THE CHALLENGES FACING SMALL AND MEDIUM SIZE HOTELS IN TANZANIA: A CASE OF DAR ES SALAAM REGION

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DECLARATION

I, Anthony K. Tibaijuka, do hereby declared that, this research titled, "The Challenges Facing Small and Medium Size Hotels in Tanzania: A Case of Dar es Salaam Region " is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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The undersigned certifies that he has read and hereby recommends for the acceptance by the Open University of Tanzania a Dissertation entitled: "The Challenges Facing Small And Medium Size Hotels In Tanzania: A Case of Dar es Salaam Region" in partial fulfillment of the requirements for the Masters of Tourism of the Open University of Tanzania.

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DEDICATION

This research is mainly dedicated to my beloved Father Timoth Mukandi Tibaijuka and my beloved mother Odilia Kokweyendera Tibaijuka who tirelessly supported me since my childhood. It is their perpetual efforts' which made me have a good background essential for confidents' accomplishment of this research work. May Almighty God bless them all.

ABSTRACT

This study sought to identify the challenges that are critical for success and failure in SMHs in Tanzania. To achieve the objectives of the study, data was collected from 09 small and medium hotels in Dar es Salaam, from which 27 respondents were selected. Exploratory research design was opted in this study because the researcher intended to gather information about a few number of people and also in order to get better understanding of a situation. The study found out that the main challenges are mostly attributed to inadequacy financial resources, lack of capital and support, low level of education, marketing strategy, lack of hotels business managerial skills, poor technology and lack of trained staff and budgetary resources. There is a challenge of obtaining the modern technology and information about the market and customers' desire due to the absence of marketing networks that could provide the hotel with the necessary information regarding the market needs. In the lack of supervision over the quality of inputs and the products (services), SME's aren't able to obtain a relatively competitive edge in the national markets and accordingly in international ones. The study recommends that education and training are crucial to SMH since they play a big role in the success of the business. Moreover, SMH require organization's mission, vision, values and strategic plans. It is concluded that hotel operators should take responsibility for delivery on service quality and business performance.

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LIST OF ABBREVIATIONS

AATTA   -All African Travel and Tourism Association

ATTO   -Association of Tanzania Tour Operators

CTHI   -Consolidated Tourist and Hotels Investments Ltd

EATTA   -East African Tourist Travel Association

EIA   -Environmental Impact Assessment

HKAT   -Hotel Keepers Association of Tanzania

HTTI   -Hotel and Tourism Training Institute

MNRT   -Ministry of Natural Resources and Tourism

NCCA   -Ngorongoro Conservation Area Authority

SMHs   -Small and Medium size Hotels

SME's   -Small and Medium Size Enterprises

TAHI   -Tanzania Hotels Investments Ltd

TAHOA   -Tanzania Hunting Operators Association

TAHOSA   -Tanzania Hotel Schools Association

TANAPA   -Tanzania National Parks

TASOTA   -Tanzania Association of Travel Agents

TATO   -Tanzania Association of Tour Operator

TAWIRI   -Tanzania Wildlife Research Institute

THA   -Tanzania Hunters Association

TTC   -The Tanzania Tourist Corporation

TTY   -Text Telephone /Teletypewriter

WOM   -Word Of Mouth

CHAPTER ONE

1.0 INTRODUCTION

1.1   Introduction

This chapter attempts to provide information required to understand the problem and context of the study by answering the question, why should the study chose the particular problem, the statement of the problem, the purpose of the study, objectives, hypothesis, significance of the study and the limitation of the study.

1.2   Background to the Study

Tourism is one of the giant and the world's fastest growing industries which have tremendous impact on people's lives. Today, tourism is gradually being one of the essential key in economic sectors in many Least Developed Countries (LDCs) (Hohnholz, 1994), including Tanzania. Both developed and developing countries have supported tourism for various reasons, ranging from economics to the political. This can be explained by the nature of the countries' internal social, economic and political conditions. Developed countries, for example, have used tourism primarily to tackle problems related to unemployment caused by de-industrialization, while developing countries have diverse reasons to use tourism as a strategy towards development.

Tourism refers to the human activities involving one travel from one point (original place) to the other place (destination) for various purposes and stay there for not more than one consecutive period and not less than 24 hours (Hohnholz, 1994). According to Mathieson and Wall (1982), tourism refers to the temporary movement

of people to estimations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater their needs.

Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited (UNWTO, 2011).

Tourism is a major service industry which comprises attraction, accommodation and accessibility for many developing countries and has much potential to provide competitive advantages from them and understanding the reasons for tourist satisfaction has always been a concern of tourist bodies. While Tanzania tourism industry continues to be one of the key sources of foreign exchange, the industry depends primarily on the flow of international tourist to the country. World travel and competitiveness report shows that Tanzania is number one worldwide in terms of nature based tourism resources and therefore the majority of international (Hohnholz, 1994). Tourists come to Tanzania to visit wildlife protected areas and enjoy the country's beautiful and exceptional wildlife (Hohnholz, 1994). Tourism as a key economic sector (Table 1.1) offers labour intensive and small-scale opportunities compared to other non-agricultural activities. It employs a high proportion of women and values natural resources and culture, which may feature among the few assets belonging to the poor. Thus, tourism offers opportunities in terms of employment creation and income generation, to the vulnerable groups such as women to reduce

their poverty. It can be developed in poor and marginal areas with few other export and diversification options. Remote areas, particularly, attract tourists because of their origin, cultural, wildlife and landscape value. Thus, poverty may be reduced as tourism creates new employment opportunities and income generating activities. Sometimes the infrastructure and social service facilities are established or improved using earnings from tourism. Using such facilities the poor not only improve their incomes but also their social well being and capabilities (Luvanga and Shitundu, 2003).

Tourism became the fastest growing industry in Tanzania in the 1990s, after decades of stagnation. It is a sign of Tanzania joining the world, where tourism is one of the largest industries second after oil (Luvanga and Shitundu, 2003). Tourist arrivals, for example, increased from 103,000 in 1986 to 153,000 in 1990 and reached 627,000 tourists in 1999. Tourist earnings also increased from US$ 20 million to US$ 65 million and US$ 733 million during the same periods. The earnings increased from $10 to 20 million, annually, in the 1970s and the early 1980s, to $60 Million in 1989. There was also a more than ten-fold increase in ten years time from 1989 to 1999, and even a doubling in the last four years. The annual growth rate of tourism since 1985 has been over 30 percent7, showing how tourism is positively responding to the reforms. Problems in Kenya, negatively affecting the flow of tourists, also played a role in increasing the flow of tourists to Tanzania. Unfortunately, tourism did not perform well during year 2000 and 2001. Inflows of tourists declined in year 2000 with marginal increase in year 2001. However, tourist earnings improved marginally in year 2000 but declined in year 2001.

Tourism forms found in Tanzania include historical archeology, cultural adventure and beach resort tourism all together make Tanzania a quality nature destination. The number of international visitors to the country has been growing steadily while the number of domestic tourists is very small. In addition, limited capital and access to credits (Ubabuko, *et al* 2010), weaker support system (Lall, 2000) and transport facilities. (Mundim, *et al* 2000) cause a significant barrier in developing tourist hotel's and fulfilling other demands for tourist.

According to Apolinary (03 July 2013 01:38) Dar es Salaam leads in accommodation facility. Most big hotels with international standards, including Serena, Southern Sun, Hyatt Kilimanjaro, Peacock and Sea Cliff Hotels are in Dar es Salaam. The Northern Tourist City of Arusha has been developed with 91 hotel investments, including the leading Impala Chain, which manages Impala Hotel, Naura Springs, and the prestigious Ngurdoto Mountain Lodge on the middle of Mount Kilimanjaro and Mount Meru. The Kilimanjaro region, famous for Mount Kilimanjaro and home of Tanzania's Arabica coffee, has been developed with 38 high class tourist hotels and lodges, including Kilemakyaro Mountain Lodge, Mountain Inn (Shah Tours) and Nakara Hotels. Performance tends to differ among tourist hotels. Many factors are responsible for this, for example, poor management, lack of trained and skilled labor, lack of infrastructure poor services such as bed sheets and other sleeping materials which are unfit for highly paying tourist and theft. There is a big chunk of registered hotels, lodges and guest houses which have not been graded while carrying out their business unproffessionary with poor service delivery (Apolinary, 2013). These constraints hinder the performance of tourist hotels. Generally there is a problem as

to why some tourist hotels do not perform better in the industry to attract tourists and to what degrees of variations between small and medium size tourist hotels.

Under human resource development strategy, Tanzania has insufficient trained personnel in its tourism sector and this is acute at supervisory and management levels. Tourism is a service industry and delivering a quality service is a prerequisite to ensuring that the customer obtains value for money. There are major factors as hindrances which come from the inconsistencies in water and electricity supply to the hotels, poor infrastructure particularly the road network leading to tourist national parks and beaches along with inefficient communication and information facilities such as internet, expensive reliable energy, the provision of telephones services whose tariffs are so high. In spite of all these, tourism development has remained strong and accounts for more than 14 percent of the Tanzania's Gross Domestic Product (GDP) and is expected to grow by more than 5 percent a year in real terms through 2020 (Emmanuel, 2009).

1.3   Statement of the Problem

It is generally understood that the contribution of SMH in the national economy is of paramount importance. This poses the attention that the sector should be highly earmarked hence, much investments on how it should expand to touch many underutilized areas of economy. SMH play a crucial role in the economies of many developing countries including Tanzania and are considered one of the balancing circles in the economic structures due to their flexibility and quick response to the changes in the local and international markets. For this reason it is important to

identify factors for their business performance. SMH contribute significantly to employment creation, income generation and stimulation of growth in both urban and rural areas. They contribute in the investment of local savings and capital, and because of that they help in activating the needed local investment. The small size of their investment helps in reducing the amount of losses and in directing the investments totally to services processes.

In an effort to resolve the prevailed challenges, both the government and other partner organizations have made serious interventions to uphold SMEs activities. For instance, the Government through its vision 2025 sought to transform from a low productivity economy to semi-industrialized one, led by modernized and highly productive economy (URT, 2002). Through Poverty Reduction Strategy, the Government had decided to promote private sector participation including Small and Medium Enterprises. The Sustainable Industrial Development Policy –SIDP (1996-2020) places specific emphasis on the promotion of small and medium enterprises through supporting existing and new promotion institutions, simplification of taxation, licensing and registration of SMEs and improve access to financial services. In addition, SIDP encourages informal sector businesses to grow and be formalized (URT, 2005).

1.4   Objectives

1.4.1   General Objective

The main objective of this study is to explore challenges facing small and medium size tourist hotels in Dar es Salaam.

1.4.2   Specific Objectives

Specific objectives of this study are:

i)   To examine the economic contribution of small and medium size tourist hotels to people and nation at large.

ii) To identify challenges facing small and medium size tourist hotels in Dar es Salaam.

iii) To examine measures to address challenges facing small and medium tourist hotels.

1.5   Research Questions

i)   What is the economic contribution of small and medium size tourist hotels?

ii) What are challenges facing small and medium size hotels?

iii) What are the measures in place to address challenges facing tourist hotels?

1.6   Significance of the Study

It generates the information that could be useful in making decision to tourism businesses, park managers, tourism operators and everyone interested in issues concerning tourism. For tourism businesses: The findings improve awareness of sustainable tourism issues among staff, in developing business plans and assisting streamlining development and approvals processes. For park managers this study helps to establish communication links and partnerships with tourism interests' stakeholders. For tourism operators: The results of the study improve existing tourism products and identify opportunities for new products and for everyone.

Following the challenges identified in the study can help building and maintaining stronger relationships with land and heritage managers, communities and donors to gain important insights to help improve the management, functioning, institutional arrangement, potential impact and constraints related to tourist hotels.

The study raises awareness and reveals the impact of the challenges identified. The results of the study, also act as preventive measures against possible failures of tourist hotels. Furthermore, this study aids in decision making and adds general knowledge. It contributes to the existing literature and acts as a source of reference for further research studies.

1.7   Scope and Delimitation of the Study

This study was conducted in Dar es Salaam region in Tanzania. Only the opinions of hotel recipients (owners, staffs, tourists) were considered as the ones who faced the challenges when doing their day to day duties in their organizations. They offered key information about the challenges facing their organization. Their views were used by the researcher to get answers to the research problem and meet the objectives.

CHAPTER TWO

2.0 REVIEW OF RELATED LITERATURE

2.1   Introduction

The main purpose of this chapter is to locate literature from the various sources, breaking it down into theories and organizing it along the items of the study. It involves the systematic identification and analysis of documents containing information and summarizes related literature on variables in the study. The literature search involves popular press (newspapers, magazines, etc.), trade literature, academic literature, or published statistics from research firms or governmental agencies. Definition of concepts, theoretical literature review, research gap, conceptual framework, theories, challenges facing small and medium size hotels are discussed in this chapter.

2.2   Definition of Concepts

2.2.1   Hotel

Hotels and Catering Economic Development Committee (2008) defined a hotel as an establishment of a permanent nature, which consists of four or more bedrooms, and offers bed and breakfast on a short term contract and provides certain minimum standards of services. Hotels can be classified in many different ways, for different purposes, to different countries.

The main reason for classifying hotels is to analyze the market sector. This assists in making comparisons, analyses of performance, identifying market gaps, marketing strategies and customer requirements.

2.2.2 Tourism

The word tourism has been defined differently by different people. There is no universal definition that has been adopted for tourism (Theobald, 1997; Morley, 1990). Soulchanov and Ellis (1984) defined tourism as travelling for pleasure; the business of providing tours and services to tourists, and a tourist as one who travels. Tourism is also referred to as the travel industry, tourism industry, hospitality industry, leisure industry and most recently, the visitor industry (Theobald, 1997). Inskeep (1991) defines tourism as an activity that includes all travels, which involve a stay of at least one night but less than one year away from home. The purpose may be pleasure (holiday, culture, sports, visiting friends and relatives, etc.) or some other motives such as studies, health and so on.

2.2.3 Small and Medium size Hotels

There is no accepted worldwide definition of SMH (Hooi, 2006). The definitions are solely based on a fixed quantitative measure; for instance, the total number of workers, the total number of capital, total assets and by determining sales turnover (Hashim and Abdullah, 2000). According to Caribbean Tourism Organization's hotel classification system (2002) hotels can be classified by using rating systems. These ratings combine two elements: Quantity of guest accommodations (room size, quantity of furnishing) and extent of hotel facilities (a number and size of public rooms and meeting facilities).

The hotels are classified as small hotels with 5–50 rooms, medium size hotels with 51–200 rooms and large hotels with more than 200 rooms. Table 2.1 shows the most

common (small and medium) size hotels which are found in Dar es Salaam Region.

Table 2.1: Small and Medium Size Hotels in Dar es Salaam

SMALL (5-50 rooms)	MEDIUM (51-200 rooms)
Hotel South Beach	Rainbow Hotel
The Oysterbay Hotel	Hotel White Sands
Jangwani Sea Bleez Resort	Formula 10 Livingstone Hotel
Hotel Continental	Holiday Inn
Marriott Hotel Dar es Salaam	Blue Pearl
ABC Traveller	Tiffany Diamond Hotel
New Rolet Hotel Ltd	Tanzania Executive Suites
The Amaria Boutique Hotel City Centre	Southern Sun Dar es Salaam
Mayfair Hotel	Protea Hotel Courtyard
Hotel Continental	Kunduchi Beach Hotel and Resort
Colosseum Hotel	Hotel Sapphire
Hotel Nicko Towers	Land Mark
Mediterraneo Hotel	Harbour View Suites
Urban Rose Hotel and Appartments	Best Western Coral Beach Hotel Dar es Salaam
	Hyatt Regency Dar es Salaam, The Kilimanjaro Hotel
	Seascape Hotel and Conference
	New Africa Hotel
	Ledger Plaza Bahari Beach Hotel
	Double Tree by Hilton Dar es Salaam Oysterbay
	Holiday Inn Hotels and Resort
	Slip Inn Hotel
	JB Belmont Hotel Dar es Salaam
	Sea Cliff Hotel
	Atlantis Hotel
	Accomondia Hotel

Source: Field work (2013)

Some of the hotels are licensed tourism operators (hotel services) in Dar es Salaam region and these are: Alexanders Hotel (Nautilus limited), New Africa Hotel (1993) Ltd, Oysterbay Hotel, Rainbow Hotel (Rainbow Corporation Ltd), Seascape Hotel and Conference centre Ltd, Sleep In Hotel Ltd, Sophia Plaza Ltd (May Fair Hotel,

Tanruss Investment Ltd SerenaHotel, Atlantis Hotel Ltd, Blue Pearl Hotel and Appartment Ltd, Coral Beach Club Ltd, Fazal and Co. Ltd Sophia House, Hotel and Appartment, Hotel Sapphire (Sunstar, Residency Ltd), Golden Tulip Hotel, Harbour View Suites Ltd, Holiday Inn, Hotel Sapphire (Sunstar Residency Ltd) and Hyatt Regency Dar es salaam-The Kilimanjaro.

2.3   Empirical Literature Review

Tourism exists outside of a daily social space, and like all other commodities, it has value as a social sign in the mind of those who produced it. In general, in Tanzania after 1920s tourism developed as part of East African industry even when viewing tourism began to develop in the 1940s', it was mainly facilitated from Nairobi and Mombasa, which had more developed tourist infrastructure than Tanganyika. Tourism business interests were quite developed in Kenya by the 1930s, the result of which it became the headquarters of the East African Publicity Association, which was formed in 1938. It was to be succeeded by the East African Tourist Travel Association (EATTA) in 1948 (Ouma, 1970). As it turned out, most tour and hunting companies were to be stationed in Nairobi and Mombasa. The majority of tourists visiting East Africa were to stay mostly in Kenya for its facilities, then finally come to Tanganyika. 70 percent of international tourists in East Africa entered through Kenya by 1956. It is estimated that by the same year, 79 percent of tourist time and 75 percent of tourist earnings were spent in Kenya (Ouma, 1970).

Four new national parks were proclaimed immediately after independence, namely, Lake Manyara, Ngurdoto Crater (now called Arusha National Park), Ruaha and

Mikumi. From the only one national park in 1960, the number of national parks increased to seven by 1970 (Ouma, 1970). By 2002, out of the total area of 938,676 square km Tanzania had set aside nearly 26 percent of its territory for wildlife conservation. There were about 570 Forest Reserves, which covered nearly 25 percent (25%) of the territory of which 3 percent (3%) overlapped with other areas devoted to wildlife conservation and one marine park (Ouma, 1970). Most tourist activities in Tanganyika by 1960 were concentrated in the Northern Province (encompassing Arusha Region). It was mainly Arusha town which grew as the main centre of European interests, including tourism, during colonial period. By the end of the colonial period, there were settlers of mixed nationalities which are British, Greeks, New Zealanders, Germans and Afrikaners, to list some. The town was a polyglot westernized town more than nay other in the country, with it European amenities that it could offer including proper European shops, European hair dressing salons, safari shops, centers for catering for tourists with European hunters and guides, hotels and restaurants.

Tourism facilities in Tanganyika were extremely poor to the extent that hundreds of tourists had to be turned away in 1963 for lack of accommodation. Despite this, by early 1960s, the sector was the fourth largest foreign exchange earner after coffee, cotton and sisal. It was within this context that a three-phase construction programme to bring the total beds to about 4,000 was designed, with the hope that Tanzania would be catering for over 100,000 tourists by 1970. Most of these facilities were to be operated under the government-owned National Development Corporation in co-operation with private investors. This was mainly through equity funds, budget

allocations and loans. Kilimanjaro Hotel was opened in 1965. The government was also to own Lake Manyara lodge and lease the Ngorongoro Crater Lodge from the Conservation Authority; it participated in the financing of Mikumi Wildlife Lodge; and, planned to build lodges in all national parks, besides investing in hotels in some of the major urban centers (Ouma, 1970).

The Tanzania Tourist Corporation (TTC) built, owned and managed 15 properties and hotels. The development of tourism, it was argued, would not contribute to the Ujamaa Policy of self-reliance, and would in fact promote a dependency upon the developed world (Freisen, 1995). Therefore, the government invested few funds into tourism infrastructural works and discouraged private and foreign investment. Despite this lack of initiative, tourist numbers increased within the country during the 1960s and 1970s. This was mainly due to a growing tourist industry within the bordering country of Kenya. Many tourists would cross the border into Tanzania and visit the northern national parks as an `additional to their Kenyan destination safari. With the dissolving of the East African Community and increasing tension over cross-border issues, (the Tanzania/Kenya) most of the economic benefits however were not felt in Tanzania, but occurred to Kenya.

The Second Five-Year Development Plan (1969-74) introduced the idea of building a new international airport in the Northern Circuit to attract tourists from Nairobi, in the hope that would open up air charter and increase days of stay for tourists. The new hotels and the new international airport in the Northern Circuit had become fully operational by 1973. The number of tourists had begun to increase by 1968, with the

drive to increase tourism facilities (Kulindwa et al, 2001).

According to Ranja (2002), the tourist industry was expected to expand further in the 1970s. However, despite the expansion of tourism internationally, the favorable policy framework nationally and the drive to expand tourism facilities in these years, tourism's contribution to foreign exchange earnings in Tanzania dropped from forth position of the early 1960s to seventy by mid-1970s given the nature of the industry and the kind of products that were sought by tourists by then (Green 1979:82). This was because beach tourism, which was the most popular form of tourism by then, was the most undeveloped compared to other neighboring countries – Kenya and Mozambique. It is in commercial sex that women are mostly found. These visit the tourist hotels in varying numbers depending on season and the events in Arusha, for example. These are women between the age of 17 and 25 years. In Arusha, these visit specific tourist hotels, especially those with resident bands playing live music or discos. Most barmaids also depend on sex work as far as their incomes are concerned, since they are paid around USD 30 per month and their incomes and employers expect them to make it up through hooking customers. Besides tourists, the main clients of the female sex workers are people who visit for business, conferences, workshops, seminars, board meetings, study tours and other types of meeting.

The number of tourists fell from 235,000 in 1976 to around 80,000 by the end of 1980s. It was within this context that by early 1980s, hotels, lodges and access roads had started deteriorating due to severe shortage of foreign exchange for the necessary

inputs. Only 84,021 tourists came to the country in 1980 earning the country USD 18 million. Thus, although Tanzania made several efforts to turn Tanzania a direct tourist destination by putting on the ground investment (including the building of an international airport and establishing several hotels, including beach hotels), up to mid 1970s, most visitors still came to the country via Kenya, since most multinationals operated from there. Tourism began to pick up in the mid-1980s because of the economic liberalization policies (Kulindwa et al. 2001; Ranja 2002; Luvanga & Shitundu 2003).

In 1991/92 the government decided to transfer responsibilities to the private sector through partnership the tourism facilities under Tanzania Hotels Investments Ltd. (TAHI). With the changed policies, TAHI became a co owned body by Tanzania government and ACCOR Group of Hotels of France. ACCOR, which owns and manages over 2,000 hotel units world-wild (including some in Kenya for many years) became a co-owner of Novotel Mount Meru in Arusha and five lodges in the national parks. ACCOR took over these in recognition of the fast expanding market in hotel industry.

The monopoly of TAHI began to be broken by 1993. Henceforth, a chain of other international hotel investments came into stream starting with the Kenyan based Consolidated Tourist and Hotels Investments Ltd. (CTHI) opening three Sopa lodges in Serengeti, Ngorongoro and Tarangire between 1992 and 1995. The opening of the Sheraton, built by Skanska Jensen of Scandinavia, in 1995 in Dar es Salaam followed it.

Tourism Promotion Services, a subsidiary company of the Commonwealth Development Corporation, International Finance Corporation (member of World Bank Group) and Tanzania's National Provident Fund, opened three Serena Lodges at lake Manyara, Central Serengeti and Ngorongoro Crater in 1996 (besides one in Zanzibar). It also opened a luxury camp in Serengeti. Other hotels that came into stream are the chains of South African Protea hotels in Dar es Salaam, Coast Region, Kilimanjaro and Arusha. Holiday Inn chain of hotels also opened a hotel in Dar es Salaam.

There were over 1110 camps in Tanzania by 2003 (Luvanga & Shitundu 2003). A number of long-term resident European expatriates (mostly Dutch and some Germans), over the years had entered in the industry in camps, 'farm-houses', hunting and eco-tourism markets both in the northern and southern circuits and also on Mafia island. The Hotel Keepers Association of Tanzania (HKA) had registered approximately 235 hotels and lodges by 2003, but according to the National Bureau of Statistics, there were 469 hotels/lodges by this year. More than 30 percent of these facilities were located in Tanzania's northern tourism circuit. There were also about 20 casinos and several investors and Tanzanian investors. Local communities did not administer any hotel or lodges.

The hotel and lodge industry can be divided into three segments based on price. The top market charging more than USD 200 per night, the middle market which charges USD 50-200 per night and the lower market which charges less than USD 50 per night. There were also hundreds of cheap guest houses, lodgings, restaurants and bars

in Arusha, Dar es Salaam and other towns. There were 244 registered hotels and lodges and 212 ground tour operators in the country by 1998. Beyond the number of hotels/lodges and restaurants, there were 27 tented camps with 565 rooms by 1995. Their number had risen to 112 by 1999. Tourism Division Statistics in Tanzania reveals that, the number of hotels has increased from 208 in 1994 to 321 in 1999, representing a 51 percent expansion in room capacity. Most of the tour operators and accommodation providers had direct foreign connections or were directly foreign owned. That is, most local tour operators and accommodation providers were selling their packages to a significantly, majority of the hotels that were listed for rehabilitation or were not functioning well and were ones situated in the National parks, rather than those that were in business and conference centers or operating casinos. Beyond the heavy investments, the government, in a bid to create an enabling environment, has been giving tax exemptions to investors.

The tourist companies and hotels/lodges pay taxes and fees of various types per annum. The government also gets revenues from tourism through visa charges, a number of taxes and levies, charges of one form or another (e.g. hunting, trophy, etc), which are paid to various authorities including the MNRT itself. Tourism is by nature a seasonal industry and all hotels, hunting companies, travel and tour agents employ casual or part time staff at certain times of the year to perform some core services. Employment of casuals is particularly common in out-sourced services (laundry, cleaning, security, etc). Out-sourcing often means lower wages, loss of benefits and retrenchments. Some players in the industry use so-called 'free-lancers', that is non-employed people who receive no wages at all, but just rely on tips. This,

combined with the high levels of unemployment in the country, and the policies of retrenchment has in most cases led to lower levels of trade union membership and an erosion of man power. This allows employers not to pay overtime, sick benefits or pensions. Significantly, majority of the hotels that were listed for rehabilitation were not functioning well and were ones situated in the National parks, rather than those that were in business and conference centers or operating casinos.

Beyond the heavy investments, the government, in a bid to create an enabling environment, has been giving tax exemptions to investors. Over the years, investors whose investments were approved by the TIC have been enjoying a tax holiday of five years as part of the incentives. For this matter, many enterprises have changed hands before the elapse of the five years to allow another investor to enjoy the same. For example, the Sheraton became the Royal Palm in 2001, just before the five years had expired (Daily News, 30.01.2004).

On the other hand, the services literature and research suggest a direct link between service quality and business performance (Zeithaml et al, 1990; Parasuraman, 2002). The link is perceived to be either through marketing by attracting new customers or defensive marketing by retaining the existing customer base. This has led to an increasing popularity of quality improvement programmes and service quality becoming a strategic issue in services (Zeithaml et al, 1990; Parasuraman, 2002). However, very few of the studies to date have focused on the conceptualization of service quality and business performance from Tanzania hotel practitioners' perspective (Soteriou and Zenios, 2000).

2.3.1 Customer Value and Perceived Value

Customer value can be seen from two perspectives. One from company side and while other is customer perspective (Graf, 2008). Because this research is considered with customers so the researcher only focused on customer perspective − visitors. Customer value can be divided in to two Broad categories; Perceived customer value and desired customer Value (Graf, 2008). Perceived Customer value is defined as tradeoff between benefits and satisfies with reference to performance of product or service (Zeithaml, 1988; Gale, 1994). Perceived value is one of most important factors to achieve competitive advantage in business (Parasuraman, 1997).

Many authors have done perceived value research in tourism and hospitability industry (Chang and Wildt, 1994; Bolton and Drew 1991; Jayanti and Ghosh, 1996; Oh 1999; Petrick and Backman, 2002; Petrick, Backman, and Bixler, 1999)" (Petric, 2004). But focus was not on dimensions of perceived value. Findings reveal that residential customers' assessments of quality and value are primarily a function of disconfirmation arising from discrepancies between anticipated and perceived performance levels.

However, perceived performance levels also were found to have an important direct effect on quality and value assessments. Results demonstrates that a trade-off between perceived price and perceive quality leads to perceived value, and perceived value is a primary factor influencing purchase intention. Zeithaml (1988) presented four dimension of value. These are low price, what customer demand, value is quality received for the price paid and final dimension is related with what customer

get reference and how much they paid. Perceived value is considered as one-dimensional in past. But actually every person has its own perception of value. One factor which is defined by Zeithaml (1988) related to monetary value is not enough to explain the Perceived value. A more sophisticated measure is required to measure perceived value of customers.

2.4   Theoretical Literature Review

The hotel is the castle of the upper bourgeoisie class, meaning that it is a large expensive house usually with high, thick walls and towers that was built in the past to protect against attack fortified building or set of building for wealthiest social middle class (Henzensberger, 1958). Here this new class ostentatiously usurps the life style of the aristocracy in a milieu of unexcelled luxury. While the true aristocrat, just like the farmer, has an aversion to travel for the sake of travelling, the bourgeois upstart displays as traveler what is denied at home. The tourists have the illusion of escaping not only into the freedom of a historic or geographical distance but also into like style they consider to be of higher social status. Not only do they search for history as museum, and for nature as botanical garden- they also seek to remove themselves from society through the image of "high living" (Henzensberger, 1958).

Tourism requires relatively little investment in resources because it "relies on an area's cultural, historic, ethnic, geographic, and national uniqueness" (Edgell and Edwards, 1993). Contemporary trends in tourism, such as the rise of small and specialized travel agencies, the growing attraction and "heritage tourism", the flourishing of nature oriented tourism, and the increase of simulated tourism-related

environments, are labeled as aspects of "postmodern tourism". The sociological discourse of postmodern tourism consists of two theoretical frameworks the "simulation" and the "other" postmodern tourism (Munt, 1994).

A serious attempt to overcome the limits of sight –seeing tourism is being made by some clever promoters and tourists who replace sightseeing with *life seeing:* Observing the way the people visits really live is becoming the interest of tourists. The commercial aspect of this promising idea turns the lack of hotels – a consequence brought about by the excess of tourists – into an advantage.

Instead one now lives in private homes and participates in the everyday lives of the hosts. This supposedly reinstates the old virtue of hospitality to the dialectics of tourism, though; the attempt produces its own shortcomings as well. The virtue thus conjured is destroyed by appropriation. As long as travel was an odyssey or an exile, hospitality was considered an asylum; once it becomes a deliberate amusement the doors are closed up went the cathedrals of tourism hotels (Henzensberger, 1958).

The history of tourism is also a history of hotels. Forty years ago there were cozy hotels but no unruly masses. In those days tourists were comparatively rare and there were no cheap trippers (Henzensberger, 1958). It is revealed that the innovative and adventurous tourists that discover new destinations or tourism products, who then, acting as opinion leaders, share their experiences with their "less intrepid cousins" thus creating diffusion and marketing momentum for new destinations and innovative travel products (Dearden and Harron, 1992).

Stephen (2006) argued that interpersonal influence and word-of-mouth (WOM) are ranked the most important information source when a consumer is making a purchase decision. This influence may be especially important in the hospitality and tourism industry, whose intangible products are difficult to evaluate prior to their consumption. Hospitality and tourism marketers find the issue of critical importance for the following reasons: Hospitality and tourism product offerings, as intangible goods, cannot be evaluated before their consumption, thus elevating the importance of interpersonal influence (Lewis and Chambers, 2000).

2.4.1   Resource Based Theory

Resource based theory is based on social exchange theory where by organizations are open system and depend on inputs and output resources to fulfill their goals (Buvik, 2001). The researcher goes further by arguing that, the lack of self-sufficiency with respect to these resources creates potential dependency on the parties controlling these resources. The lack of control of the firm's flow of the input and output resources will introduce an uncertainty problem for its decision-making unit (Buvik & Reve, 2002).

A basic premise for the resource based theory is that firms confronted with external dependency will try to establish inter-organizational arrangements as strategic responses to conditions of environmental uncertainty and inter-firm dependency (Buvik & Gronhaug, 2002; Buvik, 2001; Heide, 1994). The resource based theory perspective addresses the importance of the resources exchanged and the parties' ability to control the flow of input- and output resources (Buvik & Gronhaug, 2002).

According to these researchers, the resource base theory perspective follows an effectiveness in that each actor tries to stabilize and control unpredictable conditions of trade through formal or semi-formal links with their companion trade partner in order to fulfill own goal attainment.

2.4.2   Power-Dependency Theory

Power and dependency are generally considered to be important concepts in understanding buyer-seller relationship (Caniels and Gelderman, 2007). A close and lasting cooperation between supplier and buyer will lead to improvements in quality, delivery reliability, lead times and cost reduction (Caniels and Gelderman, 2007). Kumar et al (1995) found empirical evidence that, a strong buyer-seller relationship leads to high performance of the entire supply chain. This could be in the form of high level of commitment, cooperation, and trust and conflict resolution. Caniels and Gelderman (2005) argued that, buyer-seller relationships that are characterized by asymmetric interdependence lead to unproductive partnerships such that, in the long term the position of the weaker party will be eroded too much and the partnership will be destroyed. Diamantopoulos (1987) believed that, the firm enjoying a power advantage may choose to share control with the less powerful firm in a more or less equitable manner to foster a democratic relationship.

Power is the major means available to achieve coordination and cooperation among channel members (Berthon et al, 2003). For the purpose of this study, it is therefore necessary to examine Power-Dependency relationships between small and medium size hotels so as to identify the challenges.

2.4.3 Networking Theory and SME's Performance

Networking became a fashionable topic and since then recognition of value and unique flexibility of inter organizational networks has been spreading within business community with a tremendous speed (Tretyak and Popov, 2009). According to Nguni (2012), as firms are experiencing the need to be efficient, flexible and adaptive, increasingly they have turned to the network form of organization. Certainly, the information and knowledge-based economy has accelerated the need to better understand the development of strong and flexible relationships not only with customers but also with other members of the supply chain (Terziovski, 2003).

As far as the SME's literature is concerned, an area of research that has begun to take some prominence since the advent of e-commerce is that of networking where by the researchers and practitioners have provided invaluable data on the role of networks for strategic planning, supply chain relationships, the sharing of technical know-how and increasing the market share of SME's as reported by MacGregor (2004). O'Donnell (2004) described networking in a small firm context as an activity in which the entrepreneurial oriented SME owners build and manage personal relationships with particular individuals in their surroundings. However, Valkokari and Helander (2007) defined strategic SME networks as long-term co-operative agreements whereby more than two partners share critical knowledge, resources and/or financial assets in order to attain, sustain or improve the firms future competitive positions. Networks and relationships are important for small firms because they enable these firms to link activities and tie resources together, to

identify new market opportunities and contribute to building market knowledge (Mort and Weerawardena, 2006).

Valkokari and Helander (2007) claimed that, strategic cooperation and networks are the means that allow SME's to compete and innovate in dynamic business environments. In addition Babakus, Yavas and Haahti (2006) proposed that, firms employ networking strategies to cope with uncertainty they perceive in their environment and consequently improve their performance in the market. Therefore the success of a company depends on its collaboration with other organizations that influence the creation and delivery of its products or services. For a strong network linkage and network's goal achievement, trust and commitment (Eisingerich and Bell, 2008; Moeller, 2010; Wincent, 2005), goal congruence between partners (Moeller, 2010), frequent and stable interaction (Eisingerich and Bell, 2008) are some of the important factors to be taken into the consideration prior to network development.

Networks play an important role in business due its value creation, in terms of gathering information and provision of the infrastructure to communicate, purchase, sell products and services and collaborate with others (De Klerk and Kroon, 2007). Moreover, networks offer interactive, personal relationships with individual consumers, and offer the opportunity to discover individual preferences and needs. Therefore the use of the network through the process of networking offers various benefits. Networks are used by SME's to pool resources and talents together to reap results which would not be possible (due to cost constraints and economies of scale)

if the enterprise operated in isolation. Terziovski (2003) contended that, network organization allows a company to concentrate on its distinctive competences, while gathering efficiencies from other firms who are concentrating their efforts in their areas of expertise.

Moreover, by integrating into a group and making relation-specific investments, independent entities can lower cost of transacting with each other (Tretyak and Popov, 2009). Therefore, networking is a fundamental prerequisite for effective business performance and the results from Babakus, Yavas and Haahti, (2006) ´s study indicates that, SME's need to take decisive steps to forge such contacts so vital for their success. In this study, it is important to find out the contribution of accessibility between small and medium size tourist hotels and performance.

For the purpose of this study, networking theory and SMEs performance was adopted because it is important to find out the importance of networking for small and medium hotels. The researcher was interested in the factors for effective business performance and the results in terms of knowledge, gathering information and provision of the infrastructure to communicate, purchase, sell products and services and collaborate with others so as to improve their performance in the market.

2.5   Tourism Policy Objectives

The Government of Tanzania laid out its policies for the tourism sector. The "Election Manifesto, October 2000", which states: "In the coming 5 years, the

Government will give special attention to improving tourism services in order to earn more income from the sector. Government will continue to improve tourism-related infrastructure and invite investors into this sector".

Looking forward in the document, the government in 2010 stated that:

i) The tourism sector appears to contribute a significant amount to the development of the National Income. In the next ten years we have to focus on improving tourism services both on the Mainland and in Zanzibar and expanding our capacity to handle more tourists and increase revenues.

ii) There is a need to design packages that will attract domestic tourists who should be enabled to enjoy the natural beauty of their country.

iii) There is also a need to improve access and develop strategies for Tanzanians to participate in the sector and provide services for tourists.

iv) The most attractive natural resources are those that are untouched. So, the effort to attract tourists should be accompanied by environmental protection measures for game parks, forests, beaches and lakes.

The National Tourism Policy seeks to assist in effort to promote the economy and lively hood of the people, essentially poverty alleviation, through encouraging the development of sustainable and quality tourism that is culturally and socially acceptable, ecologically friendly, sustainable environment and economically viable. It is also sought to market Tanzania as a favored tourist destination for touring and adventure (a wild life safari) in a country renowned for its cultural diversity and numerous beaches.

Tanzania envisages that the number of tourist would be in the 1 million ranges the year 2010, and that the proceeds from the tourism industry are projected to increase from the current average of 8% to an annualized average growth rate of 10% by 2005. It is recognized that the private sector will play a major role in the industry's development, with the government playing the catalytic role of providing and improving the infrastructure as well as providing a conducive climate for investment. Tourism, responsible for sector policy and planning; manpower training; classification and licensing of hotels and tourism agencies; and supervises the Hotel and Tourism Training Institute and the Tanzania Tourist Board (TTB).

2.6   Challenges Facing Small and Medium Size Hotels

Westhead and Storey (1996) noted several characteristic which distinguished small organizations from larger ones other than size. For the small organization external uncertainty has affected the most such as lack of power and influence in a market place, larger customer and vulnerability. Therefore, the SME's seem unpredictable and ruthless market. Therefore, uncertainty has become a major problem in the small organizations (Westhead and Storey, 1996).

In the current development, changes in the environment such as globalization, political, social, economic and technological occurred surrounding the organizations. The changes in the environment pose a challenge to the small and medium organizations, which limits their abilities to maintain their position against larger organizations (Westhead and Storey, 1996). Snell and Lau (1994) found out that more management competencies are required for growth in small organizations

compared to larger organizations. In this situation, small organizations failed to develop skills, knowledge and competencies among workers in the small organization. This is mainly because of financial constraints and insufficient training.

Gupta and Gawthon (1996) argued that small organizations especially managers required the most training. Therefore, training is an essential tool for developing employees and the organizations. Small and medium firms receive more information such as global market accessible, tax, regulatory frame works, trade rules, and other legal and advisory services. By receiving all information, small firms prefers to join with larger firms. Financing is frequently becoming a major hurdle to overcome the way to setting up and staying in business, with access to risk capital.

2.6.1   Lack of Infrastructure

Nijkamp (2000) spoke about infrastructure as a public capital (roads, railways, airports and pipelines). Infrastructure is defined as the sum of material, institutional and personal facilities and data which are available to the economic agents and which contribute to realizing the equalization of the remuneration of comparable inputs in the case of a suitable allocation of resources, which is complete integration and maximum level of economic activities (Jochimsen, 1966). The operation of a competitive tourism industry largely depends on the quality of the infrastructure. The existence of good and well functioning telecommunication systems; land and air transportation services, adequate and up to standard accommodation facilities, is vital for industry as it assures the accessibility, efficiency, quality services and facilities, for the benefit of the tourist.

According to Matthew (1992), a grading/rating system for hotels within Tanzania does not exist because few would pass. The study shows that most accommodation is in a state of decay, and only a handful of international standard hotels exist within the country.

Services along the spectacular coastline of the Indian Ocean are few and far between. International and inter-country communication is extremely difficult and impossible at times, and both power and water sources are frequently not operational. A substantial amount of infrastructural works are required before more of the country's potential can be developed (Matthews, 1992). According to Schlogl (2004), small size firms failed to improve the basic infrastructure like expanding broadband and secure servers. These factors have impacts on the small size firms to turn to e-business approach. One of the main reasons is cost. In addition, the SME's frequently cannot afford or find qualified e-business staff to operate the business. These major impediments for smaller firms simply lengthen the usual problems relating to trust, traction security and, crucially concerns about violations of intellectual property rights. Therefore, HRD is the solutions for training the staff to be more equipped with knowledge and skills on handling e-business.

2.6.2 Lack of Trained Staff

Present output from the hotel and tourism institution has been too low to meet the increasing demands of the industry. Therefore, a number of unregulated and some private tourism schools have arisen and standards of training are uneven. In addition, no training or education for the management of the hotel, restaurant or travel sector

exists within the country, or any written policy towards human resource development in tourism (NOVIJVP, 1995).

Tanzania did not utilize Utalii College as in Kenya, which has hotel and tourism training programs and would make a reasonable training site. Low wage rates sometimes lead staff to engage in corruption, possess poor attitudes and motivation towards their work, and thus exhibit poor levels of service and low levels of professionalism (CHL Consulting Group, 1996). The major hurdle that small firms faced especially in the developing countries including Tanzania is lack of carrier structure which did not guarantee promotion on training. Small firms have difficulties to progress and compete with larger firms whereby the employees have low motivation to perform (Hill and Stewart, 2000).

In modern hotel business, competence in people and especially the employees' qualities is important. The level of service quality depends on the qualities of employees. The qualities are about knowledge, skills and thoughts which lead to a hotel's survival and development. Therefore, staff training is essential in many ways; it increases productivity while employees are armed with professional knowledge, experienced skills and valid thoughts; staff training also motivates and inspires workers by providing employees all needed information in work as well as help them to recognize how important their jobs are (Yafang, 2008).

Training and development can be seen as a key instrument in the implementation of HRM practices and policies. Successful hotels always include staff training as their

important development strategy (Nickson, 2007). Staff training is a significant part as well as the key function of Human Resource Management and Development; it is the crucial path of motivating employees and increasing productivity in the business (McClelland, 2002). There is a suggestion in the reviewed literature that until in the mid 1990s literature had not been concerned with service quality; and conversely service quality literature lacked a strategic dimension (Powel, 1995). Thus strategic management research and practice remain unclear and under examined while existing empirical studies lack rigour and theoretical support and thus remain a key area for extension of the quality concept (Powell, 1995; Pruett and Thomas, 1996; Harrington and Akehurst, 2000).

2.6.3 Lack in Capital and Support

Lack in capital and no support from the respective agency is also a challenge because future plan for growth by micro enterprises faces difficult. Limited access to formal credit from the bank becomes major constraints to the micro and small hotels. Enterprise operators are the business owner. Accordingly, these enterprises raise their own capital for the business.

Another feature of these small hotels is that their formation is underpinned by varied sources of capital (Stallibrassa, 1980; Shaw and Williams, 1990) ranging from personal or family savings to commercial loans. The sector is characterized by low levels of capital investment, and the main source of capital is personal and family savings. Shaw and Williams (1990) contend that 50% of small business entrepreneurs used personal and family savings (Shaw and Williams, 1887).

2.6.4 Customer Expectation and Service Failure

A service failure can be defined as an error, mistake or problem that occurs in the service delivery process (Hedrick et al., 2007), leading to customers' expectations not being met (Chan and Wan, 2008). Customer expectation is determined by the standard of service delivery expected. From the customer's perspective, service failure can be viewed as any situation where something in relation to received service has gone wrong (Palmer, 2001) and front line staffs have a pivotal role to play in ensuring the quality of service encounters. Due to the fact that the production and consumption of services cannot be separated, service failures often occur at the point of consumption. Hotels are characterized by continuous provision of services, as well as by highly fluctuating demand. These factors cause the hotel industry to be especially vulnerable to service failures and poor business performance (Lewis and McCann, 2004).

2.7 Conceptual Framework

The study adopted a Stufflebeam's Context, Input, Process and Product (CIPP) framework to evaluate effectiveness of small and medium size tourist hotels. The model identifies four types of evaluations, which correspond to four types of decisions namely, Context, Input, Process and Product (CIPP).

Context is the national and international climates which support tourism. If the national and international climates are able to support tourism through grants, finance, personnel, e–business (e-commerce) experts and training, tourist hotels' market could be assessed (evaluated) under certain specific objectives. Inputs are the

resources and judgment to utilize resources. Process includes implementation of objectives and feedback to check the pitfalls. Product is the outcome (business performance, employment, service success and firms growth). If the process is focused on comparison of outcomes and side effects to targeted needs, modifying, adopting, or terminating the effort (based on assessing outcomes and side effects) then the output of that process are firms' growth, business performance and increased level of the local employment.

CONTEXT National and international climate supporting tourism: • Government and donor's involvement • Household • Tourists	INPUTS Resources and judgment to utilize resources to achieve objectives: • Grants • Adequacy and quality of administrative personnel • Finance	PROCESS Implementation and periodic feedback: • Plannin-g	PRODUCTS Indicators: • Business performance • Service success • Firms growth • Local empl-oyment

Figure 2.1: CIPP Model Adopted from Stufflebeam (1971)

2.8 Research Gap

Different studies: Theobald (1997), Ouma (1970), Kulindwa (2001), Luvanga and Shitundu (2003), Zeithaml (1990), Wade (1998), Westhead and Storey (1996), Gupta and Gawthon (1996), Mathew (1992), NOVIJVP (1995), CHL Consulting Group

(1996), Schlogl (2004), Yafang (2008), just to mention a few, showed challenges in small and medium size hotels. The fields of much interest are administration, accessibility by other firms, lack of trained staff, poor services in laundry, cleaning and security, the change in the environment, uncertainty, Lack of infrastructure and lack of carrier structure. Increased number of tourists in a hotel was generally expected as a result of improving hotel's quality services related processes and infrastructure. The actual outcomes suggested otherwise, bringing into question the physical facilities like environment and capacity. These factors also include employee interaction in the hotel, that there are able to guide customer and can understand need of customer or not. The large number of customers in the hotel does not guarantee that it is doing well at market place. Furthermore there is no evidence that medium size hotels with large investments perform better than the small hotels. This should be a cause of concern if investments are to be seen as a strategy to improve performance. However these studies talked about financial constraints and insufficient training but do not indicate the efficacy of the reliable information and inherent reluctance of small and medium size business people to disclose financial information.

CHAPTER THREE

3.0 THE STUDY AREA AND RESEARCH METHODOLOGY

3.1   Introduction

This chapter, presents the study area and research methodology. The study area, research design, study population, sample size and sampling procedure are covered. Other areas covered are data sources, data collection instruments, data analysis procedures, validation of the instruments, data processing, presentation and finally ethical consideration.

3.2   The Study Area

The study area is Dar es Salaam region. It is one of the regions in Tanzania and it has three districts which are Ilala, Kinondoni and Temeke (Figure 3.1). The reasons for selecting Dar es Salaam are its good geographical location, resources, ease of access of information and typical urban characteristics. There is major means of intercity transport available. Dar es Salaam leads in accommodation facility investments (as compared to other regions in Tanzania), with mostly hotels of international standards including Serena Hotel, Southern Sun, Hyatt Kilimanjaro Hotel, Peacock hotel and Sea Cliff and SMHs including Urban Rose Hotel and Apartments, Mediterraneo, Ledger Plaza Bahari Beach, Accomondia and Land Mark hotel. The location of Dar es Salaam is very convenient with international flights from almost all over the world. Due to the location of the city on a natural harbor and its close proximity to the Indian Ocean, the weather is tropical, visitors and investors are influenced to visit, stay and even engage in investment activities. Dar es Salaam is also the

educational centre of Tanzania and tourist stakeholders, such as The MNRT, TATO

and TAHOA. The city is home to many Educational Institutions.
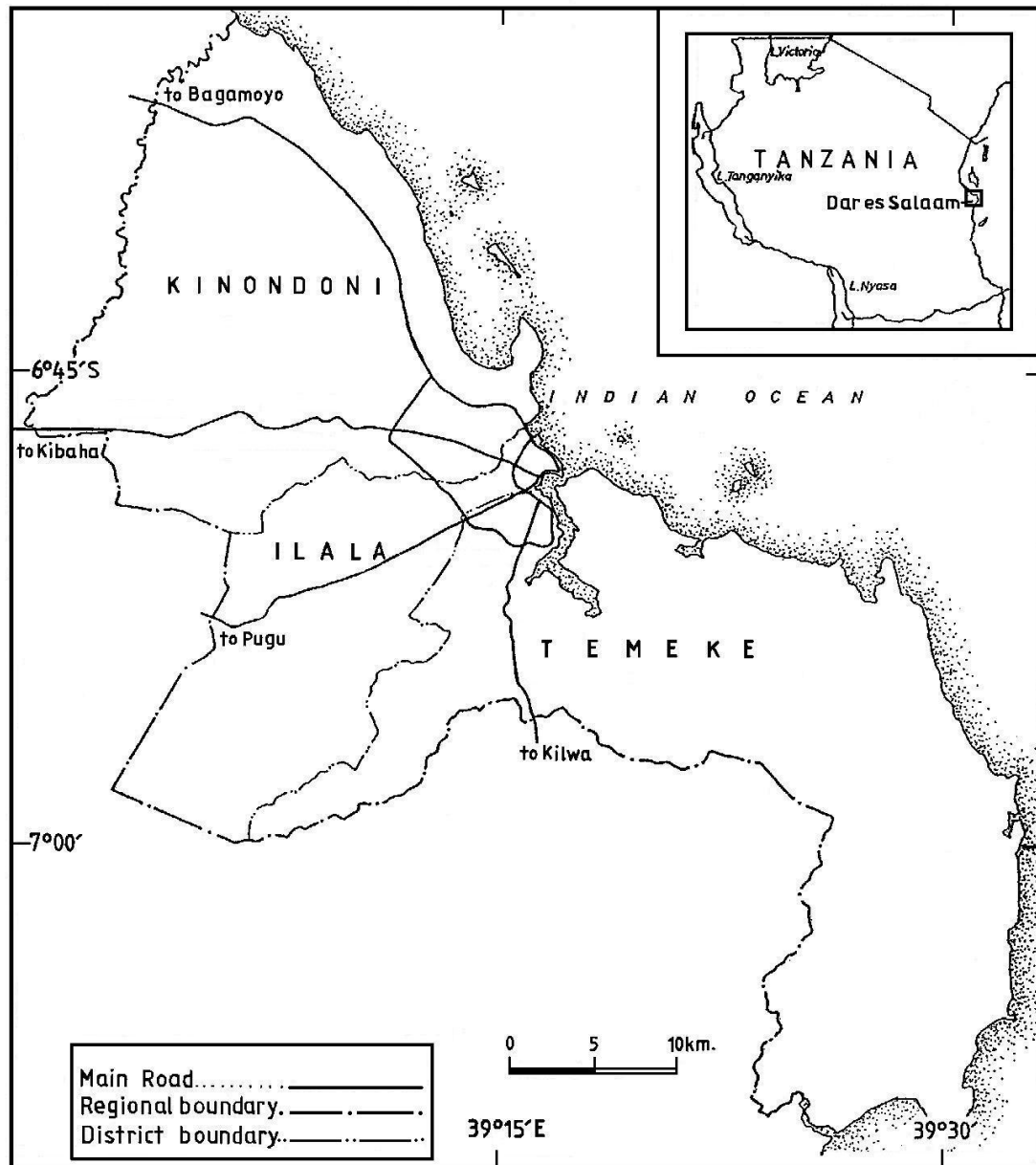
Figure 3.1: Map of Dar es Salaam Region: Cartographic Unit UDSM, 2014

3.3   Research Design

Research design is a plan, roadmap and blueprint strategy of investigation conceived

so as to obtain answers to research questions (Kothari, 2004), it is the heart of any

study. According to Creswell (2003), research design helps to structure the collection, analysis and interpretation of data. A research design is the framework or plan for a study used as a guide in collecting and analyzing data (Coyne, 1997). Exploratory research design was opted in this study because the researcher intended to gather information about a few number of people and also in order to get better understanding of a situation. Exploratory design provided very rich, meaningful information and even defined native explanations for particular individuals.

According to Marshal (1996), exploratory research usually involves only a relatively small group of people, and these people are almost never randomly selected to participate (http://www.monroecollege.edu). In addition to developing one or more hypotheses, it is also used to increase a researcher's familiarity with a problem, especially when the researcher doesn't know much about the organization and/or problem to be studied. Regardless of the particular methods employed, exploratory studies should almost always be relatively small in size. Likewise, based on the nature of the study, the researcher used quantitative and qualitative approaches to get the required information. Qualitative researchers recognize that some informants are 'richer' than others and that these people are more likely to provide insight and understanding for the researcher (Marshall, 1996).

3.4   Target Population

The target population was 09 small and medium size hotels situated in Dar es Salaam region. 05 were small hotels, 04 were medium size hotels and were targeted purposely.

3.5 Sample Size and Sampling Procedure

Sampling is the process of selecting a portion, piece, or segment that is representative of a whole and this is an important step in the research process because it helps to inform the quality of inferences made by the researcher that stem from the underlying findings (The American Heritage College Dictionary, 1993). Kothary (2004), argues that the respondents selected should be as representative of the total population as possible in order to produce a miniature cross-section. The selected respondents constitute what is technically called a 'sample' and the selection process is called 'sampling technique'. Sample refers to the exact number of individuals or items drawn from the populations to represent the same (Adam and Kamuzora, 2008). Therefore, sampling techniques provide methods that help to reduce the amount of data needed to collect by considering only data from sub-group rather than all possible elements, (Saunders et al, 2000). There are two types of sampling procedures, probability and non probability sampling. Non probability sampling allows choosing a sample which is interested (Silverman, 2005). Since it is exploratory study, the researcher searched and met the research participants until when he was being satisfied with amount of data to answer the set out research questions. However, during sample composition a balance of experienced and varieties of respondents based on gender, age, occupations among others were also taken into consideration.

Onwuegbuzie and Leech (2005b) even though qualitative investigations typically involve the use of small samples, choice of sample size still is an important consideration because it determines the extent to which the researcher can make

generalizations. In general, sample sizes in qualitative research should not be too large that it is difficult to extract thick or rich data. As noted by Sandelowski (1995), the sample should not be too small that it is difficult to achieve data saturation (Flick, 1998; Morse, 1995).

Saunders et al., (2000), argues that purposive sampling enables to use judgment to select samples that will best enable to answer questions and meet objectives. Purposeful sampling technique was used in this study to actively select the most productive sample with special expertise (key informant sample) to answer the research question. The sample selected was nine (09) hotels from which visitors/tourists, staffs and administrative personnel were obtained, believing that they acquire knowledge purposely for the study. Purposeful sampling means that the researcher is looking for participants who possess certain traits or qualities. In this sampling method, the researcher considers the aim of the research and selects samples accordingly (Coyne, 1997). In purposeful sampling, the most important guiding principle is maximum variation; that is, researchers should seek to include people who represent the widest variety of perspectives possible within the range specified by their purpose (Higginbottom, 2004).

The sample size for this study was 27 respondents and was specifically selected and given the questionnaire. Only 03 respondents (subjective judgments) who were expected to have key knowledge and experience was drawn from each hotel so as to make a total of 27 respondents. Due to the nature of the study, non probability sampling technique was used to select the 09 hotels out of 40 purposively from

which the respondents for the study were obtained. The hotels were given numbers from 01 to 09. Therefore the first and second hotels were referred to as hotel 01 and hotel 02 respectively (Table 4.1).

Since the sample does not intend to represent the population, findings should not be generalized to the whole (Ellen, 1988). Non probability sampling does not attempt to select a random sample from the population of interest. Rather, subjective methods are used to decide which elements are included in the sample. The names of hotels were noted and given numbers. Small size hotels were named first followed by medium hotels. The first five small hotels were noted followed by four medium size hotels. Only 03 respondents (subjective judgments) who were expected to have key knowledge and experience was drawn from each hotel so as to make a total of 27 respondents.

3.6   Data Sources

There are two sources of data which are secondary and primary sources. Primary data was collected using questionnaire, interview method and observation. Various documents were reviewed to gather secondary information. In addition, secondary sources comprised official documents, popular press (newspapers, magazines), books, trade literature, academic literature, or published statistics from research firms or governmental agencies.

3.7   Data Collection Instruments

In this study, data collection instruments were interviews (structured and unstructured), questionnaire and observation.

3.7.1 Unstructured Interview

This technique of data collection was used for tourists and staffs. The technique facilitated discussions with interviewees and recording of their opinions. In addition, unstructured interview was useful in probing into the subject matter and provide interviewees with an opportunity to freely give their opinions.

3.7.2 Structured Interview

Open ended and closed questions were used to tap information regarding challenges, quality and quantity of services. The target group for this technique is administrative staff (managers) of the respective hotels. The questionnaires were collected from the hotels managers in the following day to provide enough time for adequate data to be filled in. The information obtained through this technique was about the price (cost) of accommodation, finance (capital) of investment, staff training, administration, quality of accommodation services, number of visitors (customers), level of technology used (access to communication i.e internet), and the government's current taxation system.

3.7.3 Observation

Direct observation in the hotel was be used to observe how workers in the hotel provide services to their customers. The method is relatively free from respondent's bias and also it is relatively less demanding of active cooperation on the part of the respondents. The researcher used observation technique as a tool of data collection in order to collect the first hand information in a real situation. This included how customers were being serviced, time consumed for the customer to be served, quality

of service, environment (cleanness and safety) and the language used.

3.8   Validity and Reliability

According to James (1997) validity can be defined as the degree to which a test measures what it is -supposed to measure. Researchers in qualitative studies generally determine validity by asking a series of questions, and will often look for the answers in the research of others (Joppe, 2000). The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials (James, 1997). In this study, coding categories connected to context, situation, ways of thinking, perspectives, processes, activities, events, strategies and relationships were used in order to ensure consistency of data reduction methods could be assessed. The hotels were given numbers between 01 to 09 therefore the first hotel was referred to as hotel 01 (Table 4.0). Also the research participants (informants) who generated the raw data were asked to evaluate the interpretation and explanation pulled from the raw data, if represented their experience and knowledge. Other informants were asked to provide commentary on the results. For the case of reliability, there was a need to go beyond secondary data as reliability and method of collection could be questioned, and as some of the important information were not officially available. The researcher followed the steps of the research which were verified through examination of items such as raw data, data reduction products, and process notes.

3.9   Data Processing, Analysis and Presentation

Data collected was processed manually and then using a computer. SPSS (Statistical

Package for Social Science) version 14.0 was employed for ensuring accuracy. Questionnaire, coding was done prior to the data collection in order to ease the data processing. In data analysis, descriptive statistics was used in this study, to analyze the data collected. As stated earlier, SPSS computer program version 14.0 was used for data and checks the percentage, mean and frequency. The researcher collected qualitative data through the use questionnaires. Fisher (2010) described that, qualitative data usually consist of words, audio or visual recording and observation, not numbers. In the light of this, qualitative data was analyzed and interpreted to bring order and understanding of the research topic. Filled questionnaires and interviews notes were analyzed basing on frequencies of responses as displayed on frequency tables. The data was presented by using bar charts and pie charts.

3.10 Ethical Consideration

The research information gathered was handled confidentially and participants were informed of the study purpose individually and confidentiality. The participants were informed of their right and access to the results of the investigation. In the situation where the case of question that requires mentioning names, letters and numbers were used instead. The study was not intended to cause any harm to the participants in terms of psychological, social, economical and physical aspects.

CHAPTER FOUR

4.0 RESEARCH FINDINGS

AND DISCUSSION

4.1   Introduction

This chapter is devoted to presentation, analysis and discussion of the findings. Analysis was made on the research questions with focus on the challenges facing tourist hotels that contribute to low performance in tourism sector. The finding and discussion are analyzed in relation to the research objectives, questions and the literature reviewed.

4.2   Demographic Characteristics of Respondents

The field work comprised of administration of questionnaires and interviews. The rate of response of the administered questionnaires was good because 100% of the respondents returned the questionnaire. The total of 27 questionnaires was distributed to the subjects under study.

For Kinondoni 09 (100%) out of 09 respondents returned the questionnaires. Ilala 09 (100%) questionnaires out of 09 and Temeke 09 (100%) questionnaires out of 09 were returned. Hence the average response was 100%.

The table below shows demographic characteristics of various respondents for the study. These are age, gender, marital status, education level and occupation.

Table 4.1:   Demographic Characteristics of the Respondents

Respondent & wnership	Sex	Age	Marital Status	Position	Education	Hotel Size
Hotel (01) Self owned	Male Male Female	40-49 30-39 30-39	Married Married Single	Manager Customer/visitor Customer Agent	College/unive-rsity College College	Medium
Hotel (02). Family	Female Female Male	50-59 20-29 30-39	Married Single Married	General Manager Receptionist Security Guard	College College Secondary	Medium
Hotel (03). Self owned	Female Male Male	40-49 20-29 20-29	Married Married Single	Manager Visitor Security	University University College	Small
Hotel (04). Friends	Male Male Female	50-59 40-49 40-49	Married Married Married	Manager Visitor Visitor	University College/University Secondary	Medium
Hotel (05). Self owned	Female Male Female	40-49 30-39 -	Single Married Single	Visitor Operation Manager Others	College College Secondary	Small
Hotel (06) Self owned	Female Male Male	60-69 30-39 30-39	Married Single Married	Director Visitor Customer care	University College -	Medium
Hotel (07) Friends	Male Male Male	40-49 30-39 20-29	Married Married Married	General Manager Cashier Customer	University Secondary University	Medium
Hotel (08). Family	Male Female Female	40-49 20-29 30-39	Married Single Married	Operation manager Customer Care Marketing Manager	College/university College University	Small
Hotel (09) Self owned	Male Female Female	40-49 20-29 30-39	Divorced Married Single	Office manager Security Guard Visitor	College Secondary College	Small

Source: Field Data, (2013)

4.2.1 Age of the Respondents

Table 4.2 reveals that 05 respondents (18.50%) out of 27 have the age in between 20-29, while 01 respondent (3.7%) has the age above 60. Also 10 respondents (37%) have the age between 30- 39 and 02 respondents (8.7%) had the age between 50-59. Therefore majority of the respondents have the age between 30- 49. However, 01 respondent out of 27 (base) who returned the questionnaires did not mention her age.

Table 4.2: Age of the Respondents

Sample		
Age	**Frequency**	**Percentage**
20-29	06	13.0%
30-39	09	33.3%
40-49	08	34.8%
50-59	02	7.4%
60 or above	01	3.7%
Total	26	96.2%

Source: Field Data, (2013)

4.2.2 Gender of the Respondents

Table 4.3 reveals that 14 respondents (51.9%) out of 27 were Males and 13 respondents (48.1%) out of 27 who returned the questionnaire were Females.

Table 4.3: Gender of the Respondents

Sample		
Gender	**Frequency**	**Percentage**
Male	14	51.9%
Female	13	48.1%
Total	27	100.0%

Source: Field Data, (2013)

4.2.3 Marital Status

Table 4.4 reveals that, 17 respondents (62.9%) out of 27 were married, 08 respondents (26.6%) out of 27 were single, and 01 respondent (3.7%) was divorced. This shows majority of the respondents were married people (70.8%).

Table 4.4: Marital Status

Sample		
Status	**Frequency**	**Percentage**
Married	18	66.7%
Single	08	29.6%
Divorce	01	3.7%
Total	27	100.0%

Source: Field Data , (2013)

4.2.4   Education Attainment

The results reveal that, 05 respondents (18.5%) out of 27 have attended Secondary Education or below, 13 respondents (48.1%) have attended a college and 09 (33.3%) a university level out of 27 respectively (Table 4.5).

Table 4.5: Education Attainment

Sample		
Level of Education	Frequency	Percentage
Secondary or below	05	18.5%
College	13	48.1%
University	09	33.3%
Total	27	100.0%

Source: Field Data, (2013)

4.2.5 Positions

Table 4.6 reveals that 10 respondents (37.0%) out of 27 were professional and semi professionals, 06 respondents (22.2%) were service workers, 03 (11.1%) out of 27 respondents were security workers while 07 (25.9%) respondents were visitors/

customers.

Table 4.6: Position

Sample		
Status	**Frequency**	**Percentage**
Professionals and Semi professionals	10	37.0%
Service workers	06	22.2%
Security workers	03	11.1%
Visitors/customers	07	25.9%
Others	01	3.7%
Total	27	100.0%

Source: Field Data, (2013)

4.3 Challenges Facing Small and Medium Size Hotels

A documentary review revealed that there are many challenges that hinder the hospitality sector in Tourism. As business moves on, nevertheless, there are a lot of challenges encountered by the small and medium size hotel operators. Among the identified challenges are financial constraints, lack in capital and support, low level of education, marketing strategy, Lack of hotels business managerial skills, poor technology, lack of trained staff, poor services (accommodation, communication and security) and budgetary constraints.

4.3.1 Financial Constraints

When asked about financial constraints 17 (62.9%) respondents (out of 27 respondents) agreed that financial constraints are a problem in their hotels. By and large, the nature of challenges is unique to individual accommodations. The respondents report multifaceted explanations when asked about the difficult in managing the hotel business. It appears the financial limitation becomes one of the most common problems faced by small size hotel as compared to medium size hotel.

An interview with the owner of one of small hotels, revealed that lack of financial is clearly limits the growth of his business. Hence the growth of business becomes impossible due to the financial limitation.

On the other hand it is argued that the taxes charged on the business relates to the policy developed by the government. It is claimed that there are hotels which implements the policy imposed by the government but some policy is not relevant. When asked for clarification some of the hotel owners said that the policy becomes irrelevant when too many taxes must be paid.

"We have to pay different taxes, government taxes, custom taxes and room taxes, so this is hard for us. I only operate 36 rooms, but have to pay different types of taxes this is unfair to a small hotel like us, because pother accommodation business such as home stay, do not have to pay like us".

4.3.2   Lack in Capital and Support

Largely in Dar es Salaam, the normal practice done by small and medium size hotels is utilizing their revenue to expand or do relevant activities to enhance business ventures. Evidence from the interviews highlighted that small and medium accommodation hotels are both facing problems in raising capital in managing their accommodation business. Proceeding discussion has highlighted that small and medium hotels lack access to approved credit from established agency such as a bank and government agencies. This has given them a limitation in terms of budget constraints which has forced them to generate capital informally from various

sources such as shareholders, family members and friends. Hence lack of capital becomes one of the major hindrances for these enterprises to grow further.

This study reveals that the issue of capital limitation has created strained situation to the SMH operators where they feel that they received no financial assistance from formal agency as well as the government. Another direct impact of inadequate capital or fund faced by these enterprises is related to the issue of renting of premises instead of owning the building or land. It appears that all micros enterprises and most of small enterprises do not own the land and building due to capital constraints. As clearly clarified by 03 respondents earlier the biggest challenge in their business is to own the building that they are currently operating. The business that is shared by 10 individuals cannot afford to buy the building because the owner has charged at very high price and at the same time the loan application is not possible. Thus, this situation deprived further growth of the respective business.

4.3.3 Low Level of Education of Staff

When respondents were asked staff to provide the views about the problems facing their organizations, about 14 (62.9%) respondents (out of 27 respondents) said that low level of education is a challenge in their hotels. The study reveals that majority of the owner received informal training before conducting the business. Also evidence from the interview suggests that, most of them are comfortable with the level and knowledge that they possess now, which they strongly feel that they do not require further training. It is also quite obvious that some of the managers shown their lack of concern towards sending their employees for further training. They

claimed that the employees know all the basic skills which do not necessitate them to attend further training. They also claimed that the training were provided at a basic level which no longer suitable for their staff. This does not apply to the medium hotels because apparently, they consider training to be very important especially if they want to improve the level of services they offer to their customers.

4.3.4 Marketing Strategies

This is another interesting finding relates to the marketing strategies implemented by the hotel. When asked about marketing strategies, 18 respondents (66.6%) said that marketing strategies is a problem, and the answer given was simpler. Hotel businesses regard marketing strategies as simply in the forms of promotion and advertisement rather than marketing strategies as a whole. This could be associated with the nature of the businesses which is considered as small to medium sizes, where they operate the business as it is. This signals that they might not know and understand the actual context of marketing where it covers the aspect of market segmentation, market positioning, marketing mix and other marketing related issues.

It might also indicate that these small businesses are not well informed or not well educated on what is marketing strategy as well as the importance of having a good marketing strategy in business especially in hotel business because of its characteristics of highly competitive and low switching cost. Essentially, the interviews revealed that the most of the adopted approaches done by majority of these hotels are in crude form of promotion or famously known as word-of-mouth recommendation. This is especially famous among micro and small enterprise where

they depend heavily on word-of-mouth strategy by their existing customers.

One possible explanation could be due to the available budget which is limited, thus limiting their chance to use multiple channels to advertise their hotels. Alternatively, some small enterprises and all medium size operators used mixed approaches in marketing their businesses. The application of banner, brochures, BlogSpot, social networking as well internet collaboration with budget hotel association has given advantages to these enterprises. According to one of the owner of medium hotel, brochure is seen as more effective as compared to other techniques. Every guest will be supplied with a copy of brochure. Normally, the guest will give the brochures to their friends and relatives who intend to visit Dar es Salaam. On the other hand, another small enterprise believed that world-of-mouth (WOM) recommendations has been successful in marketing his hotel so far. One of the hotel managers claimed that most of the hotel customers are returning customers.

"Majority of customers are our returning customers and they will bring new customers along when they visited the next time".

In similar vein, another small hotel depends heavily on WOM recommendation. According to the owner, personalization in terms of great communication with the quest is important in bringing them back to the business. However *there are hotels which apply various promotional strategies rather than relying on WOM alone. Other hotels rely on social networking web such as the Face book to promote their existence in addition to other methods such as sign board on major roads and*

brochures. Besides WOM recommendation, some of the small hotels also consider other method of promotions such as posting big banner in front of the hotel as well as using BlogSpot. Another hotel owner also uses different method of promotions that is using the internet, as well as face-to-face marketing at schools and government and private offices. For a medium size hotel, majority of the respondents' *hotels used mixed strategies to promote their business. Other respondent suggested that the location of the hotel is regarded as their main advertising strategy because of its location that is close to other facilities such as bank and super market. Other hotel owner uses multiple methods which include brochures, flyers, newspaper advertisement, and internet. He claimed "so far we receive a lot of inquires and feedback through face book". To him multiple methods of advertising is important because it creates positive effects when advertise through various channels. He further added that these methods help in improving themselves, the quality of the services as well as a mean to control the workers. He also strongly suggested that a follow up with the customer is very important in making sure that they get what they want. Likewise hotels advertise online through their website. They also include themselves in the tourist reference book.*

4.3.5 Lack of Hotels Business Managerial Skills among Hotel Managers

The study reported that there are managers who do not have business managerial skills about the hotels. Respondent who are strong disagree and disagree that the hotel's management has adequate business managerial skills constituted the total of 59.2% of the respondents surveyed (Table 4.7). On the other side, respondents who are strong agree and agree make up a total of 40.8% of the respondents (Table 4.7).

The side of those did not agree has large percent than the agree side. In this regard majority of the respondents did not agree with the statement. This reveals that there is lack of hotels business managerial skills among managers.

Table 4.7:   Hotel's Business Managerial Skills among Managers

Criteria									
The hotels management has adequate business managerial skills									
Response	Strong agree	%	Agree	%	Disagree	%	Strong disagree	%	Total	%
Number of Respondents	7	25.9	4	14.8	7	25.9	9	33.3	27	100

Source**:** Field data (2013)

4.3.6   Poor Technology

In this study, 14 respondents out of 27 (58.3%) said that poor technology is a challenge in their hotels. As reported in the study, there are still owner-managers who appear to be reluctant to adopt current technology in assisting their business. There is no paradigm shift in technology. The application of internet in marketing and advertising their business should be clearly adopted by these enterprises so that their marketing promotion can be fully benefited through the internet assistance. Moreover, simple technology such as acceptance of credit cards as a mean of payment should be practiced by this enterprise. Having said this, the owner-manager should switch their traditional way of managing the hotel despite the size of the hotel by embracing current normal practice so that they will not be left behind.

There is also some evidence to suggest that small and medium size owners/ managers appear to be more reluctant towards new technology application in conducting the business. The technology is not new but to them, it is considered to learn and manage

this new thing which is considered normal and necessary to small and medium hotels. For example, one of hotel owners hesitate the application of credit card in his hotel. When asked why he simply said:

"I do not know how to manage it and I do not know how to use them".

This situation provides several insights which clearly add more challenge to the smooth running of business as well as business development. It suggests that the owner is comfortable in his traditional way of conducting business. He also does not want to adapt to the new method accepting payments because he simply does not know how to manage it which further suggests that he does not want any changes to the business. His attitude also suggests that he is lack of knowledge towards what the potential of technology may bring to the business. Finally, the finding also indicates that perhaps due to the small scale of his business has influenced him not to do any changes because it might not be gainful to him and his business.

4.3.7 Lack of Trained Staff

About 21 (77.80%) respondents out of 27 said that lack of trained staff is a challenge facing their organizations. This is due to job turnover and, for others, looking for green pasture. Some of the owner /managers displayed their lack of concern towards sending their employees for further training. They claimed that the employees know all the basic skills which do not necessitate them to attend further training. They also claimed that the training were provided at a basic level which no longer suitable for their staff. This does not apply to the medium hotels because apparently, they

consider training to be very important especially if they want to improve the level of services they offer to their customers. From the findings in this study, it was observed that lack of trained staff is also a challenge facing small and medium size hotels. In addition, no training or education is provided by the management of the hotel, to the staffs. For example, a worker claimed that:

"I have been here for three years, yet have never been given a chance to attend training program concerning hotel management, because there is shortage of workers. However I have a College Certificate in Sales and Marketing".

4.3.8 Poor Services (Accommodation, Communication and Security)

About 21 (77.80%) respondents said that poor services are a challenge facing their organizations. The study reported that hotels provide quality services while poor services remain an obstacle to others. Also, when asked to give their views about the quality services provided in the hotels they visited, 06 of them (22.2%) strongly disagree and disagree that the hotel provides quality services and they claimed about poor services. On the other side, respondents who are strong agree and agree that the hotels provides quality services make up a total of 50% of the respondents surveyed (Table 4.8). For example, respondent in a medium hotel, claimed to have a horrible end to her trip to Africa, as follows:

"I have been traveling through Africa over the past month and my trip ended with a 3 night stay at this ....hotel (if you can even call it that) in Dar es Salaam). Every hotel I stayed at during my trip, which was within the same price range as this hotel,

offered nice rooms, bottled water, towels, telephones and safes. When I arrived at the hotel, I went to my room, which is decent at the very least, and attempted to make a phone call to a family friend. The call didn't go through so I asked reception why the call was not going through she said that there is no phone service to dial outside the hotel and she suggested that we top up the credits on her cell phone and then we could use her mobile phone to make the call. I had to ask the reception for towels and only received one towel for a shower, no hand towels. The breakfast selection was horrible and they had a sign that said eggs to order yet no one was around to make the eggs. The television in the rooms has horrible sound quality and overall the helpfulness of the staff was not on par with any other hotel I have stayed at.

The beds themselves are not that comfortable. And overall there is no real feeling of safety in this hotel. I would definitely avoid staying here and would advise all others to do so as well.

Table 4.8: Quality of Services provided in the hotel

Criteria									
The hotel provides quality services									
Response	Strong agree	%	Agree	%	Disagree	%	Strong disagree	%	Total	%
Number of Respondents	14	51.9	7	25.9	3	11.1	3	11.1	27	100

Source: Field Data, 2013

Other respondents, claimed about customer service that was poor and lack of knowledge. The workers were not friendly at all:

"Very unfriendly staff. We stayed at the hotel in the city center. And this could have been a nice hotel. It's clean, it's walking distance to the Zanzibar ferry, it's in the middle of town, it's fairly cheap for Dar. But then you meet the staff. Let me say that housekeeping is great. They're quick, clean, and honest. But the reception staffs are unhelpful, they have no knowledge of anything at all, and they can hardly stop talking to their friends on the phone or in the lobby to take the time to help you. I asked for towels (we were two people in the room and only one towel), they never came. When I needed to use the phone to make a local call to a van driver, I first had to pay for someone to go get a token to fill up a cell phone.

One of the receptionists on call during the night gave the impression that she was on some kind of drug, she left the reception, no one knew where she was, and she moved like a zombie. The dining hall staff is even worse. We had to ask for things all the time, because they didn't refill anything. Juice, toast, clean glasses etc. Once I asked for eggs (because on some days you could ask for eggs by order) and the message wasn't given to the kitchen at once because the man kept staring at a soccer match on the TV screen instead. The breakfast is weird - only thing for your toast is a terrible synthetic mixed jam. The coffee is instant. The juice is watery and overly sweet and with strange flavors. No one greets you, or smiles, or says "here you are" when they give you anything. In a country with such high unemployment it's really strange that they can't get anyone with basic manners to work in the hotel. We stayed several other places in Tanzania, and we have traveled a lot in Africa, and usually it's the people who are nice and the hotel which is a bit unclean or with things that don't work. The rooms have very different sizes.

Another respondent, claimed about services as follows: *"Bad service but affordable. Rooms are okay, breakfast is...boring. Everything is extra, we were two adults and one child in a double room and they wouldn't give us a third towel. We stayed in two different rooms. The shower did not work in the first room, the A/C was a bit dodgy and tiles missing from the floor. If you're just sleeping it's ok''.*

As it can be seen in this study, poor services are challenge in small and medium size hotels in Dar es Salaam. Another respondent gave his view as follows: *"This place was just horrible. The staffs were incredibly unfriendly and unhelpful. They woke me up at 2am with a wakeup call for a cab I did not order, and then when my cab I actually ordered was at the hotel at 730am, everyone sat around and watched the television and did not mention the taxi had arrived. Breakfast was toast and watery baked beans that came out of a Tupperware into a food warmer. Coffee was sachets of instant coffee. You have to stand over the toilet to wash your hands the washroom is so small and the entire premise just felt unsafe. There is no where to eat dinner past 8pm in the area, so if you arrive late, you also stay hungry. Don't stay here, you will regret it. Worst place on my 3 week business trip".*

About security issues one respondent claimed to have lost the money. He commented that: *"This hotel doesn't provide safety deposit service. Instead you are asked to leave your valuables at the reception. I left my passport and cash in a folder with my my passport with the reception. OH YES! When I asked for the folder all my money has gone missing. Hotel Staffs were far less than helpful. I ask for the Police and the reply was you call them. I felt the Hotel with no money. No room to help travelers.*

Stay and lose your money. The wifi was not working during our stay and no one seemed to have an idea when it would be working again which was slightly irritating".

All the hotel owners said that they knew about the challenges through their customers when they were in their hotels. In the case of theft they said that they got information through the security guards and cases which were reported.

4.3.9   Budgetary Constraints

When respondents were asked to provide the views about the problems facing their organizations (Table 4.9) 12 respondents (50%) said that budgetary constraints contributes poor performance of their organizations.

Managers revealed that they are under constant pressure from head office to operate within very tight budgets especially in cost centers. This creates tension between profit making and expenditure on quality and performance improvements. One manager of a medium hotel commented: *"We bear the brunt of all the budgetary pressures imposed from above. This leaves us with no choice but to cut costs".*

It was observed that more emphasis was put on implementing cost cutting action plans than on quality improvement. Managers claimed their work was already cut-out for them in very specific terms. The manager put it bluntly: *"It's either you carry out the instruction or you ship out. As simple as that".*

The managers admitted that they could do better in terms of quality and performance

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but their hands were tied as budgets did not allow for such expenditure. Managers blamed corporate leadership for their failure to deliver on the quality and performance fronts.

One manager commented: *"Head office creates this euphoria on quality and performance; allocates meager budgets and expects you to deliver the best quality. It will never happen…and the casualties of all this will be quality and performance improvements which we are trying to champion".*

Table 4.9:   Challenges Facing Small and Medium Size Hotel

Challenges	Respondents	Percentage (%)
1. Financial constraints	14	58.3
2. Lack in capital and support	13	54.2
3. Low level of education	14	58.3
4. Marketing strategies	18	75.0
5. Lack of hotels' business managerial skills	15	62.5
6. Poor technology	14	58.3
7. Lack of trained staff	19	79.2
8. Poor services	19	79.2
9. Budgetary constraints	12	50

Source**:** Field Data, (2013)

Table 4.10:   Respondents' Views on who is Responsible for the Challenges Facing Small and Medium Size Hotels

	Security Guards	Workers	Hotel owners	Government
Respondents	04	10	15	14
Respondent (%)	14.8	37.3	56	51.8

 Source: Field Data, (2013**)**

When respondents were asked whom they think are responsible for these challenges (Table 4.10) 04 respondents (14.8%) out of 27, said security guards are responsible

for the challenges facing small and medium size hotel, because they are not doing their responsibilities quite well due to increasingly insecurity issues in the hotel. 10 respondents (37.3%) out of 27, said that workers are responsible. 15 respondents (56%) out of 27 claimed that hotel owners are responsible Similarly, 14 respondents (51.8%) out of 27 said that hotel owners are responsible for not taking serious steps to solve the problems such as theft, security and services.

Table 4.11: Perceived Value

Respondents (Tourists/visitors)	Value for money (Price)	Quality of Service	Security
Satisfied	33%	20%	70%
Not satisfied	67%	30%	80%

Source: Field Data (2013)

From the table 4.11, it was observed that, on average, only 41% of all respondents were satisfied with the services provided by the hotel, and 59% were not satisfied with the accommodation, water, security, power, internet which were provided by the hotel. Since the side of those who were satisfied is lower than the side who were not satisfied, it reveals that there is low customer perceived value on hotel services. This is similar to the figure 4.0 below which reveals that only 32% of the respondents were satisfied with the way services were provided; and 68% were not satisfied. It was noted that non-recipients tourists were the ones that did not satisfied on the way services are provided.

From the figure 4.1, only 33% of the clients (09 respondents out of 27) were satisfied with the way services were provided; and 67% respondents (18 out of 27) were not

satisfied. It was noted that non-recipients tourists were the ones that did not satisfied on the way services are provided. The main reasons mentioned as to why clients were not satisfied included: Hotel services did not give happiness to them, hotel service are not reasonably priced, poor services, hotel has good reputation, theft issues and poor security. When asked to mention ways in which the services satisfied their needs, visitors/tourists mentioned that it only satisfied the shelter and others mentioned that only the food which was provided. It was however noted that most medium hotels had only provided nice food, shelter and other facilities.
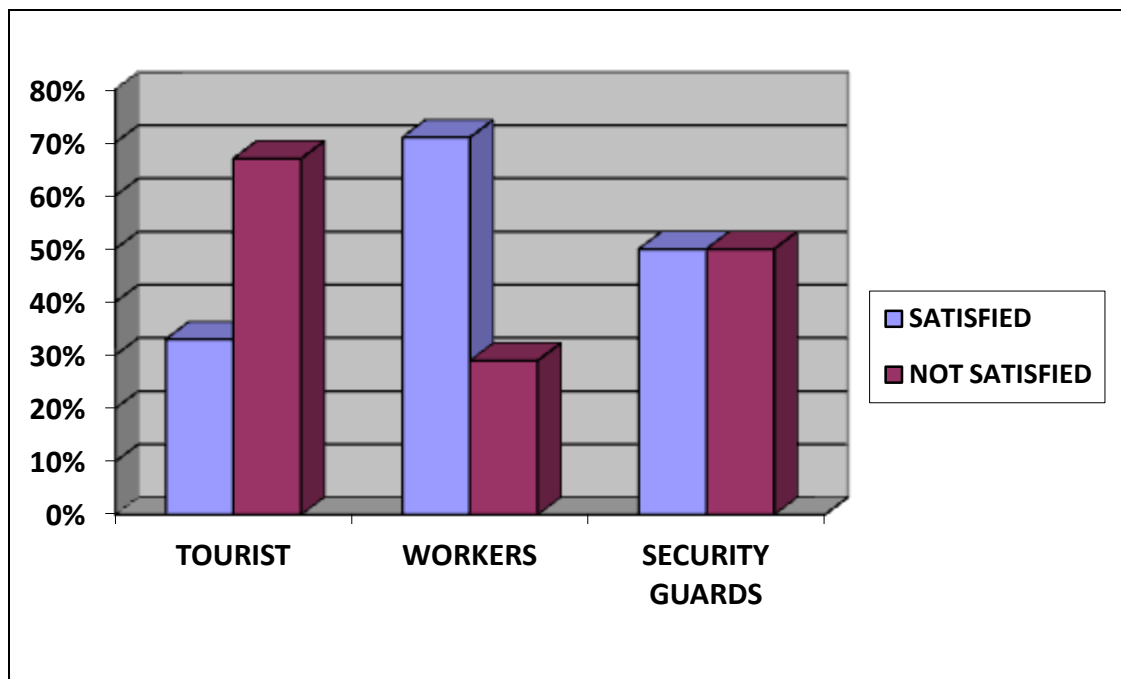
Figure 4.1: Perceived Value

Source: Field Data, (2013)

4.3.10 Clients' Perceptions on Hotels Competitiveness Indicators

This subsection presents the factors which explain tourist perceptions' of hotels competitiveness. As shown in figure 4.1**,** at the hotel level clients are most satisfied

with sense of hospitality and comfort, while they are significantly less satisfied with variety of hotel leisure facilities and extra expenses quality/price ratio.

Table 4.12: Average Degree of Client Satisfaction on Competitiveness Indicators at Hotel Level

Competitive Indicators	Security Guards	Staffs	Tourists
Comfort	35%	35%	30%
Sense of hospitality	25%	35%	40%
Variety of facilities	40%	30%	30%

Source: Field Data (2013)

Table 4.12 reveals that, 35% of respondents (tourists) in the study are comfort with the hotel level because they received services satisfactorily. When they were asked to give their opinions about the hotel supply of variety facilities, 60% of the respondents (both staffs and tourists) said that there is a problem of inadequacy of hotel supply for young tourists (than older people) which affect the degree of client satisfaction according to their age. Tourists younger than 30 years are on average less satisfied than the other clients for each indicator, with the exception of the language skills of the hotel personnel as young people actually tend to speak more languages compared to older people.

Moreover, they are the most dissatisfied on the level of extra expenses quality/price ratio and the variety of hotel leisure facilities. In general, the summer hotel supply corresponds better to expectations from tourists over 50 years old. However, these tourists seem to be dissatisfied with the variety of leisure facilities offered by hotels

4.4 Contribution of Small and Medium Size Hotels

The hospitality industry prides on giving its customers a warm welcome and providing outstanding service in pursuit of high outstanding service in pursuit of high guest retention and consumer satisfaction. By extending that same level of customer service to guests who have disabilities, hotels and lodging establishment can build a clientele in a growing, diverse market that remains as yet nearly untapped. People with disabilities and older adults who benefit from accessible features are likely to become repeat customers for businesses that provide them with accurate information, informed assistance, and a friendly attitude**.**

One hotel manager commented: *"Good customer service practices that assist people with disabilities will bring repeat business from guests with disabilities, older travelers, and friends and families that accompany this large and growing market".*

Similar view was given by hotel manager: *"Majority of customers is our returning customers and they will bring new customers along when they visited for the next time".*

Consumers over the age of 50 experience changes in vision, hearing, and mobility that affect how they interact with businesses and their products. Most accessible facility, product, and program features will accommodate the physical changes this market segment experiences.

Attention to detail also plays a major role in maintaining a hotel's accessible features. Sidewalks blocked by large trash receptacles, lowered reception desk areas

filled with decorative vases, routes to public restrooms blocked by supplies, and poorly placed, oversize furniture in accessible rooms all convey to the customer with a disability a lack of understanding about accessibility. Hospitality is not provided when a guest cannot get to the front door, register at the front desk, eat in the restaurant, or maneuver around his room.

4.4.1 Economy

More than 95% of businesses in Tanzania are small enterprises including hotels. Together, they contribute about 35% of the country's Gross Domestic Product (GDP) and they generate up to 40% of total employment in Tanzania. Development of SMEs facilitates distribution of economic activities within the economy and thus fosters equitable income distribution (UNCTAD, 2008).

4.4.2 Local Employment, poverty elimination and promotion of sustainable Tourism

Because one of the main economic concerns with tourism development is the leakage effect, which prevents the host countries from holding and retaining the gains from tourism (UNCTAD, 2008), therefore use of local employees and local suppliers may promote sustainable tourism developments to reduce ''leakage'' effect (Ashley, 2006), while maximizing the poverty elimination and creating economic opportunities for the poor (Goodwin, 2008). Through employment in small and medium hotels people get income hence the poverty can be eliminated. In addition, the recognition of SME sector that it has higher potential for employment generation per capital invested attracts key actors to support SME development programmes.

Since SME development does contribute significantly to poverty alleviation, resources earmarked for poverty alleviation will also be availed to the SME's.

4.5   Measures in Place to Address Challenges Facing Tourist Hotels

Research findings reveals that the challenges facing small and medium hotels are Financial constraints, lack in capital and support, low level of education, marketing strategies, lack of hotels' business managerial skills, poor technology and lack of trained staff and poor services.

One role the government can play is to facilitate learning and education in terms of the importance of marketing strategy as well as other business strategy in business management. Understanding the significance role of marketing strategies through seminars and training will assist SMH to develop suitable marketing strategies as well as other strategic plan in order to improve their business performance. This will help to sustain and grow in future. Moreover by attending training, this will alleviate the operators from work stress as entrepreneurs are heavily involved in operational management. They should learn sometimes to refrain from the daily businesses develop-
pment. The government can also act as an organizing body to assist SMHs to collaborate with other star rating hotels.

Currently, hospitality businesses are being dominated by small to medium enterprises competition is very tough for SMHs. Therefore, certain strategy must be used in order for SMHs to compete healthily in market. One of the effective strategies that

could be used is by parties. Government should play an active role in providing a platform to link and establish strong networking for the SMHs. Essentially, the enhanced networking, knowledge and best practice sharing among SMHs and support initiatives within government programs can assist these enterprises to develop and grow further.

As reported in this study, there are still owner-managers who appear to be reluctant to adopt current technology in assisting their business. Respondents suggest the application of internet in marketing their business and it should be clearly adopted by hotel enterprises so that their marketing promotion can be fully benefited through the internet assistance.

Moreover, simple technology such as acceptance of credit cards as a mean of payment should be practiced by these enterprises, because it is convenient, it takes advantage of sales and it establishes a credit history. Respondents suggest that having a major Visa, MasterCard and Discover Card means no more running to the bank for cash, counting out change, or hurriedly scribbling in a check book when needed to make a purchase.

Respondents suggest that in order for the owner-manager not to be left behind they should switch their traditional way of managing the hotel despite the size of the hotel, by embracing current normal practices such as word of mouth and yield management, including overbooking and dynamic pricing because these have been enormously important innovation in the service industry. This study reveals that

word-of-mouth is one of the most powerful weapons for the SME's to promote their businesses knowing that " when someone's happy with what you are doing for them they are going to tell other people". This just makes sense, when taking care to the clients, not only do they physically see results, but they actually feel different. They believe in themselves. They are more confident, and they talk about the positive things of your business to their spouse, neighbors, friends and community as well. Hence, it is important for the hotel operators to strengthening the word of mouth promotional method by formulating the actual strategy in identifying what is the real key factor that makes the customers deliver positive word-of-mouth. This is important because, the identification of the key factors can actually assist the operator in maximizing the potential word-of-mouth recommendation besides improving other areas of services which could also become another area of potential. Accordingly, strategies for sustainable development which covers important aspects such as marketing strategy, business plan strategy must be developed in order for these enterprises sustain in the market.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1   Introduction

This chapter presents a summary of conclusion of the entire work based on the findings.

5.2   Summary

This study investigated the challenges facing small and medium size tourist hotels in Dar es Salaam region. Nine hotels (small and medium size) were studied. According to www.cleartrip.com/trip/hotels/tanzania/dar es Salaam, there are at least 38 common hotels in Dar es Salaam region. The main objective of this study was to explore challenges facing small and medium size tourist hotels in Dar es Salaam. In order to achieve this objective the study dwelt on questions service quality, business performance and customer satisfaction.

The tourism sector being the fastest growing sector in Tanzania, the study intended to examine the contribution of accessibility between small and medium size tourist hotels and performance and to assess the relationship between the level of perceived service quality and customer satisfaction in tourist hotels. Both qualitative and quantitative information collected was subsequently used in the analysis. Both positive and negative aspects were studied. Issues affecting customer satisfaction, business performance and the way respondents perceived service quality in a hotel were examined. Using the results, the study has established that:

To some extent, there is lack of value for money which does not match the value of service provided to the customers. It is found that customers pay a high price for a certain service but instead the service is unsatisfactory and not standard. There should be regular monitoring from various authorities responsible for hotels services in small and medium size hotels. Also there should enough room for customers to provide feedback for their stay in hotels as well as the quality of services which were provided to them. This can help the hotels' administration and management to improve the services so as to compete well in the market.

Financial constraints, lack in capital and support, low level of education, marketing strategy, Lack of hotels business managerial skills, poor technology, lack of trained staff, budgetary constraints and poor services in accommodation, communication and security contribute to poor business performance, affect firms growth and employment.

There is a relationship between service quality and customer satisfaction. Quality has a direct impact on product performance, and thus on customer satisfaction. Service quality has been proven to be the best determinant of customer satisfaction when it comes to service sectors. Also, providing quality services is one of the main targets when it comes to management with respect of customer satisfaction in the business environment of today. Service quality was perceived as a critical differentiation strategy that offers competitive advantages for the hotel sector. Managers conceptualized business performance in terms of how an organization utilizes its resources in order to achieve organizational goals.

Employment opportunities for the locals are observed to be in the low cadres with low skills and remuneration. In order to increase the impact of trained and qualified staffs in tourist hotels, there is need to institute training programmes that would ultimately provide chance for the locals to be employed in high cadres with high pay.

The results reveal that hotel managers, under pressure from corporate leadership, are forced to focus on short-term financial gains at the expense of customer satisfaction. Adherences to strict budgets force managers to cut expenditure on service quality improvements. While this approach may be desirable in the short term, it is unsustainable in the long term. The results imply that corporate managers are not allocating adequate resources for the implementation of continuous improvements.

5.3   Recommendations

The following are recommendations to the government, tourism related stakeholders, hotel owners and policy makers.

There should be a governed body established purposely for close monitoring and evaluation of accommodations provided by the hotel to the customers followed by actions if services are not standard.

Staff working in as in individual central reservations as well hotel reservations offices need to know and be able to accurately inform potential guests about the accessible features offered in each of their facilities. Understanding what constitutes an accessible feature and how each feature serves guests with disabilities will enable

staff to provide essential information to customers. Correctly answering a reservation inquiry about a hotel's accessible features helps avoid an awkward or unsolvable situation when the guest with a disability cannot use the room that was reserved. Once an accessible room is guaranteed to a prospective guest with a disability, an accessible room must be available to him or her upon arrival at the hotel. Few examples of ways hotels and lodging establishments can turn guests with disabilities into satisfied repeat customers are accommodation, reservations and communication. By doing so, there is likely to be an increase in marketing value and hotel business performance.

The owner-manager should be pro-active and collaborate with various stakeholders such as the government, tourism related management organization and relevant association such as budget hotel association in order to take full advantage of the training that is provided by these parties. By doing so, any uncomfortable and possibly embarrassing circumstance can be minimized if not eliminated.

Corporate leadership should not force hotel managers to focus on short-term financial gains at the expense of customer satisfaction because strict budgets force managers to cut expenditure on service quality improvements.

Hotels should improve service quality through the development of training for staff and the awareness towards the importance of training to the businesses should not be overlooked. Without training, housekeeping staff and bellmen can unwittingly compromise the best intentions to provide access.

The Integrated Tourism Master Plan for Tanzania which presents a marketing analysis and strategy to meet desired objectives. The Tourism Infrastructure Project, which presents specific transportation linkages and tourist circuits, hotels and lodges needs, with a budget and timeline for completion.

The government must develop plans on how to support the SMH such as affordable credits and infrastructures like roads, water supply and electricity.

Cleanliness and service are the most important issues. Therefore there should be close checks and feedbacks on services daily.

5.4   Conclusion

This paper has illustrated the challenges facing small and medium size hotels and has identified the problems and challenges faced by these enterprises.

SMH form an important part in hospitality and tourism industry as it directly generates income to the local community and indirectly the government. Hence, from this research, it is possible to suggest, that main unique business characteristics of SMHs can be identified as limited capital, self -funded business, low levels of awareness especially among small enterprises, reluctant towards new technology adoption and depend heavily on word-of-mouth recommendation. The findings imply that these small and medium size enterprises suffer from several obstacles such as financial constraints, lack in capital and support, low level of education, marketing strategy, Lack of hotels business managerial skills, poor technology, lack

of trained staff, poor services (accommodation, communication and security) and budgetary constraints.

Secondly, this study offers insights about the role of individual practitioners in managing their businesses. It is important to acknowledge the serious unawareness attitude among the owner -managers' practitioners. Developing or having better awareness is critically importance when conducting the business. It is clear from the interview that some of the owner-managers are still lacking in their levels of awareness towards several important issues. The awareness towards the importance of training to the businesses should not be overlooked. The owner-manager should be pro-active and collaborate with various stakeholders such as the government, tourism related management organization and relevant association such as budget hotel association in order to take full advantage of the training that is provided by these parties. Without training, housekeeping staff and bellmen can unwittingly compromise the best intentions to provide access. For example, if an employee places the television remote control atop a tall chest of drawers or leaves the adjustable shower head at the highest position, then a guest who uses a wheelchair cannot reach them. If the housekeeping staff adjusts the thermostat or opens the guest room curtains during a post-arrival room cleaning, a guest who is blind may be left in an uncomfortable and possibly embarrassing circumstance. With instruction and consistent service, employees can maintain accessible features and raise the level of a hotel's guest satisfaction rating. In order for any hotel business to succeed service consistency, service convenience and customer demand fulfillment are also to be put under consideration. In addition, given the increased levels of competition, small and

medium hotels need to take advantages on the availability of technology. On top of that hotel leaders should take responsibility for delivery on service quality and business performance.

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APPENDICES

APPENDIX A: Supervisor's Questionnaire

To be Answered by the Hotel Supervisor

Dear Supervisors,

This questionnaire is aimed at collecting your opinion and data about the relationship between the level of perceived service quality and customer satisfaction in tourist hotels, contribution of accessibility between small and medium size Tourist hotels and the impact of training on employee's performance. The purpose is to explore the challenges facing small and medium size tourist hotels. You are hereby requested to provide your genuine responses about each question. The information you provide will be treated strictly confidential, and be used for this research only.

PART A:

Please write briefly or put a tick where applicable.

1. Name of the Hotel: …………………………………….…..............…………..

2. How many hotel rooms are in this Hotel? 0 – 50 ☐   51 – 200 ☐   More than 200 ☐

3. Your Age: …………………….………………………………..............…………

4. Gender: Male   ☐ Female   ☐

5. Marital Status: Single ☐   Married ☐   Divorced ☐   Widow ☐

6. Education Level:

   …………………………………………………………………......……

   …………………………………………………………………......……

7. Occupation:

   …………………………………………………………………………………………

   …………………………………………………………………………......................

8. Work/Experience:

   Month/Years………………………………………………….......................

   ....

   ....

9. Work tasks …………………………………………………………...........

   ………………………………………………………………………...............

10. Previous hospitality …………………………………………………......

    ……………………………………………………………………...............

11. Previous hotel working experience

    ………………………………………………………………………............

    …………………………………………......…………………………............…

12. Do you require further training? Yes ☐   No ☐   If No, explain why.

    …………………………………………………………………………….…

    …..…………………………………………………………......................……

13. The following types of training are given to the employees: You can tick more

    than once.

14. Language training

    ☐ Hotel services and administration training

         A. Telephone techniques ☐

         B. Sales skills ☐

C. Safety and first-aid ☐

D. Guest relations ☐

E. Public relations general information and application ☐

F. Cleaning table procedure ☐

G. Beverage knowledge ☐

H. Greeting customers ☐

I Cross training ☐

J None ☐

15. Do you think Employees" professional quality" is the key of hotel services?

Yes ☐   No. ☐

16. In your organization, the Level of customer service quality is:

Poor ☐   Good☐   Satisfactory ☐

17. Marketing Strategy:

A.   Advertising: Single ☐   Multiple ☐

B.   Promotion ☐

C.   Word –Of- Mouth (WOM) ☐

D.   Mixed Approaches: Banner☐   Brochures☐ BlogSpot ☐ Social

Networking ☐

18. Is there any accessibility for disabled clients in your organization?

Yes☐ No☐

If No explain why? …………………………………………………..............

…………………………………………………………………………………………………

…………………………………………………………………………………………………

If Yes, what kind of accessibility?

…………………………………………………………………………………………………

…………………………………………………………………………………………………

PART B:

1. You are required to tick and give a comment

Hotel Manager/ Supervisor's Comment			
Item	**Respondent**	**How would you describe your staff progress in this Development target?**	**Comment**
Able to apply their plans successfully	Employee 1	☐ None ☐ Some progress ☐ Significant progress ☐ Completed developmentTarget	
	Employee 2	☐ None ☐ Some progress ☐ Significant progress ☐ Completed development Target	
Somewhat able to apply the skills learnt to the job	Employee 3	☐ None ☐ Some progress ☐ Significant progress ☐Completed development Target	
	Employee 4	☐ None ☐ Some progress ☐ Significant progress ☐ Completed development Target	

2. Who are the lenders of your capital? Just put a tick

   From Banks ☐ From SACCOS ☐ From Donors ☐

   Assistance from friends ☐ Loan from individuals ☐ As grants ☐ Family

   members ☐

3. From the list of Challenges and financial problems mentioned below, rank them according to the degree of effectiveness.

Financial Problems	Rank				
	1	2	3	4	5
Lack of fund to purchase sea foods products from the fishermen					
Lack of fund to purchase processing equipments					
Lack of capital for transportation costs of sea foods (from oversee to Tanzania)					
Lack of fund to employ competent and professional employees					
Complicated conditions on getting loan from banks					
High interest rates					
Poor services					
Availability of accessibility					
Budget constraints					
Lack of trained staff					
Lack of hotels business managerial skills					
Poor technology					
Financial support					
Short time for repayment of the loan					

KEY to Q. 3 (PART B) 1.   Most often 2. More often 3. Often 4.   Sometimes 5. Not at ll

4. What should be done to overcome the challenges/ problems listed in Q3 above and who to be blamed? Give you views

……………………………………………………………………………………….

APPENDIX B: Employee's Questionnaire

To be Answered by Employees

Dear Employees,

Some employees at this organization have been attending training to enhance performance of the organization. Employee training and development is becoming an increasingly important function of human resource management. It is used by organizations to facilitate employees' learning of job-related competencies and to gain a competitive advantage in the rapidly changing business world. This questionnaire is aimed at collecting your opinion and data about the challenges facing small and medium size hotels. The purpose is to explore the challenges facing small and medium size tourist hotels. You are hereby requested to provide your genuine responses about each question. The information you provide will be treated strictly confidential, and be used for this research only.

PART A:

Please write briefly or put a tick where applicable

1. Name of the Hotel: ………………………………………….

2. Age …………………………………………………………….

3. Gender: Male ☐   Female ☐

4. Marital Status:………………………………………………

5. Education level: Primary ☐   Secondary ☐   College ☐   University ☐

6. Occupation………………………………………………………………

7. Work experience:………………………….(Indicate Months/Years)

8. Work tasks: …………………………………………………..………………………..

9. Previous hospitality education: …………………………………………….……

10. Previous hotel working experience: ……………………………….……………

11. Any other information about your occupation

    ……………………………………………………………………………………

    …..…………………………………………………………….………………...…

12. Do you satisfy with the quality of services provided to customers by your

    organization?

    …………………………………………………………………………………...

    Have you attended any kind of training in your organization?   YES ☐   NO ☐

    If yes, which type of training?

    …………………………………………………………………………………

    …………………………………………………………………………………

13. How do you feel about the training?

    …………………………………………………………………………………

    …………………………………………………………………………….……

14. Give your comments about the Training programme which you have attended

    whether contributes anything to your performance

    …………………………………………………………………………………

    ……………………………………….…………………………………….………

15. Briefly, give any challenge(s)/problems that relates to your work place and

    affecting your day to day job performance.

    …………………………………………………………………………….……

    …………………………………………………………………………….……

APPENDIX C: Customer's Questionnaire

To be Answered by Customers

Dear customers,

This questionnaire is aimed at collecting your opinion and data about the challenges facing small and medium size hotels. The purpose is to explore the service quality and perceived value in tourist hotels. You are hereby requested to provide your genuine responses about each question. The information you provide will be treated strictly confidential, and be used for this research only.

PART A: Bibliography:

Please write briefly or put a tick where applicable

1. Name of the Hotel: ……………………………………………………………

2. Age: ………………………………………………..……………………………..

3. Gender: Male ☐   Female ☐

4. Marital Status: Single ☐ Married ☐ Divorce ☐ Widow ☐

5. Occupation: ………………………………………………...............................

6. Education: …………………………………………………………………..

7. Are you in: Just a visit? Yes ☐ No ☐

    Tour? Yes ☐ No ☐

8. How long did you stay in? ……………………………………………...........

9. Give any comments about the quality of services provided (good/poor/satisfactory), area of failure and what you think could be the reason.

Quality of services

………………………………………………………………...

Areas of failure

………………………………………………………………...

Reason:

……………………………………………………………………………………………

PART B:

S/NO	Factors	Yes	No
1	The service units of the hotel have adequate capacity		
2	The equipment of the hotel works properly without causing breakdowns		
3	The hotel performs the services right at the first time		
4	The hotel provides the services at the time it promises to do so		
6	Service Convenience		
7	Employees are always willing to serve customers		
8	The hotel keeps accurate records		
9	It is easy to access to the hotel (transportation, loading and unloading area, car parking area, etc.)		
10	Employees are always available when needed		
11	The hotel has modern looking equipment		
12	Service Consistency		
13	The atmosphere and equipment are comfortable and appropriate for purpose of stay		
14	The hotel is also convenient for disabled guests		
15	Poor infrastructure (i.e load, car parking)		
16	Customer Need Fulfillment		
17	Lack of power supply		
18	The atmosphere and equipment are comfortable and appropriate for purpose of stay		
19	Materials associated with the hotel are adequate and sufficient		
20	Food and beverages served are hygienic, adequate and Sufficient		
21	Employees of the hotel understand the specific		

	needs of guests		
22	Employees have knowledge to provide information and assistance to guests in areas they would require		
23	Accessibility facilities		
24	Food and beverages served are hygienic, adequate and Sufficient		
25	The hotel provides its guests a safe and secure place		
26	Access to communication i.e internet etc.		
27	Materials associated with the hotel are adequate and sufficient		
28	The hotel provides its guests a safe and secure place		
29	Employees of the hotel understand the specific needs of guests		
30	The hotel has visually appealing buildings and facilities		
31	Materials associated with the hotel are adequate and sufficient		
32	The hotel has visually appealing buildings and facilities		
33	Employees of the hotel understand the specific needs of guests		
34	The hotel has visually appealing buildings and facilities		
35	Materials associated with the hotel are adequate and sufficient		
36	Employees have knowledge to provide information and assistance to guests in areas they would require		
37	Food and beverages served are hygienic, adequate and Sufficient		
38	The hotel provides its guests a safe and secure place		
39	Food and beverages served are hygienic, adequate and Sufficient		
40	The service units of the hotel have adequate capacity		