



**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMERCE GRADUATE STUDIES  
DEPARTMENT OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT**

**ASSESSMENT OF SUPPLY CHAIN COLLABORATION IN TOURISM  
INDUSTRY: TOUR OPERATORS' PERCEPTION FROM ETHIOPIA**

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**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ADDIS  
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Approved by Board of Examiners

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## **Declaration**

I, Tigist Berhanu, announce this research paper entitled “Supply Chain Collaboration in Tourism Industry – Assessment on Tour Operators in Ethiopia” is my own and I would like to say that this research paper is original work. To this end, I acknowledged all sources of information that I used to produce the study appropriately.

Tigist Berhanu

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Student

Signature

Date

# Letter of Certification

This is to certify Tigist Berhanu has carried out her thesis work on the topic entitled “Supply Chain Collaboration in Tourism Industry – Assessment on Tour Operators in Ethiopia” under my guidance and supervision. Accordingly, I hereby assure that her work is appropriate and standard enough to be submitted for the award of Master of Arts degree in Logistics and Supply Chain Management.

Temesgen Belayneh (PhD)

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\_\_\_\_\_

Research Advisor

Signature

Date

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

<b>Abb.</b>	<b>Full Name</b>
<b>CA</b>	Competitive Advantage
<b>ETOA</b>	The Ethiopian Tour Operators Association
<b>ETO</b>	Ethiopian Tourism Organization
<b>DS</b>	Decision Synchronization
<b>GCR</b>	Global Competitiveness Report
<b>GDP</b>	Growth Domestic Plan
<b>IS</b>	Information Sharing
<b>IPS</b>	International Passengers Survey
<b>ILO</b>	International Labor Organization
<b>MoCT</b>	Ministry of Culture and Tourism
<b>OP</b>	Organizational Performance
<b>ROI</b>	Return on Investment
<b>SCC</b>	Supply Chain Collaboration
<b>SCCIS</b>	Supply Chain Collaboration Information sharing
<b>SCCDS</b>	Supply Chain Collaboration Decision Synchronization
<b>SCCIA</b>	Supply Chain Collaboration Incentive Alignment
<b>SCM</b>	Supply Chain Management
<b>T &amp; T</b>	Tour and Travel
<b>UNWTO</b>	United Nations World Tourism Organization
<b>WTTC</b>	World Travel and Tourism Organization
<b>WB</b>	World Bank

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## **ABSTRACT**

*This is a research conducted on assessment of supply chain collaboration in Ethiopian tour operation. It is conducted with the general objectives of investigating the existing level of supply chain collaboration in Ethiopian tour operation and to identify its effect on the performance and competitiveness of the industry. To address the stated research questions, the study employed non-experimental survey type research design. Data were collected from both primary and secondary sources; primary data were collected through structured and unstructured questionnaires and secondary data document analysis were made. The study employed probability sampling techniques to select the participant tour operators. Accordingly, 222 respondents were selected and participated in the study and out of these, data were obtained from 192 respondents. In order to assess the relationship between the three supply chain collaboration variables, competitive advantage and organizational performance. Correlation models was used. And Regression is followed to evaluate the direction of the relationship. Data analysis revealed that tour operators with high supply chain collaboration have high competitive advantage and high performance. Following these results, recommendations are given to improve supply chain collaboration in the tourism operation. This study is expected to contribute to the improvement of the competitiveness and performance of tour operation thorough supply chain collaboration.*

*Key Words: Supply Chain Collaboration in Tourism Operation*

# INTRODUCTION

## CHAPTER ONE

### 1.1 Background of the Study

Tourism is a multidimensional activity that involves not only the movement of people from one place to another, but also all activities they undertake both directly and indirectly interlinked towards the facilitation of this process Smitvch (1995); Cooper, et al. (1998); Sharpley and Telfer (2002). As such, tourism generates immense economic activity globally and has grown to be one of the world's largest industries in terms of volume and revenue generated. Owing to its economic potential, more and more countries, both in developed and developing worlds are turning to tourism to address their respective developmental challenges. Studies have further shown that the majority of developed countries in the West are now using tourism as a tool for economic regeneration and rural development, while oil-rich countries in Middle East, are looking at the industry to diversify their economies. The majority of African countries, particularly those in Sub-Saharan Africa, are now embracing tourism as a potential tool for economic development and poverty alleviation, this is mainly due to tourism's potential for foreign exchange earnings, job creation, revenue generation for governments through taxation, and for both forward and backward linkages through the multiplier effect. The industry is therefore a complex phenomenon which involves transaction processes that are driven by global influences of multinational tourism and travel corporations, geo-political and other broader forces of economic change According to Milne and Ateljevic (2001).

observed that tourism development has contributed significantly to the economic growth of developed countries especially through foreign exchange earnings, the full potential of the industry to do the same in Africa is yet to be realized. In the effort to curb unemployment, the tourism industry has played an important role in most of the Eastern Africa states, providing direct and indirect, formal and informal, skilled, unskilled and semi-skilled employment.

The rise of travel and tourism in Global Competitiveness report (GCR, 2015) has shown significant resilience globally. The source described that Despite slow economic growth in advanced economies and geopolitical tensions in some regions, the Travel and Tourism sector still accounts for a large part of the global economy (estimated to be approximately 9% of global GDP or US\$ 7 trillion) and employment, while the number of international travelers continues to increase. According to the World Travel & Tourism Council (WTTC, 2015), the sector is forecast to continue growing at 4% annually—faster than financial services, transport and manufacturing.

According to World Bank (2006) In Africa, though there are huge potentials for tourism, that are not tapped effectively. Besides, due to the prevalence of civil war, domestic violence, poor accommodation to tourists, the sector has been left out said United Nations World Tourism Organization (UNWTO, 2007). Tourists visit the continent mainly for its wild life and forestry. It is only Egypt that has successfully managed its resource due to its relative stability and political importance to the West United Nations World Tourism Organization (UNWTO, 2012).

Ethiopia, even though endowed with all round tourism attraction that includes geographical, religious, traditional, cultural, and historical wonders, it has never exploited the sector even to the minimum Yabibal Mulualem (2010). Surprisingly, this is true even at the time of peace and stability. There is poor to none promotion, extremely disorganized management, poor infrastructure and below the standard accommodation in the tourist sites alleged the same source.

Conspicuous enough, tourism in Ethiopia has an ancient history. It is dated back to the pre-Axumite period Yabibal Mulualem (2010). Besides, the writer stresses that even the Axumite era was known as one of the tourism friendly times in history. Concurring with the above fact, the World Bank (2006) mentioned that the fourth century Persian historian Mani described the Kingdom of Axum as being one of the four great empires of the world, ranking it alongside China, Persia and Rome. The Bank also stated that modern tourism in Ethiopia has started with the formation of a government body known as the Ethiopian Tourism Organization in 1961 with the intention of developing and controlling the sector.

Geographically speaking, Ethiopia can be referred to as a land of contrasts, extremes, remote and wild places. The country has some of the highest and most stunning places on the African continent, such as the jaggedly carved Simien Mountains, one of UNESCO's World Heritage Sites - and some of the lowest, such as the Danakil Depression, with its sulphur fumaroles and lunar-like landscape.

Historically, the country has a history, culture and tradition that stretch over 3,000 years. Many people visit Ethiopia because of the remarkable manner in which ancient historical traditions have been preserved. The ceremonies and rituals of the Ethiopian Orthodox Church opened the window to the authentic world of the Old Testament (Tourism Ethiopia, 2011).

According to Shibabew (2008), the Ethiopian Tourist Organization has had different performances in the three last governments. During the Imperial Era, the country has attracted sufficient tourists. During the Military rule, the number of tourists was limited due to the protracted civil war and because of the fact that many of the tourist attractions were located in the war areas. Presently, the number of tourists is relatively high and it has generated meaningful hard currency.

## **1.2 Statement of the Problem**

The market share of tourism in developing countries is increasing significantly and developing countries now account for two-thirds of long-haul destinations according to the World Bank (WB, 2015). Tourism in Ethiopia currently generates about US\$2.9 billion annually, close to a million jobs and about 4.5% of GDP Ethiopian Tourism Organization (ETO, 2015).

The Global Competitiveness Report (GCR, 2015) by World Economic Forum, reported that the showcases for Sub-Saharan Africa: South Africa, the Seychelles, Mauritius, Namibia and Kenya as its five most T&T competitive economies. It is showed that Ethiopia's rank is 17th regionally and 118th out of 141 countries for the arrival of volumes in the world while Kenya ranks 5th in the region and 78th overall. Sub-Saharan Africa's tourism market share is only 3.2 percent of global international arrivals in 2013, Ethiopia's share within Africa's share is a minuscule 1 percent.

International Passenger Survey (IPS, 2016) claimed that despite a cultural, historical and linguistic identity quite distinct from the rest of Africa, Ethiopia never became a major tourist destination on the continent. But Ethiopia didn't appear that bothered or did much to help itself in promoting its treasure chest of tourism gems. Where other countries would proclaim their natural heritage, beckoning tourists to come, Ethiopia chose modesty and hidden beauty.

Tourism products should be made thoughtfully and all elements of the overall experience need to be incorporated so that products have a complete figure. Sector unity has been a key component in the success of the tourism industry in other countries. For example, according to information from South Africa's Ministry of Tourism, key components in unifying the country's tourism sector include increased linkages between the public and private sector; municipalities prioritizing tourism infrastructure development; and aligning marketing, product development and management across the sector, both public and private.

To improve the overall performance and gain competitive advantage, firms need to unify and collaborate with each other. There seems to be a general lack of managerial ability to integrate and coordinate the intricate network of business relationships among supply chain members Lambert and Cooper, (2000). When it comes to Ethiopian tour operation, the objective to achieve supply chain collaboration is limited. to the single coordination mechanism at interfaces of supply chain and to achieve restricted performance measures. Many firms simply are unaware of the fundamental dynamics of supply chains collaboration, but even those firms that are enlightened enough to understand these dynamics are often unable to realize inter-organizational collaboration. Building a holistic approach towards collaboration in whole supply chain is a big challenge, which motivated to study the issues of supply chain collaboration in this study.

The student's practical observation and first-hand experience in the tour operation shows that the following gaps are identified regarding supply chain collaboration in Ethiopian tour operation. There is lack of building information sharing policies which improves inter-organizational collaboration and benefits members to plan their operational activities by sharing or retrieving the data from each other. There is an absence of designing a scheme to share profits among tourism

actors. Also a coherent decision-making mechanisms through collaborative planning and Forecasting which is a collaboration initiative where two or more parties in the supply chain jointly plan a number of promotional activities and work out synchronized forecasts. Besides, there is very weak Supply Chain Service marked with weak coordination. The collaborative linkage among the tourism operation is so weak that reduces the competitiveness of the industry which ultimately leads to declining of the performances and incomes of the industry at global market.

Therefore, the goal of this study is to identify the existing level of supply chain collaboration practices; its impact on competitive advantage and improving organizational performance of the tour operators. To the best knowledge of the researcher, worldwide literature in the aforementioned area is scanty. Sadly enough, there are no local research endeavors that tried to address this pressing issue. Hence, the researcher attempts to fill this knowledge gap.

### **1.3 Objective of the Study**

#### **1.4.1 General Objective**

The general objective of the study is to investigate the existing level of supply chain collaboration in tourism operation and identify its implication on the competitiveness and the performance of the industry.

#### **1.4.2 Specific Objectives**

The specific objectives of the study are:

- To identify the existing level of supply chain collaboration in Ethiopian tourism operation.
- To identify the relationship between tourism supply chain collaboration and tourism competitiveness of Ethiopian tour operation.
- To identify the relationship between tourism supply chain collaboration and tourism performance of Ethiopian tour operation.
- To analyze the impact of supply chain collaboration on competitiveness of Ethiopian tourism operation.
- To analyze the impact of supply chain collaboration on performance of Ethiopian tour operation.

#### **1.4 Research Question**

- What is the level of Supply Chain Collaboration in Ethiopian Tourism Operation?
- What is the relationship between tourism supply chain collaboration and tourism competitive advantage of Ethiopian Tour Operation?
- What is the relationship between tourism supply chain collaboration and tourism performance of Ethiopian Tour Operation?
- What is the impact of supply chain collaboration on the performance of Ethiopian tourism operation?

#### **1.5 Significance of the Study**

The paper is significant for the following reasons. First, it will help the organizations practically involved in the sector to understand their limitations. Secondly, it may render solutions to some of the critical problems observed in the sector. Thirdly, it is important to other researchers who wish to replicate the study in other places or to those who want to fill the gaps seen in the paper. It can also serve as a reference to decision makers.

#### **1.6 Scope of the Study**

Tour operators often have market power to directly interact with tourists and, therefore, play a key role in the development of sustainable tourism supply chain in destinations. Tour operators have enormous influence over all of the activities involved in the tourism supply chain . They buy individual travel services (such as transport and accommodation) from their suppliers (such as carriers and hotels) and assemble them into holiday packages, which are sold to the public directly or through travel agents. The study is limited to the supply chain collaboration of Ethiopian tour operators only. It assesses the existing level of supply chain collaboration and its impact on the competitiveness and performance of the industry. Accordingly, the study is undertaken on 222 Tour Operators working in Ethiopia.

#### **1.7 Limitation of the Study**

The study was having the population group of 412 tour operators due to budget and time constraint data was not collected from the entire population. In addition, most tour operators failed to respond

to the questionnaire distributed. It would be more complete if the perspective of the all tour operators would also be incorporated.

## **1.8 Organization of the Study**

*Chapter 1 (Introduction)* introduces the background, statement of the problem, Purposes of the study, General and Specific objectives of the study, Research questions, Significance, scope and Limitation of the study are included. *Chapter 2 (Review of Related Literature)* First, the definition, characteristics along with participants of supply chain management were defined. Second, supply chain collaboration and the structure of supply chain collaboration were discussed. Third, Definition, impact and significance of tourism is expressed. Fourth, concept of tour operators, tourism supply chain management, supply chain collaboration in tourism industry, challenges of tour operators and tourism performance were discussed. Finally, Conceptual Frame work is developed and Research hypothesis formulated. *Chapter 3 (Research Methodology)* describes the methodology used in this thesis including the research methodology, strategy of inquiries and the research methods including both the qualitative and quantitative methods. In addition, the chapter includes technique, size and procedure of sampling. It indicates the technique and practices of data collection. *Chapter 4 (Data Presentation, Analysis and Interpretation)* presents the demographics, profiling of respondents, Data analysis of descriptive statistics, regression between different parameters and finally correlation between them is indicated. *Chapter 5 (Summary of Major Findings)* indicated the major findings from the survey conducted.

# REVIEW OF RELATED LITERATURE

## CHAPTER TWO

### 2.1 Overview of Supply chain Management

“In the 1980s, the term supply chain management (SCM) was developed to express the need to integrate key business processes, from end user through original suppliers. Original suppliers are those that provide products, services, and information that add value for customers and other stakeholders. The basic idea behind SCM is that companies and corporations involve themselves in a supply chain by exchanging information about market fluctuations and production capabilities” Keith Oliver (1982).

The primary objective of SCM is to fulfill customer demands through the most efficient use of resources, including distribution capacity, inventory, and labor. In theory, a supply chain seeks to match demand with supply and do so with the minimal inventory. Various aspects of optimizing the supply chain include liaising with suppliers to eliminate bottlenecks; sourcing strategically to strike a balance between lowest material cost and transportation, implementing just-in-time techniques to optimize manufacturing flow; maintaining the right mix and location of factories and warehouses to serve customer markets; and using location allocation, vehicle routing analysis, dynamic programming, and traditional logistics optimization to maximize the efficiency of distribution.

It is now generally accepted that "logistics" applies to activities within one company or organization involving product distribution, whereas "supply chain" additionally encompasses manufacturing and procurement, and therefore has a much broader focus as it involves multiple enterprises (including suppliers, manufacturers, and retailers) working together to meet a customer need for a product or service.

## **2.2 Tourism Supply Chain**

Tourism has been defined differently by different writers. For instance, McIntosh and Goelder, (1986) defined it as a composite of activities, services and industries that delivers a travel experience namely, transportation, accommodations, eating and drinking establishments, shops, entertainment, activity facilities, and other hospitality services available for individuals or groups that are traveling away from home. Still, the United Nations Conference on International Travel and Tourism of 1963, defined tourists as temporary visitors who spend more than 24 hours in destination other than their normal place of residence. Tourism is a service industry, consists of a number of tangible and intangible components. The tangible component include transport system such as air, rail, road, water and space; hospitality services such as accommodation, foods and beverages, tours, souvenirs; and related services such as banking, insurance and safety and security. The intangible elements are rest and relaxation, culture, escape, adventure, new and different experiences.

Tourism may affect demographic characteristics, social structures and relations, economic activities and sectorial dynamics, social values and attitudes, culture and life styles, built environment and land use, environmental resources, natural ecosystems and cultural heritage. In general, as Mason, (2008) explained, the impact of tourism can be positive or beneficial, but also negative or detrimental. Whether impacts are perceived as positive or negative depends on the value position and judgment of the observer of the impact. So tourism can have an impact directly or indirectly, positively or negatively on the economy, social and environmental of the host community or vice versa.

Tourism has become one of the economic sectors registering rapid growth worldwide. The United Nations World Tourism Organization, in its statistical publication, Tourism Barometer, of 2015, indicated the growth of International tourist arrivals grew by 4.4% in 2015 reach a total of 1,184 million in 2015. According to the latest UNWTO World Tourism Barometer, some 50 million more tourists (overnight visitors) travelled to international destinations around the world last year as compared to 2014. The year 2015 marks the 6th consecutive year of above-average growth, with international arrivals increasing by 4% or more every year since the post-crisis year of 2010.

The United Nations World Tourism Organization (UNWTO), the World Travel & Tourism Council (WTTC) estimates that the Travel and Tourism (T&T) sector now accounts for 9.5% of global GDP, a total of US\$ 7 trillion, and 5.4% of world exports. Encouraging the development of the T&T sector is all the more important as the T&T industry continues to play a key role as a driver of growth and job creation, growing at 4% in 2014 and providing 266 million jobs, directly and indirectly. This means that the industry now accounts for one in 11 jobs on the planet, a number that could even rise to one in 10 jobs by 2022, according to the WTTC.

UNWTO Secretary-General, Taleb Rifai stated that International tourism reached new heights in 2015 and the robust performance of the sector is contributing to economic growth and job creation in many parts of the world.

It is found critical for countries to promote policies that foster the continued growth of tourism, including travel facilitation, human resource development and sustainability. Results from the UNWTO Confidence Index remain largely positive for 2016, though at a slightly lower level as compared to the previous two years. Based on the current trend and this outlook, UNWTO projects international tourist arrivals to grow by 4% worldwide in 2016. By region, growth is expected to be stronger in Asia and the Pacific (+4% to +5%) and the Americas (+4% to +5%), followed by Europe (+3.5% to +4.5%). The projections for Africa (+2% to 5%) and the Middle East (+2% to +5%) are positive, though with a larger degree of uncertainty and volatility.

## 2015 International Tourist Arrivals

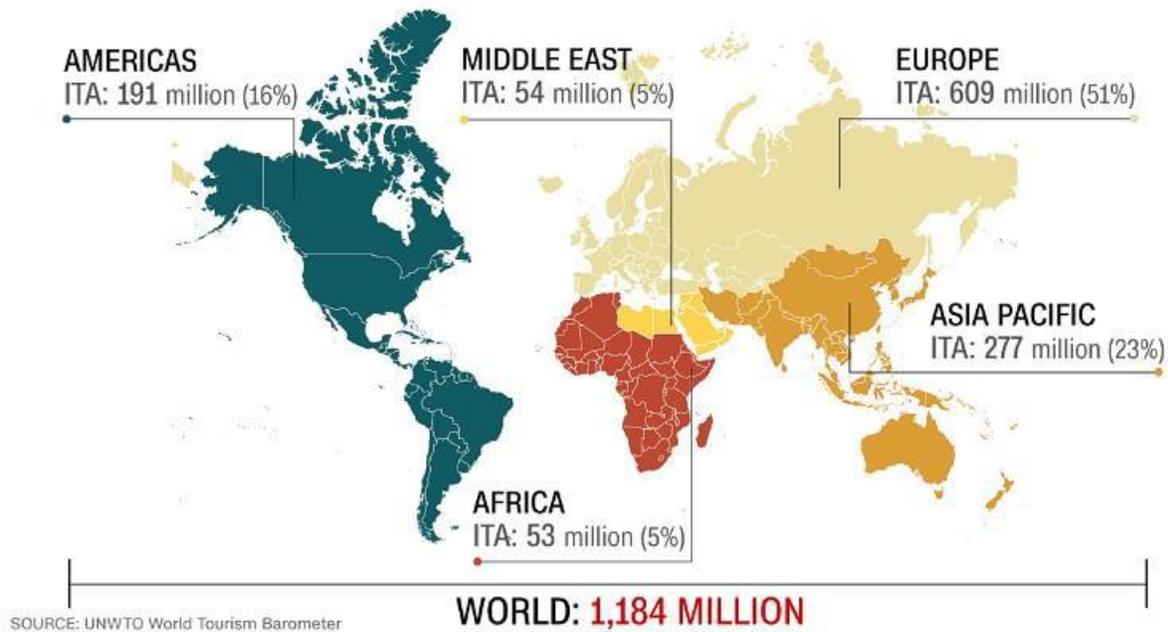


Figure 1. International Tourist Arrivals 2015

Sources: UNWTO World Tourism Barometer 2015

Tourism plays a very important role in the political, economic, cultural and environmental development of countries. On the positive side, its role as a foreign exchange earner; employment generator, developer of infrastructures, promoter of industries, businesses, tax revenues and redistributors of domestic wealth can be cited. At the local level, it helps to diversify the local economy and reduce dependence on trade and extractive activities. It also has a multiplier effect on all local businesses and attracts new money from both local and external sources. It enhances community aesthetics. The negative impacts are often attributed to its contribution to inflation, the multiplication of social ills, the perpetuation of low wages for workers, the diversion of scarce resources and high cost of infrastructures and environmental degradation.

No matter what the economic climate, tourism has a significant impact on global and local economies International Labour Organization (ILO, 2010). During economic booms, the tourism (especially international tourism) sector absorbs wealth from people on trips away from their

homes Lee and Chang (2008). Furthermore many governments perceive that tourism creates new jobs Seckelmann, (2002).

In recent years, tourism has emerged as one of the leading sectors in Ethiopia, Supporting development endeavors because of its positive growth trajectory. In fact, revenue from tourism is becoming one of the country's major sources of attaining foreign currency. According to the information obtained from the Ministry of Culture and Tourism (MoCT, 2016), the tourism Sector generated USD 3.4 billion in the 2015/2016 fiscal year, USD 650 million higher than the export sector earned in the same period.

Ethiopian Ministry of Culture and Tourism (MoCT, 2009) in Tourism Development Policy of 2009, stated that tourism is among the economic and social sectors that are registering rapid growth in the world. The same source claimed that there is an absence of a clear policy that would lay the direction for the cooperation and coordination that should have existed among the government, the private sector, the community at tourist attraction sites, the general public and other stakeholders and this hindered the country from deriving full benefits from the sector.

Business management in the tourism industry needs to critically consider supply chain perspectives not only to increase their efficiency and profitability Véronneau and Roy, (2009); Zhang et al., (2009) but also to ensure sustainability of the performance of the firm. Such sustained performance could be achieved through coordination or cooperation of the network of tourism and firms has to play a critical role in sustaining tourism supply chains.

Wisner, Tong (2012) The Council of Logistics Management defines supply chain management as:

“... the systematic, strategic coordination of traditional business functions and the tactics across the business functions within a particular company and across businesses within the supply chain for the purpose of improving the long term performance of the individual companies and the supply chain as a whole.”

The basic group of participants that creates a simple supply chain is the suppliers and customers of that company. Extended supply chains contain three additional types of participants. First there is the supplier's supplier or the ultimate supplier at the beginning of an extended supply chain. Then there is the customer's customer or ultimate customer at the end of an extended supply chain. Finally there is a whole category of companies who are service providers to other companies in the supply chain. These are companies who supply services in logistics, finance, marketing, and information technology. In any given supply chain there is some combination of companies who perform different functions. There are companies that are suppliers, producers, distributors or wholesalers, retailers, and companies or individuals who are the customers, the final consumers of a product or a service. Supporting these companies there will be other companies that are service providers that provide a range of needed services.

Supply Chain as a management philosophy takes a system approach to viewing the Supply Chain as a single entity. This means that the partnership concept is extended into a multi-firm effort to manage the flow of goods/service from suppliers to the ultimate customer. Each firm in the Supply Chain directly or indirectly affects the performance of the other Supply Chain members, as well as the overall performance of the Supply Chain.

Zhang et al. (2009) define the Tourism Supply Chain as "a network of tourism organizations engaged in different activities ranging from the supply side to the distribution and marketing of the final tourism product; it involves a wide range of participants in both the private and public sectors".

Tourism, like all other supply chains, operates through business – to – business relationships, and supply chain management can be applied to improve performance. The difference between tourism supply chain and those of other sectors, are that tourists travel to the product, and the product that they buy has a particularly high service component. Customer service has three recognized levels from supply chain perspective, these are; reliability, on time delivery and accurately filled orders. As stated clearly, reliability, on time delivery and accuracy of order fulfillment are the most three dimensions of customer service to be filled by supply chain members.

Successful tourism supply chain requires an integration of all the components involved into a combination of business processes within and across organizations. This requires integration of the organizational elements responsible for each activities and the external suppliers and customers who are part of the planning and execution process. Tourism supply chains encompass the companies and the business activities needed to design, make, deliver, and use a product or service. Businesses depend on their supply chains to provide them with what they need to survive and thrive. Every business fits into one or more supply chains and has a role to play in each of them. Most elements of a holiday package are delivered by suppliers who are sub-contracted by the tour operator. Thus, the selection of service providers and contracting with them is an important opportunity to influence the sustainability of the products. The main goal of the Supply Chain is to work on product and service stewardship across the entire life cycle of the holiday package to design packages with lower environmental and social impacts Budeanu, (2009); Font et al., (2008); Miller & Twining-Ward, (2005).

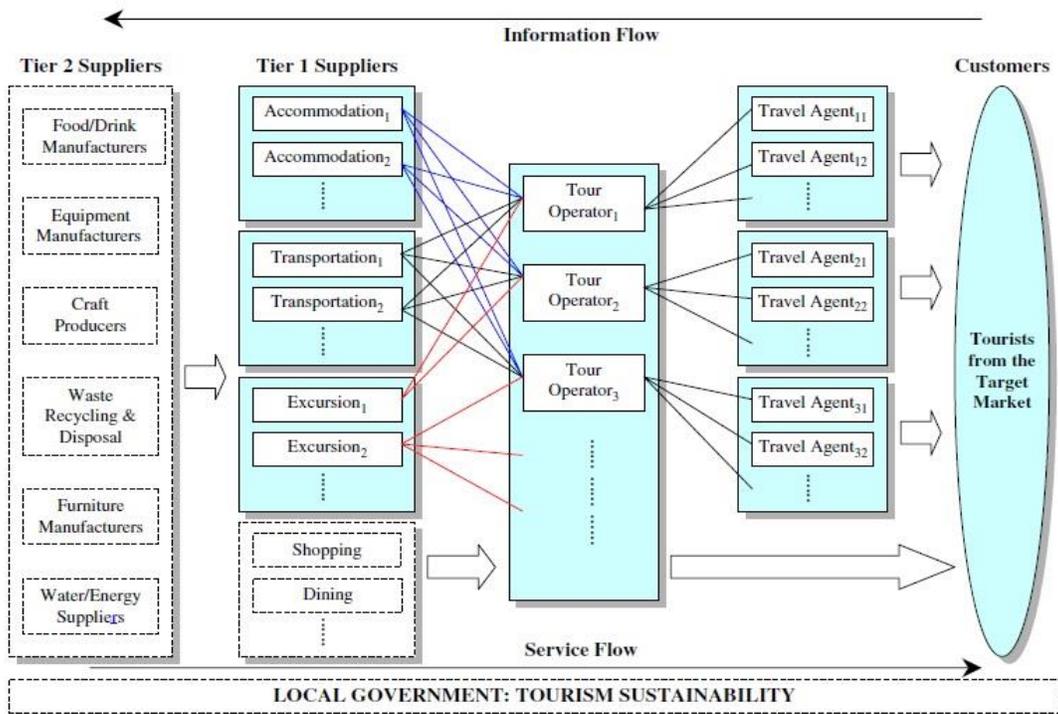


Figure 2: Tourism Supply Chain with in destination

Source: Zhang et al., (2009)

### **2.3 Supply Chain Collaboration in Tourism**

Supply chain collaboration is often defined as two or more chain members working together to create a competitive advantage through sharing information, making joint decisions, and sharing benefits which result from greater profitability of satisfying end customer needs than acting alone (Simatupang and Sridharan, 2002).

Information sharing is the act of capturing and disseminating timely and relevant information for decision makers to plan and control supply chain operations. Managing the flow of information is a key factor for both efficiency and effectiveness in the supply chain with the key characteristic of sharing information up and down the supply chain related to the flow and demand requirements.

Decision synchronization is joint decision-making in planning and operational contexts. The planning context integrates decisions about long-term planning and measures such facets as selecting target markets, product assortments, customer service level, promotion, and forecasting. The operational context integrates order generation and delivery processes. Incentive alignment is stated as the degree to which chain members share costs, risks, and benefits. These three dimensions are important for enabling the participating members to improve the swift flow of products to end customers.

Supply chain collaboration is the central issue to the practices of supply chain management. aiming to develop measures to evaluate the level of supply chain collaboration. Accordingly, the scale for the concept of supply chain collaboration was generated.

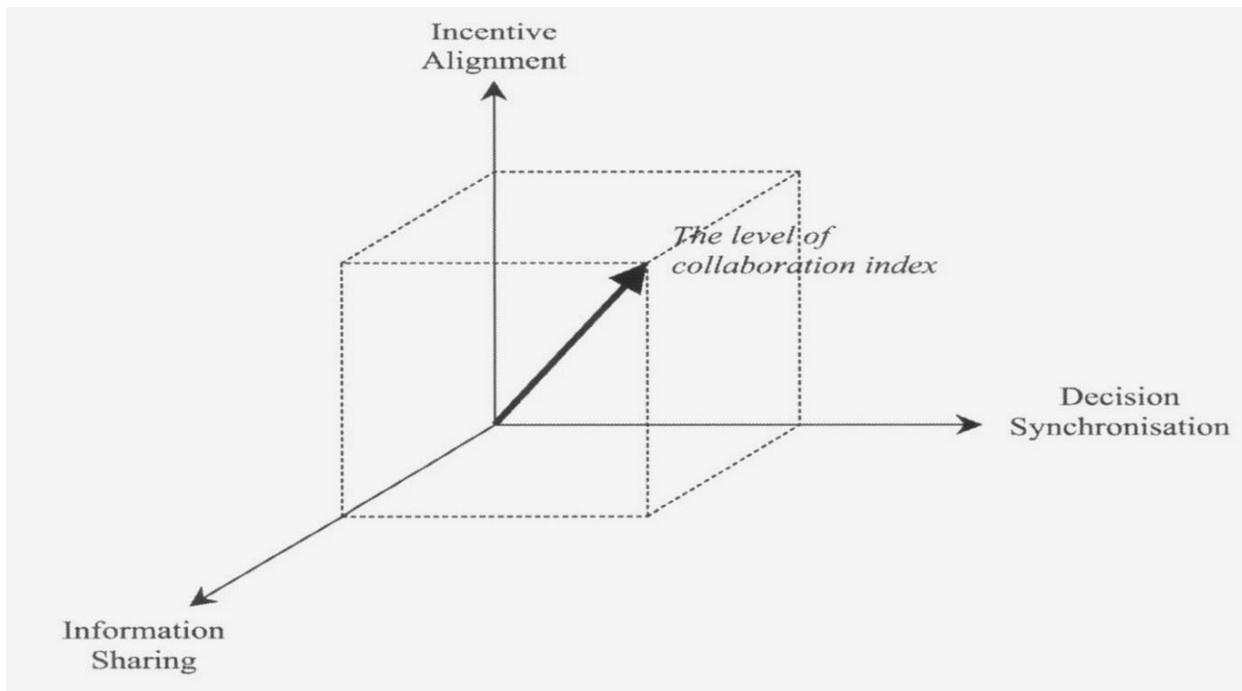


Figure 3. The concept of the collaboration index

Source: Simatupang and Sridharan (2004)

Inter-organizational collaboration is a term used by scholars and practitioners to describe a process that can emerge as organizations interact with one another to create new organizational and social structures.

Collaboration is a key to success Identifying priorities, upgrading infrastructure, calibrating fiscal incentives and executing international marketing campaigns are among the tasks necessary to succeed in developing the Tourism and Travel sector—tasks which are often beyond the scope of local administrations and even single national ministries. Therefore, the difference between success and failure in Tourism and Travel can lie in creating strong collaboration frameworks and overcoming financial, institutional and organizational bottlenecks'. Supply chain collaboration facilitates the cooperation of participating members along the supply chain to improve performance (Bowersox, 19190). The benefits of collaboration include revenue enhancements, cost reductions, and operational flexibility to cope with high demand uncertainties (Fisher, 1997;

Lee et al, 1997). Firms that have worked closely with their partners, are several examples of companies that have captured the advantage of collaboration.

The wide adoption of supply chain collaboration requires a scientific means of assigning values to statements that indicate various levels of collaboration amongst participating members (Barratt and Oliveira, 2001; Mentzer et al., 2000).

Therefore, the adoption of Supply Chain collaboration in tourism operation increases the performance of the industry globally. Supply chain collaboration is the central tenet that enhance the operation of the tourism industry.

#### **2.4 Supply Chain Challenges of Tour Operation in Ethiopia**

Tour operation is a process of combining tourism components to create a holiday package and sell it to customers, and this includes opportunities to experience a destination's local products and services. Tour operators can play a significant role in providing appropriate advice to their customers about local products and services, and in ensuring that local producers and service providers have access to tourists on a fair basis. The impact of tour operators comes from the impacts of the components they sell. Tourism supply chains involve many components. Those components are directly contracted by a tour operator.

They are referred to as wholesalers who buy in bulk from the suppliers of travel products and services, break the bulk into manageable packages and sell as package holidays to travel agents and also directly to the consumers . Travel agents are tour retailers who provide products and services package business tours, theatre bookings, car hire, cruising holidays, air or rail tickets, travel insurance, foreign exchange, and visa and passport applications, etc. Tour operators act not only as wholesalers but also as producers by creating a new product referred to as the “inclusive tour”, resulting from putting individual components of the tour together and offering it at an overall price (Koutoulas et al, 2009). Tour operators, according to have a central connection between customers and providers of services, possessing the power to influence both.

Tour operators are a critical link in the tourism supply chain and for long haul emerging destinations such as Ethiopia. Tour operators based in source markets are the major driver of business The World Bank (2006). Tour operators direct and influence the volume of tourism, the tourist destinations and facilities that are used.

Though tour operators have enormous influence over activities throughout the tourism supply chain, the Ethiopian tourism operation fails to promote the general improvement of the operators in a sustainable manner. Supply chain practices are not considered as a good commercial practices of the tourism operation.

The tourism sector is one essential component of Ethiopia's national development and transformation. It is set in a national environment that faces tremendous opportunities such as fast rate of economic growth, significant expansion of transportation and communication facilities, a massive construction boom and an entrepreneurial population. At the same time challenges of widespread poverty, massive unemployment, recurrent food insecurity, high rate of annual population growth, worsening environmental degradation and underdevelopment of the productive forces of the economy.

The challenges facing tourism development in Ethiopia includes: significance absence of well-organized information. Frequent cancellations of reservations such as hotel and travel reservations. The invisibility of inventories in hotels and travel reservations. The involvement of tourism brokers. The fragmented supplier buyer relationship among the tourism operation. Poor contract management skills. Lack of trust between actors. Absence of transparency in sharing of benefits and risks. There is a huge gap in balancing profit and risk sharing. Because the supply chain is not benefiting the local people who should have been the direct beneficiary of the tourism operation, the people neglects the existing tourist destinations and resources which are the major products of the service. lack of trained manpower in the tourist corridor; neglect of important cultural sites and facilities (e.g. Addis Ababa Museum, Ankober historical site, Langan resort and lack of strict control and regulation of tourist related infrastructures and services and site developments).

The promotion of both domestic and international tourism should address such important issues as poor standards of accommodations and services; poor international image and visibility as a tourist destination; weak demand among international tour operators and travel agencies; weak capacity of major Ethiopian tour operators; weak products; unfocussed institutional structure to generate policies, regulate sector and define strategies and neglect of domestic tourism.

Therefore, tourism as a labor intensive sector of the economy, has the potential of improving the lives of people and the economies of communities at different geographical scales. It should capitalize on the country's rich and diversified cultural heritage and natural resources.

## **2.5 Conceptual Frame Work**

The conceptual frame work proposes that supply chain collaboration have an impact on tourism competitiveness and increases the performance of individual tourism firms along the supply chain. Supply chain collaboration is conceptualized as a three – dimensional construct. The dimensions are information sharing, decision synchronization and incentive alignment. The frame work is of the dimensions was adopted from the existing literature. Using literature support, the expected relationships among Supply chain collaboration parameters, Organizational performance and competitive advantage in the context of tourism operation is conceptualized. In addition, hypotheses relating these variables are developed.

Organizational performance refers to how well an organization achieves its market-oriented goals as well as its financial goals Piboonrungrroj (2010). Any organizational initiative, including supply chain collaboration, should ultimately lead to enhanced organizational performance. Many collaboration dynamics have been identified as being important in improving supply chain performance Mathuramaytha (2011). Tourism competitiveness for a destination is about the ability of the place to optimize its attractiveness for residents and non-residents, to deliver quality, innovative, and attractive (e.g. providing good value for money) tourism services to consumers and to gain market shares on the domestic and global market places, while ensuring that the available resources supporting tourism are used efficiently and in a sustainable way Dupeyras, A. and N. MacCallum, (2013).

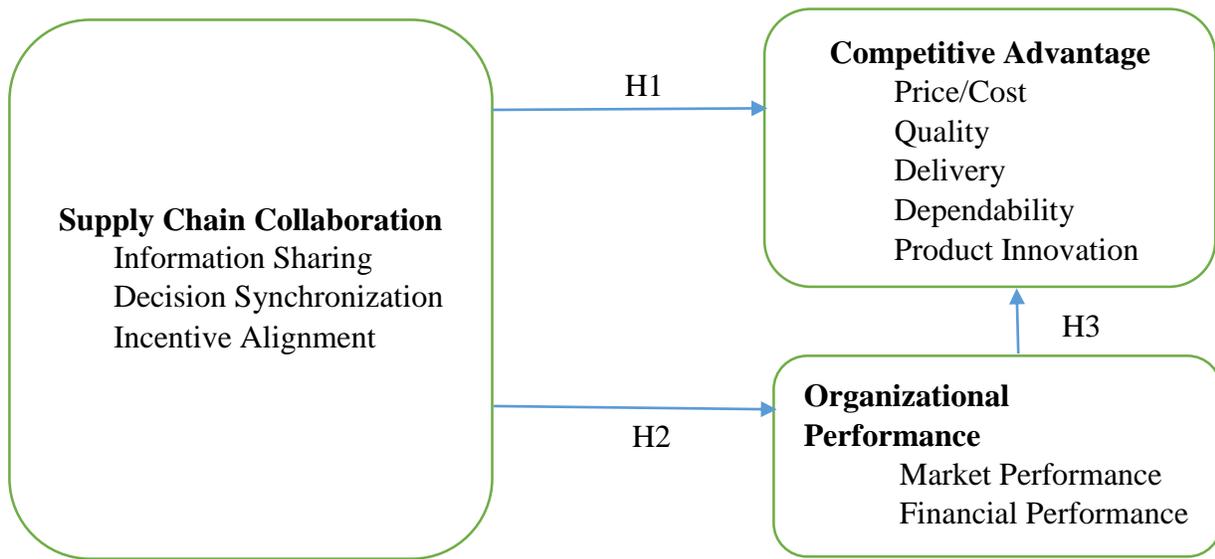


Figure 4. Conceptual Frame Work

Adopted: Li, et al. (1995)

## 2.6 Research Hypothesis

There is a positive relationship between Tourism Supply chain Collaboration, Tourism Competitiveness and Tourism performance

Hypothesis 1 – Tour Operators with high level of Supply Chain Collaboration have high levels of Competitive Advantage.

Hypothesis 2 – Tour Operators with high levels of Supply Chain Collaboration have high level of Organizational Performance.

Hypothesis 3 – The higher the performance of the tour operator the higher the level of Competitive Advantage.

# RESEARCH METHODOLOGY

## CHAPTER THREE

### 3.1 Research Design and Methodology

The plan or proposal to conduct research involves the intersection of philosophy, strategies of inquiry and specific methods Creswell (2003). The proposed design for this study is non-experimental, survey type and empirical. It does employed both qualitative and quantitative methods of mixed design to give answer for the research question. Structured questionnaires were used for collecting quantitative data and open ended interview questions used for qualitative data. The qualitative method mainly dealt with the primary sources while the quantitative data focused on the data obtained though secondary sources.

### 3.2 Philosophical Worldviews

It is mandatory for researchers to make explicit the larger philosophical ideas they espouse since this information will help explain why they choose qualitative, quantitative or mixed methods (Creswell, 2003). According to him, four different worldviews are discussed: Post-Positivism, Constructivism, and advocacy/participatory and pragmatism. Pragmatism he explained is a worldview arises out of actions, situations, and consequences rather than antecedent conditions (as in post positivism). Instead of focusing on methods, researchers emphasize the research problem and use all approaches available to understand the problem Rossman & Wilson, (1985). Mixed methods research as Creswell explained it as an approach to inquiry that combines or associates both qualitative and quantitative forms. The philosophical assumption involves that of the use of qualitative and quantitative approaches and the mixing of both approaches in a study. Creswell & Plano Clark, (2007) Thus described it as it is more than simply collecting and analyzing both kinds of data; it also involves the use of both approaches so that the overall strength of a study is greater than either qualitative or quantitative research Creswell & Plano Clark, (2007). As a philosophical underpinning for mixed method conveys its focus on the research problem in social science research and then using pluralistic approaches to derive knowledge about the problem. It is suggested that Individual researchers have a freedom of choice. In this way, Researchers are free to choose the methods; Techniques and procedures of research that best meet their needs and

purposes. The researcher therefore, resorts to pragmatism approach in dealing with the research endeavor.

### **3.3 Strategies of Inquiry**

Strategies of inquiry are types of qualitative, quantitative, and mixed methods designs or models that provide specific direction for procedures in a research design. Others have called them approaches to inquiry Creswell, (2007). They encouraged others to employ their multi-method matrix to examine multiple approaches to data collection. Triangulating data sources-a means for seeking convergence across qualitative and quantitative methods Jick, (1979). The researcher uses concurrent mixed method which is described as ‘procedures in which the researcher converges or merges quantitative and qualitative data in order to provide a comprehensive analysis of the research problem’ Creswell (2003). In this research, the inquirer first explores generally to learn what variables to study and then studies those variables with a large sample of individuals. Therefore, the researcher collects both forms of data at the same time and then integrates the information in the interpretation of the overall results.

### **3.4 Research methods**

The student bases the inquiry on the assumption that collecting diverse types of data best provides an understanding of a research problem. The study begins with a broad survey in order to generalize results to a population and then in a second phase, focuses on qualitative, open-ended interviews to collect detailed views from participants. A mixed approach design is useful when either the quantitative or qualitative approach by itself is inadequate to best understand a research problem or the strengths of both quantitative and qualitative research can provide the best understanding. Creswell, (2003). Researchers may first survey a large number of individuals and then follow up with a few participants to obtain their specific language and voices about the topic. In these situations, collecting both closed-ended quantitative data and open-ended qualitative data proves advantageous so that the researcher decided to follow mixed method in her research design. The researcher bases the inquiry on the assumption that collecting diverse types of data best provides an understanding of a research problem.

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

The selection of key informants for interview will be through both purposive and random sampling. The purposive sampling method will be used to select those who have served long; those who have the knowledge and expertise; those who can decide on different issues. Besides, the researcher will use a random sampling to select tour operators.

According to information obtained from the Ministry of Culture and Tourism (MoCT, 2015), which is responsible for the development and promotion of domestic and international tourism, there are 412 certified and legally recognized tour operators in Ethiopia. Most of these companies are inbound tour operators that cater to foreign tourists by arranging different tour packages throughout the country.

The study was having a population group of 412 Tour Operators in a random sampling. Due to constraints such as time and budget, it was not be possible to collected data for the entire population. Therefore, samples were drawn from the population groups. For quantitative and qualitative data collection, the operators were sampled and the data were collected within three months of April and June, 2016.

### **3.6 Sampling techniques and sampling procedures**

The source of population for the current study was the tour operators who are currently operating in Ethiopia. Therefore, samples were drawn from the population groups. For quantitative and qualitative data collection the researcher were used simple random sampling techniques.

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

N = total number of population

n =sample size

e =margin of error

This formula is being applied to our population of customers. According to data obtained The Federal Democratic Republic of Ethiopia Ministry of Culture and Tourism Head Office, the

number of tour operators that are operation in Ethiopia is 412. Based on this data, and the sample size formula, the sample size determined:

Therefore, the sample to be selected from the operators is:

$$n = \frac{412}{1 + 412 (0.06)^2}$$

$$n = 202$$

Considering a non-response rate of 10%, this sample size is revised upwards by

$$(202 \times 10\%) = 20.2 \approx 20$$

This makes the total sample size for the study equal to

$$202 + 20 = 222 \quad \text{Tour Operators}$$

Sampling Technique	Interview	Questionnaire
Sample Size.	20-30 People	222 Tour Operators

### 3.7 Data Collection Techniques

The study begins with a broad survey in order to generalize results to a population and then in a second phase, focuses on qualitative, open-ended interviews to collect detailed views from participants. A mixed methods design is useful when either the quantitative or qualitative approach by itself is inadequate to best understand a research problem or the strengths of both quantitative and qualitative research can provide the best understanding. Creswell, (2003). According to the above source researchers may first survey a large number of individuals and then follow up with a few participants to obtain their specific language and voices about the topic. In these situations, collecting both closed-ended quantitative data and open-ended qualitative data proves advantageous so that the researcher decided to follow mixed method.

Although a survey method is the most common method in supply chain research Boyer and Swink, (2008), it also has limitations e.g., perception measurement Singhal et al., (2008) bias from single source of data Näslund, (2002), and potential respondents' interpretation bias due to their knowledge and information limitation and low response rate Boyer and Swink, (2008). However,

these limitations can be overcome by employing proper statistical techniques to mitigate those Singhal et al., (2008).

The researcher used various techniques to address potential biases such as random sampling techniques. The validity and Reliability of the questionnaire following pilot testing were made prior to the collection of data.

### **3.7.1 Primary Data Source**

Data were collected from primary and secondary sources. The respondent categories for primary source are the tour operators. In addition to the primary sources of data, the researcher were also utilized secondary data related to the Supply Chain Collaboration and it was collected from sources of different publication and reports related to the subject matter. The information gatherings included interviews and questionnaires.

### **3.7.2 Secondary Data Sources**

Document Analysis: The researcher used document analysis to come up with a Comprehensive/Complete picture of the industry. These documents were effectively used to generate ideas. Besides in order to put in context the research problem and to inform the study with clear theoretical insight, different books, periodicals and statistical and official publications were used.

## **3.8 Instrument for Data Collection**

- Questionnaires: the researcher developed structured and unstructured questionnaires that allows collecting information from different sources of tour operators.
- Interview: the researcher developed interview for further elaboration to Supply Chain Collaboration. It is conducted through personal interview. The researcher used Situation – Actor – Process – Learning – Action – Performance (SAP – LAP) method to collect and analyze interview data.
- Secondary Data: It is collected in the form of desk review of operators documents including various reports and publications.

### 3.9 Types of Instrument Used

#### ➤ Quantitative Data Collection Instrument: Questionnaire

Instrument for the measurements of Supply Chain Collaboration practices is adopted from Simatupang and Sridharan, (2004), and Suhong Lia et. al (2004).

#### ➤ Qualitative Data Collection Instrument: SAP-LAP Model

Situation-actor-process (SAP) – learning action-performance (LAP) model has been applied for preparation of interview questions of this Survey Ravinder Kumar (2013).

A SAP-LAP model should be developed by framing critical questions about the situation, actor, process, learning, action, and performance Ashok Soni et. al (2013). The SAP-LAP model enquires about what is happening in the situation, what are the relevant characteristics of the actor that relate it with the situation as well as process, and what is to be questioned about the process. Further, it enquires into the major areas of learning, key fronts of suggested actions, and their implications on the performance Sushil (2000).

SAP-LAP is an integrative framework comprising of six basic components Sushil (2000):

- The “situation” to be dealt with, which can be external or internal to the organization.
- The “actor(s)” dealing with the situation, which can be “internal” or “external” with reference to the organization under study.
- The “process (es)” dealing with the situation, which can again be “internal” or “external” to the organization.
- The key “learning” issues, in terms of the achievement of objectives or problem areas.
- The “action(s)” to be taken based on learning, affecting the performance areas or objectives.
- The “performance” areas in terms of “objectives” to be achieved or key result areas (KRAs).

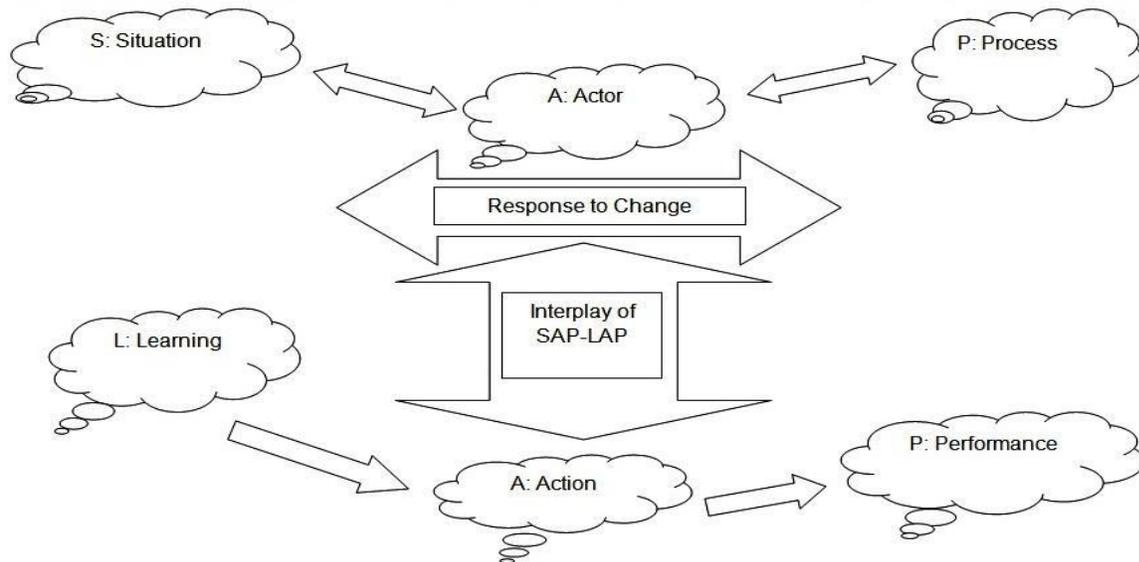


Figure 5. SAP-LAP Framework

Source: Ashok Soni (2004)

### 3.10 Data entry and editing

For quantitative data the researcher used data entering standard statistical software called SPSS data analysis and reporting. The data analyses had both descriptive and inferential approach to analyzing the data set ready for analysis. Descriptive analysis uses measurement of central tendency such as mean, median, mode, range and measure of dispersion such as percentage, standard deviation and variance. Inferential analysis uses correlation. Result is reported using tables. In addition to the quantitative data, The research has used qualitative response questions to help understand the qualitative dimension of the quantitative data.

### 3.11 Data Collection Practices

The Ethiopian Tour Operators Association is a professional Association representing the legally registered Tour Operators in the tourism industry of Ethiopia. Currently ETOA is composed of more than 185 individual tour operators. It is tirelessly organized association that made several meetings with high government officials and discuss possibilities of developing tourism in

Ethiopia and constraints that affect the industry and of the tour operators. ETOA has held a meeting in the month of April 2016 at Ethiopian Ras- Hotel.

Hotel Show Africa Hospitality Investment Trade Show is a once-yearly hospitality and tourism investment trade show held in the political capital of Africa, Addis Ababa. The show was held from June 9 – 12 at Millennium Hall, Addis Ababa. The researcher distributed the questionnaire to 105 participants in Ras – Hotel and 80 participants in Ethiopian Hospitality Investment Trade show participants. Data was collected during the two events and the researcher distributed the remaining questionnaire to different offices of tour operators in Addis Ababa.

ETOA had a meeting on April 01, 2016 at Ras – Hotel Ethiopia. A total number of 105 questionnaires were distributed to participant tour operators of the meeting and 42 of them responded. Another event of Hospitality and Tourism Trade Show were held in June 8-11, 2016 at Millennium Hall, Addis Ababa. A total of 80 questionnaire were distributed to participant tour operators and 31 of them responded. In addition, a total number of 140 questionnaire were distributed to different tour operators at different office are distributed in the whole months of April 2016 and 119 of them responded. Therefore, a total of 325 questionnaires distributed to different tour operators and a total of 192 questionnaires responded. Among the respondent tour operators 59.8% of them are in Managerial Position while the remaining 40.2% are none managerial personnels.

# **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

## **CHAPTER FOUR**

### **4.1 Demographics**

This study was conducted on 222 tour operators in Ethiopia, The data collection consumed three months starting from April 01, 2016 to June 12, 2016. The respondents were proportionally distributed all over the country but most of them headed their office at Addis Ababa. Respondents were randomly selected. Respondents were asked two major types of questions. The first one requests the managerial position of the respondents and the second question is classified in to three parameters (Supply Chain Collaboration, Competitive Advantage and Organizational Performance). Two scales were made for the first question. The respondents are requested to mark 1 if the respondent is at the position of managerial. The respondents are requested to mark 2 if not in managerial position. These result indicated that the sampled tour operators were mostly in managerial positions of 59.80 %.

### **4.2 Summary of Respondents**

This study uses these 29 standardized statements on a Likert scale score between 1 (minimum score) and 5 (maximum score), 3 being point of neutrality. These questions are further aggregated into five dimensions: Supply Chain Collaboration Information Sharing; Supply Chain Collaboration Decision Synchronization; Supply Chain Collaboration Incentive Alignment; Competitive Advantage and Organizational Performance.

These 29 statements are attached in the Annex section along with the data collection instrument. In this case, the mean, and standard deviation of each 29 item together with their respective dimension was calculated in order to conclude the overall view of their responses.

The mean statistical value approaching were based on the following assumptions: if the mean average is less than 3, it indicates that the organization have low practices of the variable; if the mean average is equal to 3, it indicates the organization have neutral practices of the variable and if the mean average is greater than 3, it indicates that the organization have better practices of the variable. Accordingly, the mean scores have been computed for all the five dimensions that are

Supply Chain Collaboration - Information Sharing, Supply Chain Collaboration - Decision Synchronization, Supply Chain Collaboration - Incentive Alignment, Competitive Advantage, and Organizational Performance by equally weighting the mean scores of all the items under each dimension. Respondents were asked to rate their practices on a five-point Likert type scale ranging from 1 being strongly disagree to 5 strongly agree.

### 4.3 Data Analysis

#### 4.3.1 Descriptive Statistics and Frequencies of Supply Chain Collaboration

##### Parameter

Table 1. Summarizes Descriptive Statistics of Supply Chain Coordination – Information Sharing, Decision Synchronization and Incentive Alignment Variables

Variable	N	Mean	Std. Deviation
SCC Information Sharing	192	3.0951	.59369
SCC Decision Synchronization	192	3.6671	.41241
SCC Incentive Alignment	192	3.6359	.39989
Valid N	192		

Measures of central tendency were computed to summarize the data for the Supply Chain Coordination – Information Sharing, Decision Synchronization and Incentive Alignment variables. Measures of dispersion were computed to understand the variability of scores for the above variables.

The following are the results of this analysis: -

- N = 192 is the total number of participants
- M=3.0951, 3.6671, 3.6359 are the mean values for SCC Information Sharing, Decisions Synchronization and Incentive Alignment variables consecutively.
- SD=.59369, .41241, .39989 are the Standard Deviations for SCC Information Sharing, Decisions Synchronization and Incentive Alignment variables consecutively.

Table 2. Summarizes the Descriptive Statistics and Frequencies of Competitive Advantage Variable

<b>N</b>	<b>Valid</b>	<b>192</b>
	<b>Missing</b>	<b>0</b>
Mean		4.1386
Std. Deviation		.21408

Measures of central tendency were computed to summarize the data for Competitive Advantage variable. Measures of dispersion were computed to understand the variability of scores for the Competitive Advantage variable.

The following are the results of this analysis: -

- N = 192 is the total number of participants
- M=4.1386 are the mean values for Competitive Advantage Variable.
- SD=.21408 is the Standard Deviations Competitive Advantage Variable.

Table 3. Summarizes the Descriptive Statistics and Frequencies of Organizational Performance

<b>N</b>	<b>Valid</b>	<b>192</b>
	<b>Missing</b>	<b>0</b>
Mean		3.8857
Std. Deviation		.75197

Measures of central tendency were computed to summarize the data for Organizational Performance variable. Measures of dispersion were computed to understand the variability of scores for the above variable.

The following are the results of this analysis: -

- N = 192 is the total number of participants
- M=3.8857 is the mean values for Organizational Performance Variable.
- SD=.75197 is the Standard Deviations Organizational Performance Variable.

### 4.3.2 Descriptive Statistics Percentage of Supply Chain Collaboration Parameters Information Sharing Variables

As clearly discussed in section 2.5 the concept of supply chain collaboration can be categorized into three interrelated dimensions of Information Sharing; Decision synchronization; and Incentive alignments. Under these dimensions supply chain collaboration measurement index uses 20 standard statements for measuring supply chain collaboration. Accordingly, these statements are scored on a Likert Scale. The study uses those 20 standard statements on a Likert scale score between 1 (Strongly Disagree) and 5 (Strongly Agree), 3 being point of neutrality. These 20 statements are attached in the Annex Section 1.

Table 4. Summary of Descriptive Statistics the Supply Chain Collaboration Information Sharing Parameter

Variables	Percent				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
We regularly promote tourism product together with our key suppliers.	2.2	17.4	22.8	57.6	0
We regularly forecast Demand together with our key suppliers.	1.1	46.7	15.2	37.0	0
We give our key suppliers point-of-sale (POS) data.	7.6	19.6	25.0	43.5	4.3
We inform key suppliers in advance of changing price.	22.8	63.0	9.8	3.3	1.1
We facilitate our suppliers to reduce their inventory holding costs.	0	81.5	17.4	1.1	0
We and our key suppliers exchange information on Supply Disruptions (interruptions).	1.1	68.5	18.5	12.0	0
We give access to our key suppliers to track the status of orders.	6.5	17.4	13.0	63.0	0

As indicated in Table 4 the Information Sharing Dimensions: of the 192 respondents 57.6 % of them agreed in having regularly promoting tourism product together with their key supplier while 2.2 % of respondents strongly disagree, 17.4 % of them disagree and 22.8 % of them pointed out neutral. Respondents with higher score 46.7 % disagreed in having regularly forecast of demand together with their suppliers while 1.1 % strongly disagree, 37.0 % agreed and 15.2 % of them scored neutral. of the 192 respondents who 43.5 % of them agreed in giving Point-of-sale (POS) data to their key suppliers, while 7.6 % of the respondents strongly disagree, 19.6 of them disagree, 4.3 % agree and the remaining 25 % stated neutral.

Respondents with higher score 63.0 % disagreed in informing their key suppliers in advance of changing price while 22.8 % strongly disagree, 3.3 % agreed and 9.8 % of them scored neutral. None of the respondents strongly disagreed in facilitating suppliers to reduce their price inventory holding costs but 81.5 % of them disagree and 1.1 % of agree while 17.4 % remains neutral. 68.5 % of the respondents disagreed, 1.1 % of them strongly disagreed, 12 % of them agreed and 18.5 % of the respondents remain neutral while none of them strongly agreed in the case of exchange information with their suppliers on supply disruption. 63.0 % of respondents agreed on giving access to their key suppliers to track the status of orders while 6.5 % strongly disagree, 17.4 of them disagree and 13.0 % remain neutral while none of them strongly agree. 50.0 % of the respondents disagreed on aligned delivery schedules with the delivery schedules of suppliers when 5.4 % of them strongly disagreed, 9.8 % agreed and 34.8 % of them remained neutral.

Table 5. Summary of Descriptive Statistics Supply Chain Collaboration Decision Synchronization Parameters.

Variables	Percent				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
We include our key suppliers in our planning and goal-setting activities.	2.2	17.4	21.7	58.7	0.0
We include our key suppliers in our promotional event.	0.0	43.5	19.6	37.0	0.0
We actively work with our supplier in forecasting demand	0.0	53.3	20.7	18.5	7.6
We include supplier in new product development processes.	0.0	1.1	62.0	37.0	0.0
We jointly resolve forecast exceptions with our suppliers.	22.8	44.6	28.3	3.3	1.1
We consult our key suppliers on our pricing policy.	0.0	1.1	0.0	70.7	28.3
We jointly work with our key suppliers about availability of services.	0.0	1.1	0.0	10.9	88.0

As indicated in Table 5 the Decision Synchronization Parameters: of the 192 respondents 21.7 % of them disagreed in participating with their partner tour operators in joint planning and goal-setting activities, 20.7 % of them agreed, 4.3 of them disagreed, none of them strongly disagree and 53.3 % remained neutral. 2.2 % of the respondents strongly disagreed in including tour operators in their promotional event while 17.4 % disagree, 21.7 % neutral, 58.7 % agree and none of the respondents strongly agreed on the statement. 43.5 % of the respondents disagreed in actively working with their partner tour operators in forecasting demand while 19.6 % of them remained neutral, 37 % of them agreed on the statement and none of them strongly disagree and strongly agree. None of the respondents strongly agreed on including tour operators in new product development process, while 53.3 % of them disagreed, 18.5 % of them agreed, 7.6 % of them strongly agreed and 20.7 % of them stayed neutral. 37 % of respondents agreed in jointly resolving

forecast exceptions with partner tour operators while 1.1 % of them disagreed, 37 % of them agreed and none of them strongly disagreed and strongly agreed. 22.8 % of respondents strongly disagreed in consulting their partner tour operators on their pricing policy and 44.6 % of them disagreed, 3.3 % of them agreed and 1.1 % of them strongly agreed while the remaining 28.3 % of them stayed neutral. 1.1 % of the respondents disagreed in working jointly with their partner tour operators about the availability of services. 70.7 % of them agreed, 28.3 of them strongly agreed while none of the responds strongly disagree and none of them stayed neutral. 1.1 % of the respondent disagreed in working jointly with partner tour operators on inventory requirements while none of them strongly disagreed, none of them stayed neutral, 10.9 % of them agreed and 88.0 % of them strongly agreed.

Table 6. Descriptive Statistics Percentage of Supply Chain Collaboration Incentive Alignment Parameters

Variables	Percent				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
We jointly work with our key suppliers on frequent customer program	0.0	0.0	2.2	47.8	50.0
We and our key suppliers share savings from reduced inventory costs	0.0	88.0	10.9	1.1	0.0
We and our key suppliers agreed up on delivery guarantee for a peak demand	0.0	73.9	3.3	21.17	1.1
Our suppliers takes responsibility for product defects	0.0	59.8	32.6	6.5	1.1

As indicated in Table 6 the Incentive Alignment Parameters: of the 192 respondents 50.0 % of them strongly agree, 47.8 % of them agree, 2.2 % of them stayed neutral and none of them strongly disagree and disagree on jointly work with their partner tour operators on frequent customer service program. 88.0 % of the respondents disagreed their partners and themselves share savings

from reduced cost while 10.9 % of them stayed neutral, 1.1 % of them agreed and none of them strongly disagree and strongly agree on the statement. 73.9 % of the respondents disagree, 21.17 % of them agreed and 1.1 % of them strongly agreed on agreed up on delivery guarantee for a peak demand with their partners when none of the respondents strongly disagreed on the statement. 59.8 % of the respondents strongly disagreed, 32.6 % of them neutral, 6.5 % of them agreed and 1.1 % of them strongly agreed while none of the respondents strongly disagreed in their partnership with tour operators to take responsibility to product defect.

#### 4.4 Regression

In simple linear regression, we predict scores on one variable from the scores on a second variable. The variable we are predicting is called the criterion variable and the variable we are basing our predictions on is called the predictor variable. When there is only one predictor variable, the prediction method is called simple regression while there are two or more predictor variables that is called Multiple regression.

ANOVA, Analysis of Variance is used to determine whether there are any significant differences between the means of three or more independent groups. The one-way ANOVA compares the means between the groups we are interested in and determines whether any of those means are significantly different from each other.

Table 7. Model summary of Regression between Supply Chain Collaboration Parameters and Competitive Advantage

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.563 <sup>a</sup>	.318	.294	.17985
a. Predictors: (Constant), SCC Incentive Alignment , SCC Information Sharing , SCC Decision Synchronization				

#### Interpretation

- R Square is the measures of the amount of variance in the Dependent Variable that the Independent Variables are accounts for as a group.
- The Value of R Square is 0.312

- Therefore, the independent variables SCC Incentive Alignment , SCC Information Sharing , SCC Decision Synchronization as a set accounts 31% of the dependent variable Competitive Advantage.

Table 8. ANOVA Model summary of Regression between Supply Chain Collaboration and Competitive Advantage Parameters

<b>Model</b>		<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	1.324	3	.441	13.646	.000 <sup>a</sup>
	Residual	2.846	88	.032		
	Total	4.171	191			
a. Predictors: (Constant), SCC Incentive Alignment , SCC Information Sharing , SCC Decision Synchronization						
b. Dependent Variable: Competitive Advantage						

Result (Test Using alpha = 0.05)

- ✓  $f(3,88) = 13.646$
- ✓ R Square is 0.318
- ✓ P – Value is 0.000 which is less than 0.05 – Significant

Therefore, the overall regression model is significant



Table 10. Model Summary Regression between Supply Chain Collaboration Parameters Vs Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.573 <sup>a</sup>	.328	.305	.62698
a. Predictors: (Constant), SCC Incentive Alignment , SCC Information Sharing , SCC Decision Synchronization				

Interpretation

- R Square is the measures of the amount of variance in the Dependent Variable that the Independent Variables are accounts for as a group.
- The Value of R Square is 0.328

Therefore, the independent variables SCC Incentive Alignment , SCC Information Sharing , SCC Decision Synchronization as a set accounts 32% of the dependent variable Organizational Performance.

Table 11. ANOVA Model summary of Regression between Supply Chain Collaboration and Organizational Performance Parameters

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	16.6192	3	5.564	14.154	.000 <sup>a</sup>
	Residual	34.200	87	.393		
	Total	50.8191	190			
a. Predictors: (Constant), SCC Incentive Alignment , SCC Information Sharing , SCC Decision Synchronization						
b. Dependent Variable: Organizational Performance						





Hypothesis 1 – Firms with high level of Supply Chain Collaboration will have high levels of Competitive Advantage.

Table 14. Correlations between Supply Chain Collaboration parameters and Competitive Advantage

<b>Variables</b>	<b>Pearson Correlation</b>	<b>SCC Information Sharing</b>	<b>SCC Decision Synchronization</b>	<b>SCC Incentive Alignment</b>	<b>Competitive Advantage</b>
SCC Information Sharing	Pearson Correlation	1	.603**	.181	.4190**
	Sig. (2-tailed)		.000	.085	.000
	N	192	192	192	192
SCC Decision Synchronization	Pearson Correlation	.603**	1	.358**	.517**
	Sig. (2-tailed)	.000		.000	.000
	N	192	192	192	192
SCC Incentive Alignment	Pearson Correlation	.181	.358**	1	.203
	Sig. (2-tailed)	.085	.000		.050
	N	192	192	192	192
Competitive Advantage	Pearson Correlation	.4190**	.517**	.203	1
	Sig. (2-tailed)	.000	.000	.052	
	N	192	192	192	192

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Interpretation (Decision rule for assessing if the test is significant for alpha = 0.05)

➤ SCC Information Sharing with Competitive Advantage

$r(190) = .4190^{**}$

Positive Relationship

Sig. (P=.000)

➤ SCC Decision Synchronization

$r(190) = .517^{**}$

Positive Relationship

Sig. (P=0.000)

➤ SCC Incentive Alignment

r(190)= .203

Positive Relationship

Sig. (P=0.050)

Therefore, all the three Supply Chain Collaboration Parameters Information Sharing, Decision Synchronization, Incentive Alignment has a positive significant relationship with Competitive

Table 15. Correlations between Supply Chain Collaboration parameters and Organizational performance

<b>Variables</b>	<b>Pearson Correlation</b>	<b>SCC Information Sharing</b>	<b>SCC Decision Synchronization</b>	<b>SCC Incentive Alignment</b>	<b>Organizational Performance</b>
SCC Information Sharing	Pearson Correlation	1	.603**	.181	.507**
	Sig. (2-tailed)		.000	.085	.000
	N	192	192	192	191
SCC Decision Synchronization	Pearson Correlation	.603**	1	.358**	.504**
	Sig. (2-tailed)	.000		.000	.000
	N	192	192	192	191
SCC Incentive Alignment	Pearson Correlation	.181	.358**	1	.263*
	Sig. (2-tailed)	.085	.000		.012
	N	192	192	192	191
Organizational Performance	Pearson Correlation	.507**	.504**	.263*	1
	Sig. (2-tailed)	.000	.000	.012	
	N	191	191	191	191
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Hypothesis 2 –Firms with high levels of Supply Chain Collaboration will have high level of Organizational Performance.

Interpretation (Decision rule for assessing if the test is significant for alpha = 0.05)

➤ SCC Information Sharing with Organizational Performance

r(190) = .507\*\* Positive Relationship Sig. (P=.000)

➤ SCC Decision Synchronization

r(190)= .504\*\* Positive Relationship Sig. (P=0.000)

➤ SCC Incentive Alignment

r(190)= .263\* Positive Relationship Sig. (P=.012)

Therefore, all the three Supply Chain Collaboration Parameters Information Sharing, Decision Synchronization, Incentive Alignment has a significant relationship with Organization Performance.

Hypothesis 3 – The higher the level of Organizational Performance, the higher the level of Competitive Advantage is.

Table 16. Correlations between Competitive Advantage and Organizational Performance

Variables		Organizational Performance	Competitive Advantage
Organizational Performance	Pearson Correlation	1	.453**
	Sig. (2-tailed)		.000
	N	191	191
Competitive Advantage	Pearson Correlation	.453**	1
	Sig. (2-tailed)	.000	
	N	191	192
**. Correlation is significant at the 0.01 level (2-tailed).			

Interpretation (Decision rule for assessing if the test is significant for alpha = 0.05)

➤ Organizational Performance

$r(190) = .453^{**}$

Positive Relationship

Sig. (P=.000)

Therefore, Organization Performance has a positive significant relationship with Competitive Advantage.

#### **4.6 Summary of Qualitative Responses**

The research has used qualitative response questions to help understand the qualitative dimension of the quantitative data that has been analysed in the previous subsections of this results and discussion.

SAP – LAP analysis of this study was conducted based on open ended interview with the experts of tourism and with selected personnel of tour operators. The study was conducted to see how supply chain collaboration practices helps to improve the performance of tour operators.

➤ Situation (S)

This section describes the present status of selected tour operators in terms of supply chain collaboration, competitive advantage and organizational performance. The managers from different tour operation organizations were interviewed to gauge the situational parameters about the status of supply chain collaboration, its contribution to competitive advantage and its implication on performance of the industry.

The researcher observed that there is absence of inter-organizational collaboration among tour operators. There is an absence of information sharing, joint planning, forecasting, decision making and lack of incentive alignment. It has become very challenging for the operators to excel in cut throat market competition due to the absence of collaborative action. Due to globalization of market, quality products at very low prices are available from various sources. An intensive competition from different players also has an impact in the market share. In this scenario only committed and collaborative efforts can help any organization to come out of it. Their individualistically acting among tourism actors weakened their global competitiveness and as a result poor performing tourism industry.

➤ Tourism Actors

The Federal Democratic Republic of Ethiopia in Negarit Gazeta (2013) defined tourism actor as players of the tourism sector including government bodies, the private sector, the community and the tourists.

In this paper views expressed on tourism actors are based on personnel interviews with different tour operators during tourism expo visits. The tour operators were asked to list who the major actors of tourism operation and what their view is about supply chain collaboration:

Accordingly,

- Organizations within the established tourism industry, particularly tour operators;
- The government tourism bureau and natural resource agencies, especially the park service;
- Ministry of Trade and Industry;
- Immigration
- Ministry of Culture and Tourism,
- Ethiopian Wildlife Conservation Organization,
- The banking sector,
- Ministry of Transport,
- Ethiopian Civil Aviation Authority,
- Ethiopian Investment Agency,
- The police,
- private sector associations and the Orthodox Church
- Non-governmental organizations (NGOs), especially those involved with environmental issues and small business management and traditional community development
- Universities and other research organizations;
- Other communities, including those with a history of tourism and also those that are just beginning;
- Public and private funding institutions and national cultural committees, etc.
- Ministry of Culture and Tourism;
- Different Tour Operators (Local and International);
- Hotels and Hospitality Service providers;
- Travel Agents;

- Churches and Mosques;
- Food/Drink;
- Craft Producers;
- Waste Recycling & Disposal;
- Water/Energy Suppliers;
- Accommodations;
- Excursion;
- Transportation Agents: Land, Air, Sea, etc.

The following views about supply chain collaboration among the actors are observed:

- Tour operators lacks long – term partnership with the existing tourism actors.
- Except situation forced them, the actors are not involved in joint planning and decision making activities of different issues like product design and development; Information sharing and incentive placement;
- Supply chain dependencies: tour operators are not dependent on each other for activities like designating and acceptance of suppliers acquisition along with activities like information sharing and joint decision making parameters.
- There is the absence of regular meeting and schedule for planning and for finding solutions to various problems and challenges coming to the industry.

#### ➤ Processes

The operators are questioned what is being done in relation to supply chain collaboration, How is it being done and why?

The result of the observation indicated that

- ✓ The level of information sharing with the supplier supposed to be higher regarding capacity, production, schedule, lead time, order information, product specifications. Only moderate information sharing is there between major actors of tourism operators.
- ✓ There is very low level of information sharing regarding cost related data, price schemes, product design, and research and development.
- ✓ There is lack of joint plan on product assortment, promotional events, pricing policy and inventory requirements etc.

- ✓ The decision regarding forecasting and replenishment are not taken collaboratively with the actors. This would have been reduced the forecasting error and hence, resulted in less demand variation.
- ✓ The tour operators have no shared saving on reduced costs, they give no delivery guarantee for a peak demand, there is lack of product defects and agreements on order changes.

➤ Learning

Learning issues are framed from the SAP part of study. As the name implies, it is the knowledge gained from SAP part. It is finalized by discussion with tour operators. There are various situations related parameters like research and development, know-how and innovation in developing new products using advanced technology, expertise in delivering good quality service. In scenario of global competition, cost cutting is very important but not at cost of customer satisfaction. Therefore, tour operators have to make their supply chain more collaborated and efficient.

➤ Actions

Based on situations, actors and processes, the following improvement actions are suggested to be taken:

- Tourism actors have to formulate regular follow up with customers, coordinate with suppliers, periodically meet all supply chain actors, properly share information, build reliable logistic system and develop flexible production systems.
- There should be periodic discussion with customers and other supply chain partners in order to improve collaboration and flexibility. Connectivity of customers, vendors and service providers is to the organizations network service dual purpose. First, it provides operators database of the nature of complaints in their products and accordingly it analyzes these complaints and further improvement of the service. Second, it boosts up the faith of customers and tourism products.
- Tour operators along with tourism actors plays a critical role in Supply Chain Collaboration. Therefore, vendor management is the thrust area of improvement. For improving collaboration with supply chain members (actors) tour operators has to increase their involvement in new products design and development, inventory management,

planning, logistics management, design of supply chain and application of new technologies/IT tools.

➤ Performance

The performance measurement and benchmarking of supply chain would provide an opportunity to identify the gaps in supply chain practices. Performance of interviewed organizations were supposed to be judged on different issues related to customer service and satisfaction, innovation and growth, finance and internal business.

The tour operators stated that there is a huge customer complaints, delay in product delivery, lack of follow up in customer inquiries, the difficulties to determine future expectations of customers and order fill rate. Therefore, the operators need to work jointly in the area of customer satisfaction.

It was observed that operators who built supply chain collaboration has high Sales turn over, high market share, high return on investment and net profit. Low financial performance was observed on those who are not experiencing supply chain collaboration.

SAP – LAP analysis of this study was conducted based on open ended interview with the experts of tourism and with selected personnel of tour operators. The study was conducted to see how supply chain collaboration practices helps to improve the performance of tour operators.

In conclusion the following result is indicated from the interview:

- While paying attention to cost reduction, quality improvement, organization should devote resources and efforts for implementation of effective supply chain collaboration strategies.
- On time delivery, innovativeness, flexibility system, management of tour operators forming collaborative supply chain strategy are main priorities.
- Fluctuating prices of raw material, sharing of sensitive information, changing global/domestic market and seasonality of demand are main risks which tour operators are facing in coordinating supply chain.

Therefore, the research findings are quite useful for tour operators in improving coordination and flexibility of their performance though supply chain collaboration.

# SUMMARY, CONCLUSION AND RECOMMENDATION

## CHAPTER FIVE

### 5.1 Summary of Major Findings

This section presents findings from the survey that was conducted to test the effects of supply chain collaborative practices on organization performance and competitive advantages of tourism operation.

Results revealed that respondents perception of these 8 attributes to supply chain collaboration information sharing is positive in the case of “We regularly promote tourism products together with key suppliers and customers”, “We gives point-of-sale (POS) data to our suppliers and customers”, “We gives access to our supplier and customers to track the status of orders’ but negative in the case of “We regularly forecast Demand together with our suppliers and customers”, “We inform partner suppliers and customers in advance of changing price”, “We facilitate to reduce the inventory holding costs of the operators”, “exchange information on Supply Disruptions (interruptions)”, “align delivery schedules with the delivery schedules of tour partner operators”. Respondents perception of these 8 attributes to supply chain collaboration Decision Synchronization is positive in the case of “We include partner tour operators in our promotional event”, “We jointly work with partner tour operators about availability of services” and “We jointly work with partner tour operators on inventory requirement” but negative in the case of “We actively work with partner tour operators in forecasting demand”, “We include tour operators in new product development processes”, “We consult our partner tour operators on our pricing policy” and neutral in the case of “We include partner tour operators in our planning and goal-setting activities”, “We jointly resolve forecast exceptions with partner tour operators”. Finally, that respondents perception of these 4 attributes to supply chain collaboration Incentive Alignment is positive in the case of “We jointly work with partner tour operators on frequent customer service programs”, but negative in the case of “We and our partner tour operators share savings from reduced costs”, “We and partner tour operators agreed up on delivery guarantee for a peak demand” and “Our Partner tour operators takes responsibility for product defects”.

The result shows the mean value for 192 participant tour operators in relation to Supply Chain Collaboration for Information Sharing, Decisions Synchronization and Incentive Alignment variables are  $M=3.0951, 3.6671, 3.6359$  with Standard Deviations of  $SD=.59369, .41241, .39989$  consecutively. Therefore, the application of supply chain collaboration practices in Ethiopian tour operation has a moderate value.

The regression model summary indicated that the amount of variance in the Dependent Variable SCC Incentive Alignment, SCC Information Sharing, SCC Decision Synchronization *as a set* accounts 31% of the dependent variable Competitive Advantage. SCC Information Sharing, SCC Decision Synchronization *as a set* accounts 32% of the dependent variable Organizational Performance.

SCC Information Sharing, SCC Decision Synchronization, has the amount of *unique* variance to predict the dependent variable Competitive Advantage statistically significantly while the remaining variable SCC Incentive Alignment has no unique variance to predict the dependent variable Competitive Advantage. SCC Information Sharing, SCC Decision Synchronization, has the amount of *unique* variance to predict the dependent variable Organizational Performance statistically significantly while the remaining variable SCC Incentive Alignment has no unique variance to predict the variable.

The result from Coefficient Analysis using alpha 0.05 shows the P-Value of Competitive Advantage is .049. Therefore, the variables Competitive Advantage has the amount of unique variance to predict the dependent variable organizational performance statistically significantly.

## **5.2 Conclusion**

The tourism operation in Ethiopia - between operators at national is currently very fragmented. Overall, the analysis identified that the industry is under-performing relative to the contemporary supply chain collaborative practices as an anchor for a tourism operation. The competitiveness of the sector depends on how well the market is organized and whether it maximizes productivity along the entire chain of activity. The weak chain traits Ethiopia's market presence and penetration resulting in a demonstrable, weak demand for its products/services; a severely unorganized, fragmented linkage between players of tourism products resulted uncompetitive operators and less performing organizations. This also affected the support services (hotels, transporters, activity providers, restaurants, handicraft manufacturers and distributors, banks, telecoms and emergency

health services); finally the absence of an efficiently Supply Chain Collaboration hinders the growth of the industry.

According to this research, tour operators with high supply chain collaboration have good performance and are found to have higher competitive advantages over the less performing ones. Hence all the three supply chain collaboration parameters have a significant relationship with organization performance, those parameters are found to have a positive relationship with competitive advantage. In order to perform in the sector, the tour operators should build higher collaboration of supply chain in the area. For improving collaboration in supply chain, tour operators should focus on accurate data sharing with each other and with their vendors, establish joint collaborative planning, forecasting and replenishment systems. For predicting customer demand accurately, forecasting should be done in a coordinated manner. The absence of real time information sharing leads to uncertainties. It also results in last moment changes in the delivery schedule. For improving coordination in supply chain, tour operators have to pay attention to certain factors such as fairness in sharing incentives, networking with suppliers and customers, periodic meetings and discussion, reliable collaboration systems and information sharing with all members.

### **5.3 Recommendation**

Tour operators should update themselves in the field and increase their supply chain collaboration along with the major tourism players in the supply chain. All concerned government organizations should also support them in their efforts to modernize their services.

Firms should have higher the level of organizational performance as this leads to higher level of competitive advantage. Organizational performance does not however come over night and single handedly. Therefore, it is important to build strong relations with all the stakeholders.

Firms should increase their level of supply chain collaboration. Because this leads them to high levels of competitive advantage. The more they increase their relationship with other organizations, the more they become profitable through the competitive advantage they maintained. Yet, to mature the activity, both the firms and the concerned bodies should work together.

Information sharing among tourism actors is mandatory. As tourism strategies have become more sophisticated, executing such strategies requires increasingly refined information. The advent of the internet has allowed potential tourists and tour agents a wealth of information from which to make decisions. Reliable, timely information is therefore both a public good and a source of comparative advantage to the industry.

Synchronized decision and promotion among tourism players is mandatory. Public promotion campaigns play a critical role in the expansion of the tourist sector. The targeting of advertising, trade shows, brochure and internet-based campaigns is a critical tool in increasing revenue as well as particular forms of growth.

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# *ANNEX*

## **Annex I. Questionnaire**

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*Questionnaire : Supply Chain Collaboration in Tourism*

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*(Case of Tour Ethiopian Operators)*

This instrument is designed to measure the current level of Supply chain collaboration, its advantage to competitiveness and on the performance of tourism operation.

With regard to Supply Chain Collaboration, Competitive advantage and Performance of your firm, please circle the appropriate number to indicate the extent to which you agree or disagree with each statement.

The item scales are five-point Likert type scales with 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree

In answering this questionnaire, please note that:

- Your answers are STRICTLY CONFIDENTIAL and intended for academic research only. Study result will simply be exhibited in aggregate form
- Your contribution toward the successful outcome of this study is INVALUABLE; please answer all questions as honestly as possible. There is no right or wrong answer, please just answer according to your opinion.

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## 1. Supply Chain Collaboration (SCC)

With regard to supply chain collaboration, please circle the number that accurately reflects your firm's present conditions.

S.No	Information Sharing (IS)	Strongly	Disagree	Neutral	Agree	Strongly
		Disagree				Agree
1	We regularly promote tourism product together with our key suppliers.	1	2	3	4	5
2	We regularly forecast Demand together with our key suppliers.	1	2	3	4	5
3	We give our key suppliers point-of-sale (POS) data.	1	2	3	4	5
4	We inform key suppliers in advance of changing price.	1	2	3	4	5
5	We facilitate our suppliers to reduce their inventory holding costs.	1	2	3	4	5
6	We and our key suppliers exchange information on Supply Disruptions (interruptions).	1	2	3	4	5
7	We give access to our key suppliers to track the status of orders.	1	2	3	4	5
8	We have delivery schedules aligned with the delivery schedules of suppliers.	1	2	3	4	5

S.No	Decision Synchronization (DS)	Strongly	Disagree	Neutral	Agree	Strongly
		Disagree				Agree

1	We include our key suppliers in our planning and goal-setting activities.	1	2	3	4	5
2	We include our key suppliers in our promotional event.	1	2	3	4	5
3	We actively work with our supplier in forecasting demand	1	2	3	4	5
4	We include supplier in new product development processes.	1	2	3	4	5
5	We jointly resolve forecast exceptions with our suppliers.	1	2	3	4	5
6	We consult our key suppliers on our pricing policy.	1	2	3	4	5
7	We jointly work with our key suppliers about availability of services.	1	2	3	4	5
8	We jointly work with our key suppliers on inventory requirement.	1	2	3	4	5

S.No	Incentive Alignments (IA)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	We jointly work with our key suppliers on frequent customer program	1	2	3	4	5
2	We and our key suppliers share savings from reduced inventory costs	1	2	3	4	5
3	We and our key suppliers agreed up on delivery guarantee for a peak demand	1	2	3	4	5
4	Our suppliers takes responsibility for product defects	1	2	3	4	5

## 2. Competitive advantage (CA)

With regard to Competitive Advantage, Please circle the number that accurately reflects your firm's present conditions.

S.No	Competitive advantage (CA)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	We are able to offer prices as low or lower than our competitors.	1	2	3	4	5
2	Our organization is capable of offering product quality and performance that creates higher value for customers.	1	2	3	4	5
3	Our organization is capable of providing on time the type and volume of product required by customer(s).	1	2	3	4	5
4	Our organization is capable of introducing new products and features in the market place	1	2	3	4	5

### 3. Organizational performance (OP)

With regard to Organizational Performance, Please circle the number that accurately reflects your firm's present conditions.

S.No	Organizational Performance (OP)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The market share of our organization is getting higher since we work closely with our suppliers.	1	2	3	4	5
2	The volume of sales is grown since we started working with key suppliers	1	2	3	4	5

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3	The growth in return on investment (ROI) is increased	1	2	3	4	5
4	Our profit margin on sales has grown up.	1	2	3	4	5
5	We are in a higher competitive position than our competitors	1	2	3	4	5

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## **Annex II. Open Ended Questions**

- ✓ *What do you understand about supply chain collaboration?*
- ✓ *Why supply chain collaboration among tour operators is needed?*
- ✓ *What is the objective of your company in relation to supply chain collaboration?*
- ✓ *Who are the Actors of tourism?*
- ✓ *In relation to Supply Chain Collaboration What is being done?*
- ✓ *How is it being done?*
- ✓ *Why it is being done?*
- ✓ *What are the key issues related to the situation, actors and process?*
- ✓ *What is being done to improve the situation?*
- ✓ *What more can be done for improvement?*
- ✓ *What will be the impact on the situation?*