



**ADDIS ABABA UNIVERSITY**  
**College of Development Studies**  
**Center for Environment and Development Studies**  
**Tourism Development and Management Unit**

**Package Tour Design for Tourism Business Development in  
Ethiopia**

A THESIS SUBMITTED TO SCHOOL OF GRADUATE STUDIES OF ADDIS ABABA  
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OF MASTER OF ARTS IN TOURISM DEVELOPMENT AND MANAGEMENT

**KEBRABE MATEWOS BOYANSO**

**Advisor: SHIFERAW MULETA (PhD)**

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Addis Ababa,  
Ethiopia

**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**COLLEGE OF DEVELOPMENT STUDIES**

This is to certify that this thesis prepared by Kebrabe Matewos, entitled: **Package Tour Design for Tourism Business Development in Ethiopia** submitted in partial fulfillment of the requirements for the Degree of Master of Arts in Tourism Development and Management accordance with the regulations of the University and meets the accepted standard with respect to originality and quality.

Advisor Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Internal Examiner Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

External Examiner Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Chair of Department Examining or Graduate Program Coordinator

Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

## **Abstract**

*The package tour is the core product of tour operators. It is an under-researched theme in an Ethiopian context. This study is conducted to explore a package tour design in Ethiopia. Both primary and secondary data were produced by employing qualitative methods. Purposive sampling techniques were used to select interviewees and focus group discussion participants. The main data gathering tool used in this study was an in-depth interview conducted by telephone conversation. Focus group discussion was used to triangulate and to substantiate the interview results. The collected data were analyzed and presented thematically using a qualitative approach. The research findings show that Ethiopian tour operators offer highly standardized and homogenous package tours. Mainly two types of package tours are developed; regular and tailor-made package tours. Additionally, tour operators do not buy travel components in bulk rather they assemble upon request or when they have confirmed departures. Besides, the findings indicated that the characteristics of the Ethiopia package tour; sells are depended on the success of source market outbound tour operators, on the online presence of company product, and staff expertise, package sales are at peak on high tourism season, and package tours are also highly-price sensitive. The finding has addressed issues to consider by tour operators to design package tours such as; destinations knowledge, innovation and creativity, information technology, marketing, and communications are significant for package tour design. The study also reveals factors related tourists and destinations in package tour design. These include; unable to meet tourist preferences, destinations tourism infrastructure, and tour operators' skills and experience to design and develop package tours. The study identified the unique activities added or included in the package tour such as; dining at the cultural restaurant, Amharic language lessons, dressing in traditional Ethiopian clothes, cooking at household, and activities at the farm. The study reveals also tour operator's relationship with tourism business firms. Tour operators have a stringent relationship with local guides and attractions site and a smooth and formal with hoteliers, car rental firms, and tour operators. This study has addressed the significance of tour operators in the development of package tours and recommendations are forwarded for the tour operators on how to design a viable package tour as well as other stakeholders towards tourism business development in Ethiopia.*

**Key words:** *package tour, package tour design, tour operators, Ethiopian tour operators*

## DECLARATION

I, the undersigned do hereby declare that this thesis is my original work entitled **Package Tour Design for Tourism Business Development in Ethiopia** which hasn't been presented in any university for similar degree awards and that all materials and sources used for this thesis have been fully acknowledged.

Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

## **Dedication**

I dedicated this thesis to my father Matewos Boyanso Borena.

You taught me the value of righteousness and hard work.

Thank you. Wish you a long life.

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## **Abbreviations and Acronyms**

AAU	Addis Ababa University
ASL	Above Sea Level
DMO	Destination Management Organizations
EPRDF	Ethiopia People’s Revolutionary Democratic Front
ETO	Ethiopian Tourist Organization
EU	European Union
FGD	Focus Group Discussions
IGE	Imperial Government of Ethiopia
MOCT	Ministry of Culture & Tourism
NTO	National Tour Operation and Travel Agency Enterprise
SME	Small and Medium-Size Enterprise
UK	United Kingdom
UNESCO	United Nations Educational, Scientific and Cultural Organization
WWII	World War Two
3s	Sun, Sea and Sand

# **Chapter One**

## **Introduction**

### **1. Background of the Study**

Tour operators play a pivotal role in tourism sector linking and influencing both the destinations and tourists (Marin-Pantelescu, Tăchiciu, Căpuşneanu, and Topor, 2019; Maru and Kieti, 2013). In tourism activities, the contribution of tour operator is significant for their eminent role playing an intermediary between tourists and local service providers (Dordevic and Stancic, 2015) and having a higher negotiation and market power (Moreno-Gi and Picazo, 2018). The tour operators often do their business by purchasing individual travel product in bulk (hotel rooms, airline seats, and car rent) and combine them with different activities to make attractive package tour which is sold as a package tour at a single price either directly to the tourists or indirectly via travel agents. By doing this, tour operators act as a bridge between the principals, suppliers and the tourist, demand (Deveraja and Deepak, 2016).

The main product of tour operators is a package tour. A typical package tour consists of at least two of the pre-arranged combination of accommodation, transport and attractions (Euro-Lex, 2015; Camilleri, 2018). Nowadays, tourists are well-travelled, more experienced that they are more demanding to seek alternative experiences than the traditional and mainstream type of package tour. Inevitably, perhaps, the development of information technology enabled tourists to have destination knowledge, familiarity on the components package tours and to search for the best deals on offer (Kim, and Kim, 2017; Hsu, King, Wang, and Buhalis, 2016). These demand changes require reaction and adaption by tour operators. Therefore, it is important for tour

operators to develop new products and offer diversified package tours to react and adapt for these changes.

Designing a new package tour involves multiple processes (Lim, 2016). It begins with the identification of place of tourist interest, and selection of accommodation, transport, guides, according to the customer's tastes, and preferences with potential time constraints to set in a meaningful visiting order (Camilleri, 2018). Therefore, it is important to understand the elements that make up a package tour, to find the right blend of places to visit, accommodation, and transport that best meet the interests of a particular traveler. This necessitates investigating a package tour design and development (Widz, 2017).

In Ethiopia perspective, tour operators are a key player linking the country with the source market tourists and international tour operators (Berhanu, 2017). The demand for Ethiopia package tours as long-haul destination has been increasing in the last decades (Altes, 2018). Therefore, it is very important to explore how Ethiopian tour operators design package tour. This study, which is an attempt in this regard, has also a practical implication for tourism business development in Ethiopia apart from its academic contributions.

## **1.2. Statement of the Problem**

Nowadays, the tour operation business has faced increasing competition due to globalization and information technology developments (Cavlek, 2013). The extensive tourists travel experience, availability of quality information on the web, and a wider range of new travel destinations, tourists are currently more demanding and giving higher value to their individual preferences and requirements on the components of the package tour (Holland and David, 2018; Dordevic and Stancic, 2015; Teodorescu, Stăncioiu, Răvar, and Botoș, 2015).

Consequently, tourists want to explore different cultures, increase their knowledge, and experience excitement. They tend to plan flexible itineraries, active and participatory activities. At the same time, tourists are willing to pay a premium for knowledgeable guides, tour with a small group, with exclusive access to villages and activities, and package tour that offers something different (Sawińska, 2017). This presents opportunities for new travel programs, agreements, and packages in tour operation businesses. It is, therefore, important to examine how package tours are prepared and their implications for tourism business development in emerging economies in particular.

Package tour characteristics and its components have attracted the attention of scholars in the field of tourism. There are several studies conducted in the context of developing countries. For instance; Çetin, et al. (2017) examined the quality of package tours prepared by Turkish tour operators and how customers perceive that how different elements and features of package tours affect quality perceptions and satisfaction. In another study, Widz (2017) assessed the quality of tour packages designs of Tunisian tour operators. Dordevic and Stancic, (2015) analyzed different elements of tour packages and determined the level of significance of different benefits that the package tours offer to tourists.

Likewise, a package tour from different aspects has been widely investigated in an Asian context. For instance, Xu and Chan, (2010) explored service experiences in the context of inbound package tours supplied by the USA tour operators to China. In another study, Wang et al. (2007) examined the critical items for measuring service quality in group package tours on Taiwan's major travel operators. Similarly, Raikkonen and Honkanen, (2013) examined how satisfaction with the components of a package tour affects the success of a vacation experience by tours offered by Finish tour operators.

Nevertheless its significance in tour operation business, designing a package tour is an under researched theme in an Ethiopian context. There are few studies, which have focused on Ethiopian tour operators available (Shiferaw 2017; Edelawit 2017, Yemane 2018). For instance, Shiferaw (2017) examined the entrepreneurial behavior and firm performance of Ethiopian tour operators. The study of Edelawit, (2017) focused on human resource management challenges of tour operating companies. Yemane, (2018) conducted the implication of usage of e-marketing on the performance of Ethiopian tour operators was examined. Despite the limited studies conducted focusing on Ethiopian tour operators, these prior studies have only focused on tour operators' contribution to tourism development and its challenges and overlooked the main product of the tour operators, which is a supply of quality tour package.

Moreover, change in tourist demand to active, flexible, and participatory package tours necessitate to explore how Ethiopian tour operators design package tours and offer diversified, unique, and flexible tours. Thus, this study fills in such a gap in tourism research as well as in existing tourism literature in Ethiopia. By doing so, this study provides new knowledge and insights into the design of package tours.

### **1.3. Research Questions**

1. How do Ethiopian tour operators design package tour?
2. What are the unique activities in Ethiopia package tours?
3. What are the contribution package tours for tourism business development in Ethiopia?

## **1.4. Objectives of the Study**

### **1.4. 1. The General Objective of the Study**

The general objective of the study was to explore a package tour design in Ethiopia.

### **1.4. 2. Specific Objectives**

1. To explore the package tour design among Ethiopian tour operators.
2. To identify the unique activities in Ethiopia package tours
3. To describe the contribution package tour for tourism business development in Ethiopia.

## **1.5 Significance of the Study**

This study helps to develop an effective package tour and methods to create an outstanding tourism product and to offer diversified and unique tours. Theoretical it provides the importance of package tour design. And its practical implications deliver tour operators to be aware of the importance of unique and specialized package tours to create a positive tourist satisfaction.

Accordingly, the study is a valuable tool for tour operators to improve their understanding of package tour design, increasing the competitiveness of their packages and thereby improve their business activities. It also helps the government and policy makers to consider packaging destination serves as the most essential tool for destination marketing and promotion. For academic, it contributes to the literature in package tour design and provides new knowledge in offering quality tour operation services.

## **1.6. Scope of the study**

This study focused on how Ethiopian tour operators design package tours and offer diversified, and unique tours. The study was conducted among tour operators firms which are found in Addis Ababa, Ethiopia. It examined the practices of Ethiopian tour operators in package tour design. This research was conducted among professional tour operators or experts. Due to, firstly, they have a direct contact with actual and potential tourists to design and develop package tour in tour correspondence. Secondly, tour operator firms are forced by law to hire tourism graduates to run the office and to get the license for tour operation services.

## **1.7. Limitations of the Study**

In conducting this research several inevitable limitations were confronted to complete the essential steps in this thesis work. First, the prevailing COVID-19 pandemic had forced the researcher to change from the original research that focuses on package tour quality and tourist satisfaction to “package tour design in Ethiopia” in a quite short time. Moreover, restriction on social-distance related to the pandemic prevented free and fast movement in gathering data and conducting the research at a specified time. Second, due to the pandemic, the research participants were not in good mood for interviews where they lost most of their confirmed bookings and were desperate. Third, the research participants had lost appetite for interviews and focus group discussion as they got a cancellation for all confirmed bookings due to the pandemic. Fourth, the research participants were not cooperative and willing to give detail information about package tours and tour operation services to keep business secret. As a result of these limitations, precaution was taken in analyzing and interpreting the study outcomes.

Despite these limitations, the findings can play an important role in the development of a diversified, unique, and flexible package tour.

## **1.8. Organization of the study**

This study is organized into five chapters. Chapter one contains an introductory part that describes the background of the study, statement of the problem, the objective of the study, research questions, significance of the study, the scope of the study, limitation of the study, and organization of the study.

In chapter two the researcher presented theoretical reviews on package tour concepts, definition and types of package tour, elements in package tour design, stages in package tour development, new and unique package tours, package tour for tourism business development, empirical review of a package tour, tour operation development in Ethiopia, and tour operation services in Ethiopia.

Chapter three of this research focuses on research methodology which specifically deals with the descriptions of the study area, research philosophy, research design and method, target population, sample size and sampling technique, data types and sources, data collection instrument and procedure, data analysis, and presentation, **validity and reliability** of the research and ethical consideration.

The fourth chapter deals with the presentation of data, analysis, interpretation, discussions and data presentations. Finally, the fifth chapter presents the conclusion and recommendations of the study based on the findings. References and Annexes are also attached at the end of this study.

## **1.9 Terminologies**

### **Package Tours:**

A package tour defined as a pre-arranged combination of at least two of the following travel components; transport, accommodation, and other tourist services (meals, insurance, and sightseeing activities) and sold as a single product at an inclusive price and covers a period of more than twenty-four hours or includes overnight accommodation (Deveraja, and Deepak, 2018).

### **Tour Operators:**

A tour operator is defined to be a company or person who purchases individual travel product in bulk (hotel rooms, airline seats, activities, and other supplies) and combines these vacation components into a package tour, which is sold as a package tour at a single price either directly to the tourists or indirectly via travel agents. The tour operator acts as an intermediary between the suppliers and the travel agent, or the suppliers and the consumer (Holland and David, 2018).

## **Chapter Two**

### **2. Literature Review**

#### **2.1 Concepts of Package Tour**

The emergence of the package tour is widely related to the rise of the tour operations business, which is primarily UK-based. The early development was in 1841 when Thomas Cook organized a train excursion from Leicester to Loughborough, to 570 passengers for a round – trip at the price of 1 shilling per passenger. It is considered as the first domestic package tour (Raikkonen, 2014). By 1855, Cook arranged a first international package tour to Paris, and mainland Europe. Despite the fact, the traditional package holiday comprises of accommodation and transport to and from the destinations, it did not include international flights. According to Holland and David (2018), the term ‘package holiday’, ‘tour package’, and ‘package tour’ as we know it today occurs after World War Two (WWII).

After the war, WWII international package tours increased mainly influenced by economic, socio-cultural, political, and technological development. The increasing prosperity, holiday with payment, advancement in air transport, and largely due to the democratization of travel by the application of Fordist production model on tourism were important factors in the development of package tourism (Raikkonen, 2014). However, the traditional package tour comprising of international flights, accommodation, activities, and ancillary services, as we know it today did not start until the 1940s. The first flight-inclusive package tour was arranged by Vladimir Raitz, who set up Horizon Holidays in 1950 and run his first overseas package by flight from London to Corsica rather than by rail and sea (Syratt, and Archer, 2003; Richardson, 2019).

During the 1950s and 1960s, the package tours were standardized and similar geared to popularized Mediterranean destinations and to developed resorts for beach tourism (sea, sand, and sun) on regular departures basis. Mass production of standardized package tours by purchasing travel components in bulk allows tour operators to negotiate for the best rate and sell packages at low prices enabled tour operators to maximize profit (Sezgin and Yolal, 2012)..

By the 1970s and 1980s, tour operators started to offer long-haul, exotic package tours to specific destinations attributed to change in tourist demand that leads to the rise of independent holidays with tourist preferences and flexibility. Later, in the 1990s new destinations were raised with specific and diversified products type. This opened for a tailored-made and special interest package tour. The traditional high-volume, low priced package model, characterized by standardized and pre-arranged tours shifted to a more differentiated and bespoke package in response to change in tourist demand (Holland and David, 2018). This era of post-Fordist production comprises of the development of more specialized, individual, and niche package tour, which is tailored to meet a change in tourist demand (Shaw and Williams, 2004). After 2000, the package tour reached maturity and there was a decline in total purchases due to the growth of independence, build it yourself, and tailor-made package tour.

The development of low-cost, efficient, and fast airlines and the advancement of information technology have made independent and bespoke travel more accessible and easy to reach to exotic destinations however, package tours will still be significant for many tourists worldwide (Holland and David, 2018). This is due to, not too loose consumer protection, privilege, and security for booking a package tour. It is the reason why a package tour designed and developed by the tour operator is still important and attractive.

## **2.2 Definition and Types of Package Tour**

### **Definition of Package Tour**

A package tour is the main product of tour operators. It is an important component of the travel business. It is a blend of many components of travel services such as transportation, accommodation, sightseeing, and meals that are sold to customers at a single price (Deveraja, and Deepak, 2018). It is usually preferred for its convenience of offering different destinations together, less expensive than an individual trip, and has detailed information about accommodation, transportation, meals, drinking, activities, and excursions (Widz, 2017).

According to Euro-Lex. (2015) the package Travel Directive (EU) 2015/2302 defines a package tour means a pre-arranged combination service at an inclusive price entailing at least (1) transport and accommodation. (2) transport or accommodation, together with some additional travel services essential to the package as a whole. Cover a period of at least twenty-four hours including an overnight stay.

Package tours include meals and entrances to attractions in the destination country (Marin-Pantelescu et al. 2019). It has become common practice to offer optional excursions such as; cultural shows, supplementary attractions, and activities. However such extras are priced outside the package tour quote inclusion to minimize the initial purchase price (Prideaux, King, and Dwyer, nd). Tour operators are responsible to deliver individual travel components bundled in package tour as per the details promised in the tour itinerary.

## **Types of Package Tour**

A package tour or package holiday is a pre-arranged or a pre-paid trip that combines many travel elements such as; attractions, accommodation, accessibility, amenities, and activities (Deveraja, and Deepak, 2018). It can be classified based on nature of the packages, which are escorted and not escorted by tourist guides or based on accommodation type and by mode of transportation throughout the trip e.g. coach, rail, and bicycle (Holland and David, 2018). Tour Packages are classified as, escorted tour, hosted tour, independent tour, tailor-made packages, and dynamic packaging.

### **a) Escorted Package tour**

An escorted tour takes a pre-arranged or pre-determine itinerary escorted by a tourist guide or a tour leader who takes care of all services from the beginning to the end of the tour. The tour leader or guide provides information to the tourists' ranges from the origin, briefing services, en-route and at the destination assistance on sightseeing on point-of-interest, hotel check-in, flight boarding, meal arrangement, baggage handling, advice on safety and security along with entertaining and educational interpretation services (Camilleri, 2018; Sharma, 2006). Mostly, escorted tours are for the first-time visitor to the destination.

### **b) Hosted Tour**

A hosted tour is handled by the ground operator or handler as an agent of the wholesale tour operator. Tourists are greeted by a local representative or guides who provides meet and greet service, plan and organize the tour activities including; arranging transfer, entry fee payments, and serve as tourist guide (Holland and David, 2018). This kind of package tour enhances host-guest relations and opens opportunities for locals to demonstrate their culture and

heritage. It is ideal for tourists also who want some freedom with the comfort of tour guide services.

**c) Independent Tour**

This package tour is designed for independent tourists. These participants travel independently without a group. They follow a pre-defined route. They select types of accommodation, destinations, transportation to suit their time, comfort, and budget level. The independent tour largely includes domestic air tickets, hotel room services, processing of travel formalities, arrival, and departure transfer, and sightseeing (Holland and David, 2018). The cost of the package tour is relatively high as it includes most of the customized services. For example, high-end or budget travelers prefer independent tours.

**d) Tailor-made packages**

This package tour is designed to fit the tourist requirement, travel time, budget, and preferences as per the inquire. It includes all the aspects of a holiday to meet the customer's preference rather than selling ready-assembled holidays. As result, it is quite expensive compared with pre-packaged itineraries (Holland and David, 2018). Most tour operators firms offer this form of tour packages.

**e) All-inclusive package tours**

All-inclusive package tours are standardized, quality-controlled, repeatable offers comprising two or more elements of transport, accommodation, food, destination attractions, other facilities, and services (such as travel insurance) that are sold to consumers as a comprehensive package for a single price (Camilleri, 2018).

## **f) Dynamic Package tours**

This is a new phenomenon in tour packaging and related to the development of information technology (Bastakis, et al. 2004). On this tour package, tourists book their package based on their preferences of transport, accommodation, transfers, meals, tour guiding, sightseeing, etc. instead of buying a pre-defined package tour. The pricing in dynamic packaging is always based on the current availability. It is an automated combination of travel components based on tourist preferences and sold generally online (Holland and David, 2018; Cavlek, 2013).

## **2.3 Elements in Package Tour Design**

Designing and developing a new package tour is a multifaceted step. It involves identifying and selecting the different components of a package tour and ensuring the logistics at the destinations such as; transfers, tour guiding service, transport between destinations, sightseeing, and excursions. Tour operators have to ensure the selected destinations are attractive and accessible; prices are also acceptable to tourists, accommodation to be neat and tidy with a range of options. Thus, developing a package tour is a complex process as a result, tour operators have to consider different factors that have an impact on the design and development of a package tour.

The attraction is the primary tourism product and key pull factor motivating tourists to visit destinations. Attractions are often the focus of visitor attention and may provide the initial motivation for the tourist to visit the destination (WTO, 2007). Tour operators need to ensure the destinations have good value for the visit. Destinations with nature, culture, history, religion, and different outdoor activities need to meet with the identified market segment.

The other significant factor is the accessibility of the destination influences the type of package tour to offer. Destinations should be accessible to tourists via road, air, water, and railway. Tourists should be able to travel at ease within the destinations. Furthermore, accommodation is also an important factor at the destinations could be a hotel, lodge, and resorts and maybe the locals' such pension, and Bed and Breakfast. The availability and type of accommodation at the destination vary in attracting different tour package.

## 2.4 Stages in Package Tour Development

The production of package tour process starts from product conception, screening it for feasibility studies, conducting detailed financial analysis, developing a prototype, testing it in the marketplace and adjusting it where necessary, implementing and monitoring (WTO, 2007). Usually package development takes 12 to 18 months depending on the tour, and the types of tour operators. Nevertheless, whether a mass oriented tour operators or special niche follow similar process in planning package tour. As Holland and David, (2018) proposed there are nine steps that should be considered in package tour development.

**Table 2.1**  
Stages in Package Tour Development

No.	Stage	Activity
1	Review, research and planning	<ul style="list-style-type: none"> <li>• Evaluation of company performance</li> <li>• Market research, including changes in demand and identification of trends</li> <li>• Competitor analysis</li> </ul>
2	Second Stage of research	<ul style="list-style-type: none"> <li>• Evaluation of alternatives, including basic feasibility and capacity predictions</li> <li>• Identification of new product possibilities</li> </ul>
3	Product planning	<ul style="list-style-type: none"> <li>• Itinerary planning, including destinations, grade of holiday, capacity and departures</li> <li>• Initial costing which may result in reviewing itineraries</li> </ul>

		<ul style="list-style-type: none"> <li>• Marketing materials production</li> </ul>
4	Contracting	<ul style="list-style-type: none"> <li>• Negotiate with airlines and accommodation suppliers</li> <li>• Negotiate contracts with ancillary services e.g. transfers, excursions</li> </ul>
5	Brochure production and website design	<ul style="list-style-type: none"> <li>• Commission designers and printers</li> <li>• Finalize contracts</li> </ul>
6	Finalize sales and marketing plan	<ul style="list-style-type: none"> <li>• Design and implement marketing strategy</li> <li>• Preparation of administrative support</li> <li>• Sales training agents and staff development</li> </ul>
7	Operations and administration training Recruit specialist staff	<ul style="list-style-type: none"> <li>• Recruit staff – this may be for overseas, such as resort reps, tour managers, drivers etc.</li> </ul>
8	Product launch and subsequent evaluation of sales	<ul style="list-style-type: none"> <li>• Review sales and introduce recovery tactics if sales are poor</li> </ul>
9	Product review and post tour management	<ul style="list-style-type: none"> <li>• Review product and plan changes necessary</li> <li>• Quality review and implement changes</li> </ul>

**Sources:** Holland and David, 2018

## 2.5 New and Unique Package Tours

Currently, tourists are traveled more and gained experience in exotic destinations and cultures. Duet to this fact, tourist becomes more demanding for new, unique, and something different package than the mainstream tours (Raikkonen, 2014). This shifts in tourist demand, coupled with the rise of information technology, and new destinations, which offer alternative packages, created new opportunities to diversify packages.

In line with the above, tour operators as a developer of package tours are forced to adapt to individual tourist requirements and preferences, to develop unique, flexible and diversified package (Teodorescu et al. 2015; Sawińska, 2017). Additionally, tour operators need to ensure the competitiveness of their packages whether it satisfies existing and potential customers. As

well, to convince tourists that they are offering a unique product that is superior to that of their competitor.

Tourists seek out new, unique, and flexible package tour experiences, which are truly authentic and meaningful (Nicolaidis, 2014). When tourists engage in activities that facilitate an exploration of the unique activities such as; meet and socialize with local people, participate in community activities, and engage in cultural exchanges gives a sense of worth and value. This fact leads tour operators to have a desire for participatory, interactive, or hands-on activities to be incorporated on the contents of the package tours.

When tour operators arrange a package they should seek to offer a unique and specific product with detailed information on the itinerary, both on the arrangement of the package and the entire destination (Deveraja and Deepak, 2016).

## **2.6 Package Tour for Tourism Business Development**

Tour operators exercise greater control over the destination's business development as such; they influence tourist demand to a destination by offering a package tour. When developing a package tour they use the service of local transport, accommodations, and activities (Picazo and Gil, 2018) which is largely owned by small and medium-size enterprises (SMEs). SMEs have limited or inadequate distribution networks and more dependent on tour operators to reach the tourist market and to sell their products (Budeanu, 2005). Thus, tour operators are uniquely positioned in tourism business development. Because of their destination's knowledge, they strategically develop a package tour to the destinations that in turn stimulate the local economy.

As several studies have shown that (Budeanu, 2005; Bastakis, et al. 2004) tour operators' dominance in the tourism business. As such, they are a key component in determining the development of destinations. In the tourism supply chain, tour operators operate as a hub in mediating and connecting principals with tourists (Cavlek, 2013). Tourism business suppliers at destinations have a direct contact with the tourists to provide accommodation, catering, transport, activities, and ancillaries' services. A well-designed package tour takes tourists to destination and offers opportunities for many SMEs to participate in the tourism business. For instance, a ground handler at the destination operate tours, negotiate rates, employ local guides, and run the tour on the behalf of the tour operators.

Nevertheless, there is a suggestion that the significance of small tourism enterprises for tourism development at destinations, their role is limited by the dominant power of tour operators (Bastakis, et al. 2004). But the impact could be significantly reduced if, tour operators working with SMEs on the development of package tours to stimulate the local economy. Consequently, this indicates that the importance of package tours to encourage the development of destinations considerably by presenting the attractiveness of a destination to the tourism market (TOI, 2003).

## **2.7 Empirical Review of Package Tour Design**

As early as the 1980s, the importance and design of package tours were analyzed by academics, for instance; Sheldon, (1986). According to her, the basic package tours accommodation and transportation only provide a bigger discount to the consumer than all-inclusive tours. Furthermore, Quiroga (1990) points out that group dynamics, and group size, and other factors that influence the design, formation, and development of a package tour in Europe. Yet as, Enoch (1996) argue that organized mass tourists show a great interest in package tours

where at least three elements are arranged by tour operators, which are: transportation, accommodation, and sightseeing as a significant component in designing package tour.

More recently, Dordevic and Stancic, (2015) analyzed the different elements of package tours, aiming to determine the level of significance of different benefits that the package tours offer to tourists. Likewise, Çetin, et.al (2017) in their study recommended better design of travel services and understanding components in a package tour would lead to better quality and positive customer behaviors. Furthermore, Widz (2017) assessed the packages tour planned by tour operators are one of the determinants for tourists to purchase.

Also, the package tour had been studied from different aspects that affect its design and development. For instance: Alao and Batabyal (2013) have used contract theory to study the sale of package tours to tourists when the tourists can be of two possible types. As well, Askari, (1971) rightly pointed out that income, the price per day, and the numbers of attractions per day on a tour are very important as determinants of the number of people taking package tours. James Abbey (1982) suggests that tourists prefer tours designed with vacation lifestyle information to those designed with demographic data.

All those previous research indicates that tour operators have to consider the different elements and activities in planning and developing a package tour. Therefore, tour operators as a provider of package tours need to design new packages but also review current offerings and make changes to details in the itineraries to satisfy existing and potential customers (Holland and David, 2018). Changes in the package include; change in the hotels, vehicles, tour guides, etc. Sometimes change in the package could also be the introduction of new activities and excursion or new destinations or products to attract the market. Thus, it suggests the need to research, how tour operators plan, develop, review, and adjust their packages.

## **2.8 Tour Operation Development in Ethiopia**

The rise of tour operations in Ethiopia coincides with the introduction and development of tourism in the country. Even though Ethiopia was visited by many ancient travelers, explorers, missionaries, and diplomats, tourism as an economic sector to market and promote the country and to attract tourists are a recent phenomenon (Zelege, 2015; Sisay, 2017; World Bank, 2006).

Tour operation business started during the Imperial Government of Ethiopia (IGE) when tourism got priority as a sector during the last year of the First Five-year plan (1957-62) by establishing the Ethiopian Tourist Organization (ETO) in 1961 (Ali, 2016; Atinkut, 2018; Angelini and Mougin, 1968). However, it is hardly known the exact date when the tour operation business started in the country. It is believed that an Italian company Ufficio Viaggi begun operation in Asmara offering tour operation, and car hire service. In 1963 another company, United Touring Company joined a tour operations business that is based in Kenya, owned by a foreign enterprise and Ethiopian Airline, which hold 40% of its shares. It also offers tour operation, car hire, reservation, and issuing flight tickets (Sisay, 2017).

During this time, tourism grew at an average annual rate of 12% until 1974. In the four years from 1970-1973, the average number of tourist arrivals to Ethiopia was 63,833 per year, while the average annual income was 10.2 million dollars (MOCT, 2009). At the time, tour operation businesses owned and run by foreigners. As listed by Sisay, (2017) “ITCO, the East African Travel and Tourist Agency, the National Tour and Travel Agency, the Sheba Travel Service, the For-Ship Travel Agency, the General Ethiopian International Travel Agency and other (pp. 130)”. Those companies in total had more than 90 vehicles; four-wheel drive and minibus.

Following the 1974 revolution, tourism was severely affected due to the government's ideology, prolonged civil war, and famine (Ali, 2016; Atinkut, 2018). All private tour operators were nationalized and canceled from the tour operation business (Zelege, 2015; Sisay, 2017). Despite all this, a new effort and initiative had been made by the government to develop tourism by establishing the state-owned National Tour Operation (NTO) in 1982 to offer tours of Ethiopia to the international market. During that time, the state-owned NTO was the only tour operating firm that existed in Ethiopia.

Soon after, the fall of the Derg regime in 1991, the Ethiopia People's Revolutionary Democratic Front (EPRDF) liberalized the economy (Atinkut, 2018). Tourism opened for private investors and private tour operation business joined the market. They started to promote and market the country, and develop a package tour mainly to the well-known and developed historic route, later to southern Ethiopia and ethnic groups of Omo valley for cultural tourism. Then onwards, tourism slowly revived and the tour operation business boomed.

Currently, 429 tour operators firms are licensed and accredited by the Ministry of Culture and Tourism (MOCT) operating in Addis Ababa. These firms sell package tours to both international tour operators and tourists. A range of package tours offered by firms includes; one-day Addis Ababa City tours, excursion from Addis Ababa, and multi-day tours to historic and cultural tours. Most firms offer packages to northern historic route comprises of attractions such as; monuments, churches, and monasteries including; Lalibela, Axum, Gondar, Lake Tana monasteries and the source of the Blue Nile, and to southern route includes cultural and natural attractions of the Lower Omo Valley, National Parks, Rift Valley Lakes (Tafesse, 2016; MOCT, 2015).

However, many tour operators are started to diversify and offer a specialized type of package tours to exploit the full diversity of the country tourism potential including; Danakil Depression to (Dallol Salt lakes, Camel caravan, and Erta ale active volcano), archeological tours, Coffee tour, hiking tours, bird-watching, hunting and trekking to the Bale and Simien Mountains.

It is also worth noting that, tourism has become a priority sector in Ethiopia's economic development (Sintayehu, 2016). The role played by different tourism stakeholders has been increasing in their part. Tour operators are at the forefront in marketing and promoting the tourism potential of the country. They are playing a critical link in the tourism supply chain and a long haul emerging destinations such as Ethiopia (World Bank, 2006).

### **2.8.1 Tour Operations Services in Ethiopia**

In the tourism business supply chain, tour operators are an essential link between supply and demand (Nyaruwata, 2017). They mediate and coordinate with several tourism entities to design package tours. They play a significant role in tourism business development; for example, they direct tourist flows, influence tourism stakeholders, and destination development.

Ethiopian tour operators mainly function as an inbound tour operator for handling incoming foreign tourists (Shiferaw 2017). Almost all accredited tour operators are based in the capital, Addis Ababa-Ethiopia. Most of them are small and medium-sized enterprises (SMEs) often owner-manager and employ fewer than 10 persons. They play a significant role in the development and delivery of package tour products and operate as representatives for an international tour operator. They prepare and design packages tour individually for tourists or in collaboration with foreign tour operators, as a partnership. As a result, they focus on the

development of package tours that are sold to tourists or outbound tour operators in the source markets.

Moreover, Ethiopian tour operators collaborate with ground handlers or agents at tourist destinations, who are a critical component in supplying specific components of a package tour and in delivering quality services to the clients. The ground handling agents arrange transfers in and out, accommodation, transport, tour guides, and activities on the behalf of the tour operators based in Addis Ababa.

## **CHAPTER Three**

### **Research Methodology**

This chapter describes the methodology used to achieve the research goals. It presents a description of the study organization, and the methodology for qualitative research data analysis that includes research philosophy, design and methods, sampling, data collection, content analysis, and ethical issues.

#### **3.1 Study of Organization**

In Ethiopia tourism, inbound tour operators are a key player in package tour development. They stimulate tourism demand and links tourists with the destinations tourism suppliers. According to the Ministry of Culture and Tourism (MOCT), there are 429 inbound tour operators based in Addis Ababa city and have some ground handlers at the main tourist destination. It can be claimed that almost all tour operators in the country are based in Addis Ababa, this is perhaps related to the fact that the city is the only gateway via air to the country through Bole international airport. Hence, this study was conducted among tour operators which are found in Addis Ababa.

Most inbound Ethiopian tour operators are privately owned, often small, family-based companies, and equipped with a fleet of vehicles. In recent years, some successful operators are also engaged in hotels, lodges, and resorts business at tourist destinations areas. Inevitably perhaps, an investment incentive offered to tour operators to import three duty-free brand new vehicles has attracted many business people to the sector, who are not interested in the profession (Altes, 2018). Consequently, few tour operators are actively engaged in tour operation services,

offering package tours for sale to individual tourists and source market outbound tour operators. Thus, this study focuses on how Ethiopian tour operators design package tour, thereby its contribution for tourism business development in Ethiopia.

### **3.2 Research Philosophy**

Research philosophy is a system of researcher's inquiry to certain theories, paradigms, and perspectives as a basic set of beliefs that guides the research process, which involves the choice of research strategy, formulation of the problem, data collection, processing, and analysis (Creswell, 2014). According to Kivunja and Kuyini (2017), a scientific research paradigm is considered as a structure incorporating beliefs and awareness of theories to conduct scientific research.

Kaushik and Walsh (2019) explain the research paradigm, not a methodology, but rather a philosophy that provides direction to the process of carrying out research. It comprises of Ontology, Epistemology, Methodology, and Methods that describe the research paradigms (Alharahsheh and Pius, 2020). Four main trends of research philosophy are distinguished and discussed by Creswell (2009) are postpositivism, interpretivist/constructivist, transformative, and pragmatism.

This study used interpretivism research paradigm as a guide to explore a package tour design in Ethiopia. Interpretivism is an attempted to understand the subject of the study from the perspective of its participants cannot be carried out without the interpretative effort of the researcher (Bonache and Festing, 2020; Göran, 2012). The data analysis followed a qualitative thematic analysis. Researchers believe that the interpretivist paradigm predominantly uses qualitative methods (Thanh and Thanh, 2015; Göran, 2012).

### **3.3 Research Design and Method**

Research designs are types of inquiry that provide a specific direction to conduct the study within the qualitative, quantitative, and mixed methods approach. This study used exploratory research design to explore the practice of Ethiopian tour operators on package tours design. According to Creswell, (2014) exploratory research conducted to gain new insights, to discover something new, and to increase knowledge of the phenomenon. A qualitative research approach was employed in this study since the study look for an in-depth information search to understand a phenomenon. Since qualitative approach allows in-depth investigation and exploration of the subject and produce rich data, especially when data collections is performed through interviews (Mohajan, 2018)

This exploratory research took place among Ethiopian tour operators experts based in Addis Ababa during the end of May and beginning of June 2020. At the time, tour operation activities were zero because of the COVID-19 pandemic, and most tour operators' firms were closed (Bogale, Kelkay, and Mengesha, 2020). Thus, interviews were conducted by telephone conversation and Focus Group Discussions (FGD) also done through the Zoom meeting, the latest online meeting application.

### **3.4 Target Population**

The main subject of this study was professional tour operators or experts hired and working for tour operation firms. This is due to, firstly, they have direct contact with actual and potential tourists to design and develop package tour in a tour correspondence. Secondly, an investment incentive for tour operation has attracted many business people, who are not educated on tourism or tour operation management (Altes, 2018). Thus, they are forced to hire tourism graduates to run the office and to get the license for tour operation services (MOCT, 2015). Due

to these two reasons, professional tour operators or experts were identified and assumed they provide relevant information about package tour development and the practice played by tour operators in Ethiopia tourism business development.

### **3.5 Sample Size and Sampling Technique**

The subjects of this study were expert or professional tour operators hired and working for tour operators firms in Addis Ababa. There are 429 licensed tour operators in Addis Ababa, however, only 120 tour operator firms are actively engaged in tour operation services, MOCT. In this study, the researcher considers 80 tour operator firms who have more than ten years' experience in package tours development and sale. Consequently, experts or professionals tour operators from 80 firms were the subject of this study.

The sampling technique employed was a purposive sampling for effective interviewees' recruitment. Purposive sampling is a recruitment method commonly used in qualitative research. (Palinkas, Horwitz, Green, Wisdom, and Duan, 2013). It is a deliberate and nonrandom choice of a participant to get people who have knowleged and experiences in the subject matter and willing to provide informaton (Etikan, Musa, and Alkassim, 2016). The research participants have more than 5 years' relevant experience in tour operation, with knowledge of package tour development and the current situation of tour operation in Ethiopia. The experience helps to ensure their understanding and expert knowledge of current tour operation and tourism activities in the country.

For this qualitative study, 20 professional tour operators or experts met the criteria and were recruited. For qualitative researches that use interviews for data collection, the sample size is decided on the point at which data reached the saturation point (Mohajan, 2018). This study required 14 interviewees to reach saturation.

### **3.6 Data Types and Sources**

To conduct this research and to collect the required data, both primary and secondary sources of data were employed. The primary sources of data collection were done through semi-structured in-depth interview and Focus Group Discussions (FGD) to professional tour operators or experts based in Addis Ababa. Secondary data collected from both published and unpublished sources such as books, journals, unpublished reports, and tour operators' websites.

### **3.7 Data Collection Instrument and Procedure**

The main data gathering tool used in this study was interview since the study was a qualitative one by its nature. First, interview guides were prepared based on the objectives of the study. Second, a semi-structured questionnaire was developed that had emerged from the in-depth secondary research literature. The data were collected during the end of May and the beginning of June 2020. At the time, tour operations activities were zero because of the COVID-19 pandemic, and most tour operator firm's offices were closed. Thus, interviews were conducted by telephone conversation. Each interview took approximately 30 minutes, however, this varied depending on the coverage and depth of the interviewee's answer and conversion.

Apart from the interviews, two sessions of Focus Group Discussion (FGD) were conducted with experts in tour operation. The FGD was conducted via the Zoom Meeting due to the COVID-19 situation. The results from the FGD were used as a triangulation and to substantiate on the interview results. Triangulation in qualitative tourism research helps to enhance the trustworthiness of the analysis. It is a gathering of information from different angles that can be used to corroborate, elaborate, or illuminate the research problem (Almalki, 2016; Decrop, 1999). It also limits researcher biases and increases the generalizability of the study.

### **3.8 Data Analysis and Presentation**

The qualitative data obtained was examined through thematic analysis. The data analysis involves reading and re-reading transcripts, looking for similarities and difference that enable the researcher to develop themes and categories (Mohajan, 2018). The identified theme includes significant information or data related to the research questions and has a pattern of response on the data set. In analyzing the data the six steps suggested by Braun and Clarke (2006) were followed. The steps followed were; familiarization of data, initial coding, searching for themes, reviewing of themes, define and further refine the themes, and producing the report.

### **3.9 Trustworthiness of the Research**

The use of reliability and validity are common in quantitative research and currently, it is also considered in qualitative research. Trustworthiness establishes the validity and reliability of qualitative research (Noble and Smith, 2015). The trustworthiness of the research demonstrates when the experiences of the research participants were accurately represented (Gunawan 2015; Golafshani, 2003). Four criteria are used to measure the trustworthiness of the research: credibility, dependability, transferability, and conformability (Shenton, 2004). Credibility includes a consistent observation and cross-checking interpretation against raw data (Guba and Lincoln, 1994). For this study, the researcher ensured credibility through triangulation of the data. Dependability is related to the consistency of the findings of the research (Lemon and Hayes, 2020). The researcher ensured the consistency of the transcribed data with an interview and FGD participants' intended interpretation. Transferability is the extent to which the findings from the data can be transferred to other populations or settings (Rodon and Sesé, 2008). To enhance transferability, the research collected and presented data, directly from the participants' responses. Confirmability is another measure used to indicate trustworthiness in qualitative

research. Confirmability indicates the neutrality of the data (Guba and Lincoln, (1994). Confirmability arises in the presence of credibility, transferability, and dependability. The researcher confirmed the study's results are supported by analyzing the data, thus the finding emanated directly from the carefully planned research process, research design, sampling design, and data collection process.

### **3.10. Ethical Issues**

All the participants were informed about the purpose of the study before asking a question. The participants were consulted and permission letters were sent by emails before the interview to consider the legality of the research. Right before each interview began, the participant was informed of what would happen during the interview and provide a preview of the sample interview questions. Additionally, participants were reminded that participation was entirely voluntary, and if they previously agreed to participate, they still reserved the option to withdraw from the study anytime.

Lastly, to ensure confidentiality and avoid ethical violations in all interviews and FGD members the author used pseudonyms to distinguish participants. According to Cresweell, (2014) for qualitative researchers, maintaining respondent confidentiality through data collection, analysis, and publishing must be respected by assigning pseudonyms or fictitious names. Thus, in this study each research participant was given a name other than their real name, to protect confidentiality.

## **CHAPTER 4**

### **Results and Discussions**

In this chapter, the data analysis and findings from the 14 interviews and 2 Focus Group Discussion (FGD) sessions were presented. The purpose of this qualitative exploratory research was to explore the package tour design in Ethiopia. In analyzing interviews and FGD, thematic analysis was employed. Although tour operators brought different ideas, the author focused on the information that is most relevant and related to the specific objectives. The author established triangulation by carrying out gathering data from different sources, reading and re-reading the findings to develop themes, and minimizing personal and interpretations biases. And also each research participant was given a name other than their real name, or pseudonyms to protect confidentiality.

#### **4.1 Characteristics of the Respondents**

This research was carried out focusing on professional Ethiopia tour operators or experts as a unity of analysis. The interviewees are graduates of tourism management at MA and BA Degree level and other related fields of studies at MA and BA, with a certificate in Tourism Management at Level IV. They spent more than five-year experiences in the tour operation business. From this one can discern that the interviewee had better education, knowledge, and experience to understand the issue under study. As shown in Table 4.1 below out of the total participants, 79% are undergraduate in tourism management whereas, 14% and 7% post-graduate and diploma respectively.

Regarding gender, 71% (10) were males and 29% (4) were females. This gender difference indicates that tour operation businesses are more affiliated with males. The age of the

participants shows that the majorities (64%) of the participants are 30 to 44 years old and 29% of the participants' age ranged from 18 to 29 years old. Only, 7% ranged above 45 years old. This indicates that the participants are the young and more active workforce.

**Table 4.1**

*Basic Information of the Respondents*

No	Socio-economic features	Basic information	Number of Participants	%
1	Gender	Male	10	71
		Female	4	29
		<b>Total</b>	<b>14</b>	<b>100</b>
2	Age Structure	18-29	4	29
		30-44	9	64
		above 45	1	7
		<b>Total</b>	<b>14</b>	<b>100</b>
3	Educations	Diploma	1	7
		Undergraduate	11	79
		Post graduate	2	14
		Other (if any):	0	0
		<b>Total</b>	<b>14</b>	<b>100</b>
4	Tourism related work experience	5-10 years	7	50
		11-15 years	5	36
		above 16 years	2	14
		<b>Total</b>	<b>14</b>	<b>100</b>

*Source:* Own survey (June, 2020)

## 4.2 Package Tour Design among Ethiopian Tour Operators

Package tours are highly influencing the tourism development of a destination. It is still a major type of travel to Ethiopia; examinations of Ethiopia package tours developed by tour operators encourage tourism and related business development.

### 4.2.1 Package Tours of Ethiopia

It is known that Ethiopia endowed with extraordinary tourism potential in its unique and mainly untouched archaeological, historical, religious, cultural, and natural resources. However,

most package tours take to the two well-known tourist routes in the country. The North historic and the Southern cultural routes, which are highly promoted and included in most package tours of Ethiopia tour operators (MoCT, 2015; Ali, 2016).

The historical route of northern Ethiopia includes; Bahir dar, Gonder, Simien Mountains, Axum, and Lalibela (Tafesse, 2016). The package tours range from 3 – 12 days. Usually, the tour is offered either by flights or surface drive. Nowadays, it is more common to make combined both flights and surfaces. This is attributed to the availability of experienced ground handlers and better quality of vehicles, mainly mini-bus at the destinations. Accommodation varies depending on the guest's budget level, preferences, and group sizes. Sightseeing and activities are limited to the main and popular attractions, considering tourist travel time and budgets. However, it is worth noting that some operators offer off-the-beaten-track sites to offer something different to enhance tourist satisfaction.

Whereas the Southern route known for ethnic-based tourism to Omo valley includes cultural and natural attractions often south of the capital, it includes; a chain of National Parks and Rift Valley Lakes and ethnic groups of Omo valley (Kifle, and Tensay, 2017). Previously, the package tour was adventurous by camping for most of the tour in the Omo valley; however, the construction of hotels, resorts, and lodges at the destinations by the tour operators has changed the tourist flows, length of stay, and activities offered in Omo valley.

However, it would be right to mention other routes included in the package of the Ethiopian tour operators. For instance; Eastern Route: a package tour to the walled City of Harar, Awash National Parks, and Dire-Dawa. South-eastern Route: a package tour to Sof Omer Cave and Dire Sheik Hussein Muslim Shrine, Bale Mountains National Park, etc. The West and Southwestern routes known for the origin of coffee, forest, UNESCO inscribed Biosphere

Reserve areas, and Gambella National Park (MoCT, 2015). Furthermore, some operators offer specialized niche type of package tours. For example; high altitude trekking to the Bale and Simien Mountains, adventure tour to Danakil Depression and Erta ale active volcano, archeological tours, Coffee tour, hiking tours, bird-watching, and hunting.

#### **4.2.2 Package Tours Design in Ethiopia**

How do Ethiopian Tour Operators Design and Develop a Package Tours? This is the first question raised for interviewees, to get an in-depth understanding of the package tours of Ethiopia. The interviewees represented as Bereket (5, June 2020) noted that designing and developing package tours in most tour operators firms are the responsibility of the tour operators, experts. According to him, Ethiopia tour operators develop two types of package tours; regular and tailor-made package tours. The regular package tour developed for market promotions that are put together without consideration of tourist's specific interests, preferences, and requirements. This regular package feature gear towards to well-known destination of the historic-northern and the cultural-southern tourist routes of the country, those have high tourist demand.

Whereas tailor-made package tours are prepared upon tourists inquire considering their requirements and preferences. Developing and preparing tailor-made or customized package tours for an individual traveler is the most challenging and demanding. As it is depending on the tourist travel time, budget, destinations choice, and preferences, it requires the tour operator's skills, destination knowledge to design and develop the package that fit the tourist interest. One of the interviewees identified as Getachew (5, June 2020) said that: Whereas tailor-made package tours are prepared upon tourists to inquire considering their requirements and preferences. Developing and preparing tailor-made or customized package tours for an individual

traveler is the most challenging and demanding. As it is depending on the tourist travel time, budget, destinations choice, and preferences, it requires the tour operator's skills, destination knowledge to design and develop the package that fit the tourist interest. One of the interviewees identified as Yonas (6, June 2020) said that:

*Individual tourists' demands are pushing us to provide innovative activities, discover new routes, and to include off-the-beaten-track places in the package tours. Activities such as; homestay program to meet the locals, cooking lunch or dinner at a local house, and learning the Amharic alphabet at Yekolo Temari Bet (traditional church school) and try to write their name in Amharic. The off-the-beaten-track place to drive includes such as; from 3,000m asl at Ankober to Awash National Park via Aliu Amba or a drive from Bale Mountains park, Goba to Harar via Dire Sheik Hussien. Such routes are unexplored by tourists.*

According to the Getachew to include such activities and routes in the package, tour operators need to have destination knowledge. This was confirmed even during the earliest package tour development literature (Sheldon, 1986), destinations knowledge as an important factor for package development.

New package tour development is a complex and multi-stage process. In designing and developing a regular package tour, Ethiopian tour operators follow almost similar steps or processes whether they are small or big firms. Mainly, most firms follow five major steps in product development.

The first step Ethiopia tour operator firms take to design a package tour, is making a copy of a similar package tour from other competitors' websites or brochures to get an idea to design and formulate their specific package tour.

The second step in package tour design details itinerary planning and development of programs such as; deciding the number of days, and persons in the group, selection of hotels, activities, destinations, and stopping points. At this stage possible to determine whether the package tour for escorted, or hosted, for the lean season or low season.

In the third step after deciding the destination, duration, and the number of tourists to be carried on each trip, tour operators start to negotiate and contract with hoteliers, car hire firms, guides, and airlines for corporate rates.

Costing and pricing of package tour is the fourth step in designing the package tour. Mainly Ethiopia package tour includes hotel rooms, air tickets, sightseeing, and car hire fees. One of the interviewees identified as Meron (29, May 2020) explains that corporate or discounted prices are considered in preparing the cost sheet that is counted on a per-person basis. Whereas the tour pricing strategy is determined by the firm's marketing strategy.

Once a package tour is prepared tour operators undertake marketing and promotion of the package tour which is the fifth stage in package development. Tour operators promote to existing and potential tourists and market to increase package tour sales and profit maximizations.

After a regular package tour is designed and developed it is uploaded on the tour operators' website, and it represents that firm as an online product. However, one of the focus group members identified as Moges (2, June 2020) explained that copying and imitating from other tour operator's websites has caused the package quality to deteriorate. Even some package tour descriptions are out-dated; activities lack sequential order and timings. For instance; the 9 Days Ethiopian Timket (epiphany) Festival of Worqamba Ethiopia Tours.

**Table 4.2:**

*Tour Package 9 Days Ethiopian Timket (epiphany) Festival*

**9 Days Ethiopian Timket (epiphany) Festival**

**Day 1 - January 15 | Arrival at Addis Ababa Bole International Air port**

Meet and greet your Worqamba Ethiopia Tours representative at exit of luggage claim and transfer you to the hotel. Overnight stay in Radisson Blu Hotel, Addis Ababa.

**Day 2 | Addis Ababa City Tour**

You will have an early breakfast and your first visit in Addis Ababa will be the National Museum (pre historic, cultural, archaeological attractions), Ethnographic Museum of Addis Ababa University (culture, dressing style, traditional practices of over 80 ethnic groups, and collection of traditional musical instruments). Lunch at Lucy Restaurant.

Your visit also comprises tourist attraction sites like Emperor Minelik's Palace, St. Raguel's Church (after a drive to Entoto Mountain - 3000 meter above sea level), Merkato, (the largest open market in Africa). In the evening, we will host you at one of the best traditional restaurants of Addis where you can see the folk dances of the Ethiopian people and taste Ethiopian variety of meals.

**Day 3 | Fly to Bahir dar and Visit Lake Tana Island Monasteries & Blue Nile Falls**

Early morning, a short flight will take you to Bahir dar. Upon arrival, you will be met by our tour guides, drive to a hotel where you will check and rest for few minutes.

Your first visit will be to Lake Tana on a boat ride where you will visit to the medieval period island monasteries (beautiful mural paintings, religious books & sacred) on Lake Tana such as: Kibran Gabriel (only for men), Entos and on the Zegien peninsula visit Ura Kidan Mehiret, Azuwa Mariam, Mahal Giorgis.

After lunch, you will drive (some 30 Km) and visit to the Blue Nile Falls. In the evening, you will have dinner and stay the night at the hotel. Overnight stay in Kuriftu Resort and Spa, Bahir Dar.

**Day 4 | Drive to Gondar and Visit the Fassiladas Castles**

You will be driven to Gondar (185 Km) right after breakfast. There you will check into a hotel and after a brief break, you will have lunch. Then, you will visit to the Royal Castles (built in the 17th Century A.D. that is surrounded by high stone walls containing the 17th century palaces of King Fassiladas, King Iyasu and Queen Mentewab and different other buildings.), the Bath of Emperor Fasiledes (the bath is filled with water for the important Timkat (epiphany) ceremony once a year. The ceremony replicates Christ's baptism in the Jordan River, and is seen as an important renewal of faith.)

Late in the afternoon, you will attend the Timket eve ceremony called, Ketera (to mean to make a dam in some places where there is no enough river water for the celebration of Timket). During Ketera, the priests take out the Tabots- replicas of the original Ark of the Covenant, from each church and bless the

water of the pool where the next day' celebration will take place. Overnight stay in Goha hotel.

**Day 5 | One more day to attend the festival**

Early morning after breakfast you will attend the festival at Fassilades Bath. The celebration starts early in the morning, with the pre-sun rise rituals including the Kidan (Morning Prayer) and the Kidasie (the mass). Lunch at Quara Hotel. In the evening, you will get back to the hotel and spend the night there

**Day 6 |Flight to Axum & City Tour in Axum**

Early morning, a short flight will take you to Axum where you will check into a hotel. After a short break, you will visit to the Steale of Axum, the Inscription of Ezana, Queen Sheba's Palace, the Famous St. Mary of Zion Church, Ruins of Ancient Palaces (built until 4th Century A.D.), all day with lunch break in between. In the evening, you will get back to the hotel and spend the night there

**Day 7 | Flight to Lalibela**

After breakfast, another short flight will take you to Lalibela. Upon arrival, you will be met by our tour guides, drive to a hotel where you will check and rest for few minutes. Your first visit will be to the eleven Rock-hewn Monolithic (carved from a single rock) Churches of Lalibela (UNESCO World heritage site, with magnificent architecture & paintings inside the churches). In the evening you will get back to the hotel, rest, have dinner and relax.

**Day 8 | One more day to explore the Lalibela Rock-hewn Churches**

Right after breakfast, an early morning drive will take you to historical churches around Lalibela like the Hill Church of Asheton Mariam (on the back of a mule or on foot), Yimerhane Kirsotos, Nakute LeAb or Genete Maryam

**Day 9 | Lalibela, Addis Ababa, Departure**

After breakfast, transfer to Lalibela airport for the flight to Addis Ababa. Depending on your departure time, an optional city tour of Addis Ababa can be arranged.

In the evening, there will be a complimentary farewell dinner party with traditional special buffet and local drinks. (flight schedule permitting). At the end of the farewell dinner, transfer to Addis Ababa airport for the flight back. End of tour.

**What's include**

**4WD Transportation**

**Food and Mineral water**

**Guide (English speaking)**

**Park entrance Fees**

**Accommodation**

**Farewell Dinner**

**Source:** Worqamba Ethiopia Tours

As we can see from Table 4.2 the package tour title failed to indicate the specific place or town where the epiphany celebrated and in a similar vein, the title is not catchy word rather it takes a combination of day, destination name, and attraction types. Rather it should be something with pay-off word for example; ‘Witness the age-old Epiphany Festival at Gonder, Ethiopia’ or ‘Baptism at Gonder in Epiphany Festival, Ethiopia’. At the same time, it could be noted that it has too many activities in a day to complete. For instance; on Day 2: in Addis Ababa, on Day 3: in Bahir dar, on Day 4 in Gonder, and on Day 8: in Lalibela. Furthermore, the package fails to indicate driving hours between destinations and flight details, check-in and out, and travel time.

At the same time, the package tour is characterized by high keyword stuffing and long Title and Meta tag descriptions. Even some malpractice activities found in the Keywords stuffing such as; putting competitors' tour operator name to draw much traffic to their website at the search engine. It is also the keywords that are unrelated to text on the package. Thus, it is, therefore, necessary to check that the Key Words, the Title, and Meta Tag are appropriate and related to the text of the package tour.

**Table 4.3**

*Meta Tag descriptions and Keywords of 9 Days Ethiopian Timket (epiphany) Festival*

<pre>&lt;meta name="description" content="Join the best Tour Operator in Ethiopia and experience 9 Days Ethiopian Timket Festival , one of the most colorful and ancient festivals celebrated in Ethiopia—Timket . Commemorating the baptism of Jesus Christ, this is an extremely colorful 3-day festival around the rock-hewn churches of Lalibela"&gt;</pre>
<pre>&lt;meta name="keywords" content="Boundless, Ethiopia, tour operator,worgamba, worgamba tours,9 days timket tour,9 days ethiopian Epiphany,ethiopian epiphany 9 days package,local tour operator, travel agency, tourism, responsible tourism, sustainable tourism, itinerary, itineraries, travel, traveling, travelling, tour, tours, visit, holiday, private tours, individual tours, group tours, package tours, history, historical tour, historical route, nature, natural, culture, cultural tour, tribes, Africa, African, Dorze, Konso, Tsamai, Hamar, Dassanech, Nyangatom, Banna, Mursi, Ari, Suri, Borana, Addis Ababa, Gojjam Road, Asmara Road, Debre Zeit Road, Butajira Road, Jimma Road, Ambo Road, Bahir Dar, Gondar, Simien Mountains, Axum, Tigray, Lalibela, Rift Valley Lakes, Arba Minch, Konso, Weyto, Turmi, Omerate, Kangatan, Murelle, Key Afar, Jinka, Yabello, Bale Mountains, Sof Omar, Danakil, Erta Ale, Dalol, Harar, Awash National Park, Jimma, Gambella, South-west, ethiopian epiphany 9 days visit,ethiopian epiphany</pre>

9 days itinerary,ticket 9 days travel,ticket 9 days package,ticket worqamba tours,ticket lalibela,unesco ticket 9 days ,9 days ticket unesco" />

Sources: Worqamba Ethiopia Tours

Furthermore, the contents of the information and the description on the website are out-dated and the FGD members identified as Naty (3, June 2020) said that:

*“If you look on tour operators' website package tour content, we still describe Awash National Park as the best safari in Ethiopia. “In Awash National Park you can easily spot Lion, herds of Oryx and Soemmerring’s gazelle.” this is quite the contrary to the fact on the ground. 30 years ago Awash National Park might be worthy of safari, but not now. Thus, we need to take a precaution in the quality of information on package tours, and to put the right information on our package.*

This is ratified with most operator firms’ put out-dated information in describing destinations activities. It had been revealed on the information of Awash Park that is described by some tour operators. For instances, some tour operator firms described Awash National Parks as:

*The wildlife consisting mainly of East African plains animals: which includes Oryx, bat-eared fox, caracal, salt dik-dik, colobus monkeys, Anubis and Hamadryads’ baboons, klipspringer, leopard, bushbuck, hippopotamus, Soemmering’s gazelle, cheetah, lion, kudu and others. **Source:** Rainbow Exclusive Car Rental and Tour Service.*

In both cases, either for regular package tour or tailor-made tour, there will not be any booking for hotels, flights, transport, guide and other arrangements, until inquired tours are confirmed for departure. Then after, booking for hotels, airlines, transport and guide starts. Contract and negotiation with suppliers to receive a discount started at this stage, usually with

hoteliers. Ad hoc contracting type goes with most hoteliers, car rental companies, and airlines. For instance; tour operators buy hotel rooms or domestic flight tickets, when they have confirmed tours and payment also settled once they consumed the services.

It is interesting to note that most tour operators approach hoteliers' for a hotel services on ad hoc contracts. This indicates that Ethiopia tour operators assemble travel components from suppliers only once they have a confirmed tour either for individual tourists or to the company. Thus, tour operators do not buy any of the travel components at bulk and in advance from suppliers to make a package, which is quite different than the principle in tour operation.

#### **4.2.3 Features of Ethiopia Package Tour**

Ethiopia tour operation is not polarized, as in Europe or USA into a few large stable tour operators (Budeanu, 2005; Cohen, 1972; Holland and David, 2018; Cavlek, 2013) rather it is more dispersed among the tour operators. Most successful and big Ethiopian tour operators firms who work on a partnership with outbound tour operators are highly dependent on the success of tour operators of the source market for their fruitful existence. If the outbound tour companies have a good booking for each departure in every month, then Ethiopia tour operators will have a good business. Unless, their availability on the internet, their staff expertise and knowledge on the product, marketing, and operations determine to sell the package tour and their success.

Ethiopia package tour sales reach at peak during high tourism season, September – January/February. This is due to, during this season Ethiopian had sunny weather with lots of cultural and religious festivals, which is an ideal time to take trips to Ethiopia. On the contrary, the source market countries USA and Europe have a cold winter season, tourists motivated to retreat looking for good weather, and for cultural, historical, and natural destinations.

The packages are highly-price sensitive. Price has been a crucial concern in package tour (Horner and Swarbrooke, 2005), as the tour operators' use similar hotels, transport firms or vehicles and ground handlers at the destinations, the package offered are homogenous in character with little differences. Due to this, a small difference in price can detract a tourist from one firm to another.

Usually, few optional excursions are included in Ethiopia packages. Optional excursions are add-on activities that enhance tourist satisfaction and experiences. Such additional attraction and activities increase tourists' length of stay and additional income for the destinations tourism businesses. For instance; Bereket argued that Azmari Bet at night for social interaction with local people having a beer is an ideal place at Bahir dar and Gonder. Usually, such activities are missed in the package.

As previously stated that the qualities of the information presented on the package are deteriorating as well as the details of the contents on the web are not updated with changes at the destinations. For instances, most operators have a page for United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites of Ethiopia on their website, they failed to include the newly added intangible heritages; Fiche Chambellala – the New Year of Sidama people, Geda Administrative System of Oromia people and the Meskele, the finding of the True cross of Ethiopia. Additionally, they lack photos for each destination, navigational maps, and videos.

One of the interviewees represented as Tigist (26, May 2020) described that Ethiopia package tours tend towards the hosted type of package tours. Due to, the change in tourism demand and cost consciousness of tourists, not to take escort guides for the whole trip and to travel with experienced tour drivers, who knows the destination and speak basic English. As

well, the availability of travel guide books and local guides at tourist destinations has enabled tourists to get information. However, escorted tour packages are still demanded for group travel and a tour with multi-lingual tourist guides such as; Dutch, French, Chinese, and Spanish.

#### **4.2.4 Issues to Consider in Package Tour Design**

One of the focus group members Moges, revealed that most tours to Ethiopia bookings are taken place through inbound tour operators, either from individual tourists or outbound tour operators firms. Source market outbound tour operators approach and contact Ethiopian tour operators at large international travel fairs usually at European tourism fairs such as; ITB Berlin travel fairs. Even individual tourists contact tour operators via the internet which determines their online presence, the quality of their websites, and the content. In either case, the selection of tour operators is most likely based on their professionalism and experiences. Thus, tour operators need to be equipped with the most important professional skills and knowledge to develop an attractive package and conduct the tours successfully.

Interviewee Meron expressed that tour operators need to have destination knowledge that the itinerary takes such as; distance and driving hours between destinations to cover, time to visit activities, departure and arrival flight times, and other arrangements, which requires wise decisions. Interviewees noted that our packages lack sequential order of activities to visit that consider the driving hours, distance, activities en route, and destination situations.

Innovative and creativity skills of tour operators were raised during the interviews as another most essential role of tour operators in package tour differentiation. One of the

interviewees recognized as Abel (1, June 2020) suggested one of the packages in Omo valley, Mursi village how he as:

*A visit to Mursi village usually starts early morning at 7:00 AM from Jinka town via Mago National Park, accompanied by a local guide from Jinka and a scout from the park. The nearest villages are found approximately 55Km from Jinka found on the roadside which is more touristic. However, with further drives one comes across non-touristic villages, we let our tourists visit the village first without a camera and spend at least 2 hours visiting the village, speaking the elders, and playing with children. After having and building some relation, we ask the people for the camera, and everybody was happy. With such idea we enhance tourist satisfaction and keep the local people from unfair treatment of tourism.*

Interviewees noted also that passion and interest to serve the tourism business are important skills one tour operators need to acquaint with. As the focus group member identified as Berhanu (2, June 2020) highlighted the passion to tour operations as;

*Our tour operation sector has been growing with those persons who have a passion to work. They take a trip by themselves to discover routes and activities. Some newly coming tour operators are joining the industry after servicing as a tour guide or driver with ambitious to develop the sector and they are highly enthusiastic about crafting activities such as; Ethiopian Cuisine tour, Coffee tour, hiking, and trekking around unexplored routes.*

As previously noted that the development of a package tour is a complex process and it requires an understanding of tourist preferences, tourism infrastructure development of a destination, and tour operator's skills, and experiences to develop an attractive package.

As the interviewee, Abel perceived that the elements from the tourist side include understanding the tourist's interest, preferences, travel time, and budget are considered as a significant element to develop package tours. Nowadays with the availability of information, tourists have an opportunity to adjust their demands to specific activities, routes, and destinations sites. According to Abel, tourists are demanding for short-day holidays, less priced, high quality, and active packages. Currently, tourists prefer to join others for a group tour looking for cheap package holidays.

Destinations tourism infrastructure are also considered as an important factor to design package tour. As the interviewee recognized as Fassil (4, June 2020), explains that destinations tourism infrastructure like availability of standard accommodations, accessibility of the attractions and facilities obstruct the development of package tour..

*Fassil elaborated on how he was hampered to conduct a wildlife tour to recently recognized Chebra-churchua National Park. Access to the park is limited on a gravel road, wet during rainy season and, lack of accommodation and amenities and facilities restrict to design packages for all types of guests.*

Above all, the tour operators' skills and experience are indispensable to develop an attractive package tour combining the different destination's attributes while keeping tourist interests and preferences. As the interviewee represented as Temsegen (29, May 2020), argued that even if a popular destination has access, accommodation, and facilities tour operators are still unable to diversify and specialize in their package. Due to a lack of specialist knowledge, experience, and skills. Thus, tour operators' professionalism is significant to design and develop a package tour.

### **4.3 Unique Activities in Ethiopia Package Tours**

To satisfy the increasing and complex needs of tourists, tour operators need to develop unique, innovative, and diversified package tours (Teodorescu et al. 2015). Currently, tourists want itineraries that are active, adventurous, and full of experience activities in the package tours (Sawińska, 2017). In this regard, Ethiopia tour operators pack diverse sightseeing activities in the package tours of the country. According to Yonas the potential tourism resources of the country is a great opportunity to diversify and offer unique package tours. It is revealed on the different package tours of the country from the popular to rare destinations including standard to a niche type of packages.

The FGD members Berhanu sharply remarked that we have been focused on relatively two well-developed historic-north and cultural-south tourist routes of the country. The historic route from its inceptions in the late 1960s (Angelini and Mougin, 1968), is the main tourist destinations and contributor to the country tourism receipts. It consists of the main tourist destination Bahir dar, Gonder, Axum, and Lalibela. Whereas, the cultural-south route were lately joined the tourism industry of the country in the 1990s, to be included on the package tours of Ethiopia tour operators (Régi, 2014). Now it is the second most visited route, after the historic circuit.

The FGD member Naty verified that both, historic-north and cultural-south tourist routes contain an extraordinary attraction of the country, however; the potential for product diversification and organization of specialized routes and niche packages did not yet fully entirely exploited. This is supported by previous research (MOCT, 2015). This indicates that Ethiopia needs to diversify package tours to extend tourist lengths of stay and increasing tourist spending at destinations.

The main activities identified in the package tours of Ethiopia are cultural tours comprise of historical, religious, and archeological sightseeing in the north-historic routes and the ethnic lifestyle and culture in the south-cultural routes. Furthermore, both routes include the scenic landscape, mountains, Lakes, National Parks, wild animals, and birds are part of elements in the package tours. The interviewees and the FGD members identified and suggested the unique and authentic activities added or included in the package tour that stimulates tourist satisfaction. As the FGD member identified as Mengistu (7, June 2020) explained the dining at the cultural restaurant as a unique activity he uses to include in the package tours of Ethiopia. He described as follows:

*Farewell dinner at a traditional cultural restaurant is one of the activities packed in the tours. The restaurant décor with artifacts of Ethiopia cultural items, pictures of the iconic tourist attractions, and the different wild animals give a pleasant ambiance combined with live cultural music and dance shows where the guests learn, and relax the different music and dances.*

Another interviewee Tigist explained the learning Amharic alphabet as an authentic activity. She usually includes in the package tour.

*Educational activity at Lalibela where tourists attend Amharic lessons at priest or church school (Yekolo Timarie Bet). Tourists learn to calligraphy Ethiopian letters on leather (since the 4<sup>th</sup> century Bibles and Holy books were written in this manner by hand). All guests have the opportunity to learn and to write their name and birth date and take it home as a souvenir. This is activity is best at Lalibela.*

As the FGD member Mengistu explained dressing traditional Ethiopian cloth as a stimulate to enforce tourist satisfaction. He explained as follows;

*Women braided their hair in Ethiopian style and wear traditional clothes men also wear traditional shorts and shoes and carry a stick like a local boy while visiting Fasiladles Castle at Gonder.*

The interviewee Bereket revealed that new activities could be developed and added to make the package more attractive, unique, and participatory. Activities such as; cooking classes that include shopping from the local market, cooking together with households for lunch or dinner, and spend the time for cultural exchange. Additionally, activity in a village or farmhouse such as milking a cow, plowing land, and harvesting at the farm becomes a part of package tours. The other dynamic activities added to the package is attending traditional Azmari house to hear the unique songs of the "Azmari" a kind Ethiopian minstrel who plays "Maseko" - an Ethiopian one-stringed violin- and makes his lyrics on the spot. Best at Bahir dar and Gonder at night after having dinner. Furthermore, walking tour in Addis Ababa around old historical buildings, to Merkato-open-air market and ghettos villages, and Gullele Botanical garden.

In line with the above, interviewee and FGD members perceived that newly developed destination open opportunities to diversify the package tour. For instance; Unity Park in Addis Ababa had enabled tourists to get an overview of the old to the contemporary history of the country. It is also believed that the upcoming Entoto and Sheger Park project in Addis Ababa will also open doors to diversify the city package tours.

Furthermore, by increasing the creativity and innovation skills of tour operators it is possible to diversify the package tours. Consequently, tour operators can diversify by developing new destinations, and through improving the existing package tours they can mesmerize tourist's needs.

#### **4.4 Package Tour for Tourism Business Development**

The contribution package tours for tourism business development in Ethiopia the third research question of this study. This research questions two main themes raised; tour operators as a catalyst for Small and Medium-Sized Enterprises (SMEs), and cooperation between tour operators with SMEs and stakeholders.

Tour operators act as a catalyst in the tourism business for SMEs by stimulating and providing quality package tours. The interviewee Meron sharply remarked that most tourism enterprises at the destination area such as; hotels, car rentals, souvenir shops, ground handlers, tourist guides, and boat associations, are highly influenced by the package tour designed by tour operators. For instance, a package tour designed with long days at a destination gives much benefit to hoteliers, local tourist guides, and other tourist service providers than a few days package. Consequently, a well-designed package tour can extend tourist length of stay at a destination and facilitate the infusion of tourism income into local economies.

One of the characteristics of tour operation is that it supports a relatively large number of SMEs tourism service suppliers and arranges fair distribution of tourism benefits among tourist destinations providing quality package tours. As the focus group members, Moges felt that package tour as the single most influential tour operators product offers an opportunity for a country image building, and source for foreign exchange. Well-operating and experienced tour operators support the destinations area SMEs to provide quality service. For example; they give guidance and advice to the local ground handler to offer quality services. However, tour operators cooperate differently with tourism business suppliers in package tour development and conduct.

The interviewee Abel demonstrated that the cooperation between tour operators and SMEs and stakeholders are at different stages. For example, tour operators have quite smooth, formal, and partnership relationships with hoteliers, car rental firms, and among themselves. Whereas, with local guides association, and destinations management organization, mostly government tourism office and churches-monasteries administrative they have an astringent and rigid relationship in conducting tours.

SMEs in offering quality tour services; smooth and stringent. Tour operators have a stringent relationship with local guides and attractions site and a smooth and formal with hoteliers, restaurants, car rental firms, and with themselves, tour operators. The interviewee Getachew explained that local tourist guides associations' enterprises at destinations area offer job opportunities for the local youth but their service level is poor in contrast to the ever-increasing tour guiding fees. It is possible to say, all destinations in the country at this time have a mandatory local guide fee, whether a tourist is interested to take a local guide or not. Abel believed that rather local guide fees should be optional depending on the guest's preferences.

It has been identified by this research, Ethiopia tour operation is not in the hands of few operators as well they are not powerful in negotiation with tourism business enterprises to provide and conduct tours. As interviewees argued that Ethiopian tour operators do not have the power and capacity to influence and structure the sector especially, setting the fair price at the destinations areas. This has been ratified with the recent price increase for local tour guiding fees at destinations such as; Lalibela, Axum, Simien Mountains, and Jinka.

Thus, Ethiopia tour operators are claiming for a constant price increase at destinations area, had made their package tour more expensive than the neighboring countries tour packages.

It must be noted that such market price change made the package tour price expensive, sensitive, and fragile.

It is quite a similar relationship exists between tour operators and attractions sites. An FGD member Berhanu complained that an entrance fee at destinations had made their package tour expensive. This was notably confirmed by Samuel, (2018) stating that “Ethiopia becomes an expensive destination due to soaring fees at touristic sites.” Price increase at destinations started once the Lalibela entrance levied 50 USD per person on rock-hewn churches in 2013, then onward other churches, monasteries, and villages followed.

Now recently, 2019 a price had been increased in several parts of the country destinations, for instance; in Axum, for St. Mary church and Steale park from 250birr to 500birr per person and at the same time for Yemrehane Christos cave church outside Lalibela from 500 birrs to 30USD per person had put great pressure on the total cost and quality of the package.

Tour operators argued that in most cases this price adjustment was without prior notice, and consent of stakeholders. Consequently, it put tour operators under pressure to adjust for sold package tours. As a result, one can conclude that local tourist guides associations and attractions administrative in Ethiopia have far greater market power, than tour operators or they play a dominant role in fixing price than tour operators.

Tour operators provide guidance and advice to hoteliers, restaurants, and car rental firms to let them understand the need and wants of the tourist while they are servicing them. Such constant pressures by tour operators to hoteliers and restaurants have driven them to improve their services and to keep facilities and amenities up-dated.

The interviewee Temesgen expressed that previously, hoteliers are dominant concerning a relation with tour operators in setting price and offering service, however, recently with the arrival of many competitive hotels at destinations the situation has been changing to a mutual partnership. Nowadays, almost all hotels at destinations have an ad hoc type of contract with tour operators, to offer their services and allocate hotel rooms especially at peak seasons. Whereas tour operators get a discount as corporate rate and even one free Single room for each booking of ten Doubles/Twins rooms.

A relationship with car rental firms is more formal, usually, it involves a signed contract. Considering the tourism season, vehicle type, and model, price varies for the rent fee. However, with growing tourist demand for safety, tour operators put pressure on the car rental firms to provide a car with AC, safety belt, well-maintained, and insured vehicle with experienced English speaking drivers.

The FGD member Berhanu described that it is quite rare for Ethiopia tour operators to cooperate, except for hiring one imported vehicles. As previously noted in this research on Chapter 3, most tour operators, are joined the sector attracted by tourism investment privileges, thus, they are not actively engaging in tour operations rather they hire their vehicles from other successful tour operators that could help them to cover their fixed costs.

This research revealed that tour operator initiations help tourism business enterprises in providing guidance and advice to serve tourists as well as facilitate and attract market opportunity. However, their coordination shows not a win-win approach for both parties. Thus, interviewees confirmed that pragmatic and rational coordination between tour operators with the tourism business suppliers would most probably like to be a partnership and mutual benefit relationship should exist for development.

## 4.5 Discussions and Data Presentations

Most leisure-based package tours to Ethiopia arrangement and bookings are taken place through inbound tour operators, either from individual tourists or outbound tour operators firms. Unfortunately, the package tours are not well-developed with activities that could enhance tourist satisfaction. The literature review revealed that diversified, unique, and well-designed package tours help to extend tourist length of stay, and increase tourist spending. However, there was a gap in the literature regarding the package tour to design package tours and offer diversified, unique, and flexible tours.

The purpose of this qualitative exploratory research was to explore the package tour design in Ethiopia. The data analysis and findings from the 14 interviews and 2 Focus Group Discussion (FGD) sessions were used and to analyze the interviews and FGD driven data, thematic analysis was employed. To enhance the trustworthiness of the research, the author used four measures of trustworthiness: credibility, dependability, transferability, and conformability.

The change in tourist demand for active and participatory package tours urges tour operators to offer diversified package tours (Weidenfeld, 2018). Consequently, this study examined how Ethiopian tour operators design package tours and offer diversified and unique tours. This study has addressed also the significance of tour operators in the design of package tours. Tour operators are the most influential intermediaries in the tourism business supply chain and its impact on the destinations marketing and promotion is remarkable (Iris and Niko, 2016). Tour operators develop package tours to uncover and explore untouched destinations for tourists and create business for tourism enterprises in the local community and stimulate the economy.

The analysis of the data showed that Ethiopia package tours are standardized and offered to the historic-north and cultural-south tourist routes. Due to, the availability of better tourism infrastructure these tourist routes are the major tourists' destination of the country. Even though those routes include the most extraordinary attractions and the major contributor for tourism arrival and receipts (Tafesse, 2016), the package lacks differentiation, and diversity of activities offered. The study shows that an Ethiopian tour operator makes travel arrangements only for confirmed departures as such; they do not buy travel components in advance at a bulk that is quite different than the principles in tour operation. This is attributed to the dependency on the source market outbound tour operators.

The package tour contains information about tourism destinations, accommodation, activities, and prices (Marin-Pantelescu et al. 2019). Tour operators arrange accommodation, sightseeing activities, transport, and determine the prices. The quality of a package tour is determined by the appropriateness, and inclusiveness of travel elements such as; accommodation, activities, transport, guides, and other logistics (Widz, 2017). In this study, elements in the package tour (Dordevic, and Stancic, 2015) for example; transport, most Ethiopia package tours use either 4WD and bus vehicles as transport or a combination of surface and domestic flights. In a similar vein, it has been observed that for special interest tours such as; trekking at Bale, Simien, and Abune Yosef Mountains local community provides horses and mules to transport tourists, luggage, camping materials, and kitchen utensils.

The other most important package element is accommodation. Accommodations are taken from high-end hotels, resorts, lodges to the guest house, bed, and breakfast. It covers a lion share of the total cost of a package tour. Nowadays, most Ethiopian hotels at tourist destinations provide a room with free breakfast, a discounted rate for tour operators, and 1 free Single room

for group booking of 10 Doubles/Twins rooms to a tour leader. Price has been a serious concern and determinate in choice of the hotels by tour operators.

Activities or sightseeing are considered as a motivational element to draw a tourist to a certain destination (Ngwira and Kankhuni, (2018). It is the most appealing and the backbone of the package tour. Most Ethiopia package activities are concentrated on historical and religious sites in the north-historic routes. For instance; monuments, obelisks, churches, monasteries, and ancient relics. Whereas, the South-circuit packages are focused on ethnic tourism and natural attraction including; a visit to the village, local markets, National Parks, Lakes, and scenic landscapes are part of the sightseeing packaged in the tour. However, still, some special tours including trekking at Simien, Bale, and Dankile depression are some of the outdoor and active tours (Altes, 2018). Bird watching, coffee, and athletics sports are some of the newly included activities of Ethiopia tours.

The core activities of tour operators are to design a well-programmed package tour and make it more appealing for tourists by adding attractive elements to a package (Dordevic and Stancic, 2015; Deveraja, and Deepak, 2018: Deveraja, and Deepak, 2016). Adding an attractive program or activities makes a package worthy enough to purchase it. Thus, Ethiopia tour operators have to make their packages more appealing and attractive by adding value to encourage tourists to buy their package. Thus, tour operators need to develop unique and diversified package tours (Teodorescu et al. 2015). In this study, interviewees and the FGD members forwarded unique programs and activities that increase the quality of package tours such as: participating, learning, and experiencing cooking at households. Additionally, activity in village or farmhouse such as milking a cow, plowing land and harvesting at farm, educational tour, cultural night for music and dance, becomes a part of package tours.

The results of this study have shown that also tour operators' contributions to tourism business development especially to SMEs in providing guidance and advice to offer quality tour operation services in the country. Tourism enterprises at destinations especially hotels, ground handlers, car rental firms, and local guides got business linkage in the tourism industry via tour operator's initiative in developing and designing package tours. A well-designed and developed package tour encourages and reinforces SMEs for better performances and benefits.

In a nutshell, the quality of the package tour determines the sale of tours. Providing package tours diversifying activities, adding mesmerizing programs and events are significant elements to improve the package and enhance tourist satisfaction.

## **CHAPTER FIVE**

### **5. Conclusion and Recommendations**

This chapter provides a summary of all the chapters together, outlining the conclusion, and reminds the findings of this study. This thesis has addressed the prominence of tour operators in the development of package tours. Tour operators design and develop package tours by purchasing individual travel products in bulk and combine them with different activities to make attractive package tours that are sold at a single price either directly to the tourists or indirectly via travel agents. Thus, the package tour is the core product of tour operators. A typical package tour consists of at least two of the pre-arranged combination of accommodation, transport, and attractions.

Change in tourist demand for package tour from mainstream standard to, active and customized (tailor-made) package tour had enforced tour operators to design and develop the right package tour. Designing a new package tour requires identification of activities, and selection of accommodation, tourist guides, and transport per tourist's interest and preferences. This highly depends on the tour operators' skills, experience, and knowledge.

Consequently, the main objective of this study was to explore a package tour design in Ethiopia. As well as, the specific objectives of the study includes; (1) to explore the package tour design among Ethiopian tour operators. (2) to identify the unique activities in Ethiopia package tours. (3) to examine the contribution package tour for tourism business development in Ethiopia.

## 5.1 Conclusion

The conclusion of this study was based on the qualitative thematic analysis of the data, and the results are presented based on the specific objectives. As a result, the conclusion and the major findings are explained as follows.

Several claims have been made on tour operation human resources regarding their educational level. However, the educational character of the findings shows that most tour operators firms have tourism graduated staff. Regarding the package tours of Ethiopia, the findings and discussion revealed that developing package tours in most Ethiopia tour operators firms is the responsibility of the tour operators.

In developing a package tour, Ethiopian tour operators follow almost similar steps or processes whether they are small or big firms. Ethiopia tour operators develop two types of package tours; regular and tailor-made package tours. The regular package tour is designed and developed for market promotions whereas tailor-made package tours are prepared for tourists to inquire considering their requirements and preferences. It is the most challenging and demanding tour operator to design and meet the clients' interests.

The findings revealed that Ethiopia package tours are a highly standardized, identical, and homogenous product. Additionally, tour operators do not buy travel component in bulk rather they assemble upon request or when they have confirmed departures, which this is quite different than the principles in tour operation.

The findings indicated that the characteristics of the Ethiopia package tour are; package sales depend on the success of source market outbound tour operators, the online presence of company product, staff expertise and knowledge on the product, marketing, and operations

determine to sell of the package tour and their success. Moreover, Ethiopian package sales peak at high tourism season, September – January/February, highly price-sensitive, lacks optional excursions, poor qualities of the information presented on the package illustrated without photos, navigational maps, and videos, and the package tours trends towards the hosted type of package tours.

The finding has addressed also the significance of tour operators in the development of package tours and tour operators need to be equipped with the most important professional skills and knowledge including; destinations knowledge, innovative and creativity skills, information technology, marketing, and communications skills, passion and interest to the profession are significant to run tour operations.

It is evident from the analysis that factors affecting package tour designs are tourist preferences, destinations tourism infrastructure, and tour operators' skills and experience to design and develop package tours. Analysis of these interviews suggests also that potential for a package tour in Ethiopia related to the infrastructure development, tourism human resources capacity, and availabilities of amenities and facilities determine the development of packages.

The study identified the unique and authentic activities added or included in the package tour that stimulates tourist satisfaction. Dining at the cultural restaurant while watching live music and dance, Amharic language lessons, dressing traditional Ethiopian clothes, cooking with household, and activities at farm are some the activities included in the package tours of Ethiopia.

According to the finding of this research, a tour operator's relationship with tourism business firms, SMEs in offering quality tour services and business development. Tour operators

have a stringent relationship with local guides and attractions site and a smooth and formal with hoteliers, car rental firms, and tour operators.

Finally, the findings of this research revealed the significance of tour operators to stimulate the tourism business for SMEs by providing quality package tours and advice to offer quality services.

## **5.2 Recommendation**

Based on the findings of the study, the following recommendations are forward to stimulate package tour and tour operation services for tourism business development in Ethiopia are forwarded.

### **Recommendations for policymakers, tour operators, stakeholders, and academicians**

- Tour operators need to increase their destinations knowledge to design and develop active and participatory packages tour that could spread economic benefits to wider destinations, throughout the local community economy, increase tourists spending's and length of stay.
- The government should take the initiation to develop new destinations and tourist routes that can help tour operators and stakeholders to develop innovative, diversified, and attractive package tours that increase tourist lengths of stay and enhance tourist satisfaction.
- Working closely with stakeholders' government should give training to SMEs of tourism enterprises, and tour operators to equip them with updated and appropriate knowledge and skill to develop package tours and contribute to the country's tourism development.
- Tour operators should strengthen their relationship with universities and colleges to increase their knowledge, and skill on tour operation, and in return academicians need to

work research on tour operations services, roles, and impacts on tourism development of the country.

### **5.3 Future Research Implications**

More quantitative survey research on the determinants of package tour is recommended. To understand the most significant element in the package tour development.

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**Appendices**  
**Appendix I**  
**Interview Guide**

**Part I. Profile of the Informant**

1. Gender                     Male                     Female
2. Age                       18-29                     30-44                     above 45
3. What is the highest level of education that you have attained?  
 Diploma                     Undergraduate  
 Postgraduate                     other (if any): \_\_\_\_\_.
4. Work experiences    5-10 years     11-15 years                     > 16 years

**Part II: Interview Questions on Package tours.**

5. In your company, how package tours are designed?
  - Who takes the responsibility to design a tour package in your firm?
  - How do you see the current package tour designs in Ethiopia?
6. From your own experience in the tour operation business in Ethiopia, What are the factors affecting package tour design?
7. Currently, tourists are more demanding for unique activities. Do you incorporate such activities in your package tours? What are those?
8. What does think the main role of tour operators in tourism business development in Ethiopia?
9. How does designing and developing a quality tour package help tourism business development?
10. In your opinion, what are the challenges to design a package tour? So, what should be done to alleviate those problems?

**Thank you in advance for your cooperation.**