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Assessment of the Marketing Strategy for Tourism Destinations in Addis Ababa

*Thesis Submitted to Addis Ababa University, School of Commerce in
Partial Fulfillment of the Requirements for the Degree of Master in
Marketing Management*

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DECLARATION

I hereby declare that this research entitled "Assessment of the marketing strategy for tourism destinations in Addis Ababa" is my original work, prepared under the guidance of Getie Andualem (PHD). All sources of materials used for this research have been duly acknowledged, the researcher further confirm that the research has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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STATEMENT OF CERTIFICATE

This is to certify that Azeb Haddis has carried out her research work entitled “Assessment of the marketing strategy for tourism destinations in Addis Ababa” in partial fulfillment of the requirement for the Award of Master Degree in Marketing Management at Addis Ababa University School of Commerce.

Getie Andualem (PHD)

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Table of Contents

List of Abbreviations.....	i
Acknowledgment.....	ii
List of tables.....	iii
Abstract.....	iv
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of The Study	1
1.2. An overview of Ethiopian Tourism Industry	2
1.3. Statement of the Problem	3
1.4. Research Questions	5
1.5. Objectives of the study	5
1.6. Significance of the study	5
1.7. Scope of the study	6
1.8. Organization of the study	6
CHAPTER TWO	7
REVIEW OF RELATED LITRATURE	7
2.1. Definition and Overview of Tourism Industry	7
2.1.1. Nature of tourism marketing	8
2.1.2. Role of marketing in tourism	9
2.3. Theory of Business Strategies	12
2.4. Role of Marketing in Tourism Supporting Empirical Literature	13
2.4.1. Empirical Evidences With Regard To Africa	15
2.5. Elements of marketing strategies	16
2.5.1. Market Segmentation, targeting and positioning in Tourism (STP)	16
2.5.1.1. Market segmentation	16
2.5.1.2. Target Market Selection	18
2.5.1.3. Positioning	19
2.5.2. Tourism Marketing Mixes	19
2.6. Conceptual Framework	25
CHAPTER THREE	26
METHODOLOGY OF THE RESEARCH	26

3.1. Research Design	26
3.2. Research Methods.....	26
3.3. Data type and Source.....	26
3.4. Population, Sampling Techniques and Size	27
3.4.1. Population of the study	27
3.4.2. Sampling Techniques.....	27
3.4.3. Sampling Size	27
3.5. Methods of Data Collection and Instruments.....	28
3.6. Methods of data processing and Analysis	29
3.7. Validity and Reliability.....	29
3.7.1. Validity.....	29
3.7.2. Reliability.....	29
CHAPTER FOUR.....	31
RESULTS AND DISCUSSION	31
4.1. Demographic Profile of Respondents.....	31
4.1.1 Demographic profile of the surveyed employees.....	31
4.1.1 Demographic Profile of the Surveyed Tourists	32
4.3. Tourist Assessment of Marketing mix elements of the city.....	36
4.3.1. Product.....	37
4.3.2. Promotion and Pricing.....	37
4.3.3. Place and process	38
4.3.4. People and Physical Evidence	40
4.4. Strengths and Weaknesses of Addis Ababa Tourism Sites	41
4.5. Source of information for tourist.....	43
CHAPTER FIVE	48
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	48
5.1. Summary of findings.....	48
5.2. Conclusions.....	49
5.3. Recommendations	51
References.....	52
Appendix 1 Data Gathering Instrument.....	i
Appendix 2 Interview Questions.....	x

List of Abbreviations

AACTB Addis Ababa Culture and Tourism Bureau

GMP General Management Plan

NBSAP National Biodiversity Strategy and Action Plan

STP Segmentation, Positioning and Targeting

UNWTO United Nations World Tourism Organization

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List of tables

Table 3.1 Reliability Analysis of Variables.....	30
Table 4.1 Demographic characteristics of employees	32
Table 4.2. Demographic characteristics of tourists.....	33
Table 4.3. Market segments and base of market segment	35
Table 4.4. Product.....	37
Table 4.5. Promotion and pricing.....	38
Table 4.6. Place and process.....	39
Table 4.7. People and physical evidence.....	40
Table 4.8. Strengths and weaknesses of Addis Ababa tourism sites.....	42
Table 4.9. Source of information for tourists.....	44

Abstract

Even though Ethiopia has an abundance of attractions of numerous types ranging from wildlife, landscape culture, scenery, history and archeology sites that set it apart from its neighbors, it has one of the least developed tourism industry in the region. Marketing in the tourism industry is associated to making the potential customers sensitive to the product and service available in the tourism area and persuade them and propose them that they satisfied and benefited if they become real customers. This thesis was envisaged with the objective assessing the marketing strategy for tourism destinations in Addis Ababa. More specifically, it tried to examine how the city segment, target, and position its market, investigate the city's marketing mixes elements that devised for marketing strategies, and identify problems to evaluate the tourism marketing strategy of the AACTB. The research design used for this study was descriptive research design. Both qualitative and quantitative research methods were used. Both primary and secondary data types were used for the study from their respective sources. Primary data were gathered from visitors (foreign and domestic) who have visited city, employees of Addis Ababa Culture and Tourism Bureau (AACTB) workers. Business and educational are the market segments in these tourism destinations in Addis Ababa. Religion is also used as Addis Ababa's tourism market segmentation. The study also found that even though tourism activities are largely boosted by the promotional activities that are made in order to attract and sustain large tourist flow, the study has found that the promotional activities lacks coverage and consistency. Based on the result of this study, the major strengths of tourism sites in Addis Ababa are; friendliness of the people in the area, the culture variety of the city, safety and security, the presence of festivals and events, and value for money. Lack of customer awareness, absence of standard of accommodation, and absence of quality of services were found to be the major weaknesses of Addis Ababa tourism sites.

Keywords: *AACTB, marketing strategy, marketing mixes elements*

CHAPTER ONE INTRODUCTION

1.1. Background of The Study

Tourism is one of the largest and rapidly growing industries in the world. In the early years of the twentieth century, tourism has continued to expand. Due to technological developments, especially in air travel, increases in personal wealth, and availability of greater amounts of free time such as holidays with pay, the total worldwide international tourist arrivals becomes to over 25 million in 1950. By the start of the new millennium, the figure had risen to more than 687 million tourists and after that international tourism has continued its growth (Sharpley, 2009,p29).

The continuing growth of tourism in the past century clearly indicated that the greatest contribution of the sector in its economic, environmental, social and cultural dimensions. Globally, as an export category, tourism ranks fourth after fuels, chemicals and automotive products. The contribution of tourism to economic activity worldwide is estimated 5%. Its contribution to employment tends to be relatively higher and is estimated in the order of 6-7% of the overall number of jobs worldwide (UNWTO, 2010.p34).

Apart from a vehicle for economic development, tourism is also increasingly becoming an important sector for simultaneously initiating cultural and environmental conservation in many countries. According to Anstrand (2006.p78), tourism can increase the preservation and transmission of cultural and historical attractions that often contributes to the conservation and sustainable management of natural resources, the protection of local heritage, and a revival of indigenous cultures, cultural arts and crafts.

Marketing is the process by which companies creating and providing value for customers and make strong customer relationships so as to capture value from customers in return (Kotler 2012.p241). Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for break, business and other basis (UNWTO 2010.p34). Tourism Marketing:- the essence of tourism marketing as a managerial process by which enterprises (organizations) in the tourism industry identify actual and potential dimensions of tourism demand, communicate with demand carriers to know, assess the tourism needs and stimulate their desires, motivations and preferences for designing and

adjusting the tourism offer (goods and services) for the best fulfillment of their requirements and exigencies while maximizing organizational objectives (Kulcsar, 2011.p23).

1.2.An overview of Ethiopian Tourism Industry

Ethiopia has an abundance of attractions of numerous types ranging from wildlife, landscape culture, scenery, history and archeology sites that set it apart from its neighbors. Tourism sector in Ethiopia was actually a pioneer on the continent and a strong competitor to a current powerhouse on the continent Kenya. Ethiopia has as various attractions and a superior variety than its southern neighbor to share with tourists. However it just has not been able to capitalize on its resources like Kenya has (Melaku, 2010p.39). The challenge is that however countries which are rich in historic, cultural and natural attraction resource give more attention to this industry, because of the lack of marketing; the function of this industry in the developing countries is paler than before (Iamso, et al. 2013). Accordingly accepting and appreciating the type of destination enables marketers to design suitable destination marketing strategies and deliver them to the right target markets (Buhalis, 2000.p22).

Eco- tourism is an optional form of tourism and has become the fastest growing sectors of the tourism industry, recently getting high attention by the world people. For eco-tourism, Mountains are vital assets for the eco-tourism development. Among Ethiopian natural attraction four important national parks, a source of the world's longest river, listed on UNESCO World Heritage Sites (Krishnaiah and Eyobe, 2013.p234). Ethiopia is one of suitable place for tourism attraction in that it needs to be competitive in attracting tourist in order to be competitive tourism destination and need to have appropriate marketing strategy in how to market its tourism potentials (Asmamaw and Verma, 2013.p.32). So as to stay in the tourism marketing competition, organizations in both public and private sectors should identify their customers and be responsive to their demands. They should also be capable of making their potential customers aware of their products and services, encourage them and suggest them that they get benefit if they become real customers, namely to travel to the someplace and desired destination that has been organized with the function to travel. Marketing in the tourism industry is associated to identifying customers need and wants and creating the value (product/price) as per their need, communicating this value (promotion) to them, and delivering the value (channels) to satisfy

their wants (Ndahimana, 2013.p54). Thus marketing strategy is among the factors to consider so as marketing tourism potential in tourism destination.

This research is so conducted with the purpose of asses marketing strategy for tourism destination in Addis Ababa. The study also examined how the city segmenting targeting, and positioning its market, identify the city's marketing mixes elements that devised for marketing strategies, and to identify problems encountering the marketing strategy implementation of the city.

1.3.Statement of the Problem

Although Ethiopia has many attractions and a greater variety than its southern neighbors to attract tourists, it has not been able to utilize its potential resources (Melaku, 2010.p33). Despite its relatively slow growth, tourism sector is growing fast and stands as the third foreign exchange earner, following coffee and oilseeds (Mann, 2006.p42). However, the challenge is to formulate and implementing of comprehensive tourism development policy effectively, which specifically connects the tourism benefits into the local community. Then, it is obvious that for tourism to become an effective poverty alleviation tool, there needs to be a paradigm shift in the policies, plans and practices that are used in order to ensure the poor profit from the tourism development process (Jamieson et al.,2004.p233).

Tourism is a very competitive industry; the traveler has a wide range of options and gives attention for those which are good value for money. Inadequate quality infrastructure, uncompetitive rates, indifferent or product with poor quality, complexity in getting access to information on travel and tourist destinations, unskilled service providers have really negative effect on the competitiveness of the tourism product (Kotler et al., 2010.p44).

In today's era marketing efforts are extremely more important than production and sales, the function of marketing is vital in service industry such as tourism industry, accordingly if a country has an adequate amount of facilities and possess potential of tourism but does not think about the marketing techniques and the introduction of this desirability in its programs, doubtlessly that country won't be doing well in growing and developing its tourism industry similarly due to the lack of marketing, the position of this industry in the developing countries is paler than before (lamso, et al.2013.p32). However marketing's contribution to travel and tourism has been undervalued by both policy makers and practitioners, leading to a

misunderstanding of the nature and value of the marketing discipline for the travel and tourism industry (Riege and Perry, 2004.p271).

In Ethiopian context, there are many positive opportunities that exist for tourism development besides its having many World Heritage Sites. The majority of current tourism to Ethiopia is primarily cultural and historical, as recognized within the National Biodiversity Strategy and Action Plan (NBSAP) (2004), environmental and wildlife tourism has enormous potential to contribute to ongoing tourism growth for Ethiopia. A major challenge is to recognize this tourism potential whilst structuring and managing tourism development to best benefit Ethiopia and its people for the long-term. Other challenges to overcome are the preservation of important sites, the lack of community-participation and benefit-sharing, infrastructure deficiencies, the lack of tourism facilities (hotels, lodges, etc), skilled human resources and management capacity, a negative image of the country and the lack of a marketing strategy (NBSAP, 2004.p42).

As it is reviewed in the above paragraphs, even though the country has enormous tourism potential, the gain from this industry has been underutilized. Based on the personal observation of the researcher, Ethiopian tourism industry is challenged by many factors such as ineffective development and implementation of tourism marketing strategies. Ethiopia's tourism potential is largely untapped and should be of enormous interest to foreign and local visitors interested in historic, cultural, or eco-tourism expeditions. Ethiopia has a diversity of wildlife (with many unique, indigenous plant, bird, and mammal species), exotic landscapes, prehistoric sites, and architectural ruins of historical and religious significance. Currently, tourism and travel contributes only 1.2% to the Gross Domestic Product (GDP) and is planned to reach 9.0% of Ethiopia's GDP by 2024. Many tourist sites in Ethiopia are completely undeveloped and lack the major facilities such as toilets, shops, drinks and resting areas. The relative lack of infrastructure (hotels, restaurants and tour facilities) is a primary inhibiting factor for the development of the tourism sector (UNESCO, 2016.p16). Together with other factors, ineffective marketing strategy is presumed to have a significant impact for this underutilization of the sector. Thus, this study will try to fill this gap through studying the marketing strategies used in tourist destinations in Addis Ababa. As far as the knowledge of the research concerned, no research has been done on assessment of marketing strategies used in tourism destinations in Addis Ababa. Due to the above stated tourism marketing challenges observed in the city, this study will assesses

marketing strategies applied or used to promote tourism in tourism destination particularly in Addis Ababa.

1.4. Research Questions

Based on the above stated problem statement, the following research questions were addressed.

- How does the AACTB segment, target and position its market to achieve its stated goals?
- What are the marketing mixes elements devised for marketing strategy?
- What are the problems encountered in implementing tourism marketing strategies?

1.5. Objectives of the study

The main purpose of this study is to assess marketing strategy for tourism destinations in Addis Ababa.

More specifically the study will focus on the following specific objectives;

- To examine how the AACTB segment, target, and position its market.
- To investigate the marketing mixes elements that devised for marketing strategies.
- To identify problems encountering the marketing strategy implementation of the city.

1.6. Significance of the study

Effective utilization of tourism opportunity in one country benefits the country as a whole and tourism destination, local community and tourism service providers in particular. Among the way of effectively utilizing tourism opportunity crafting or designing suitable marketing strategy play a key role in attracting tourism and promoting tourism product. As a result the finding of this study will have the following significance to government, tourism service providers, and local people and academic literature in a variety of ways.

- ❖ For the city's tourism the study will reveal the major problems of marketing strategies in the destination.
- ❖ It will help the destination to design sound and promising marketing strategies to utilize the available resources to attract many tourists and compete well in providing convincing information to the target market.
- ❖ It will help the destination to design marketing supporting activities to implement marketing strategies.

- ❖ For the local people, the results of this study will help them to know the associated benefits of tourism for them and the role to play in return.
- ❖ Additionally, the study would be contributed to academic understanding by clarifying tourism marketing strategies for tourism destination. By doing so, the study would also be contributed in addressing the shortage of empirical researches in this study area by illuminating tourism marketing strategies for tourism destination. Therefore it will help the other researchers as source of reference for study conducted on related areas.

1.7.Scope of the study

So as to make the study being manageable it is necessary to define the delimitation of the study. The study was delimited geographically, conceptually, and methodologically. Thus, geographically, the study was delimited to Addis Ababa city administration because of time and resource constraints it doesn't include all tourism destinations in the country. Conceptually, however, strategy is viewed from various angles beside those this study focus only on marketing strategies such as STP, marketing mixes elements and satisfaction. As a result the assessment of marketing strategies in this study was limited to these aspects of strategies.

Methodologically, the study is delimited to the descriptive research type and it describes appropriate marketing strategies to promote tourism attraction available in the area. In this context, the study deals with those tourists from foreign and domestic tourists and Employees of the organization.

1.8.Organization of the study

This thesis is organized in to five chapters which are sub-divided into small sections. The first chapter deals with an overall introduction and provides an overview of the entire study. The second chapter presents the theoretical backgrounds and empirical literatures related to the study and elements of marketing strategy that considered in this study. The third chapter presents the study design and s used in the study. This chapter encompasses discussion on type and source of data, sampling design, data collection instruments and procedure and data analysis s. The fourth chapter gives brief summary of the data and analysis i.e., it deals with the descriptive analysis. Finally, the last chapter (fifth chapter) attempts to compare the result of this study with the previous research results, and concludes the result and forward relevant recommendations based on the findings.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Definition and Overview of Tourism Industry

There is no consensus concerning the definition of tourism. Nearly every each institution defines "Tourism" differently. But when it comes to explain it with the basic terms, we can sum it up as follows.

Feuler in 1905 define tourism as;

"Tourism is a collection of activities, services and industries which deliver a travel experience comprising transportation, accommodation, eating and drinking establishments, retail shops, entertainment businesses and the hospitality services provided for individuals or groups traveling away from home "(Feuler, 1995.p332)

Mathieson and Wall (1982) created a good working definition of tourism as the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs. According to Macintosh and Goeldner (1986.p55) tourism is as the sum of the phenomena and relationships arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors.

UNWTO (2010.p21) on the other hand, defines the term tourism as;

"Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes."

According to UNWTO (2010.p21), certain criteria's should be met for a travel to be considered tourism. Three criteria are used simultaneously in order to characterize a trip as belonging to tourism. The displacement must be such that;

- It involves a displacement outside the usual environment: this term is of utmost importance and will be discussed later on;
- Type of purpose: the travel must occur for any purpose different from being remunerated from within the place visited: the previous limits, where tourism was restricted to recreation and visiting family and friends are now expanded to include a vast array of purposes;
- Duration: only a maximal duration is mentioned, not a minimal. Tourism displacement can be with or without an overnight stay. We shall discuss the particularity of in transit visits, from a conceptual and statistical point of view.

Tourism industry is considered as one of the major and mainly diverse industries in the world. Beside the machinery and oil industry, this industry as a modern service industry and the means to build connectivity among nations and a variety of peoples in the world have been considered as the significant sectors. Nevertheless countries which are rich in historic, cultural and natural attraction resource give more attention to this industry, because of the lack of marketing; the function of this industry in the developing countries is paler than before (Iamso, et al. 2013.p72). Ecotourism is usually considered to be not only nature-based tourism, but also responsible travel to natural areas that conserves the environment and improves the safety of local people. The principle of ecotourism includes minimizing environmental impact, constructing an environmental and cultural responsiveness and admiration, providing constructive experiences for both visitors and hosts, providing direct benefits for protection, provided that financial benefits and empowerment for local people, and raising sensitivity of countries political, environmental, and social weather of to host countries (Utarasakul et al, 2008.p44) The nature of tourism in BMNP is eco-tourism in nature and many stock holders are involved in providing recreational service and promoting eco-tourism in the district. Ecotourism is attractive subdivision of tourism where countries should exert much weight to earn more foreign currencies and create a center of attention for many eco tourists with much concern on caring the environment and improving the well-being of the local people (Ndahimana 2013.p33).

2.1.1. Nature of tourism marketing

Marketing in the tourism industry is associated to making the potential customers sensitive to the product and service available in the tourism area and persuade them and propose them that they satisfied and benefited if they become real customers. In the Countries that would like to be benefit from the actions of tourism, national tourism organizations are accountable for this work.

Whereas in the society that ought to try to win to attract the coming travelers, in the process of marketing, tourism organizations in their marketing development pay special attention to the particular cultural groups, and they give emphasis to the attractiveness of the products they offer(Lamso, et al. 2013.p72). Tourism marketing is the systemic and coordinated efforts to optimize the satisfaction of tourism. The things that are closely related to the tourism are the main concern to make available to the tourist organizations. The tourism marketing is also supposed to be a device to make a possible reorientation in the business policy and overhaul in the management concept. Tourism marketing is an integrated effort to satisfy tourists by making the best possible services available to them. It is a device to transform the potential tourists into actual tourists. It is the safest way to generate demand and expand market. Further it is an effort to make possible harmony between the social interests and interests of tourist organizations. It is an method to promote business, which feeds the organizations the necessary information for farming or revamping the marketing decisions. The tourisms marketing is thus promotion or sales based on research on what are to be sold in the market (Musa, 2013.p35).

2.1.2. Role of marketing in tourism

Marketing concept is the base of market oriented business. In competitive economy customers may select from whom and how to buy, while services program is persistently evolving in line with their demands. So as to be successful, the tourist enterprise must always offer better value, better than competitors, when it comes to quality, price and services. Marketing mixture of management activities should find the best way to fulfill customer's needs and follow new organizational changes. New organizational changes indicate new internal and external dimensions of marketing. Internal are connected to teamwork and creation of data basis concerning customers and business allies, and external with developing business relations, not simply with the customers, but also with the suppliers and distributors (Ilieska, 2002.p81).

A concentrate on small site tourism though this is not able to deal with the reality of international mass tourism, it is unable to generate adequate income and job numbers needed for economic and social development. De-marketing messages in case when marketing promotion techniques have been advocated for focusing on the need to preserve sites they have been used to promote drawback and "stay away" messages to tourists however these contradict the wider promotional marketing activity (Quan, 2000.p166). Therefore tourism marketing both in developed and

developing country is important for the growth of tourism sectors and it contributes to the economic development of a country.

2.2. Marketing Strategy Models

Various models and have been developed empirically to analyze the impact of marketing strategies on corporate performance. Some of these empirical studies are reviewed below:

2.2.1. The Resource Based View (RBV)

This model recognizes the importance of a firm's internal organizational resources as determinants of the firm's strategy and performance (Grant 1991; Wernerfelt 1984.). Grant (1991) defines the term internal organizational resources as all assets, capabilities, organizational processes, firm attributes, information, knowledge, that are controlled by a firm and that enable it to envision and implement strategies to improve its efficiency and effectiveness. Although the RBV recognizes that a firm's physical resources are important determinants of performance, it places primary emphasis on the intangible skills and organizational resources of the firm (Collis, 1991). Some intangibles resources of the firm are the market-assets such as customer satisfaction and brand equity.

2.2.2. The Dynamic Capabilities Model

The Dynamic Capabilities view strengthens the RBV, it emphasis on how combinations of resources and competences (Teece et al., 1997) can be developed, deployed and protected. The factors that determine the essence of a firm's dynamic capabilities are the organizational processes where capabilities are embedded, the positions the firms have gained (e.g. assets endowment) and the evolutionary paths adopted and inherited. Based on this perspective, the marketing factors that determine the competitive advantage are marketing efficiency resulting from the marketing organizational process and the endowments of market assets that has generated such as customer satisfaction and brand equity, i.e. marketing positions.

In the context of global competition, RBV and Dynamic capabilities theory suggest that historical evolution of a firm (accumulation of different physical assets and acquisition of different intangible organizational assets through tacit learning) constrains its strategic choice and so will affect market outcomes (Collis, 1991). According to Douglas and Craig (1989), the development of a Marketing Strategy is carried out during the stage of global rationalization. It means that the firm has had to take the step of initial foreign market entry and expansion of

national markets during its process of internationalization. Consequently, in the two previous stages, the firm learned and accumulated not only different physical assets but also different intangible organizational assets; likewise, it faced and took risks in different and complex market contexts. This process of learning affected its performance.

2.2.3. Marketing Impact Model

The need for measuring marketing impact is intensified as firms feel increasing pressure to justify their marketing expenditures (Gruca and Rego 2005; Rust et al., 2004; Srivastava et al., 2001). Accordingly, marketing practitioners and scholars are under increased pressure to be more accountable for showing how marketing activities link to shareholder value. It is important to know that marketing actions, such as packaging, brand name, density of the distribution channel, advertising, permanent exhibitions, sponsoring, press bulletins, among others (Van Waterschoot and Van den Bulte, 1992) can help build long-term assets or positions as brand equity and customer satisfaction (Srivastava et al., 1998). These assets can be leveraged to deliver short-term profitability and shareholder value.

2.2.4. Marketing Efficiency Model/ Data Envelopment Analysis (DEA)

The other way by which research in Marketing has faced Marketing performance is related to efficiency. Charnes, Cooper and Rhodes (1978) define the efficiency as the comparison among firms of the ratio of outcomes over the inputs required to achieve them. On the other hand, Sheth et al. (2002) define marketing efficiency as the ratio of marketing output over input. Sheth and Sisodia (1995) in referring to their definition of marketing productivity, include two of the dimensions, efficiency as well as effectiveness, i.e. getting loyal customers at low marketing costs. On the other hand, Rust et al. (2004) use the term marketing productivity to refer to how marketing activities are linked to short-term and long-term profits. In reference to literature review, Charnes et al. (1985) first suggested applying DEA to gain insights into efficiency of marketing efforts. Since then, there have been some marketing studies that used the DEA as a methodology. Kamakura et al. (2002) used DEA to measure welfare loss and market efficiency. Mahajan (1999) studied a DEA model for assessing the relative efficiency of sales units that simultaneously incorporates multiple sales outcomes, controllable and uncontrollable resources, and environmental factors.

2.3. Theory of Business Strategies

When talking about types of strategies, it is almost impossible not mentioning Porter's and Ansoff's method. Porter (1996.p121) determines three major types of generic business strategies: cost leadership, differentiation and focus. The focus strategy on the other hand can be differentiation focus and cost focus.

Competitive scope		Competitive advantage	
		Lower Cost	Differentiation
Broad target	Cost leadership	Differentiation	
Narrow target	Cost focus	Differentiation	Focus

Figure 2.1. Porter's strategy

The main idea behind the cost leadership strategy is the ability of companies to produce with lower costs compared to their competitors. The basis on which companies can manage to produce with lower costs can vary depending on the industry and the capabilities of the company itself. From this point of view the usage of economies of scale, access to raw material at a lower cost, technology are some of the factors that can enable the company to implement the cost focus strategy. According to the differentiation strategy, the company tries to differentiate itself from its competitors. The many basis of differentiation include but are not limited to the characteristics of the product itself, the capacities of the company to market the product, the capacities of the company to distribute the product to its customers. The main idea behind the focus strategy is the company narrowing its competitive scope. In other words the company should determine specific market niches in which it is going to compete and be better than other companies within that market niche. From this point of view cost focus and differentiation focus would be the two main methods for the company. Each generic strategy is fundamentally different method to creating and sustaining a competitive advantage, combining the type of competitive advantage a firm seeks and the scope of its strategic target. Usually a firm must make a choice among them, or it will become stuck in the middle. The benefits of optimizing a

firm's strategy for a particular target segment (focus) cannot be gained if a firm is simultaneously serving a broad range of segments (cost leadership or differentiation). Sometimes a firm may be able to create two largely separate business units with the same corporate entity, each with a different generic strategy (Porter, 1996.p241).

With regard to how porters apply in tourism and travel, Evans et al, (2003.p73), determine possibilities for the implementation of Porter's generic strategies in travel and tourism.

Cost leadership; achieving economies of scale by high volume sales possibly based on advertising and promotion, letting high fixed costs of investment in contemporary technology to be spread over a high volume of output. Obtaining "experience curve" economies this can be achieved when the operator of an established theme park may be able to operate the park with lower costs than a new entrant since they might have experience of staff scheduling, minimizing power costs, purchasing new rides and waste disposal (Evans et at, 2003.p33).

Differentiation; This strategy can be functional in tourism destination by building a strong brand name through design, innovation, and advertising distinctive or superior product of tourism destination. The exceptional feature of tourism destination serves as means of differentiation and used to position tourism destination. This can be achieved through distinctive or superior product promotion. Kotler et at, (2010) propose that the positioning of product involves three steps which includes (1) identifying a set of possible competitive advantages on which to build a position; (2) selecting the right competitive advantages; and (3) effectively communicating and delivering the chosen position to a carefully selected target market.

Focus; in tourism focus strategy is applied when tourism organization is specializing in particular geographic destinations and resort destinations targeting particular market segments and creating the benefits sought for a particular group of buyers (Evans et at, 2003.p34).Therefore from the above theory one can understand that porter's business strategy theory can equally applied in tourism industry like any other production and service industry.

2.4. Role of Marketing in Tourism Supporting Empirical Literature

Marketing activities are very important in scanning environment and in market researches, in order to create quality information basis for selection of prosperous tourism activities and programs (Ilieska, 2002.p45). The author also states that contemporary market is characterized

by very sensitive diversification and the complexity of the relationship in the sphere of the offer and other. That is why the promoted activities become more essential. This necessity is much emphasized in the tourist market. More over lamson et al, (2013.p84) in their study on “The Role of Marketing on Tourism Industry” conducted in case of Iran, state that due to lack of attention to marketing and adopting new marketing strategies to attract and encourage tourists, Iran has failed to create high added value.

Riege and Perry (2004.p55) conduct study on National marketing strategies in international travel and tourism, with particular reference to the marketing of Australia and New Zealand to target markets in Germany and the United Kingdom. They found that most organizations focused on a selective marketing method aimed at covering a few target segments in markets. This method helped organizations to aim at specific characteristics of diverse target segments and intermediaries and to inform them about the destinations' variety of products/service types. Their finding also support the idea of market segmentation importance in tourism industries in that the finding indicate a mass marketing or extensive marketing method was rarely perceived as appropriate. Only a few organization noted the use of a mass marketing (covering all segments) or extensive marketing method (covering all or most segments) to try to reach numerous potential customers which show the same characteristics. Nevertheless, no organization indicated the use of a single marketing method (covering one particular segment only). Tourism organization preferred to market to a few specific segments because of their limited financial resources and because it was found difficult to position a destination to appeal to all market segments. The empirical results on national marketing strategies in Australia indicate importance of market segmentation in tourism industries.

Chandra and Menezes (2001.p44) argued that destinations need to be positioned on attributes that are firstly meaningful to tourists, secondly are the destination’s strength, and lastly can be fulfilled by tourism operators so as to promote place as tourism destination.

All empirical evidence in one way or another pointed the importance of strategic marketing like segmentation, targeting and positioning for tourism industries.

With regard to marketing mixes empirical evidence indicated that tourism destination needs to give priority to use effective marketing mix in order to attract a significant number of foreign and domestic tourists to visit the destination. Deb, et al, (2013.p121) found that without effective and

sufficient marketing mix in public and private sector of the industry, there is no possibility or little possibility to emerge tourism as a major contributor to the national economy. They opined that operating firms need to give proper attention in developing the controllable marketing elements and careful attention is required to incorporate the factors affecting the choice of potential tourists. Kulcsar (2011,p33) who conducted study on “Considerations On Tourist Marketing Theory And Practice In Romania” also argued that tourist destinations and tourist entities operating in the tourism market should pay special attention to tourism marketing mix elements (product, price, distribution, promotion, people, physical evidence, processes). And this specific element of the marketing mix has a key role in creating the image of tourist destinations. The deep and continuous analysis of the tourism marketing mix – both of the basics and of the specific elements - as a tool for tourism marketing theory operationalization, should be a basic feature of any entity operating in the tourism market.

With regard to empirical evidence related to the importance of tourists satisfaction for tourism destination Yoon and Uysal (2005.p18) conducted study on “An examination of the effects of motivation and satisfaction on destination loyalty” in their study they found that tourism satisfaction is related to tourism behavior because it can determine whether the initial travel motivation has been fulfilled; if a tourist is motivated to visit a destination and the experience is what they had hoped for, they will be satisfied. Their finding also add that by satisfying the tourist, destination managers has a strong potential to create a repeat customer which brings a steady source of income with limited extra marketing expenditure. It also suggests that the destination is correctly positioned.

2.4.1. Empirical Evidences With Regard To Africa

Emilia (2011.p61) who conducted study on analysis of tourism motivation toward market segmentation and strategic management of Bucovina destination, support the importance of segmentation in tourism industries and he conclude that the tourism segmentation should play soft variations around all the requirements for the tourists interested in all kind of products. The market segmentation should be done not between different type of tourism type, but on different tourism profiles (income, cultural background).

Awaritefe (2004) segmented tourists on the basis of their motives for travelling and why they chose one of seven destinations in Nigeria and he state that prior to segmentation, marketers need

to determine why tourists decide to travel, and why those choose a particular destination as motivation driver behavior his study also reveal that segmenting tourists based on their motives is important base of segment in tourism and enable tourism sectors to attract more foreign and domestic tourists. Akinruwa et al, (2013) conduct study on Assessment of Service Marketing as a tool for Customers' Satisfaction in Service Industry in Nigeria and they found that with the trend of competitive business environment, management of service providers must key into the 7ps if they were to be relevant in the business. The study recommended that there is need for the service industries to adopt and improve on the provision of the 7ps for attaining optimal customers' satisfaction and thus, enhance other business performance metrics.

2.4.2. Empirical Evidences With Regard To Ethiopia

In Ethiopia case as per the researchers knowledge no research was conducted on marketing strategy of Ethiopia tourism however some report and some plan were justify the role of marketing strategy for tourism. Mann, (2006), state that to improve demand for tourism and to work on the image of Ethiopia he suggest different strategies, among different strategies marketing strategy is stated by the author the as means of improving the tourism in Ethiopia.

Assegid, (2011) in his study on ecotourism as a sustainable development state that marketing is a key component of tourism development for Ethiopia. More over action plan like NBAP and GMP also state that marketing strategies as factors that should be considered in order to promote the tourism destination potential and build good image of Ethiopia in the international market.

2.5. Elements of marketing strategies

2.5.1. Market Segmentation, targeting and positioning in Tourism (STP)

2.5.1.1. Market segmentation

The starting point for successful marketing is to be aware of and satisfy consumer needs. Sometimes it is even achievable to satisfy one individual customer's needs. An individually customized tourism experience can be developed in the tourism industry; however the market for such high-end tourism products is little. This however does, not, mean that the only option is to call to the mass market. The intermediate solution is to know which groups of tourists have the same needs and develop tourism products that equivalent with group needs. This method is referred to as market segmentation (Dolnicar and Kemp, 2008.p212).

Market segmentation for ecotourism is important in the tourism industry in order to identify specific target markets and to develop the product and service packages that best suit each segment. Based on the market segmentation, policies can be set up by the government to encourage more Eco tourists. Dolnicar (2008,p74) stated that market segmentation allows researchers and tourists as well as industry players to study the opportunities for competitive advantage in the marketplace. When segmenting a market, groups of individual are developed which are similar with respect to some personnel characteristics. Besides personnel characteristics, market segmentation can be done using geographic, demographic and psychographic. Geographic segments include region, size of area, population density and climate are often used in segmentation. As for demographic segmentation, among variables that are used by marketer are age, gender, family size, occupation, income, occupation, ethnicity, nationality, religion, and social class. Psychographic segmentation groups consumers according to their lifestyle. Some psychographic variables include activities, interest, opinion, attitudes and values. Behavioristic segmentation is based on actual consumer behavior towards products. Among behavioristic variables are benefit sought, usage rate, brand loyalty, user status, readiness to buy and occasions.

Market segmentation can be defined as the through which people (both tourism providers and consumers) with the same needs are grouped together so that a tourism business/organization can use superior precision in serving and communicating with these. The tourism segmentation should play soft variations around every the requirements for the tourists attracted in this type of products. The market segmentation should be done not among different category of tourism type, but on different tourism profiles (income, cultural background). In this direction should be directed the efforts, much more that in development of brand new tourism products, that are "artificial" and are not appropriate in the tourism landscape (Emilia, 2011.p332)

Tourists are not all the same, they have different pictures of their ideal vacation. Tourists are heterogeneous. Market segmentation is the strategic tool to account for heterogeneity among tourists by grouping them into market segments which include members similar to each other and dissimilar to members of other segments. Both tourism researchers and tourism industry use market segmentation widely to study opportunities for competitive advantage in the marketplace (Dolnicar, 2004.p241).Each destination offers a variety of products and services to attract

tourists. From the destinations' point of view, it is very important to know why tourists choose (or not choose) this destination and how the tourists feel about a particular place they visited. Analysis of tourist motivation tries to extend the theoretical and empirical evidence on the causal relationship among the push and pull motivations, satisfaction, and destination loyalty (Yoon and Uysal, 2005.p39).

Authors such as Bloom (2005.p331) suggest that tourists should be categorized according to common characteristics (demographics and geographic), needs, motives and drives (psychographics) or purchasing behavior (behavior) so they may be targeted. In tourism field, the significance of market segmentation is not limited to a technique of segmenting a market and identifying target market, however it can also be used at a higher level to assist a marketing strategist to understand the relationship of a destination with its visitors and to understand the distinct characteristics of tourists for developing marketing strategies (Bloom, 2004.p331).

Koc and Altinay (2007.p223) also indicated that a destination that targets the whole market without segmenting or clustering problems it usually ends up with wasted resources, unsatisfied customers, and missed a strategic marketing opportunity.

To identify segments, a problem of selecting the most appropriate technique or of segmenting the market is often met by destination marketers (Bloom, 2005.p321). Furthermore, Wirtz (2005) stated that a selection of segmentation variables is a critical issue to successful market segmentation. Segmentation variables can be broadly classified into general variables such as demographics and life style, and product specific variables which involve customer purchasing and intentions.

2.5.1.2. Target Market Selection

Tourism destination cannot appeal to all tourists in the same manner. Thus Target market selection is an important step in establishing a market strategy. It is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter. (Kotler et al. 1999). Target marketing is the attempt to attract specified market segments that are believed to provide particular advantage for a product or destination (Weaver, 2006 Pp 204). To specific the right target market, customers need to be put into separate sub-group or call market segmentation. It is accepted in general that there are a lot of consumers and their needs are various. In addition, they are different in their behaviors, attitudes, motives, age, income levels,

education level, life style and other personality (Park and Yoon, 2009.p241). Targeting is the next step in the sequential process and involves a business making choices about segment(s) on which resources are to be focused. Targeting is the actual selection of the segment. "A set of buyers sharing common needs or characteristics that the company decides to serve." Companies use target marketing to tailor for specific markets. There are three major targeting strategies: undifferentiated, concentrated, and differentiated. During this process the business must balance its resources and capabilities against the attractiveness of different segments (Kotler, 2010.p311).

2.5.1.3. Positioning

In a complex environment, no firm can succeed by trying to be all things to all people. The firm should find a unique value that it can deliver to a given market with a unique sense of satisfaction (Mucui, 2013.p30). A product positioning is the place the product occupies in consumers mind. Market positioning gives a product a clear, distinctive and desirable place in the minds of target consumers compared with competing products (Fifield 1994). Positioning is the use of marketing to enable people to form a mental image of your product in their minds (relative to other products). Positioning is how the product or service is to be perceived by a target market compared to the competition. It answers the question: "Why will someone in the target market(s) buy my product or service instead of the competitors?" An equivalent question is: "What should be the perceived value of my offering compared to the competitors?" (Kotler, 2007.p209).

2.5.2. Tourism Marketing Mixes

Tourism marketing as a distinct field of marketing services has been and will certainly be a discipline that will be studied in greater depth by experts in this field of great interest. Tourist destinations lead a fierce battle to capture and maintain consumer interest in tourism products and services. For this reason tourist destinations and tourist entities operating in the tourism market should pay special attention to tourism marketing mix elements (product, price, distribution, promotion, people, physical evidence, processes). A key role in assessing the tourism services offered by a certain tourist destination lay with the universities that have as "task" superior human resource training in the tourism sector. This specific element of the tourism marketing mix has a key role in creating the image of tourist destinations (Kulcsar, 2011.p45).

2.5.2.1. Tourism in product

The tourism product vary from other products because of the wide range it covers, including such parts as accommodations, transportation, food, recreation and attractions. In tourism the product is a complex experience created and delivered by a diverse, but interrelated, range of supplies, usually in fragmented industry often characterized by a preponderance of small and medium size business (UNWTO and ETC, 2007). The end product or perhaps more accurately "experience" that is assembled for sale consists of the tourist asset; the service of the transportation sector to deliver the tourist from the country of origin to the country of destination; the service and activities of those who provide equipment to enjoy the asset such as donkey rides, those who help the tourist to better understand his or her surroundings e.g museum guides, and those who provide entertainment for the tourist through music and dance, festivals etc; hotels and other tourist accommodations tour operators and ground handlers; food and beverage suppliers; the service of other suppliers goods and services, such as banking facilities, emergency health care, handicrafts and duty free shopping; transport for internal transfer (such as taxes) internet service which are pervasive in most of this area (World bank 2006). Frequently the product includes intangibles such as history, culture and natural beauty. Usually the nature of tourism product is service and the marketing of tourism product is different from other service to some degree. (1) primary products provided by recreation/tourism businesses are recreational experiences and hospitality, (2) as a replacement for moving product to the customer, the customer must travel to the product (area/ community), (3) travel is a major portion of the time and money spent in connection with recreational and tourism experiences, (4) is a main factor in people's decisions on whether or not to visit your business or community (Lovelock et al. 2004,p183). Product in tourism is basically the experience and hospitality provided by the service provider. In general the experience has to be expressed in such a way that the tourists see a value in them (Nikolaos et al., 2011).

2.5.2.2. Promotion in Tourism

For marketing management decisions“ knowing how customers acquire information is important. This is particularly true for services, travel and a tourism product as a result Promotion is acknowledged by many as a critical element in tourism marketing. Destination image is commonly accepted as an important aspect in successful tourism management and destination

marketing. An important means of promotion for the tourism industry and influences destination image is information about a specific destination (Molina, et al. 2010.p78).

Besides this the author also state that the information sources of tourist activities have changed greatly over the past fifteen years, due firstly to the impact of new technologies; secondly, to the change in tourist consumer behavior, thirdly to the increase in the number of tourist destinations, and finally to the growing competition among different destinations. As a consequence, information sources should meet one main objective in order to be considered as effective tools for destination promotion.

Promotion is a series of activities that can be used to persuade customers to buy the product and it includes information kits, web sites, advertising, personal selling, sales promotion, travel shows, and public relations. As competitive advantage has to be perceived by the target so as to create value, communication is the essential element of the firm. No matter what industrial sector it operates in four communication methodes are then likely: to present the competitive advantage itself, to emphasize the way employed to build competitive advantage, to show the value created for the customer and finally, to call attention to the corporate commitments of the firm (Jean-Marc and Denis 2010).

According to Belch (2004.p3), Advertising is the most excellent way for initial publicity of tourist attractions. Advertising is defined as any paid marketing activity which motivates potential customers to obtain the goods and services. Advertising is in particular timed for general public. The result of advertising may be short-range or long-standing and it is very hard to get feedback from the customers instantaneously. This promotion tools is used to generate publicity and it gives basic idea of goods and services if it can analyzed from organizational point of view the achievement of some promotional forums is in the promotional level of accomplished and subjective arrangements. One should pay a lot of concentration in the preparation of tourism and hotel management, since the business work is consisted of a variety of moments and communication activities, so one should make an effort to develop the process on time (Karolina 2004.p5).

According to Bassey (2010.p31) promotional strategies will serve as connect between the customers and the experience they are seeking. Since tourists have expectations, it has become essential that these requirements outline the basis of the promotional strategies of tourism

destination. The development of effective promotional strategies demands in excess of just being aware of the tools of promotion. The peculiarities of talented tourism destination create it imperative for a special model that will cater for these complexities. Tourist demand is influenced by tourist needs and motivations.

2.5.2.3. Distribution of tourism products/services

The major distribution focal point for tourism is information, combination and travel display services. Many distribution channels assist in provided that information for potential tourists; pack tourism products collectively; and also establish mechanisms that assist consumers to make, confirm and pay for reservations (Buhalis, 2001.p11). In marketing "place" means the channels through which your customer; gets information, buys the product, and enjoy the product. The huge increase in international travel and tourism has led to people buying relatively expensive products at some distance from the point of consumption. travel agents, tour operators, NTOs, and a host of other intermediaries operate between the customers and suppliers (UNWTO and ETC, 2007).

The place (distribution) in tourism is providing a guideline about different tourist spot. It also provide the appropriate tour time and distances from various spot, give ideas different travel routes, selecting attractions and support facilities along different travel routes, and informing potential tourists (customers) about alternative travel routes (Aimin and Begum, 2012.p41) Distribution channels are extremely vital in tourism industry, since tourists must travel to destinations to use tourism services & goods and they have no idea about tourism products as a result suitable distribution channels strategies affect attraction of foreign tourists (Branch, 2013.p28).

The distribution of travel and tourism products/services is the largest part significant activity next to the tourism chain. The two main points need to be distinguished in distribution activity of tourism product/ service are; the level to which organizations become participant in organizing and structuring the overseas distribution channel, and organizations' responses and reaction to marketing and distribution strategies of intermediaries in overseas markets. Suitability of by-passing strategy for public and private travel and tourism organizations seems extremely limited. Nevertheless, co-operation strategies are extensively adopted in vertical marketing. These interactive forms vary on a continuum from very loose co-operative forms with fairly

unrestrained level of binding forces or commitments founded on regulated distribution systems (Webster, 2005.p321).

2.5.2.4. Pricing in tourism sectors

A travel company should be reasonable and pay a special attention to pricing. The provision of various discounts, special offers, as well as the development and implementation of bonus systems may become a marketing tool provoking extra demand for provided travel services. Nevertheless, in spite of the high importance of the price factor for travel decision-making, this does not mean it is the only criterion of consumer preferences. A travel agency should perform marketing measures, which will contribute to create added values in the form of nonmaterial capital (Volkov, 2013.p62). Market force generally determine the level at which tourism product price are pitched (UNWTO and ETC, 2007). In the context of marketing, however, varying the cost of your product can be used as a sales promotion tool. you can consider various sales tool such as discounting; cash back voucher and give-away (Tourism marketing guide, 2006). Price and other user cost, the price of the tourism service depend on business and target market objective, cost of producing, delivering and promoting the product, willingness of the target, price charged by competitors offering similar products/service to the same target markets, availability and price of substitute product or services, and economic climate (Nikolaos, et al, 2011).

2.5.2.5. Physical Evidence

Physical Evidence is that which can be easily associated with the product by the customer. As the tourism product is highly intangible, the place, the decor, the people, and everything else in the tourism office may be related to the experience in store. For example, when tourists visit a historic place for the first time, they carry home not only the memories of beautiful structure, but they also remember all other factors like transport facilities available, the surrounding markets, the people's behavior, etc. as one whole experience (Aimin and Begum 2012.p121). Process Process denotes the way in which a particular action is carried out. Tourism marketing should take care of all the procedures, schedules, mechanisms, activities and routines which are practiced when the tour is on. The processes followed form a part of the service delivery system and the customers often do not differentiate between the processes and the product. the process

in Tourism include, (a) trip planning and anticipation, (b) travel to the site/area, (c) recollection, (d) trip planning packages. The trip planning packages include, maps, attractions route and on site, information regarding lodging, food, quality souvenirs and mementoes (Kannan and Srinivasan 2009).

2.5.2.6. People

According to Buhalis (2001.p72) investing in the right employees in tourism industries play a vital role. For instance, hiring enthusiastic and entertaining guides can help draw more customers to your business, and will enhance the overall experience. Since the product in tourism industries is a collection of services, the people who provide the services are a key to the success of the transaction. Operators must have top-level service to initially complete the sale and to encourage repeat customers.

2.5.2.7. Processes

It is very important to make sure your tours run on schedule, and always give the customers the experience they have been promised. Delivery of your final product is key to continuing to book tours. Make sure you are on top of your operations. Avoid waiting times for customers, make your customers walk for too long. In short, make sure your tours and activity run smooth (Volkov, 2013.p81).

2.6. Conceptual Framework

Marketing strategy at strategic level is about segmenting, targeting and positioning. In order to achieve the objective of strategic marketing, we need to have a strategy that includes different elements.

Here there are four major elements that are used in the literature to explain the detail of marketing strategy. Therefore the conceptual frame work for this study include strategic marketing strategies (STP), and marketing mixes elements. Thus this study tried to assess these marketing strategies and directly or indirectly focuses on marketing related aspects.



Figure 2.2. conceptual framework adopted from Kulcsar.c (2011) and chandra and Menezes(2001)

CHAPTER THREE

METHODOLOGY OF THE RESEARCH

3.1. Research Design

Based on its basic purposes, the major focus of this study was on the description of data related to marketing strategies and marketing activities in Addis Ababa, the research design was used for this study was descriptive research design for fully answering research questions. From different s of descriptive research design the study was utilized survey research design based on the purpose of the study. Moreover, the study was also employ cross-sectional type of survey research design in which data were collected at one time for the purpose at hand because the data were gathered only at one time from the respondents.

3.2. Research Methods

This study utilized both quantitative and qualitative research method. Quantitative research method places greater emphasis on the numerical data and statistical test to achieve conclusion that can be generalized and qualitative research method provides qualitative summary for the practices more accurately (Saunders, 2012). Therefore, both qualitative and quantitative research method were used to arrive at the conclusions and for testing the research objectives. Quantitative research method was used because the questionnaire contains structured and closed ended items using Likert scale that can be analyzed based on quantitative research s. Qualitative method was used because the interview is conducted to collected qualitative data.

3.3. Data type and Source

Both primary and secondary data types were used for the study from their respective sources. Primary data were gathered from visitors (foreign and domestic) who have visited city, employees of Addis Ababa Culture and Tourism Bureau (AACTB) workers who are working in the bureau through questionnaires and in depth interview. Secondary source: secondary source were used to obtain the theoretical and empirical evidences. Secondary data were obtained from published and unpublished materials such as tourism and marketing journals and articles, text books such as tourism, marketing and strategy.

3.4. Population, Sampling Techniques and Size

3.4.1. Population of the study

The target populations of the study are the tourists (foreign and domestic) who have visited the city and employees of the AACTB in the study year during the time of the study month from March 8, 2018 to April 8, 2018. In order to determine the size of respondents from employees who are working under tourism base the researcher utilized purposive sampling research so as to select accessible respondent. Because some department of AACTB had better knowledge about tourism marketing strategies of the office than other departments.

3.4.2. Sampling Techniques

Purposive sampling technique was used to select samples from AACTB employees. Although all the employees of AACTB are considered to be the target population of this study, it is visible that their knowledge about the tourism marketing strategy of the city is different. Therefore, the study used employees who have close connection to the marketing department of AACTB. Thus, respondents were selected purposively based on their knowledge about the tourism marketing strategy of the city which focused on the marketing department and management of the bureau.

Additionally, convenience sampling technique was used to select respondent from both domestic and foreign tourists. The researcher used convenience sampling because it is a type of sampling where the first accessible primary data source was used for the research without additional requirements. In other words, this sampling involves getting participants wherever you can find them and typically wherever is convenient. In this sense, convenience sampling was utilized.

3.4.3. Sampling Size

Since this study participants are consists of employees and managers of and domestic and foreign tourists, the sample for the study is shown as follow. The number of managers and employees from AACTB were 30 (both employees (marketing department) and managers who are currently working at AACTB).

Additionally, 384 domestic and foreign tourists were taken as the sample of the study using the following universally accepted statistical formula for sample determination.

$$\text{Sample Size} = \frac{Z^2 \times p \times (1 - p)}{d^2}$$

Where;

$Z^2 = 95\%$ of confidence level and equals 1.96

P = expected prevalence which equals 50%

$d^2 =$ is the level of precision or sampling error and equals 5% (0.05)

So the sample size is determined to be 384 as shown below.

$$\text{Sample Size} = \frac{1.96^2 \times 0.5 \times (1 - 0.5)}{0.05^2} = 384.16 \approx 384$$

This study used 384 domestic and foreign tourists as a sample in addition to 30 individuals from AACTB. Therefore, together this study have a sample size 414 respondents.

3.5.Methods of Data Collection and Instruments

The data collection instrument for primary data type for this study is questionnaire. The questionnaire to be completed by employees and managers at AACTB contains three parts. The first part have questions about the demographics of the employees such as gender, age, education, and year of experience. The second part have question about strategic marketing (STP) and the third part contain question about marketing mixes elements in Addis Ababa tourism destination. Therefore, 30 questionnaires were distributed to employees who have been working under tourism provision. The second type of survey questionnaire were used be completed by foreign and domestic tourists who visited the city. This questionnaire has two parts: The first part contains questions about the demographics of the tourists such as gender, age, nationality, marital status and education. The second part has questions about the tourists' opinion on the 7Ps marketing mix. Additionally the researcher has used interview to supplement the information collected using the questionnaire.

3.6.Methods of data processing and Analysis

The data collected from the respondent were analyzed using qualitative and quantitative data analysis techniques. Quantitative analysis was used for the data which were collected from tourists and employees through structured questionnaire. The qualitative type of analysis was applied for the data that were collected via depth interview. Qualitative analysis were used in the analysis of data obtained through interview is content Analysis which is used to analysis data obtain through asking who, what, where, and how questions in interview and it is used to substantiate quantitative data obtained through questionnaires.

In line with this, the study also uses descriptive statistics to make data analysis. Data collected from respondents were filled to computer software called statistical package for social science (SPSS) version 20 for analysis. For presenting data appropriately the researcher used different types of descriptive data analysis s those were frequency, percentage, simple tabulation, cross tabulation, mean and standard deviation. Finally, based on the result from the analysis part, conclusion and recommendation were forwarded.

3.7.Validity and Reliability

3.7.1. Validity

In this study, the validity of the study was ensured using data collecting tools that are based on sound theoretical foundations. Therefore; study has ensured the instruments or procedures used in the research measured what they were supposed to measure by double-checking different theorists and sources. Moreover, the scales items on the questionnaire were adopted from standardized questionnaires from Branson (2001).

3.7.2. Reliability

Regarding the reliability of the instruments of the study was analyzed using Cronbach's Alfa coefficients with SPSS latest version to see the level of consistence of each items.

Table 3.1 Reliability Analysis of Variables

No	Variables	Number of Items	Cronbach's Alpha
1	Product	9	0.923
2	Price	2	0.991
3	Promotion	2	0.723
4	Place	4	0.999
5	Process	3	0.822
6	People	4	0.773
7	Physical Environment	3	0.999
Entire scale		27	0.890

Regarding the interpretation of Chornbach's Alpha coefficients, scales with coefficient alpha between 0.8 and 0.99 are considered to have very good quality, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability.

Therefore all the scales except people satisfy very good quality reliability. The price scale also has achieved good reliability. The entire scale in general has achieved $\alpha=0.975$, which is a very good indicator of reliability.

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter deals with the presentation, analysis and discussion of the collected data using different descriptive statistics. There were two type of respondent for this study. These are: employees of the AACTB and tourists visited the city. The first part of this chapter analyzes and presents the personal characteristics and personality traits of respondents (employees of the AACTB and domestic and foreign tourists), while the remaining sections of the chapter are organized according to the sequence of the objectives for which the study was conducted. As indicated before 30 questionnaires for employees and 384 for tourists were distributed. A 96.7% response rate from employees (29 questionnaires were returned) and 97.9% (376 questionnaires were returned) from tourists was achieved, the percentage was considered satisfactory. The responses of the respondents with respect to research question were discussed as follows.

4.1. Demographic Profile of Respondents

Though many personal characteristics of respondents could be there, this study emphasized only on limited factors such as sex, age, year of experience and educational level for the selected AACTB employees and sex, age, marital status, origin (nationality) and educational level for tourists. Thus, the following table summarizes the personal characteristics of respondents by sex, age, year of experience and educational level.

4.1.1 Demographic profile of the surveyed employees

The survey result of this study for the characteristics of gender, age and educational of employees presented in table 4.1. below.

A look into demographic profile of the surveyed employees (which include tourism professionals only) the table below indicates that about 21(72.4%) are male and 8(27.6%) female, regarding the age of AACTB employees, the majority 19(65.5%) fall in the age range 31- 50 years while 18 - 30 years and above 50 years constitute of 6(20.7%) of respondents of each. Another demographic included in this study was educational level of employees of

AACTB. As it can be seen from Table 4.1, the majority 26(89.7%) of these employees are degree holders and above while the remaining 3(10.3%) of employees of AACTB were diploma holders. The above figures indicate that the employees of AACTB were male dominated, mature (regarding their age) and have high educational level compared to the national level.

Table 4.1 Demographic characteristics of employees

Demographic Characteristics		Frequency	Percentage (%)
Sex of respondents	Male	21	72.4%
	Female	8	27.6%
Age of respondents	18 - 30 years	6	20.7%
	31- 50 years	19	65.5%
	above 50 years	4	13.8%
Marital Status	Single	6	20.7%
	Married	17	58.6%
	Divorced	4	13.8%
	Widowed	2	6.9%
Educational level	1-8 grades complete	-	-
	9-10 grades complete	-	-
	Certificate	-	-
	Diploma	3	10.3%
	Degree and above	26	89.7%
Total		29	100%

Source: own survey, 2018

4.1.1 Demographic Profile of the Surveyed Tourists

For tourists respondents demographic characteristics used for study were sex, age, marital status and educational level and nationality. Thus the following table blow shows the result of the survey with regard to demographic profile of domestic and foreign tourists who visited the city during this survey was conducted.

Table 4.2. Demographic characteristics of tourists

		Nationality of tourists			
		Ethiopian		Non Ethiopian	
		Frequency	Percentage	Frequency	Percentage
Sex of respondents	Male	63	60.6%	220	80.9%
	Female	41	39.4%	52	19.1%
Age of respondents	18 - 30 years	-	-	110	40.4%
	31- 50 years	104	100.0%	105	38.6%
	above 50 years	-	-	57	21.0%
Marital Status	Single	-	-	112	41.2%
	Married	103	99.0%	105	38.6%
	Divorced	-	-	54	19.9%
	Widowed	1	1.0%	1	0.4%
Educational level	1-8 grades complete	-	-	-	-
	9-10 grades complete	-	-	53	19.5%
	Certificate	3	2.9%	10	3.7%
	Diploma	47	45.2%	54	19.9%
	Degree and above	54	51.9%	155	57.0%

Source: own survey, 2018

As can be seen from the above table 4.2 the majority 272(72.3%) of tourists who have visited the city's tourism sites were non Ethiopians and the remaining 104(27.7%) were domestic tourist that came from different parties of the country to visit tourist sites in Addis Ababa. Regarding their gender, the majority of both domestic and foreign tourists who were visiting the city were males. Accordingly they account 63(60.6%) and 220(80.9%) tourists of domestic and foreign respectively. These results signify that from both sides male respondents are larger than the female counter parts. The male respondents share the major proportions in both groups of respondents. This result shows that male tourists dominate tourism activities in Addis Ababa.

The research divides the participants into five age groups as it can be seen in the above table. All of domestic tourists were in the age range 31- 50 years and the majority 105(38.6%) and 110(40.4%) of foreign tourists fall in the age range 31- 50 years and 18 - 30 years respectively. From this result one can conclude that relatively the foreign tourists are more diverse in the age range, when it's compared with domestic tourists who were in one age category.

Regarding the education background of respondents, the majority of both domestic 54(51.9%) and foreign tourists 155(57.0%) were degree holders and above as the highest level of education. This result implies that since the tourism activity in Addis Ababa city administration is relatively well organized and most of which are important for scholastic works, education is positively related to the participation in such destination.

4.2.Segmentation, Targeting and Positioning Strategies

Marketing strategy is the result of a firm's segmentation, targeting and positioning choices (STP process) at the level of the Strategic Business Unit. Market segmentation strategy plays an important role in the realization of tourism marketing objectives. A tourist market may be identified corresponding to each tourism product. In that sense, one can define market is a set of actual and potential buyers of product. There are five segmenting variables: Geographic, Demographic, Geo-demographic, Psychographic and Behavioral (Kotler et. al.2012).

In order to know how many key market segments that city has been used as market segments for the city's products and the base of segmentation the respondents from the employees of Addis Ababa Culture and Tourism Bureau (AACTB) were asked to list number of key segments in the city administration and base of segments to market. The following table summarizes the response of respondent employees with this regard.

Table 4.3. Market segments and base of market segment

		Responses		Percent of Cases
		N	Percent	
How many different key segments (leisure, business, religious, educational.) does your organization market? (Tick all that apply)	Leisure	4	5.9%	16.7%
	Business	22	32.4%	91.7%
	Religious	20	29.4%	83.3%
	Educational	22	32.4%	91.7%
Total		68	100.0%	283.3%
What are the bases used by your bureau in segmenting the market? (Mark the appropriate answer, more than answers are possible)	Geographic location	19	52.8%	79.2%
	Economic situations	10	27.8%	41.7%
	Demographic	5	13.9%	20.8%
	Other	2	5.6%	8.3%
Total		36	100.0%	150.0%

Source: *own survey, 2018*

The above Table 4.3. The majority 22(32.4%) of selected employees reflect business and educational are the market segments in this tourism destinations. Moreover, 20(29.4%) of the respondent select that religion as Addis Ababa tourism market segments. With regard to base market segments as it can be seen from table 4.3, 19(52.8%) of the respondents acknowledge that the city segment the market based on geographic location and 27.8% of the respondents also recognize that economic situations is used as the base of segmenting the market in this tourism destination. Besides, the respondents reflect that the basis of the city's market segmentation mechanism is based on the nationality of tourists like domestic, foreign, and other demographic characteristics such as sex of respondents (in some religious sites) and working condition of tourists (students and nonstudents). These indicate that, even though all the alternatives were the basis of market segmentation, geographic and economic situation segmentation are the common form of the cities base of market segmenting mechanism.

Based on the interview with the staff of AACTB, the positioning and targeting of Addis Ababa tourism sites are summarized as follow. The response summarized that the unique tourism attraction available in the city is identified but it doesn't communicate to the customers. Beside this the tourism officer state that there were unique tourism attraction in the city. The bureau is not currently actively implementing the market segmentation, targeting and positioning. According to respondents the city is considering to apply segmenting, targeting and positioning strategies in the future.

Concerning the targeting of tourism sites, the interviews have reported that the bureau is working to identify major market target in the city tourist destinations. And the bureau has a long term plan to work based on these targets.

Regarding the positioning strategy of Addis Ababa tourism destinations, the interview results showed that the bureau is currently working to base its positioning marketing strategy based on the varied needs of tourist. Currently, there have been such activities to position some tourism products for some identified users, example, students and researchers. Based on the interview, the bureau is also planning to identify the varied needs of tourist so as to use effective positioning strategy.

4.3.Tourist Assessment of Marketing mix elements of the city

It is widely accepted that one of the key elements of successful destination marketing is tourist satisfaction because it influences the choice of destination the consumption, and the decision to return (Kasim and Ngowsiri 2011)

Accordingly, (Yoon and Uysal, 2005) stated that the improvement of tourist satisfaction affects to the result of retention or the expansion of the number of the tourists and ultimately enhances profitability. Thus it's sought to identify level of tourists' assessment of marketing mix elements of tourism organization. This study tries to find out how tourists are satisfied toward marketing mix of tourism destination in Ethiopia in general and Addis Ababa tourist destination in particular. So as find out the tourists assessment of the respondents for the variables indicated below were measured on five point Linkert scale with:(1= very dissatisfied, 2= dissatisfied, 3 = neutral, 4= satisfied and 5= very satisfied) the higher value is toward satisfaction i.e. were any value less than 3 is towards dissatisfaction and the higher numbers indicate higher satisfaction.

4.3.1. Product

As it is indicated on table 4.4., based on the assessment of tourists, both domestic and foreign tourists, national museum and Natural history museum, and Yekatit 12 monument have the highest mean value (3.7633 with SD, 1.11467, 1.11467 and 1.69545 respectively). On the other hand, National Archives and Library of Ethiopia has score the lowest mean (2.5106 and SD 1.69545) followed by Lion of Judah Monument (2.9548 and SD 1.56991).

This result implies that some of the tourism destinations of Addis Ababa have rated higher in terms of the accessibility and the manner of this tourist sites are presented to tourists and the presence of holistic service that the tourists need desperately.

Table: 4.4. Product

Descriptive Statistics			
Tourist sites in Addis Ababa	N	Mean	Std. Deviation
National museum	376	3.7633	1.11467
Ethnological museum	376	3.6170	1.11815
“Red terror” martyrs memorial museum	376	3.5080	1.19997
St George Cathedral and Museum	376	3.2686	1.45865
Holy Trinity Cathedral	376	3.7500	1.13431
Lion of Judah Monument	376	2.9548	1.56991
Natural history museum	376	3.7633	1.11467
Yekatit 12 Monument	376	3.7633	1.11467
National Archives and Library of Ethiopia	376	2.5106	1.69545
Valid N (listwise)	376		

Source: own survey, 2018

4.3.2. Promotion and Pricing

The respondents were asked to rate their assessment of promotional activities and price expense in tourism activities involved in Addis Ababa. The table below shows tourists level of contentment of promotional activities and price expense in this tourism destination.

Table: 4.5. Promotion and pricing

Descriptive Statistics			
	N	Mean	Std. Deviation
Your expense for tourism in Addis Ababa	376	3.7633	1.11467
Product and service price in Addis Ababa	376	3.7633	1.11467
Activities to promote tourism in Addis Ababa	376	2.3564	.86448
Convenience of tourism information	376	2.8989	1.11733
Valid N (listwise)	376		

Source: *own survey, 2018*

As it is presented in the above table, promotional activities have lower mean value, i.e. activities to promote tourism in Addis Ababa (mean 2.3564 and SD .86448) and convenience of tourism information (mean 2.8989 and SD 1.11733).

Contrary to this finding, the pricing of Addis Ababa tourism destination has been rated above the agreement level. I.e. your expense for tourism in Addis Ababa (mean 3.7633 and SD 1.11467) and Product and service price in Addis Ababa (mean 3.7633 and SD 1.11467).

These results imply that the pricing of tourism destination of Addis Ababa is well rated while the promotional activities are under rated by both domestic and foreign tourist alike. Since tourism activities are largely boosted by the promotional activities that are made in order to attract and sustain large tourist flow.

4.3.3. Place and process

Base on the place and processes the following results were found. This part tried to assess the convenience of places and the way different products are offered in Addis Ababa tourism destinations.

Table 4.6. Place and process

Descriptive Statistics			
	N	Mean	Std. Deviation
The way various products offered in Addis Ababa	376	3.7633	1.11467
Convenience and service of tour guides in Addis Ababa	376	3.7633	1.11467
The way various tourism products offered tour operators in Addis Ababa	376	3.7633	1.11467
Convenience of travel information provided by Travel agents	376	3.6117	1.13995
How AACTB is well-planned in giving service to tourists for their convenience	376	2.2739	1.14634
Travel to the site/area	376	2.6463	1.28162
Trip planning packages.	376	2.8750	1.23194
Valid N (listwise)	376		

Source: *own survey, 2018*

As it is presented on table 4.6., regarding the place (marketing mix) most the responses fall in the range of agreement or satisfaction by the assessment of tourists. This include, the way various products offered in Addis Ababa (mean 3.7633 and SD 1.11467), convenience and service of tour guides in Addis Ababa (mean 3.7633 and SD 1.11467), the way various tourism products offered tour operators in Addis Ababa (mean 3.7633 and SD 1.11467) and Convenience of travel information provided by Travel agents (mean 3.6117 and SD 1.13995).

On the other hand, process of service has lower mean value than agreement level. These include, how AACTB is well-planned in giving service to tourists for their convenience (mean 2.2739 and SD 1.14634), travel to the site/area (mean 2.6463 and SD 1.28162) and, trip planning packages (mean 2.8750 and SD 1.23194).

This result implies that the places of the marketing mix of Addis Ababa tourism destination are rated higher and both domestic and foreign and domestic tourists are satisfied with the existing situation. On the contrary, there is a lower rate of assessment of process marketing mix. This

includes the activities of AACTB to be well-planned in giving service to tourists for their convenience, traveling to the tourism sites and trip planning packages.

4.3.4. People and Physical Evidence

Regarding the people and physical evidence of Addis Ababa tourism sites the following result has been obtained. The people and physical evidence are the major marketing mix element which attempt to describe the people who are involved in giving tourism services at various stages such as tourism officials, drivers, waters and waiters and other professionals. As the tourism product is highly intangible, the environment in which the service is delivered, transport facilities available, the surrounding markets, and everything else in the tourism office may be related to the experience.

Table 4.7. People and physical evidence

	N	Mean	Std. Deviation
Service from people in the accommodation.	376	3.7633	1.11467
Service from the tour guide or tourism officials.	376	3.2048	1.33590
Service from people giving service on transportation.	376	2.7553	1.27068
Service from people giving service in restaurant /food	376	2.6489	1.09015
The accommodation provided for tourists.	376	3.9149	1.20142
Atmosphere of Restaurants/food shops	376	3.9149	1.20142
Ancient remains, temples, museums, and palaces.	376	3.9149	1.20142
Valid N (listwise)	376		

Source: *own survey, 2018*

As it is presented on table 4.7, regarding the people and physical evidence most of the responses fall in the range of agreement by the assessment of tourists. This include, service from people in the accommodation, (mean 3.7633 and SD 1.11467), service from the tour guide or tourism officials, (mean 3.2048 and SD 1.3359), the accommodation provided for tourists, (mean 3.9149

and SD 1.20142), atmosphere of Restaurants/food shops (mean 3.9149 and SD 1.20142), and ancient remains, temples, museums, and palaces (mean 3.9149 and SD 1.20142).

On the other hand, service from people giving service on transportation, (mean 2.7553 and SD 1.27068), service from people giving service in restaurant /food, (mean 2.6489 and SD 1.09015), has lower mean value than agreement level.

This implies that despite the attractiveness of the tourism product in the tourism destination which is considered as core product other marketing mixes designed for this tourism destination is effectively designed to attract more tourist particularly foreign tourists as it affect positive word of mouth.

4.4.Strengths and Weaknesses of Addis Ababa Tourism Sites

The strength and weakness of Addis Ababa tourism sites are important to understand the marketing gaps of the AACTB. It is identified based on the visitors as strength and weakness when they visit particular tourism destination. The next table shows the strength and weakness of this destination by visitors when they visit the place.

Table 4.8. Strengths and weaknesses of Addis Ababa tourism sites

Strengths and weaknesses		Responses		Percent of Cases
		N	Percent	
Strengths of Addis Ababa tourism sites	Natural Tourism attractions	85	5.5%	22.6%
	Friendliness of the people in the area	320	20.8%	85.1%
	Culture	292	19.0%	77.7%
	Tourism Accommodation	56	3.6%	14.9%
	Value for Money	217	14.1%	57.7%
	Festivals and Events	244	15.9%	64.9%
	Safety & Security	264	17.2%	70.2%
	Other	57	3.7%	15.2%
Total of multiple responses		1535	100.0%	408.2%
Weaknesses of Addis Ababa tourism sites	Air Access	28	2.9%	7.4%
	Standard of accommodation	265	27.3%	70.5%
	Range of Products	84	8.7%	22.3%
	Lack of Consumer Awareness	348	35.9%	92.6%
	Infrastructure	28	2.9%	7.4%
	Quality of Service	161	16.6%	42.8%
Total of multiple responses		970	56	5.8%

Source: own survey, 2018

Based on Table 4.8. The major strengths of tourism sites in Addis Ababa are; friendliness of the people in the area 320 (85.1%), culture 292(77.7%), Safety and security 264(70.2%), Festivals and Events 244(64.9%), and value for money 217(57.7%) respectively. On the other hand, the following factors have low support as the strength of Addis Ababa tourism sites. These include; natural tourism attractions 85 (22.6%), tourism Accommodation 56(14.9%) and other 57(15.2%).

Regarding the weakness of Addis Ababa tourism sites, lack of customer awareness 348(92.6%), standard of accommodation 265(70.5%), and absence of quality of services 161(42.8%). Other weaknesses are also selected in smaller number of respondents such as air access, range of products, and infrastructure.

This study found that the key strengths of Addis Ababa tourism sites are the friendliness of the people in the area, safety and security of the city in particular and the country in general, the

presence of large scale festivals and events, and higher value of money. On the other hand, the study also found the major weaknesses of Addis Ababa tourism sites include; the lack of awareness on the part of customers which is largely due to the absence of promotional activities done by AACTB, and absence of standard accommodation for the tourism marketing and lack of quality tourism services are the significant weaknesses of tourism sites in Addis Ababa.

The results from the interview also showed that as strength of the Addis Ababa tourism sites, despite the recent unrest in most parts of the country, the political and economic stability of the city has played a great role in attracting both foreign and domestic tourists. On the other hand, the city has suffered a lot of problem such as: the current international perceptions of Ethiopia which challenge to implement the selected marketing strategy as Ethiopia is not much known for its tourism, which leading to a lower rank in Africa. Changing the current international perception about Ethiopia's tourism and positive image requires effective and efficient image building promotion strategy but this is difficult for AACTB alone as it requires lots of budget and experts.

Lack of manpower; the tourism officer complain that neither the ministry nor they themselves have all the required skilled experts. The training institute of the ministry produces good quality graduates but they are so small in number that it is difficult for them to get as many of them as they need. Besides private graduates are criticize that in most cases they are less effective than traditional tour guide. Financial problems; there is inadequate fund to implement marketing strategy the source of finance for city.

The opportunities to implement the selected marketing strategies are mainly tourism potential of the destination. The city as a tourism destination has abundance of tourism product many of tourism products. There is also an improvements on the infrastructure specially road have been improved. Security in the tourism destination and friendliness of people are also considered as opportunity to implement marketing strategy designed.

4.5. Source of information for tourist

Regarding the source of information for tourist that makes them to visit Addis Ababa tourist sites, the following results are obtained.

Table 4.9. Source of information for tourists

		Responses		Percent of Cases
		N	Percent	
What motivate you to visit Addis Ababa? (More than one answer is possible)	Previous visits	56	9.7%	16.1%
	Recommendation of a friend /relative	263	45.7%	75.6%
	Information on the Internet	28	4.9%	8.0%
	A brochure presenting	7	1.2%	2.0%
	Family history	111	19.3%	31.9%
	Visiting a friend / relative	56	9.7%	16.1%
	Recommendation of a travel agent	27	4.7%	7.8%
	An article in a newspaper / magazine	7	1.2%	2.0%
	Article on a television / radio	14	2.4%	4.0%
	Decision after visiting Trade fair	7	1.2%	2.0%
Total		576	100.0%	165.5%

Source: *own survey, 2018*

Based on the above table shows that the majority of tourist are motivated to visit Addis Ababa due to recommendation of a friend or relative 263(75.6%), family history 111(31.9%), visiting a friend or relative 56(16.1%).

Other factors which has smaller responses includes information on internet, a brochure presenting, recommendation of a travel agent, an article on magazine, radio, television, and decision after visiting trade fair.

This result show that the promotion activities of the city is not working to give both foreign and domestic tourist the information they need to visit the city. Therefore, the result showed a gap in promoting tourism sites of the city.

4.6. DISCUSSION

Responses from the employees reflect that business, educational and religious are the marketing segments in this tourism destinations. The basis of the city’s market segmentation mechanism is based on the nationality of tourists like domestic, foreign, and other demographic characteristics such as sex of respondents (in some religious sites) and working condition of tourists (students and nonstudents). These indicate that, even though all the alternatives were the basis of market

segmentation, geographic and economic situation segmentation are the common form of the cities base of market segmenting mechanism.

However in contrast to this finding, Munnar, (2011) indicate that behavioral variables are the best starting point for building market segments in tourism. Moreover Awaritefe (2004) conducted study by segmenting tourists on the basis of their motives for travelling and why they chose one of seven destinations in Nigeria, and he state that segmenting tourists based on their motives is important base of segment in tourism and enable tourism sectors to attract more foreign and domestic tourists.

When we look at the importance of base of segments which is nonexistence in the city, tourists vary in their behavior even tourists from the same nation are behave in different ways to different tourism destination but the city fails to consider and misses the opportunity to attract more tourists if it consider the behavior of the tourists visiting the city in segmentation decision. Moreover this implies that the city lacks the opportunity to understand and find the main interests of customers (visitors) they look from the tourism products.

Based on the interview with the staff of AACTB, the bureau is not currently actively implementing the targeting and positioning strategies. According to respondents the city is considering to apply segmenting, targeting and positioning strategies in the future. When the above finding is compared with the theory of positioning which is proposed by Kotler et al. (2010) in which he state that positioning strategy is built up on the company's unique features that differentiate it from other competitors in the market and it involves identifying and communicating it to its target customers. Accordingly he proposes three steps for effective positioning strategies. This includes (1) identifying a set of possible competitive advantages on which to build a position; (2) selecting the right competitive advantages; and (3) effectively communicating and delivering the chosen position to a carefully selected target market. Therefore the above finding indicate that the positioning and targeting strategy of the city is not effective as the city fail to go through last steps to communicate and deliver its exceptional tourism potentials and the chosen name and slogan to the market to position it as attractive tourism destination in tourism market and attract more tourists as other competing tourism sites with in and out of the country.

Regarding the product, response from the questionnaires indicates that most of the responses fall in the agreement level. Finding of this study is according to findings of Lovelock 2004 that frequently the product includes intangibles such as history, culture and natural beauty. Usually the nature of tourism product is service and the marketing of tourism product is different from other service to some degree.

Responses from the tourists both domestic and foreign indicate that there is inadequate activities to promote tourism and convenience of tourism information to provide awareness to the products. In contrast to this finding, Bassey (2010) states that promotional strategies will serve as connection between the customers and the experience they are seeking. Since tourists have expectations, it has become essential that these requirements outline the basis of the promotional strategies of tourism destination.

Regarding the place, most of the responses from tourists fall in the agreement range. This include the way various products offered in Addis Ababa, convenience and service of tour guides in Addis Ababa, the way various tourism products offered tour operators in Addis Ababa and Convenience of travel information provided by Travel agents. Finding is this study is according to (Aimin and Begum, 2012) that the place (distribution) in tourism is providing a guideline about different tourist spot. It also provide the appropriate tour time and distances from various spot, give ideas different travel routes, selecting attractions and support facilities along different travel routes, and informing potential tourists (customers) about alternative travel routes.

Results from the questionnaire indicates that the expense for tourism and the product and service price is rated above the agreement level. This imply that the pricing of tourism destination of Addis Ababa is well rated. Finding of this study is according to finding of Nikolaos (2011) that the price of the tourism service depends on business and target market objectives, delivering and promoting the product, willingness of the target and economic climate which must give care for tourists.

Regarding the physical evidence, most of the responses fall in above the agreement level. It indicates that the accommodation provided for tourists, atmosphere of restaurants, and ancient remains, temples, museums, and palaces are well rated. Findings of this study is according to findings of Kannan and Srinivasan 2009 that the process followed from a part of service delivery system and the customers often do not differentiate between the process and the product. The

process in tourism includes trip planning and anticipation; travel to the site or area; reconciliation; and trip planning packages.

Response from the questionnaires indicates that service from people in the accommodation and service from tour guide or tourism officials fall above the agreement level. But, service from giving service on transportation and giving service in restaurants/food are below the agreement level. Finding of this study is according to findings of Buhalis 2001 that investing in the right employees in tourism industries play a vital role. For instance, hiring enthusiastic and entertaining guides can help draw more customers to your business, and will enhance the overall experience. Since the product in tourism industries is a collection of services, the people who provide the services are a key to the success of the transaction.

Response from the questionnaires indicate that process of service have lower mean value than agreement level. In contrast to this finding, Volkov, (2013) states that avoid waiting time for customers, make your customers walk for too long. in short, make sure your tours and activity run smooth.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary of findings

The objective of this study was to assess marketing strategy for tourism destinations in Addis Ababa. In relation to this, the study has investigated how the city segment, target and position its market, the city's marketing mixes elements that devised for marketing strategies, and problem encountering the marketing strategy implementation of the city. Based on the results, the following findings are summarized.

Regarding the segmenting, targeting and positioning, the majority 22(32.4%) of selected employees reflect business and educational are the market segments in this tourism destinations. Moreover, 20(29.4%) of the respondent select that religion as Addis Ababa tourism market segments. With regard to base market segments as it can be seen from table 4.3, 19(52.8%) of the respondents acknowledge that the city segment the market based on geographic location and 27.8% of the respondents also recognize that economic situations is used as the base of segmenting the market in this tourism destination.

Regarding the product, the result implies that some of the tourism destinations of Addis Ababa have rated higher in terms of the accessibility and the manner of this tourist sites are presented to tourists and the presence of holistic service that the tourists need desperately.

Regarding the marketing mix elements, the promotional activities have lower mean value, i.e. activities to promote tourism in Addis Ababa and convenience of tourism information. However, the pricing of Addis Ababa tourism destination has been rated above the agreement level i.e. your expense for tourism in Addis Ababa and Product and service price in Addis Ababa.

Regarding the place (marketing mix) most the responses fall in the range of agreement by the assessment of tourists. This include, the way various products offered in Addis Ababa, convenience and service of tour guides in Addis Ababa, the way various tourism products offered tour operators in Addis Ababa and Convenience of travel information provided by Travel

agents. Contrarily, process of service have lower mean value than agreement level. These include, how AACTB is well-planned in giving service to tourists for their convenience, travel to the site/area and, trip planning packages.

Regarding the people and physical evidence most of the responses fall in the range of agreement by the assessment of tourists. This include, service from people in the accommodation, service from the tour guide or tourism officials, the accommodation provided for tourists, atmosphere of Restaurants/food shops, and ancient remains, temples, museums, and palaces.

Concerning the strengths and weaknesses Addis Ababa tourism sites the study found that the major strengths of tourism sites in Addis Ababa are; friendliness of the people in the area 320 (85.1%), culture 292(77.7%), Safety and security 264(70.2%), Festivals and Events 244(64.9%), and value for money 217(57.7%) respectively. On the other hand, the following factors have low support as the strength of Addis Ababa tourism sites. These include; natural tourism attractions 85 (22.6%), tourism Accommodation 56(14.9%) and other 57(15.2%). Regarding the weakness of Addis Ababa tourism sites, lack of customer awareness 348(92.6%), standard of accommodation 265(70.5%), and absence of quality of services 161(42.8%). Other weaknesses are also selected in smaller number of respondents such as air access, range of products, and infrastructure.

The study also found that the major source of information to tourists are due to recommendation of a friend or relative 263(75.6%), family history 111(31.9%), visiting a friend or relative 56(16.1%). Other factors which have smaller responses include; information on internet, a brochure presenting, recommendation of a travel agent.

5.2. Conclusions

The following conclusions are made based on the result of the study.

- Regarding how the AACTB segment, target, and position its market, business and educational segmentation are the major marketing segments in this tourism destinations in Addis Ababa. Religion is also used as Addis Ababa's tourism marketing segmentation. Geographic and economic situation are also used to segment the market in less frequent

mode. The result also showed that AACTB market segmentation mechanism is based on the nationality of tourists like domestic, foreign, and other demographic characteristics such as sex of respondents (in some religious sites) and working condition of tourists (students and nonstudents). However, geographic and economic situation segmentation are the most common form of the AACTB market segmenting mechanism.

- Concerning the targeting of tourism sites the study has found that AACTB is working to identify major market target in the city tourist destinations and the bureau has a long term plan to work based on these targets.
- Regarding the positioning strategy of Addis Ababa tourism destinations, the study has found that AACTB is currently working to base its positioning marketing strategy based on the varied needs of tourist. Currently, there have been such activities to position some tourism products for some identified users, example, students and researchers.
- Regarding the marketing mixes elements that devised for marketing strategies, the study has found that even though tourism activities are largely boosted by the promotional activities that are made in order to attract and sustain large tourists flow, the study has found that the promotional activities lacks coverage and consistency. But the pricing of tourism service in Addis Ababa is very satisfactory for both domestic and foreign tourists who visit the city's main tourism sites.
- Regarding the major challenges encountering the marketing strategy implementation of the city, the tourism marketing of Addis Ababa has faced a lot of challenges. These challenges include; the current international perceptions of Ethiopia which challenge to implement the selected marketing strategy as Ethiopia is not much known for its tourism, which leading to a lower rank in Africa. Lack of manpower is also the major challenge for tourism marketing. The training institute of the ministry produces good quality graduates but they are so small in number that it is difficult for them to get as many of them as they need. Besides private graduates are criticize that in most cases they are less effective than traditional tour guide. Financial problems; there is inadequate fund to implement marketing strategy the source of finance for city.

5.3. Recommendations

Based on the finding of this study, the following recommendations are suggested.

- The market segments should diversify by considering education for higher education institution students and employees and religion for domestic tourists by extending the boundary of the cities sites to reduce seasonality of the problems.
- AACTB should implement the targeting strategy in the short run program that already identified the major target market in the city tourist destination.
- AACTB has to working efficiently and effectively to base its positioning marketing strategy based on the varied needs of tourist. .
- Effective tourism marketing mixes frame work should have to design to deliver and manage sustainable tourism potentials of the destination. AACTB should integrate promotional mix to make convenience of tourism information. The exceptional tourism potential should have to promote to the customers in order to build the image of Ethiopia in general and Addis Ababa tourism sites in a particular as tourism destination with attractive and exceptional tourism potentials.
- One of the major challenge is Ethiopia is not much known for its tourism, which leading to a lower rank in Africa. The government should take necessary measures to implement marketing strategies to encourage the promotion of positive image of tourism in the country.
- To avoid lack of experienced manpower, the ministry of culture and tourism of Ethiopia should work in an organized and coordinated manner with concerned stakeholders to boost the tourism activities of well qualified experts that can strengthen its capacity to regulate the smooth functioning of the whole system and provide reliable and up to date information to tourists.
- The government should encourage the tourism sector through approve adequate budget to implement marketing strategy. Because to attract both domestic and foreign tourists, innovative ways of marketing strategies should be accompanied with efficient and effective measures to cultivate the fruits of tourism industry.

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Appendix 1:

Addis Ababa University

College of Business and Economics

School of Commerce

Department of Marketing Management

(Questionnaire to be Filed by Tourists Visiting Addis Ababa)

This questionnaire is designed for the purpose of collecting data for *conducting study on assessing the marketing strategy for tourism destinations in Addis Ababa.*

You are politely requested to provide the required and correct data as per the questionnaire because it has a great role for the attainment of the objective of the study. The information that you provide is only for academic purpose and therefore all information provided shall be treated with maximum caution and confidentiality.

If You have any query you can reach me via Mob No.....

Thank you for your cooperation in advance!

Part –I: Demographic Information

Direction: Please select the appropriate response category by encircling the number against each question.

1. **Sex** 1. male 2. female

2. **Age** 1. 18 – 30 years 2. 30-50 years 3. above 50 years

3. **Marital status**

1. Single

2. Married

3. Divorced

4. Widowed

4. **Nationality** 1. Ethiopian 2. Non-Ethiopian

5. Educational level

1. 1-8 grades complete
2. 9-10 grades complete
3. Certificate
4. Diploma
5. Degree and above

Part – II: Marketing mix elements (4p) and brand loyalty scales

Direction: Please indicate your degree of satisfaction /dissatisfaction with the following statements by circling the appropriate number. (1-Strongly dissatisfied; 2-Dissatisfied; 3-Neutral; 4-satisfied; and 5-Strongly Satisfied)

No	Statements	Possible responses				
		<i>SD</i>	<i>D</i>	<i>N</i>	<i>S</i>	<i>SS</i>
1	Product					
1. 1	National museum	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
2. 2	Ethnological museum	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
3. 3	“Red terror” martyrs memorial museum	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
4. 4	St George Cathedral and Museum	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
5. 5	Holy Trinity Cathedral	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
6. 6	Lion of Judah Monument	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
7. 7	Natural history museum	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
8. 8	<i>Yekatit 12</i> Monument	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
9. 9	National Archives and Library of Ethiopia	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
2	Price					
2.1	Your expense for tourism in Addis Ababa	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
2.2	Product and service price in Addis Ababa	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
3.	Promotion					
3.1	Activities to promote tourism in Addis Ababa	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
3.2	Convenience of tourism information	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
4.	Place					

4.1	The way various products offered in Addis Ababa	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
4.2	Convenience and service of tour guides in Addis Ababa	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
4.3	The way various tourism products offered tour operators in Addis Ababa	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
4.4	Convenience of travel information provided by Travel agents	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
5.	Process of service					
	How AACTB is well-planned in giving service to tourists for their convenience	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
	Travel to the site/area	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
	Trip planning packages.	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
6.	People					
	Service from people in the accommodation.	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
	Service from the tour guide or tourism officials.	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
	Service from people giving service on transportation.	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
	Service from people giving service in restaurant /food	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
7.	Physical evidence					
7.1	The accommodation provided for tourists.	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
7.2	Atmosphere of Restaurants/food shops	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
7.3	Ancient remains, temples, museums, and palaces.	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>

**1. What are the key strengths you observe in Addis Ababa as a tourism destination?
(More than one answer is possible)**

1.Natural Tourism attractions

2. Friendliness of the people in the area
3. Culture
4. Tourism Accommodation
5. Value for Money
6. Festivals and Events
7. Safety & Security
8. Other (please specify) if any _____

2. Please identify any weaknesses, if any, you may have observed in Addis Ababa as a tourism destination? (More than one answer is possible)

1. Air Access
2. Standard of accommodation
3. Range of Products
4. Lack of Consumer Awareness
5. Infrastructure
6. Quality of Service
7. Other (if any) please specify _____

3. What motivate you to visit Addis Ababa? (More than one answer is possible)

1. Previous visits
2. Recommendation of a friend /relative
3. Information on the Internet
4. A brochure presenting
5. Family history
6. Visiting a friend / relative
7. Recommendation of a travel agent
8. An article in a newspaper / magazine
9. Article on a television / radio
10. Decision after visiting Trade fair
11. Other please specify (if any) _____

12. Which of the city's attractions is more attractive to you? (More than one answer is possible)

1. National museum
2. Ethnological museum

3. “Red terror” martyrs memorial museum
 4. St George Cathedral and Museum
 5. Holy Trinity Cathedral
 6. Lion of Judah Monument
 7. Natural history museum
 8. Yekatit 12 Monument
 9. National Archives and Library of Ethiopia
 10. Other, please specify
-

4. Why do you choose Addis Ababa tourist destinations over the other tourist destinations in Ethiopia?

1. Attractions of the area
2. Accessibility
3. Quick access to travel information
4. Security / Safety
5. Price
6. Other (if any) please specify _____

Thank you for your participation!

Addis Ababa University
College of Business and Economics
School of Commerce

Department of Marketing Management

(Questionnaire to be filed by employees of Addis Ababa Cultural and tourism Bureau)

This questionnaire is designed for the purpose of collecting data for *conducting study on assessing the marketing strategy for tourism destinations in Addis Ababa.*

You are politely requested to provide the required and correct data as per the questionnaire because it has a great role for the attainment of the objective of the study. The information that you provide is only for academic purpose and therefore all information provided shall be treated with maximum caution and confidentiality.

If You have any query you can reach me via Mob No.....

Thank you for your cooperation in advance!

Part –I: Demographic Information

Direction: Please select the appropriate response category by encircling the number against each question

1. **Sex:** male female
2. **Age:** 18 – 30 years 30-50 years above 50 years
3. **Marital status:**
 1. Single
 2. Married
 3. Divorced
 4. Widowed
4. **Educational level**
 1. 1-8 grades complete
 2. 9-10 grades complete

3. Certificate
4. Diploma
5. Degree
6. Master's degree and above

Part II. Segmentation Targeting and Positioning Strategies to Position Tourism Attractions for Sustainable Tourism Marketing

1. Have the city identified its target market for its different market segment?
 1. Yes
 2. No
 3. I don't know
2. How many different key segments (leisure, business, religious etc.) does your organization market? (Tick all that apply)
 1. Leisure
 2. Business
 3. Religious
 4. Educational
 5. Other (if any) please specify _____
3. What are the bases used by your bureau in segmenting the market? (Mark the appropriate answer, more than answers are possible)
 1. Geographic location
 2. Economic situations
 3. Demographic
 4. Other (if any) please specify _____
4. Does the bureau have separate marketing mixes strategies for each market segment?
 1. Yes
 2. No
 3. I don't know
5. What activities should be done to each market (foreign and domestic tourist) to encourage domestic and international tourism in Addis Ababa?
 1. Increase value for money on product offer
 2. Matching product and service to consumers

3. Provide group travel, affordable and travel voucher options
4. Encourage more travel to group domestic and foreign tourists through the use of special rates on low peak seasons
5. Promoting interprovincial travel by encouraging touring and publicizing hidden secrets in different part of the city and experience
6. Making use of special events to target domestic and foreign tourists to reduce seasonality and provide customize services
7. Other, if any, please specify _____.

Part III: Marketing Mixes Strategies of Addis Ababa Tourism Destinations

1. Here is a list of Contemporary Marketing Mix strategies to position tourism attractions for Sustainable Tourism Marketing, applied by many tourism sectors. Among those which tourism marketing mix strategies are applied by AACTB to promote its' tourism attractions? (Tick all that apply)
 1. Product
 2. Place
 3. Promotion
 4. Pricing
 5. Planning
 6. Packaging
 7. Programming
 8. Positioning
 9. People
 10. Partnership
2. Does the bureau have a website?
 1. Yes
 2. No
 3. I don't know
3. If yes, how often is this website is updated?
 1. Daily
 2. Weekly
 3. Monthly

4. Semiannually or more
 5. When necessary
 6. Other, please specify _____
4. Does the bureau offer printed marketing material (brochures, pamphlets, visitor guides)
1. Yes
 2. No
 3. I don't know
5. What are the promotional strategies adopted by the bureau? (Tick all that apply)
1. Advertisement
 2. Sales promotion
 3. Public relation
 4. Personal selling
 5. If any other medium, please specify _____
6. If the bureau adopts advertisement as promotional strategy, please specify the media used for it. (Tick all that apply)
1. Television
 2. Radio
 3. Newspaper
 4. Broachers
 5. Direct Mail
 6. Internet
 7. Other (if any) please specify _____
7. Does the bureau evaluate the advertising and promotion plans?
1. Never
 2. Sometimes
 3. Almost Always
 4. I don't know
8. How do you evaluate the marketing strategies of the bureau in order to attract foreign and domestic tourists to Addis Ababa?

Thank you for your participation!

Appendix 2

Addis Ababa University

College of Business and Economics

School of Commerce

Department of Marketing Management

Interview guide Questions

- How does your bureau segment, target, and position its market?
- What are the city's marketing mixes elements that devised for marketing strategies in your bureau?
- What are the major problem you face for tourism marketing?
- What are the major strengths of tourism sites in Addis Ababa?
- What are the major problems encountering the marketing strategy implementation of the city?