik II had, relatively speaking, an impressive impact in the country, by implanting the seeds of modernization through the importation of European technology and institutions (Kalkidan , 2018). In Ethiopia the supply and demand for accommodation are unbalanced since the country is located in eastern Africa, and the sit of African Union, Many international meetings and conferences are held this creates a huge demand for accommodation service (Embassy of Japan in Ethiopia, 2008). The hotel industry consists of many different services, including accommodation, restaurants, and cafes and catering.

The market for the hotel industry, especially classified hotels in a developing country like Ethiopia, is closely linked to the tourism industry because a majority of consumers for the sector services are international tourists (Feven et al, 2016).

The development of the hotel sector in Ethiopia is not only benefit the tourism sector but also poverty reduction of the country. Since the hotel is at the center of the supply chains, such as food and drink, handicrafts and tour operations focusing on the hotel industry provides an occasion to overview those associated industries at the same time(Embassy of Japan In Ethiopia,2008).

2.4.4. Hotel sector in Addis Ababa

The Beginning of Modern hotels in Ethiopia traces back to the 19th century, Itegue Taitu hotel which was built in 1898 E.C, is the first modern hotel in Ethiopia which was named after an Ethiopian empress and the wife of emperor Menilik II, established this hotel to provide guests a place to rest and dine (Lemlem, 2018). Following this several hotels was opened in the city Administration. The current condition in Addis Ababa indicates that, many national and international hotels are opened and the city occupied 80% of Ethiopia’s hotel supply. Currently Several hotels are built and joining the market at the rate which never seen before most of the hotels opened are small hotels in the range of 40 to 60 room category (Samuel, 2015).Understandably, the situation has increased the supply of rooms in city. Considering the long stagnated room supply condition a decade earlier the rate in which rooms are coming to market has already changed the land escape for those operating in the sector & as the result the sector has become more and more competitive. Currently the hotel sector shows rapid growth according to ministry of culture and tourism there are more than 138 star hotels in the city of Addis Ababa.

Table 2.2 Star hotels and number of rooms in Addis Ababa

Hotel Stars	Number of hotels	Number of rooms	Number of beds
5*	8	1,190	1,286
4*	21	1,818	2,123
3*	34	1,914	2,284
2*	33	1,305	1,593
1*	42	1,573	1,833
Total	138	7,800	9,119

Source: compiled from MoCT, 2016&2018 hotel Grading report

2.5. Hotel and Tourism industry

Hotels and the hotel industry are the most significant elements of tourism development. Without them no destination could be successful (Attila, 2016). The hotel and tourism sectors are the most inter-related sectors they are often viewed as ‘‘chicken and egg’’ because the growth of Tourism is highly depend on the Growth of Hotel sectors. The hotel industry is the Back bone of tourism industry (Samuel, 2015).

According ILO, tourism industry and the hotel and restaurant sub sector are highly diversified in the types of businesses that operate under its auspices. In sector the largest companies include collections that contain more than 6,000 hotels each and employ more than 150,000 employees up to 100 countries. Hospitality and Tourism industry employs more worker than the agricultural, automobile, electronics, and steel and textile industry combined this sector currently supports more than 21.5 million jobs (Debaprasad, 2013).

2.6 The Importance of Hotels and Accommodation in Promoting Tourism

Tourism in broad sense is dependent on the Quality and quantity of accommodation facilities available (Surya, 2013). Recently the tourism industry across the globe has seen an unprecedented growth which in turn has also resulted in tremendous growth in the hotel and accommodation facilities. Comfortable hotels and accommodation facilities play a very important role in promoting tourist destinations (Ashliya, 2010). In tourism aspect if a person, far from his home, gets to enjoy the same or better facilities comforts as he enjoys at his home, then he is bound to become attached to the place.

On the other hand if the tourist ends up at a place where the hotels and accommodation facilities are not satisfactory, it is quite likely that he might never return to that place Perhaps that is why, hotels and accommodation facilities being made available at different tourists spots, have shifted focus on providing maximum comfort to tourists at reasonable rates. It is also vital to provide comfortable accommodation to people from diverse economic backgrounds.

2.7. The Hospitality Industry and Human Power

The Tourism and hospitality industries are labor intensive industries. Therefore, more jobs can be created if a nation puts in place appropriate strategies to develop the hospitality sector as one of the economic activities (Anderson, 2015). Possession and continuous accumulation of relevant tourism skills and knowledge is essential in the creation of human capital, which is a critical resource for the development of a competitive sustainable. The tourism and hospitality industry as a service providing industry is expected to provide quality service so as to benefit from the sector. The Provision of quality service on one hand requires improved infrastructure and investment on the industry and also qualified professionals on the other hand. The Ethiopian tourism and hospitality sector faces shortage of skilled and qualified human power (CTTI, 2018). The tourism and hospitality industry in Ethiopia highly dominated by the workers with non-tourism and non-hospitality professions. According to CTTI (2018) the majority of the tourism and hospitality employees in Ethiopia didn't take occupational competency assessment.

2.8 Hotel Advertisement and Tourism Development

Advertising is traditionally considered to be one aspect of the promotional mix, a management tool defined by its specifically promotional, orchestrated and paid-for nature, and distinct from other marketing communications disciplines such as public relations, personal selling, corporate communications, sales promotion (Hackely, 2005). In the hotel industry advertisement and promotion are very important it create awareness for the customer about the product or services such as brand name and price. The beautiful, natural environment in a tourist hotel's marketing images can evoke relaxing and soothing emotions (Wang et al, 2018).

Hotel Marketing Images and Customer Visual Attention Images are used by hotels as key materials for marketing and advertising and are an important basis for evaluation for customers choosing a hotel. However, given the limited time, customers will selectively observe the content of the images (Tsai et al, 2018). Customers are attracted and retained when their needs are met. It is observed that in hospitality sector, satisfied customers return to the same hotel or restaurant and through word of mouth, they spread its popularity by talking favorably to others about their contentment. Advertisement can be done by online or off line, online through websites, social media or email and offline through TV, Radio, print media etc.

2.9. Challenges of Tourism Development

The tourism sector is diverse and dynamic, with a highly fragmented value chain. This includes tour operators, hotel providers, tourist offices, facilities for tourists, transport activities and a number of other support systems and primary and tertiary structures for each of them (Peštek et al, (2015). Lack of coordination among different stakeholders is one of the challenges of tourism development of many countries .The major problems in the hospitality sector in India are shortage of skilled man power, shortage of room, Branding issue, financial problems, lack of technology (Aishwarya, 2010). In addition the Indian hospitality sector also challenged by regulatory problem, availability of product bouquet, rising inflation, intercultural differences (Debaprasad, 2013).

The challenges of Ethiopian tourism development includes widespread poverty, massive unemployment, recurrent food insecurity, high rate of annual population growth, worsening environmental degradation and underdevelopment of the productive forces of the economy (Tadesse,2015).

2.10 Review of Empirical Literature

In this section discussed various related studies conducted by different scholars their objective, methodology and major findings are discussed

2.10.1 Empirical Literature Review Global

Debaprasad (2013) studied on the Role of the hotel on growth and development of tourism: a comparative study of the performances of selected hotels in Kolkata. The objective of the study is to assess the role of hotels in tourism development. The researcher used a literature survey, focus group and in-depth interview for the study. For the study, the researcher used statistical techniques such as mean, standard deviation, ANOVAs, Independent sample t- test, factor analysis, and principal component analysis. The study result shows that the number of hotels, the room capacity and the bed capacity in the hotels of the study area shows that the growth was the highest in the bed capacity and the lowest in the number of Hotels. Because of the increasing demand for the hotel rooms at Kolkata shows a steady increase over the years. And also the study result revealed the key challenges of the industry that are infrastructure, regulatory, availability of product bouquet, rising inflation, intercultural differences and shortage of skilled manpower.

Rizio and Gios(2015) conducted the study on Sustainability of Tourism in the Alps: The Role of Hotels. The aim of the study is to analyze the role of two Alpine hotels by using energy analysis. The study result shows that the hotels are very relevant in Alps area for tourism development. Hotel services account for a large part of tourist expenditure and the study also showed the impact of the hotels on the environment based on this the hotels consumes of energy, water, and natural resources and generate considerable quantities of waste.

Bahman, Hamid and Ali (2018) have a studied on the effects of hotel development on tourism industry: Evidence Iran. The results of the study showed that the effect of all variables hotel development, merchandise trade, real exchange rate and real gross domestic product on international tourism In Iran, in the long-term and short-term positive and also bilateral relationship is between them. Also, the greatest impact on the increase in the number of tourists entering Iran is the real effective exchange rate and real GDP.

2.10.2 Empirical Literature Review Africa

Joseph A et al (2009) studied the role of hotels in the consumption of cultural tourism in Kenya. The researcher collected the data from se 24-star hotels ranging from 3-5 stars. The result of the study shows that hotels play a crucial role in shaping the nature of the cultural tourism product offering. The study also explains that the hotels have taken various measures in support of cultural tourism in Kenya including architectural designs and layouts that depict the surrounding culture; incorporation of local culture in branding and naming of facilities; inclusion of traditional tastes and choices in food; selection of staff uniform based on traditional designs and colors. Additionally, his study also shows that the hotels in Kenya participate in other developmental activities such as building roads, provides telephone and electric city to the local people and build schools.

Charles (2014) studied on the service quality and customer satisfaction in Nairobi hotels the research used the descriptive method and the data collection instrument are questionnaire and the finding of the study shows that 17 factors influencing customer satisfaction among the guests of Nairobi hotels the listed factors are; the status of hotel's physical facilities, status of hotel's equipment, employee appearance, communication material, timeliness, Problem-solving interest, Accuracy of records, Problem resolution time, Prompt attention to request, willingness to help, flexibility of employees, Assurance of safety and security, courtesy of

employees, individualized attention, convenient operating hours, personal attention from employees.

Eja, Eja et al (2013) conducted a study on the role of hotel industry in sustainable tourism development in Calabar, Nigeria. Researchers collected the data from one hundred and twenty-seven (127) hotels and they analyzed the data using the Pearson's Moment Correlation. The finding revealed that there is a strong positive relationship between the number of tourists and the growth of hotels in the study area.

There is a vice versa relationship between the hotel sector and tourism growth. The correlation analysis examines the strength of the relationship between the tourism sector and the hotel sector. The researchers recommend that the hotel industry should provide quality service, that would help motivate foreign and domestic tourist to stay longer days in the study area and the researchers also recommend that Hotel staff should be trained and qualified staff should be employed in the industry so as to boost the image of the hotel industry in the study area.

Anaman and Dacosta (2017) conducted the study with the title "A conceptual review of the Role of hotels in tourism development using hotels in Cape Coast and Elmina, Ghana". The aim of the paper is to assess the Role of Hotels in Tourism development in Ghana. The researchers reviewed various literatures about the subject. The study result shows that the contribution of hotels for the growth of tourism is good; they constitute the home base of tourists and also contribute to about 30% of the budget of all tourists. The study also revealed that the non-star hotels in Ghana non-star graded ones lack adequate facilities and have serious challenges with accessibility as most of them are found in poor communities – with unkempt surroundings.

2.10.3 Empirical Literature Ethiopia

Ebisa and Andualem (2013) studied on hotel sector in Ethiopia. The objective of the study is to investigate the overall performance of the hotels industry in Ethiopia, with research questions that focus on the demands for hotels/accommodations, the supply of hotels match with the current demand for hotels, hotel sector investment looks like, factors are influencing service delivery of hotels, and trends of bank loans to the sector were major problems. The research used secondary data from journals, books, newspapers, magazines, and reports of various governmental and non-governmental organizations and the result of the study shows that the hotel stock in Ethiopia has increased sharply over the last few years.

While tourist accommodation is available as the major attraction, improvement, as well as new construction, is taking place. The study recommended that many international standard hotels should be in place to satisfy the inbound tourist inflow of the country and improvements of the banking system in extending credit services would be helpful for the hotel sector.

Gojjam (2011) the title of the study is the contribution hotels to the development of tourism in Ethiopia in the case of five-star hotels. The objectives of the study is to examine the contribution of five-star hotels for the development of tourism the study used questionnaire, interview and observation and the result of the study shows that the majority of the customers in the hotels are foreigners and they are the business travelers, regarding to service provision both the five-star hotels service provision are not in line with the international standards which five-star hotels are expected to offer and they have no information center.

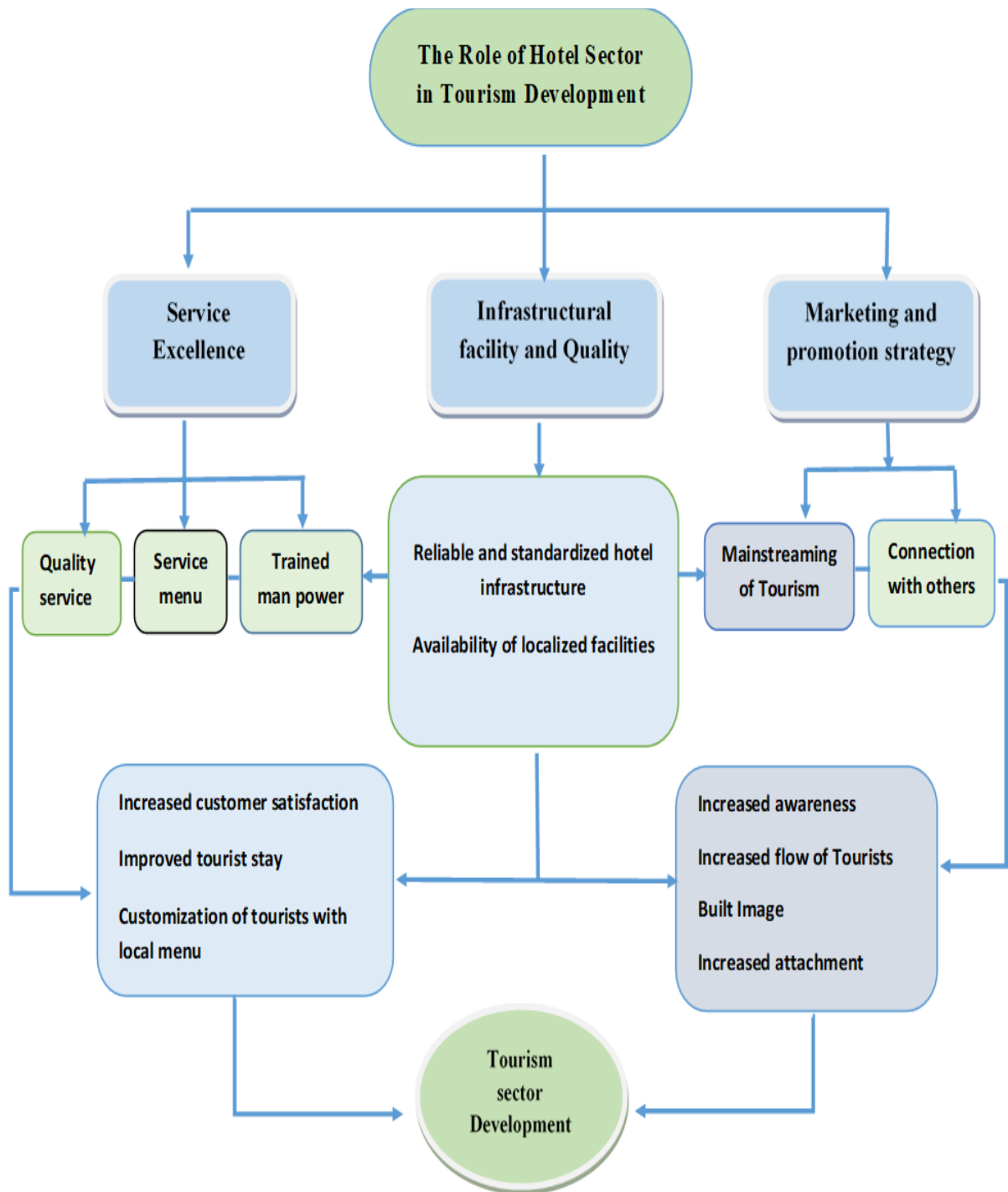
The study recommends that the services which are offered to the tourists in Ethiopian five-star hotels should be attractive enough and standardized in terms of both quality and quantity to satisfy the needs of the customers. Regarding the lack of information center, the study also recommends that to provide information for tourists and workers related to the hotel industry in particular and tourism facilities and attractions of the country, in general, the hotels should have a well-organized information center.

2.11. Conceptual frame Work

A conceptual framework is an interconnected set of ideas (theories) about how a particular phenomenon functions+ or is related to its parts (Svinicki, 2010).It is important to understand the causal or correlational relationship of the variables. For this research the focus will be on the role of hotel sector for the tourism development.

As shown in the conceptual framework indicated in fig 2.1, hotel industry provide excellent service, offered quality infrastructure facilities, marketing and promotion strategies are important for the development of tourism. In addition excellent service can be delivering for the tourist through quality service, service menu and trained manpower in the hotels. Furthermore, the hotel infrastructure provided on the hotel can be considering availabilities of local facilities based on the interest of hotels. In order to accomplish market and promotion strategies, the hotels try to mainstream tourism products and integrate with stakeholders for a sustainable manner. In addition to this, if we offer quality service in the hotels then there is an advantage of increase customer satisfaction, improved tourist stay and customization of tourist with local menu. As a result of this, marketing and promotion strategy accomplish by

the hotel increases awareness, increase tourist flow, build image and increase attachment. The overall goal of the above issues enhances tourism development.



Source: compiled by the researcher from literature (2022)

Figure 2.1. Conceptual framework of the study

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents the research methodology employed in this study. The chapter therefore focused on the following aspects of the research: research design, population and sampling design (population, sampling design, sampling frame, sampling technique, and sampling size), data collection methods, research procedures, and data analysis methods.

3.1 Research Design

This study has particularly utilized descriptive inquiries. Descriptive answer questions of who, what, where, when, how, and how many. It looks individuals, groups, institutions, methods, and materials in order to describe, compares contrast, classifies, analyzes and interprets the entities various field of inquiry (Abiy, et al, 2009). In line with this, the study was utilized descriptive research to enable describing the contribution hotel industry to tourism development, the human power of the hotel sector, the role of Advertisement of the hotel industry for the development of tourism in the city of Addis Ababa and the main challenges of tourism development in the city Administration.

3.2 Research Approach/Type

For the purpose of this study, both quantitative and qualitative data approach were utilized. Combination of two research approaches gives better interpretation as the information missed by one might be captured by the other and thus an enhanced and integrated result may emerge from the analysis. According to Leech and Onwuegbuzie (2006), an increasing number of researchers are utilizing mixed methods researches to undertake their studies in order to draw meaningful results from both types of data. With due respect, the qualitative method is appropriate to study the selected issues in depth and to assess attitudes and opinions of the respondents and was collected through interview.

It seeks a better understanding of complex situations and often descriptive in nature. The Quantitative method helps to generate extensive information (breadth) and provides results which can be condensed to statistics and was collected through opened and closed questionnaire.

For this reason, the researcher was employed both qualitative and quantitative data collection instruments to gather accurate data and information from respondents involved in different star rated hotels in Addis Ababa.

3.3 Source of Data and Data Collection Instruments

3.3.1 Source of Data

A. Primary data source: This was the first-hand information gets from the researcher for the first time. Therefore, the researcher was utilized interview and questionnaire in order to get precise information with regarding the role of private sectors in tourism development in selected star rated hotels.

B. Secondary data source: In order to well articulate this study, different secondary data was employed in this study like journal articles, governmental reports, previous studies and document review from one, two, three, four and five star rated hotels.

3.3.2 Data Collection Instruments

A. Structured Questionnaires: is a written list of questions, the answers to which are recorded by respondents (Kumar, 1999.p.198). Similarly, the author noted that closed questions are extremely useful for eliciting factual information and open-ended questions for seeking opinions, attitudes and perceptions. In this study, both open and closed-ended questionnaire were employed to achieve the objective on the role of private sectors for the development tourism in hospitality industry. First of all, the researcher was prepared open ended and closed ended question both in English then clarified the research objective, proper wording, arranged its logical sequence, make good layout and optimize questionnaire length before distributed the questionnaire for the respondents. Finally, it was disseminated the questionnaire for the employees working in different star rated hotels.

B. Semi-Structured Interview: for the purpose of obtaining firsthand qualitative information, an interview was applied appropriately. *"Interviews provide in-depth information pertaining to participants' experiences and viewpoints of a particular topic"* (Turner, 2010. p.56). This method helps the interviewer in order to gather more information in greater depth and provides greater flexibility in restructuring questions whenever necessary (Kothari, 2004). So that, for the sake of support other methods and getting the heart feeling of respondents that hotel mangers working in different star rated hotels were interviewed.

C. Document Analysis/review: According to Ndunguru (2007) noted that the documentation method was utilized by gathering data from the secondary source. The documentary sources of data for research purposes include journals, research reports, and other unpublished literally works. Therefore, the researcher utilized in this method to collect already gathered information from, reports, and written materials from ministry of tourism and hotels.

3.4 Sample Design

3.4.1 Target Population, Sampling Frame, Sampling Unit and Sampling Techniques

The population universes of the study were the star hotels where the major tourist accommodation services are provided. The sampling units of the study are hotel managers or directors. The sample frame is the list of elements from which proportional sample size is selected. Accordingly, the sample frame for this study was the hotel category. According to the data obtained from ministry of tourism (2022) there are about 78 star rated hotels found in Addis Ababa. Therefore, the researcher selected 4 from each star rated hotels to address the purpose of the study.

Table 3.1 Sample Hotels

No	Name of sample hotels	Star category	Number of employees		
			Male	Female	Total
1	Sheraton Addis Hotel	5*	50	70	120
2	Capital hotel	5*	45	62	107
3	Marriot executive hotel	5*	45	74	119
4	Radison Blue hotel	5*	70	100	170
5	Friendship hotel	4*	46	50	96
6	Harmony hotel	4*	40	60	100
7	Intercontinental hotel	4*	35	65	100
8	Washington hotel	4*	30	71	101
9	Hilton hotel	3*	19	35	54
10	Kaleb hotel	3*	21	29	50
11	Sidra hotel	3*	27	33	60
12	Top ten hotel	3*	19	23	42
13	Ghion hotel	2*	23	24	47
14	KZ hotel	2*	25	19	44
15	Soramba hotel	2*	18	23	41
16	Edna Addis Hotel	2*	16	20	36
17	Ethiopia hotel	1*	13	26	39
18	Filwuha hotel enterprise	1*	15	20	35
19	Semien hotel	1*	20	22	42
20	Three days hotel	1*	25	28	53
Total			602	854	1456

Source: Ministry of tourism (2022)

3.4.2 Sample Size

Sample size is represented as an optimum size of sample is one which fulfills the requirements of representativeness and reliability. From this study, the sample size of the participants were selected based on the following formula Yamane's (1967)) at 95% Confidence level and 5% of Margin of error. The formula usually was applied when the population parameter is known. The total population in the study area is 1456. Therefore, the sample size is calculated as follows.

$$n = \frac{N}{1 + NE^2}$$

Whereas n = sample size, N= Total population, E= Margin of error

$$n = \frac{1456}{1 + 1456(0.05)^2}$$

$$n = 1456 / 4.64$$

$$n = 314$$

Therefore, the sample size was 314.

The sample size of each stratum then had been calculated and determined to select sample employees from each strata. To do this, the researcher had computed common multiplier for each stratum; this is obtained by dividing the total sample size by total population size. Total population of this study is 1456 and the total sample size is 314. So based on the above information the common multiplier is 314/1456. Detail information of sample size determination of each stratum is shown in the table 3.2 underneath.

Table 3.2 Strata of hotels based on star category

No	Strata of hotels based on star category	Number of Hotels in the Strata	Number of Hotel Employees in the Strata	Sample of strata
1	Five star	4	516	$516 * 314 / 1456 = 111$
2	Four star	4	397	$397 * 314 / 1456 = 86$
3	Three star	4	206	$206 * 314 / 1456 = 44$
4	Two star	4	168	$168 * 314 / 1456 = 36$
5	One star	4	169	$169 * 314 / 1456 = 37$
Total		20 1456		314

Source; Own survey (2022)

3.5 Sampling Technique and Sampling Procedure

Non probability and probability sampling techniques have been used to select the hotels & employees in this study. Primarily, convenience sampling method of non-probability method have been employed to select 20 hotels sample representatives from above 78 star rated hotels of Addis Ababa. The researcher found that convenience sampling method is best to select hotels in each category in this study since it makes ease complication of selecting hotels. Then the 20 hotel sample representatives have been stratified in to five subgroups based on star accreditation. Based on this, employee of one star hotel represent one stratum, employee of two star hotels represent 2nd stratum, employees of three star hotels represent the 3rd strata, employees of four star hotels represent the 4th strata and employees of five star hotels represent the 5th stratum respectively. The rationale to select star rated hotels because they have high potential of contributing for tourism development than non-star rated hotels. To determine the number of samples from each stratum, proportional strata sampling technique has been used. Then Simple random sampling technique has been used to select individual employees from each stratum to participate in the study while from the non-probability sampling, the study was utilize purposive sampling to select the participants by his own judgment that appropriately relevant for the study. Thus, the managers of the hotels, was interviewed.

3.6 Method of Data Analysis

The collected data was analyzed by using both the qualitative and quantitative analysis techniques.

3.6.1 Qualitative Data Analysis

The qualitative data which was collected through interview is summarized and analyze using thematic analysis. That means organizing data, breaking it into manageable units, synthesizing it, searching for patterns, discovering what is important and what is to be learned. The qualitative data is analyzed through the following steps like reading and re-reading the original transcripts, reconstruct the content into significant statements, extract significant statements identify themes, make meaning. In addition to this, qualitative data were analyzed using explanations, narratives description using words and sentences.

3.6.2 Quantitative Data Entry and Analysis

The quantitative data is collected through the use of questionnaire and encoded into SPSS version 25 software after cleaning and recoding and then analyzed descriptively and inferentially between and among variables. Descriptive statistics were analyzed through frequency, percentage, tables, charts and graphs. Qualitative data was analyzed using explanations, narratives description using words and sentences. Finally, the results of the quantitative and the qualitative data was compared (identify and merge common data sets, sort out differences, and work out transformation of data sets wherever it deemed logical) with each other so as to ensure depth of analysis across methods and data sources.

3.7. Ethical Consideration

In order to conduct this study effectively, all legal requirements of the selected Hotels and the research procedures of Addis Ababa University was properly made. All the scientific evidence and supporting documents were consulted and acknowledged. All the participants in this study were appropriately informed about the purpose of the research and their consent is secured before the commencement of the data gathering process. The researcher was also subject that their response is used only for the purpose of the study. In addition, the researcher assured the respondents that their identity and that of their organizations. Confidential issues were kept confidential.

CHAPER FOUR

DATA ANALYSIS AND PRESENTATION

This chapter presents the results of the study and discussion in line with the stated objectives. The demographic characteristics of the respondents have been presented in the form of frequency, pie chart and graphs. The stated objective of this study was presented by frequency and %.

4.1 Response Rate

Table-4.1: Response rate of respondents (N=300)

No	Questionnaire	Number	%
1	Dispatched/distributed	314	100
2	Return	300	96
3	For analysis	300	96
4	Interview	5	100%

Source: field survey (2022)

Table 4.1 shows the response of respondent rate. In this case, a total of 314 employees were invited to be the part of this study but 300 completed questionnaires were included in the analysis with a response rate of 96%. However, the remaining 14 questionnaires weren't returned on time because the respondents were busy by other tasks. In the same way, 5(100%) of the respondents were used for interview.

4.2 Demographic Characteristics of Respondents

The demographic characteristic of the respondents comprises sex, age, education, work experience and positions. Therefore, the responses of the respondents were presented in table 4.2 as follows.

Table 4.2 Demographic characteristics of the respondents

Category	Item	Frequency	%
Sex	Male	138	46.0
	Female	162	54.0
	Total	300	100.0
Age	18-25 years	12	4.0
	26-35 years	144	48.0
	36-45 years	84	28.0
	46-50 years	60	20.0
	Total	300	100.0
Educational status	Certificate	24	8.0
	College diploma	117	39.0
	Degree	144	48.0
	Masters	15	5.0
	Total	300	100.0
Work experience	1-2 years	36	12.0
	2-4 years	57	19.0
	5- 6 years	96	32.0
	7-8 years	39	13.0
	More than 8 years	72	24.0
	Total	300	100.0
Positions	Receptionist	108	36.0
	Store keeper	24	8.0
	Waiter	60	20.0
	Financial manager	48	16.0
	Hotel manager	48	16.0
	Others	12	4.0
	Total	300	100.0

Source: Own survey (2022)

Table 4.2 shows the demographic characteristics of respondents working in different star rated hotels. For this case, 138(46%) of the respondents were male while 162(54%) of them were female. As shown the data obtained from the respondents it can infer that most of the respondents were females in different hotels. This implies mostly star rated hotels have recruited female than male employees.

Table 4.2 shows the age of respondents who are working in hotels. Accordingly, 12(4%) of the respondents found the age between 18-25 years while 144(48%) of the respondents found the age range between 26-35 years. In addition to this, 84(28%) and 60(20%) of the respondents replied that their ages were found between 36-45 years and 46-50 years respectively. As display in the table one can deduce that majority of the respondents found the age range between 26-35 years. This implies employees were found at young age. This implies employees can deliver rapid service for the tourists for the long run.

With regard to the educational status of the respondents in the hotel, 24(8%) have their educational background was certificate while 117(39%) of the respondents have diploma holder educational background. The remaining 144(48%) and 15(5%) of the respondents have degree and Masters level educational background respectively. As shown in table 4.2, one can infer that majority of the respondents have degree educational background. This implies that star rated hotels were lead and occupied by educator personnel. In other words, occupied by professionals have the advantage of the hotels to bring many tourist and collect the expected income from the tourists.

Table 4.2 also indicated the work experience of the respondents in their hotel. Based on the response of the respondents 36(12%) of the respondents have 1-2 service year in the hotel. In the same way, 57(19%) of the respondents have 2-4 years' experience. In addition to this, 5-6 years and 7-8 years of the respondents yields 32% and 13% respectively in the hotel while 72(24%) of the respondents have more than 8 years' experience in the hotels. As shown in the table one can deduce that most of the respondents have 5-6 years' experience in the hotels. This implies more experience personnel have opportunities for the hotels to know the hotel culture and provide the expected service for the customer as they want. It also helps for the hotels to be productive and can be competitive with other organizations.

In terms of job positions in the hotels, 108(36%) of the employees were worked as receptionist in the hotels. In the same way, 24(8%), 60(20%), 48(16%) and 12(4%) of the

employees have been worked as store keeper, waiter, financial manger, hotel manager and other job positions.

As shown in table 4.2, one can deduce that most of the employees were worked as a receptionist. This implies that most customer mainly contacted receptionists to get the necessary services in the hotels.

4.3 Result and Discussion

4.3.1 Year of Hotels Establishment

The history of modern hotel establishment in Addis Ababa goes back to in the 19th century from that time onwards different hotels were established operation at different times. For this study, the year of hotel establishment were categorized into four time periods. As it is seen in the table 4.3 below, majority of the respondents 189(63%) replied that their hotels began operation above 15 years, 12(4%) of them replied that their hotel established 6-10 years ago while 99(33%) of the respondents answered that their hotel has been more than 20 years since its establishment. Therefore, the implication of this indicates that hotels have more experience to provide quality service and employees have also upgrade experience for serving their hotels for the long run.

Table 4.3 Year of hotel establishment

		Frequency	Percent
Valid	6-10 years	12	4.0
	11-15 years	99	33.0
	Above 15 years	189	63.0
Total		300	100.0

Source: Own survey (2022)

Table 4.4 the length of stay of tourists in the hotel

		1-2 days	3-5 days	above 5 days	Total
Star rated hotels	One star	17	13	2	32
	Two star	2	27	6	35
	Three star	15	13	15	43
	Four star	12	58	10	80
	Five star	7	37	66	110
Total		53	148	99	300

Source: own survey (2022)

The above table shows that majority of respondents 66 number revealed that on average tourists were stay in their hotel between above five days in five star rated hotels.

Likewise 58 number of respondents replied that tourists stay in the hotel between 3-5 days in four star rated hotels. In addition to this, 17, 13 and 2 number of respondents replied that tourist stay 1-2 days, 3-5 days and above days stayed their length of day in one star rated hotels.

In two star rated hotels, 2, 27 and 6 number of respondents assured that tourist stayed for 1-2 days, 3-5 days and above 5 days respectively. Furthermore, the study identified that 15 and 13 number of respondents in three star rated hotels were stayed in the hotels for 1-2 years, 3-5 days and above five days respectively. As shown in table 4.4, majority of tourist were passed their duration in four and five star rated hotels.

Regarding the length of stay of tourist in hotels, the researcher could not found a study in Ethiopia however in India, the study conducted by Debaprasad (2013) revealed that on average tourists were stayed in hotels 1-3 days in Indian Kolkata region hotels whereas this study revealed tourists were stayed 3-5 and above 5days in hotels. The duration of stay of tourist is very important for tourism growth, if the tourists extend their stay in the hotels; they will have extended time to visit different tourist attraction sites.

4.3.2 The Contribution of Hotel Industry for Tourism Development in Addis Ababa

4.3.2.1 The activities made by the hotels to extend the stay of tourists

Table 4.5 diversifying service and products

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
Star rated hotels	One star	0	10(3.3%)	2(0.67%)	20(6.67%)	0	32(10.67%)
	Two star	0	0	7(2.33%)	28(9.33%)	0	35(11.67%)
	Three star	7(2.33%)	7(2.33%)	1(0.33%)	21(7%)	7(2.33%)	43(14.33%)
	Four star	0	28(9.33%)	5(1.67%)	47(15.67%)	0	80(26.67%)
	Five star	5(1.67%)	40(13.33%)	16(5.33%)	44(14.67%)	5(1.67%)	110(36.67%)
Total		12(4%)	111(37%)	24(8%)	141(47%)	12(4%)	300(100%)

Source: Own survey (2022)

Table 4.5 shows the activities made by the hotels to extend the stay of tourists. For this case, 24(8%) and 141(47%) of the respondents replied agreed and strongly agreed respectively that their hotels diversifying service and products for the tourists. On the contrary, 12(4%) and 111(37%) answered strongly disagreed and disagreed respectively about the issues while 24(8%) of the respondents said neutral about the issues stated in table 4.5. As shown in the table one can infer that replied agreed most of star rated hotels facilitate various service and products for the tourists. Diversifying various tourism products and services for the tourist is vital to generate tourist, generate income and tourist come again through inviting their own colleagues as well as families. This also implies that hotels offered various type tourism products for the tourist to be satisfied and learn experience to come again. A study done by Natalia, Lyudmila, Tamara, Nadezhda, Nadezda & Natalia (2019) clearly explained that Diversification in this regard is an important direction in the development strategy of hotel businesses. It allows hotels to reduce business risks, 'keep afloat' in case of deterioration of economic indicators by type of activities, since possible failures in one area are compensated by success in others; flexibly reallocate resources; profitably invest free funds in other sectors, if there is lack of the potential for growth and making a profit; improve and expand the range of hotel services in existing markets; increase the effectiveness of using the accumulated potential, ensure full hotel occupancy; adapt to market conditions, actively countervail competitors, reduce dependence on partners, etc.

Table 4.6 Prepare and promote special packages

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
Star rated hotels	One star	0	11(3.67%)	7(2.33%)	14(4.67%)	0	32(10.67%)
	Two star	0	0	14(4.67%)	21(7%)	0	35(11.67%)
	Three star	0	7(2.33%)	25(8.33%)	4(1.33%)	7(2.33%)	43(14.33%)
	Four star	0	17(5.67%)	12(4%)	51(17%)	0	80(26.67%)
	Five star	15(5%)	13(4.33%)	38(12.67%)	39(13%)	5(1.67%)	110(36.67%)
Total		15(5%)	48(16%)	96(32%)	129(43%)	12(4%)	300(100%)

Source: Own survey (2022)

The above table depicts that 129(43 %) of the respondents revealed that their hotels offer prepare and promote special packages for those tourists who extend their stay in the hotels.

On the other hand, 15(5%) and 48(16%) of the respondents replied strongly disagreed and disagreed respectively about the issues while 96(32%) of the respondents weren't sure whether their hotel prepare and promote special package for the tourists. As shows all-star rated hotels were prepared and promote special package for the tourists.

This implies they have encouraged different tourists to use special packages to offer them. Research conducted by Gojjam (2011) found that to extend the stay of tourists, hotels were improving quality of service and ensure safety and security. This study shows that most of the five-star hotels were prepared and promote different packages for the tourists while the other four, three, two, and one-star hotels offer discounts on their products. This also indicates that tourists offered packages that tourist able to visit different tourist sites found in Addis Ababa.

Table 4.7 Offer discounts on products

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
Star rated hotels	One star	1(0.33%)	2(0.67%)	11(3.67%)	13(4.3%)	5(1.67%)	32(10.6%)
	Two star	0	0	14(4.67%)	21(7%)	0	35(11.6%)
	Three star	0	0	10(3.33%)	33(11%)	0	43(14.3%)
	Four star	7(2.33%)	31(10.33%)	21(7%)	15(5%)	6(2%)	80(26.6%)
	Five star	4(1.33%)	30(10%)	37(12.33%)	38(12.67%)	1(0.33%)	110(36.67%)
Total		12(4%)	63(21%)	93(31%)	120(40%)	12(4%)	300(100%)

Source: Own survey (2022)

In the context of table 4.7, 120(40%) and 12(4%) of the respondents answered agreed and strongly agreed respectively that hotels were offered discounts for the tourists. On the contrary of this, 12(4%) and 63(21%) of the respondents said strongly disagreed and disagreed respectively about the issues while 93(31%) of the respondents said neutral about the issues in that order. Therefore, the finding of the study depicted that most of the star rated hotels were given discounts for the tourists.

This shows that they have an advantage of encouraging tourist to use their services so as to increase their own number of tourist flows and income generate among different customers.

Regarding this, the data obtained via interview from three and five star hotels interviewees presented as follows

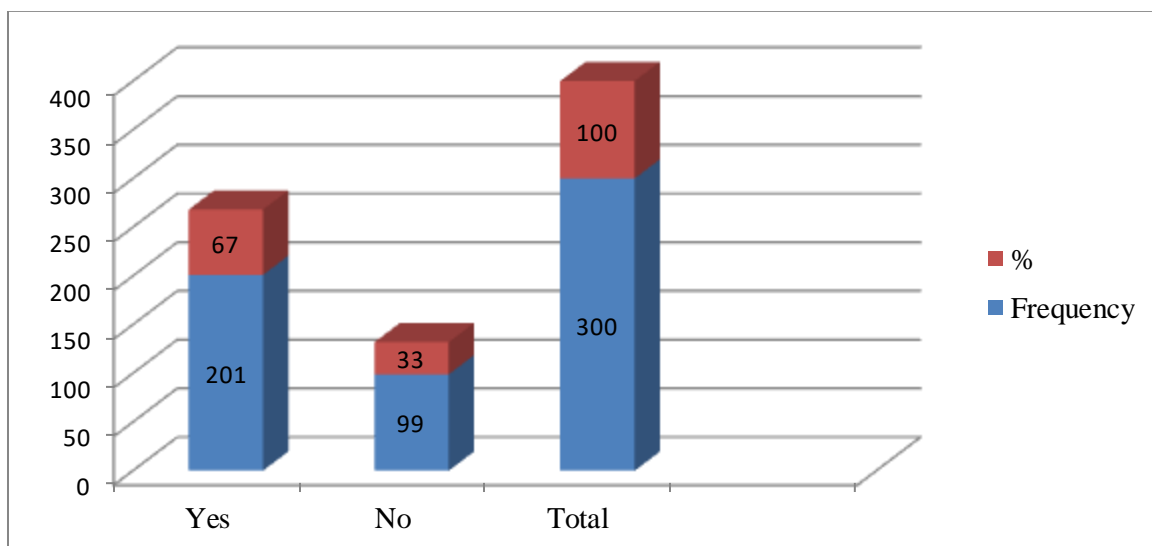
“We do various activities to help tourists extend their stay in our hotels, such as providing better service, offer discounts on a certain products especially in the time of off season” (interviewees from three star hotels)

“We prepared different tour packages four tourists in collaboration with different tour and travel agents to extend the stay of tourists specially holiday packages, family packages and also we provides quality service to satisfy our guests” (interviewees from five star hotels,2022).

4.3.2.2 The Availability of Tourist Information Center in their Hotels

The study conducted by Debaprasad (2013) on the role of hotels for tourism development findings shows that tourist guidance facilities and the availability of tourist information centers in Indian kolkota region hotels most of the star hotels do not have sufficient tourist information centers . Tourist information centers were a place that provides tourism related information.

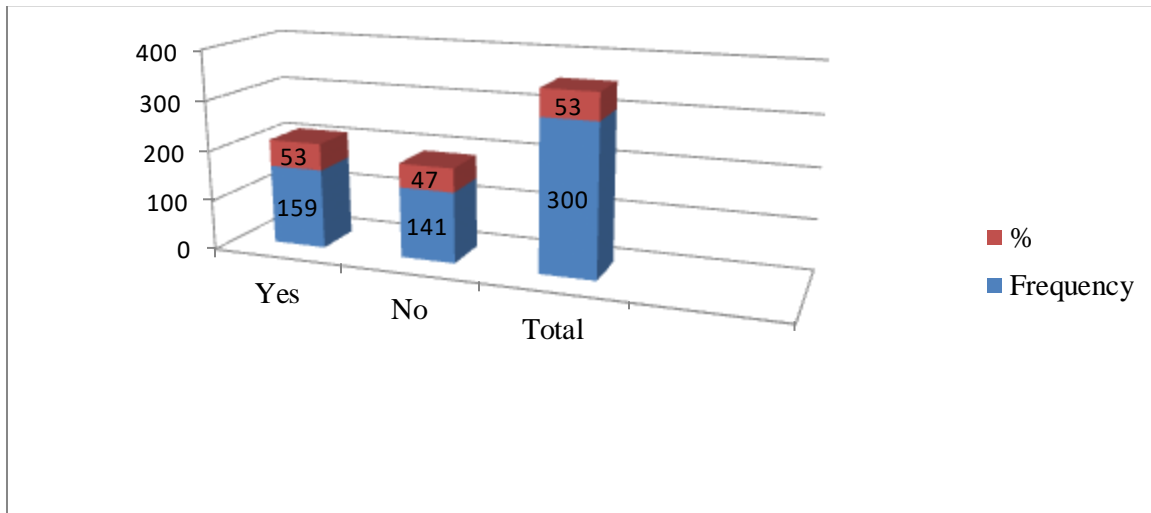
Figure 4.1 availability of tourist information center in the hotel



Source: Own survey (2022)

Regarding this the respondents were asked about the availability of tourist information centers in their hotels, the majority of the respondents indicated in figure 4.1, 67% were replied that their hotels have a tourist information center whereas 33% of the respondent replied that their hotel didn't have a tourist information center.

Figure 4.2 promotions of tourism resources

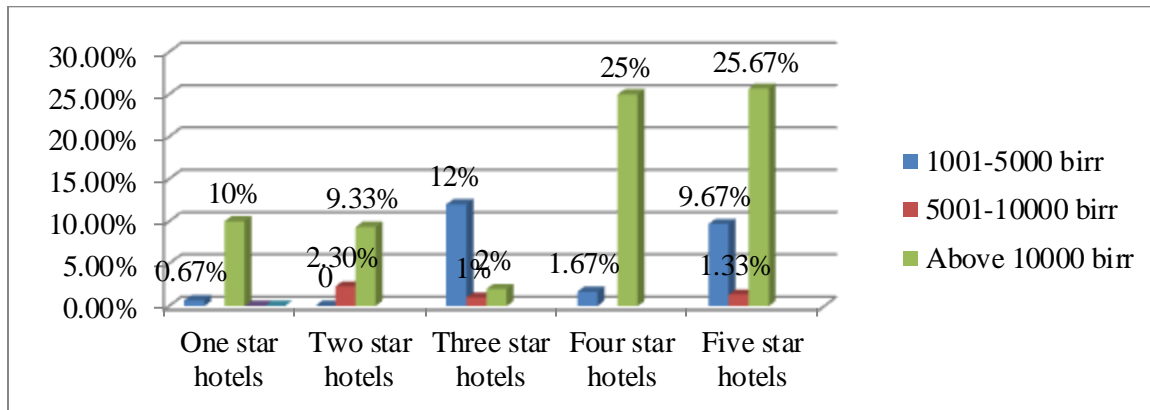


Source: Own survey (2022)

The above figure shows that the majority of the respondents 159(53%) replied that their hotel promotes tourism attraction sites of the city. While the other 141(47%) of the respondents replied that their hotel didn't promote. As shown in the data, the majority of the respondents were promoted their hotels for the tourists.

The research conducted by Derese (2018) found that hotels play an important role in promoting tourism attractions of the country hotels works on promoting foreign tourists through embassies. And hotels had also a very good impact on promoting the country as a tourist destination. As this study revealed that most five and four star hotels were promoting the tourist attractions of the city however still many hotels were not properly promotes the country as a tourist destination.

Figure 4.3 Money spent for tourism promotion



Source: Own survey (2022)

The above graph 4.3 demonstrates the data that respondents with their hotel category. The data shows that (25.67%) of respondents from five-star hotels replied that their hotels spent more than 10,000 birr for tourism promotion, (25%) of the respondents from four-star hotels replied that spent for promotion above 10000 birr and from three-star hotels (12%) replied that their hotels spent 1001-5000birr whereas 2% replied that they spent more than 10000 birr for promotions. The data shows that relatively five and four star hotels spent more amount of money for promotions regarding this interview result from four star hotels presents as follows.

“I think Our hotels is doing its part in promoting and expanding tourism, especially in promoting the cultural, natural and historical attractions of the country for foreign tourists we made the promotion with different medias like social medias, through televisions, brochures and through word of mouth.”
(Respondents from four star hotels, may, 2022)

4.3.2.3 The Amount of time Allowed for Promotion by the Hotels

Table 4.8 times spent for promotion of tourism resources

		1-5 hours per week	6-10 hours per week	above 10 years	Total
Star rated hotels	One star	30(10%)	0	2(0.67%)	32(10.67%)
	Two star	28(9.3%)	7(2.33%)	0	35(11.67%)
	Three star	26(8.67%)	17(23.67%)	0	43(14.33%)
	Four star	75(25%)	0	5(1.67%)	80(26.67%)
	Five star	81(27%)	12(4%)	17(5.67%)	110(36.67%)
Total		240(80%)	36(12%)	24(8%)	300(100%)

The above table 4.8 shows that 80 % of the respondents replied their hotel were promoting tourism resources of the city for 1-5 hour per week, whereas (12%) of the respondents replied that 6-10 hours per week, only 8 percent of the respondent replied that their hotels promote the tourism resources more than 10 hour per week through television the hotels were displaying and promoting the tourist attractions of the city. Concerning this the key informant interview result presented as follows

“Our hotel promotes the tourist attractions of the country in a variety of ways, such as by word of mouth, through online and offline promotional medias and also we open different documentary videos of the tourist attractions of the country via LCD TV at the reception areas’ (interviewees from four star hotels, may, 2022).

4.3.2.4 The level of Contribution of Hotels in Receiving Foreign Currency

Table 4.9 the level of contribution of hotels in receiving foreign currency

		Very high	High	Low	Very low	Total
Star rated hotels	One star	6(2%)	10(3.33%)	5(1.67%)	11(3.67%)	32(10.67%)
	Two star	14(4.67%)	21(7%)	0	0	35(11.67%)
	Three star	24(8%)	19(6.33%)	0	0	43(14.33%)
	Four star	16(5.33%)	50(16.67%)	6(2%)	8(2.67%)	80(26.67%)
	Five star	33(11%)	44(14.67%)	13(4.33%)	20(6.67%)	110(36.67%)
Total		93(31%)	144(48%)	24(8%)	39(13%)	300(100%)

The above table 4.9 depicted, the level of contribution of hotels in gaining foreign currency the respondents were asked to rate the level of contribution of their hotel, As a result the majority of the respondents 48% replied that their hotel high contributes in gaining foreign currency for the country’s economy. Whereas 8% of the respondent replied that the contribution of their hotel in gaining foreign currency is low.

When we see the contribution of the hotels in gaining foreign currency in each hotel category, the respondents from five and four-star hotels respectively replied that the contributions of their hotels were very high. Similarly, respondents from three and two-star hotels respectively replied that their hotel contributes highly on the other hand the data revealed that the majority of the respondents from one-star hotels replied that the hotels have a low contribution. One can conclude from the above data relatively five and four star hotels contributes more than one, two and three star hotels in gaining foreign currency this could be because of their human, financial and technological advancement.

4.3.3 The Promotion and Advertisement of Tourism Resource

Table 4.10 level of agreement about the promotion of tourism resources

No	the promotion of tourism resources	Frequency distribution	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
1	Use of social media	Freq	-	-	36	216	48	300
		%	-	-	12	72	16	100
2	Use of website	Freq	-	-	46	200	54	300
		%	-	-	15	66.67	18	100
3	Use of brochures, post cards and fliers	Freq	-	60	96	132	12	300
		%	-	20	32	44	4	100
4	Using TV	Freq	-	72	45	171	12	300
		%	-	24	15	57	4	100

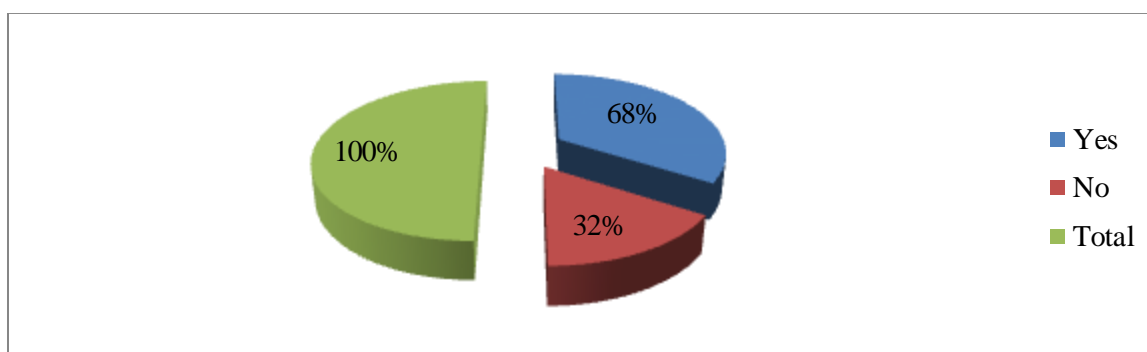
Source: Own survey (2022)

Above table 4.10 shows that the majority of the respondents (88%) agree that their hotels were used social media for promotions of the tourism resources whereas (12%) of the respondents replied that their hotels didn't sure use social media for tourism promotion. Research conducted by seifu (2018) found that the star-rated hotels in Addis Ababa significantly used social media for the promotion of tourism resources they predominantly adopted Facebook and trip advisor.

The above data also shows that more than 66.67% of the respondents agreed that their hotels used websites for tourism promotions. Nearly 44% of the respondents agree that their hotels prepares and used brochures, postcards, and fliers for tourism promotion. Regarding the use of TV for tourism promotion, more than 57% of the respondents agree that their hotels were used for promoting tourism attractions of the country.

4.3.4 View of the respondents regarding Human resource in their hotel

Figure 4.4 hotel professional in the hotels



As shown in figure 4.4, 68% of the respondents replied that hotel professionals were existed in the hotels while 32% argue that hotel professionals weren't existed in the hotels to provide the necessary services for the tourists. The availability sufficient hotel professionals are very essential in the hospitality sector in modern hotels. This means the service quality depends on the quality of employees.

Table 4.11 level of agreement on the availability of human resource in the hotel

No	availability of human resource	Frequency distribution	Strongly disagreed	Disagree	Neutral	Agree	Strongly agree	Total
1	Availability of sufficient man power	Freq	-	123	36	105	36	300
		%	-	41	12	35	12	100
2	There is sufficient man power that is well informed about the tourism resources of the city	Freq	15	120	84	69	12	300
		%	5	40	28	23	4	100
3	There are sufficient staff members who speaks more than one international Language	Freq	58	120	40	70	12	300
		%	19.33	40	13.33	23.33	4	100

Source: Own survey (2022)

The data presented in the above table shows that the majority of the respondents 41% disagree on the availability of sufficient manpower while 35% and 12% of the respondents replied agreed and strongly agreed respectively that their hotels have sufficient manpower. As can be seen in table 4.11, the study identified that there is lack of manpower in the hotel sector.

Regarding the availability of the well trained and informed man power about the tourism attractions of the city as well as the country the respondents were responded accordingly 40% dis agree that their hotels lacks well informed manpower, 5% strongly dis agree whereas 23% agree that their hotels have sufficient well informed man power only 4% of the respondents strongly agree that there is sufficient man power in their hotels. As the data shows most of the employees of star hotels have no detailed information about the tourist attraction sites of the city of Addis Ababa.

On the availability sufficient staff members who spokes more than one international Language, 23.33% and 4% of the respondents agreed and strongly agreed respectively that most of their employees can speak more than one international language. On the contrary, 19.33% strongly dis-agree and 40% replied disagreed respectively whereas 13.33% of the respondents said neutral about the issues in that order. As shown in table 4.11, the finding of the study depicted that most of respondents did not speak a foreign language to deliver quality service for the customer.

4.3.5 Response for the Question Related to Hotel Infrastructure

Table 4.12 level of agreement about the availability of hotel infrastructure

No	the availability of hotel infrastructure	Frequency distribution	Strongly disagreed	Disagree	Neutral	Agree	Strongly agree	Total
1	There is sufficient recreation center	Freq	39	120	24	105	12	300
		%	13	40	8	35	4	100
2	There is enough souvenir shop in the hotel	Freq	27	156	36	57	24	300
		%	9	52	12	19	8	100
3	There is enough Traditional restaurant in your hotel that promotes the culture of Ethiopia	Freq	39	108	36	117	-	300
		%	13	36	12	39	-	100
4	There is enough bed rooms	Freq	27	96	72	45	60	300
		%	9	32	24	15	20	100
5	There is enough conference rooms	Freq	51	120	48	57	24	300
		%	17	40	16	19	8	100
6	There is traditional handicraft products like traditional painting, weaving and pottery products	Freq	27	180	24	57	12	300
		%	9	60	8	19	4	100

Source: Own survey (2022)

The data in the above table shows that, most of the hotels have a shortage of recreation centers 40% of the respondents disagree about the availability of sufficient recreation centers in their hotels whereas 35% of the respondents agree that the hotels have sufficient recreation centers hence the data revealed that there is lack of sufficient recreation centers. Recreation centers were one of the important elements of hotels that tourists were entertain themselves and spent their time.

Most of the hotels in Addis Ababa have modern designs the buildings, the interior and exterior designs couldn't show the Ethiopian cultural styles. According to Solmaz &Mahdieh (2014) hotels accommodations and recreational center have basic role in attracting tourists, facilities within the hotels, must been paid more attention by designer. Designing various styles of restaurants, cultural spaces and conference halls were more attractive.

Concerning to the availability of the souvenir shops, most of the respondents 52% disagree about the availability of the souvenir shops in their hotels whereas 19% of the respondents agree that their hotel has souvenir shops which contains the traditional handicraft products like wavering products, pottery, and other traditional painting products. Some star hotels in Addis Ababa have traditional Ethiopian restaurants which is decorated with various artifacts regarding this 39% of the respondents agree that they have traditional restaurants whereas 36% of the respondents disagreed that their hotels haven't a traditional restaurant.

In terms of the availability of conference rooms and quality bedrooms, most of the respondents 40% and 17% respectively replied strongly disagreed and disagreed respectively about the issues while 19 % and 8% of the respondents replied agreed and strongly agreed respectively that hotels have available conference rooms and quality bedrooms to provide for the customers.

The data from the above table also shows that 60% of the respondents agree that their hotel menu incorporated handicraft products like traditional painting, weaving and pottery products. The data obtained from five-star hotel interviews strengthen this idea.

“Hotels can play an important role in promoting the traditional foods and drinks of Ethiopia to the foreign tourists. Ethiopia has very diversified cultures and has a variety of foods and drinks, but sill limited types of foods and drinks were promoted if it is studied, developed, and promoted, we can attract more tourists especially in food tourism the country has great potential .”(Interviewees from five-star hotels, may, 2022).

4.3.6 Respondents View about the Challenges of Tourism Development in Addis Ababa

Table 4.13 the challenges of tourism development in Addis Ababa

No	challenges of hotels for tourism development	Frequency distribution	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
1	Lack of stakeholder participation	Freq	33	30	60	153	24	300
		%	11	10	20	51	8	100
2	Lack of skilled man power in the sector	Freq	30	63	25	170	12	300
		%	10	21	8.33	56.67	4	100
3	Lack of tourism resource	Freq	63	81	72	60	24	300
		%	21	27	24	20	8	100
4	Lack of Government support	Freq	32	40	36	158	34	300
		%	10.67	13.3	12	52.6	11.33	100
5	Policy problem	Freq	33	51	30	150	46	300
		%	11	17	10	50	15.33	100
6	Lack Peace and security	Freq	36	24	36	69	135	300
		%	12	8	12	23	45	100

Source: Own survey (2022)

The data in the above table 4.13 shows majority of the respondents 51% agrees that lack of stakeholder participation is one of the main challenges of tourism development whereas 21% of the respondent does not agree. Similarly 56.67% of the respondents replied that lack of well trained and skilled manpower in the tourism sector is also the main challenges for tourism development while 31% of the respondents were replied disagreed about the issues.

The majority of the respondents 48% replied that they dis-agree that about the lack of tourism resources weren't a problem for tourism development. On the contrary, 44% of the respondents replied agreed that lack of tourism resources is a problem for tourism development while 24% answered neutral about the issues in that order.

As the above data show regarding the government support about the industry, the majority of the respondents 52.6% agree that lack of government support hindered the development of tourism as it is known, tourism needs cooperation with different stakeholders, the role of the government in tourism development is very important without government participation it is difficult to bring tourism development whereas 23.97% disagree that lack of government cannot be a challenge for tourism development.

Regarding policy, most of the respondents 50% agree that policy problem challenges the development of tourism. And concerning to peace and security, most of the respondents 68% agree that the availability of reliable peace and security is very vital for enhancing tourism development. Regarding the challenges of tourism development in the city of Addis Ababa Data also obtained from the interviewees.

“Tourism development needs cooperation with different stakeholders; especially it needs strong government support I believed that the government support is not sufficient since tourism is a vast sector it needs great governments support. Especially the culture and tourism must support regarding promotions of cultures providing trainings for our staff. There are various problems in the hotel industry as it is known there is a problem related to hotel investment the hotel industry needs a large amount of land but the government did not allow sufficient, lands and there is a problem related to gaining finance. In the time of crises the main victims are the hotels, for example, the current (COVID 19) highly affected the hotel industry the government must allow compensation in different ways” (Interviewees from two-star hotels, may 2022).

.I believed that the government give less attention for the private sector, there must be a strong policy that aims to enhance the participation of private sector, most of the government institutions have very complex bureaucracy when one needs to invest on hotel sector or other tourism sectors the requirement by the government is difficult one cannot easily inter in the sector the problem related to land, finance custom office is challenging the government must improve the service by formulating good policies” (interviewees from one-star hotels, may, 2022).

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary, conclusion and recommendation of findings of the research, the study assessed the role of hotel in tourism development in Addis Ababa particularly in star rated hotels. And possible recommendation for concerned body also included in this chapter.

5.2 Summary of the Findings

- The role of the private sector for tourism development is undeniable, as per the data collected; the contribution of hotels for tourism development is enormous and encouraging. Hotels were contributes in job creation, provides trainings to enhance the capacity of hotels provisions of quality service. Regarding promotions and advertisement of the tourist attractions of the city there is limitations most hotels have limited effort to promote the tourism resources of the city they consider that promotion of tourist attractions are extra activities due to this they give little attentions .
- Hotels were the main destination of tourists as if their role in promotion of the cultural natural and historical attractions is high however most of the Ethiopian hotels in promotions of various culture of Ethiopia were limited. Regarding the hotel infrastructure, the findings shows that most of the hotels lack recreation centers because of the shortage of land most hotels were built within small areas and the building was also not showing the Ethiopian building architectural designs. There are many challenges that affect the development of tourism the findings revealed that lack of skill man power, lack of stake holders' participations and limited government support challenges the development of tourism in the city.

5.2 Conclusion

The private sector has important role in playing a vital part in one's country socio- economic growth and development, assessing the role of private star hotels in Addis Ababa is a theme of this paper that has been addressing to investigate its role in tourism development. The objective of the research is to critically examine and evaluate the role of private hotels in the development of tourism in the city.

The researcher collected both qualitative and quantitative data from primary and secondary sources, the researcher used questionnaire, interview, document review and personal observation to make the study more reliable and vibrant.

The study result shows that hotels were an important institution for tourism development in the city of Addis Ababa, Most hotels are a key player in job creation, providing training for the staff, promoting the cultural, natural and historical tourism resources. However, the study revealed that there is some limitation in some hotels related to tourism developments especially in one, two and three-star hotels their effort to extend the stay of tourist is limited, the hotels lacks recreation centers, lack of hotel professionals and is a low budget for promotion of tourism.

The study also revealed that hotels were contributed a lot in minimizing the skill gap of the employees. As hotels are the primary institutions in receiving and serving tourists due to this they have great opportunities for communicates with various tourists having this they can inform the tourists to visit the tourism attractions, buy various tourism products and even inform them to invest in tourism. The study found out that, hotels did not properly indicate the Ethiopian cultures most of the employees wear the foreign style.

5.3 Recommendation

As mentioned in the summary and conclusion above, there are different limitations shows within the hotels which would results negative effect on tourism development, based on the findings, the researchers forwarded the following recommendations to remind the concerned body who would play an important role in tourism development.

5.3.1 Recommendation for Policy

1. Hotels play a great role in tourism development by providing accommodations, conference rooms, providing food and beverage, beauty salon services, providing recreation centers like swimming pools, gyms, and guiding tourists, to provide quality service the hotels need qualified manpower in this regard the study result revealed that there is lack of skilled manpower, in the sector to alleviate the problem the hotel and tourism training institutions must establish a strategy to work with the hotel sectors.
2. The ministry of tourism can support the hotel sector especially in the promotion of tourism attractions. This can be accomplishing through proving capacity building program and conduct supervision about the hotels whether they have providing quality service or not.

As a result of this, the ministry of tourism can provide feedback that hotel able to improve quality service for the tourists to extent their stay in visiting different tourist sites.

3. The study result revealed that there is limited private sector participation in tourism development; the concerned policymaker can prepare a policy that encourages the participation of the private sector in tourism development.
4. The study shows that one of the problems in the development of tourism is limited support from the government for private sectors, especially concerning to hotel investment, the hotel investment needs huge capital and appropriate land, the city government can provide appropriate land for hotel investor.
5. The study also revealed that most hotels did not used the Ethiopian buildings styles and the cultures, regarding this, the concerned government body can prepare a platform with the hotel sector
6. The culture and tourism Bureau can encourage the hotels to open tourist information centers and provide them training and different promotional material.

5.3.2 Recommendations for Private sectors

1. As Addis Ababa is the one of the fastest-growing city and home of many international organizations, it has potential for four tourism growth like conference tourism, sports tourism, cultural, religious tourism, regarding this the city needs various service providing institutions among this hotel sectors were the main service providing institutions, hence this study result revealed that there is lack of recreation centers the hotel investor can consider to build recreation centers.
2. The private sectors can participate in tourism development activities especially marketing and promotion of the tourism attractions sites of the city.
3. There can a need of rule that helps to control the bad habit of the tourist when they come to Ethiopia; the hotels were more vulnerable for such problems.

5.3.3. Recommendation for further Study

Since this study is conducted based on some specific objectives, and scope limitation it has not to address all aspects concerning the role of hotels for enhancing tourism development in the city of Addis Ababa. The hotels' sectors need in-depth study; the following were some of the areas need to be studied

- I. The impact hotels growth on the tourism resources
- II. Sustainable hotel practices in Addis Ababa and its effect on consumer behavior
- V. The socio-economic contribution of star-rated hotels in Addis Ababa

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Addis Ababa University

School of Commerce

Marketing Management Program Unit

Post graduate program

Questionnaires to collect data on Hotels

Dear Sir/Madam,

I am a postgraduate student undertaking a research on **Role of Private Sector in Enhancing Tourism Development: The Case of Selected Star Hotels in Addis Ababa City Administration** as part of my requirements for completing a Master's Degree in marketing management in Addis Ababa University. I, therefore, humbly request that you assist me by filling in the questionnaires correctly and honestly as possible. Be assured that your identity and responses will be treated with utmost confidentiality, for this reason does not write your name on the questionnaire. The information provided will be treated with strict confidentiality and will be used for the purpose of this study only. Data that may be reported in scientific journals will not include any personal information that could identify you as a participant.

Thank you for willingness and valuable time in filing this questionnaire

Kindly return the completed questionnaire

Yours sincerely

Mignot

Email address:

Cell phone: 0911505402

N.B:

1. You don't need to write your name.
2. The student researcher has scheduled to get the filled questionnaire back within 3 days.
3. All information given would be treated with at most confidentiality.
4. Please Put in Side the Box.

Section I: Demographic information of Respondents

1. Sex: Male Female
2. Age: 18-25 26-35 36-45 46-50 above 50
3. Educational status: Certificate College diploma Bachelor Degree MA/MSc
others.....
4. Your work experience in this organization
Less than a year 1-2 years 2-4 years 4-6 years 6-8 years More than
years
5. Position: receptionist store keeper Waiter Financial manager
Hotel manager ker cle oth -----
6. Hotel Name----- hotel category-----

Part Two: questions related to the contribution hotel industry to tourism development

To what extent do you agree or disagree with the following statements about **the contribution hotel industry to tourism development**? Please indicate your exact feeling by [√] in the box based on the scale below.

Note: 5: Strong Agree, 4=Agree, 3=Not Sure, 2=Disagree, 1=Strongly Disagree

7. Year of hotel establishment: Less than 5 years 6-10 Years 11-15 years
 Above 15 years

8. The length of stay of tourists in the hotel; 1-2 days 3-5 days above 5 days

9. To what extent do you agree or disagree the type of activities made by the hotels to extent the stay of tourist?

Note: 5: Strong Agree, 4=Agree, 3=Not Sure, 2=Disagree, 1=Strongly Disagree

No	Type of activities made by the hotels to extend the stay of tourists	1	2	3	4	5
9.1	diversifying service and products					
9.2	Prepare and promote special packages					
9.3	Offer discounts on products					

If you have additional information, please add here

.....

10. Does your hotel have tourist information center: Yes No

11. Do your hotel promote tourism resources of the city? Yes No

12. The Money that hotels spend on promoting tourism resources

Less than 1000 birr 1001-5000 birr 5001-10000 birr Above 10,000 birr

13. How much hours the hotels offer for tourism promotion? 1-5 hours per week

6-10 hours per week above 10 years

14. Is there capacity building training provided for employees? Yes No

15. The level of contribution of hotels in receiving foreign currency

Very high High Low Very Low

Part III: Questions related to Promotion and advertisement of tourism resource

16. To what extent do you agree or disagree the type of activities made by the hotel to promote and advertisement of tourism resource?

Note: 5= Strong Agree, 4=Agree, 3=Not Sure, 2=Disagree, 1=Strongly Disagree

No	Type of activity	1	2	3	4	5
16.1	Use of social media					
16.2	Use of website					
16.3	Use of brochures, post cards and fliers					
16.4	Using TV					

If you have additional promotional as well as advertising techniques, please add here.....

.....

Part IV: Questions related Human resource in the hotel

17. To what extent do you agree or disagree the human resources found in your hotel?

Note: 5: Strong Agree, 4=Agree, 3=Not Sure, 2=Disagree, 1=Strongly Disagree

No	Type of activity	1	2	3	4	5
17.1	Availability of sufficient man power					
17.2	There is sufficient man power that is well informed about the tourism resources of the city					
17.3	There are sufficient staff members who speaks more than one international Language					

Par V: Response for the Question Related to Hotel Infrastructure

18. To what extent do you agree or disagree about the type service relate to hotel infrastructure?

Note: 5: Strong Agree, 4=Agree, 3=Not Sure, 2=Disagree, 1=Strongly Disagree

No	Type of activity	1	2	3	4	5
18.1	There is sufficient recreation center					
18.2	There is enough souvenir shop in the hotel					
18.3	There is enough Traditional restaurant in your hotel that promotes the culture of Ethiopia					
18.4	There is enough bed rooms					
18.5	There is enough conference rooms					
18.6	There is traditional handicraft products like traditional painting, weaving and pottery products					

Part VI: questions related to the challenges of tourism development in Addis Ababa.

19. To what extent do you agree or disagree about the challenges of tourism development in Addis Ababa?

Note: 5: Strong Agree, 4=Agree, 3=Not Sure, 2=Disagree, 1=Strongly Disagree

No	Type of activity	1	2	3	4	5
19.1	Lack of stakeholder participation					
19.2	Lack of skilled man power in the sector					
19.3	Lack of tourism resource					
19.4	Lack of Government support					
19.5	Policy problem					
19.6	Lack Peace and security					

If you have additional information about the challenges of tourism development, please indicate here

.....

.....

.....

Thank you for your cooperation!!

Interview Guiding Question for Hotel managers and Owners

1. Your position-----
2. Your experience-----
3. Your educational background-----
4. Your experience-----
5. Category of your hotel----
6. In your opinion, how hotel industry contributed for tourism development in Addis?
7. Is there trained man power recruited in your hotel?
8. Have you provide quality training for the staffs?
9. What promotional techniques applied in your hotel? Please explain in detail
10. What are the main challenges hindered tourism development in the city Administration
11. In your opinion, what measures are taken into consideration to mitigate the challenges hinder in the hospitality industry?

Thank you for your cooperation!!