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SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MARKETING MANAGEMENT

**ASSESSING THE IMPACT OF PROMOTIONAL MIXES ON SALES
PERFORMANCE OF TOUR OPERATORS IN ADDIS ABABA**

BY:

BIRUK LEMMA

JUNE, 2019

ADDIS ABEBA, ETHIOPIA

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ID №: SGS/0363/2010A

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL
OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
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MARKETING MANAGEMENT**

JUNE, 2019

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**ST.MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Mesfin Workineh (PhD). All sources of materials used for the thesis have been duly acknowledged, I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree

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May, 2019

ENDORSEMENT

This thesis has been submitted to St. Mary's University college, School of Graduate Studies for examination with my approval as a University advisor.

Mesfin Workineh (PhD)

Advisor

St. Mary's University college, Addis Abeba

Signature

May, 2019

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May God bless you!

ABBREVIATIONS

AFDB: African Development Bank

BSC: Balanced Scorecard

DMO: Destination Management Organization

ETO: Ethiopian Tourism Organization

GOE: Government of Ethiopia

GTP: Growth and Transformation Plan

ICT: Information Communication Technology

ILO: International Labor Office

MDGs: Millennium Development Goals

MoCT: Ministry of Culture and Tourism

PASDEP: Plan for Accelerated and Sustained Development to End Poverty

TTO: Tour and Travel Operator

UNWTO: United Nations World Tourism Organization

WBGS: World Bank Group Study

WTO: World Tourism Organization

WTM: World Travel Market

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ABSTRACT

This study was conducted under the title “Assessing the impact of promotional mixes on sales performance of tour operators in Addis Abeba”. The main objective of study is to assess the impact of promotional practices on the sales performance of tour operators. The study portrayed the impact of promotional mixes on sales performance of tour operators found in Addis Abeba. The study employed both qualitative and quantitative research methods. The main source of primary data in the study is tour and travel operators. Structured and unstructured questionnaires were used to collect data from the selected tour and travel operators of Addis Abeba. The target population of the study is 181 tour operators which are found in Addis Ababa and those 181 respondents were selected based on convenience sampling method. One person from each selected tour and travel operators filled the questionnaires based on the experience and knowledge in the area. Among the findings, it was revealed that the mixes of the promotional elements have influence on sales performance of tour operators with a varying degree. It is recommended to customize promotion strategy and program that consists proper mixes of promotional elements to enhance the sales performance of tour and travel operators. Accordingly the study found out that Advertising, direct marketing and personal selling activities affecting sales performance of tour operators, while public relation do not affect sales performance of tour operators

Key terms: *Sales performance, Promotional mixes, International tourist Tour operators and Tourism*

CHAPTER ONE

1.1. Background of the Study

The use of appropriate promotional mix helps to address the available and unique tourism products to the travelers and to exist in the competitive market environment. The promotional mix is a term used to express the collection of tools that a firm can use to create awareness and try to persuade the benefit and features of products to the customers.

The tourism sector is essential for the growth and development of nations' economy. According to Nicolas Vaugeois (2013) tourism is an attractive business tool for economic development specifically in the developing world. Tourism has become an important sector that has an impact on development of country economy. The main benefits of tourism are income creation and generation of jobs. For many regions and countries it is the most important source of welfare. The ability of the national economy to benefit from tourism depends on the availability of investment to develop the necessary infrastructure and on its ability to supply the needs of tourists.

Simply having various tourist products in a destination will not attract international tourists. It is most important to effectively promote all of natural and man-made tourism resources to the target customers. Destination promotion could be considered the front face of destination marketing, as it entails all aspects of communicating and enticing customers to visit the destination. Designing effective and efficient promotional strategy is basically an important issue. In fact, at its most fundamental level, tour operators' promotional practice should integrate with other marketing mix and work as a single man working. Tour operators have a great power to influence and to direct demand than others do (WTO, 2007).

To this end, the strategy formulation, implementation and controlling of the promotion is required to be well organized, structured, directed, coordinated, integrated and executed as well. In contrast, unorganized, undirected, unplanned and less integrated promotional efforts will become a source of company's inefficiency. Not only would it be worthless but also it adds little value to the company's

overall performance. That is why the researcher is interested to undertake the research with a title “Assessing the Impact of promotional mixes on sales performance of tour operators in Addis Ababa” to fill the gap which exists in this area and the research is selected by researcher due to different reasons like familiarity and interests towards the topics.

The student researcher have surveyed relevant studies which are related to tour operator promotional practices in Addis Abeba and the researcher couldn't find any research that can give an insight and show problems or any significance and issues as of my knowledge in Ethiopia, but the title of the research have been studied with different scenario, scope and objectives. Researching this topic is significant for different stakeholders of the hospitality sector of the country those who benefit from this includes the following: The hospitality sector, travel and tour operators, new investors of the sector, Ethiopian tourism organization (ETO) and the ministry of culture and tourism of Ethiopia (MoCT) in general and different advertising firms related with the travel industry.

1.2. Statement of the Problem

The UNWTO (2017) has illustrated in its report the importance and challenges of tourism. It can be seen as having many benefits and costs. And also has noted that it generates local employment, both directly in the tourism sector and in various support and resources managements sectors. Tourism stimulates profitable domestic industries -hotels and lodging facilities, restaurants and other food services, transportation systems, handicrafts, and guide services. Tourism generates foreign exchange for the country and injects capital and new money into the local economy.

Tourism diversifies the local economy, particularly in rural areas where agricultural employment may be insufficient. Employment opportunities can be created in the business communities due to the arrival of tourists who need goods and services. A promotional activity is a business activity that communicates a company's interests and embodies a transmission-reception of a variety of information between internal business processes and external business relationships. Promotion has the roles of informing, persuading, inducing action, and reaching and affecting a diversity of publics.

Ethiopia, a country with numerous outstanding tourism resources but a victim of long lived bad image, still lacks studies conducted in the area of promotional practices at a country level in general and tourist destination area in particular. It is evident that the country has long been associated with drought, famine, war and political unrest. Politically, the coming to the power of the *Derg* regime after the imperial government had messed up every single development concern, thus, contributing to the several damage of the flourishing tourism sector (Yabibal, 2010).

Although Ethiopia has many internationally recognized tourist attractions, its share in the tourism market relative to other African countries is very low. The total number of international tourists and total tourism receipt in Ethiopia for the year 2016 and 2017 was 1,959,750 and 780 million USD respectively in year 2016 and 2017; According to the data obtained from UNWTO Tourism Highlights 2018 Edition; A report on International Tourism Trends of the year 2017, which is far less than other African countries, such as Egypt, South Africa, Tunisia, Morocco, Kenya and Zimbabwe (UNWTO, 2017). Ethiopia is the first from the continent by having more world heritage sites, but they are not well optimized at the moment. In short, tourism in Ethiopia is at its low level of development and its effect on economic development was not given attention until recent times.

Even though tour operators have significant role in promoting the country's tourism resources, as my observation and access to look previous studies conducted by ministry of culture and tourism and different tourism stakeholders and different online portals, there is lack of study conducted in promotional practices of tour operators and its relative impact on sales performance.

Thus, to address the impact of promotional mixes on sales performance; this study attempted to assess the overall promotional practices of tour operators in Addis Abeba and its impact on the company sales performance.

1.3. Aim and Objectives of the Study

Aim of the Study

The purpose of the study is to assess the impact of promotional practices on the sales performance of tour operators in Addis Abeba. The research focused on the promotional practices of TTOs and its related effect on the sales performance of tour operators in Addis Abeba.

Specific Objective of the Study

Specifically the study attained the following objectives:

- ✚ To determine the present marketing communication methods used by tour operators of Addis Abeba
- ✚ To assess the impact of promotional practices on the sales performance of tour operators of Addis Abeba

1.4. Research Questions

Originating from the statement of the problem, this study tried to answer the following main research question and sub-research questions:

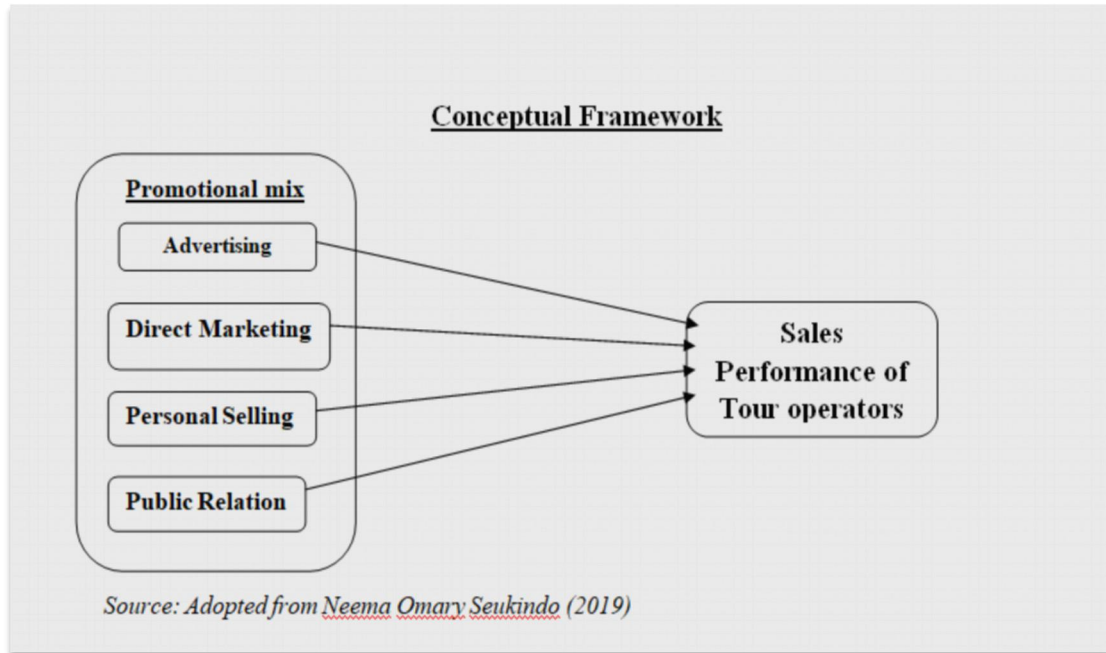
Main Research Question

- How do the promotional practices of TTOs affect the sales performance of tour operators and what specific marketing communication methods are beneficially utilized by TTO of Addis Abeba?

Sub Research Questions

1. To what extent advertising is affecting the sales performance of tour operators of Addis Abeba?
2. To what extent personal selling is affecting the marketing and sales performance of tour operators of Addis Abeba?
3. Dose public relations affect the sales performance of tour operators of Addis Abeba?
4. To what extent dose direct marketing affect the sales performance of tour operators of Addis Abeba?

1.5. The Conceptual Framework



Source: Adopted from Neema Omary Seukindo (2019)

Figure: 1.1. Conceptual framework of the study

The conceptual framework for this research revolves around promotional mixes and its impact on sales performance of tour operators. Meanwhile depicts the explicit relationship of marketing communication and its effect on the overall sales performance of travel and tour operator and specifically the framework addresses the relationship of promotional practices and sales performance of travel and tour operators.

1.6. Significance of the Study

Since promotional activities play a significant role for the effective marketing of any business; undertaking the research entitled with “Impact of promotional practices on the sales performance of tour operators in Addis Ababa” will benefit various participants in the hospitality sector of Ethiopia. Specifically the research can greatly benefit the tour and travel operators of Addis Abeba.

Precisely the study can help tour operators to review and evaluate the level of promotional practice and its effect on the sales performance of tour operators and in the meanwhile it can provide a direction for tour and travel managers to examine the effective promotional mix that can attract more tourists and also it can provide a direction for tour operators regarding the relevant promotional tools used both online and offline to attract more tourists and to improve the sales performance.

The researcher believes that this study is intended to address the gap between promotion theory and promotion practices and the impact of promotional practices on sales performance of tour operators which are found Addis Abeba. More precisely the study is expected to enhance the competitiveness of tour operators by providing direction and guideline for relevant and appropriate promotion strategies and tools.

Beyond the afore mentioned significances the study also contribute information to the body of knowledge both in the academic and research area of promotion mix strategies of the tour operation companies which are found Addis Abeba and the findings of this research can also contribute to the growth of tourism sector by identifying the problems related to the subject matter and providing information to the concerned bodies like policy makers, tourism planners, tourism marketers and academicians and it is also expected to extend its significance to the society at large as a starting point for further study in the area

1.7. Scope of the Study

The study is limited to the impact of promotional practices on the sales performance of tour operators which are found in Addis Ababa. The study is concerned in the areas of promotion strategy, applicability of promotional mix and appropriate promotional tools to attract enhance sales performance and did not include other areas of marketing mix, even though they have power in influencing company's sales performance. The target scope of this study was 333 tour and travel operators which are found in Addis Ababa (MoCT, 2016). The researcher assessed the promotional practices of those TTO found in Addis Abeba.

1.8. Limitation of the Study

The study is focused on tour operators' promotional practices which are found in Addis Ababa. Lack of published materials (limited empirical information in the promotion practices of tour operators in Addis Abeba) and lack of locally conducted studies in the area are among the major limitations.

Even though there are a traditional 4Ps/ marketing mixes and the modern more expanded 7Ps which serve as marketing mix in the service industry, but the scope of this study is only limited to the promotional mixes. The scope of this study is only concentrated on the travel and tour operators found in Addis Abeba; thus not including other travel operators located outside Addis Abeba is other limitation. The outcome of the study entirely being dependent on responses of the respondents included in the study is other limitation of the study.

1.9. Organization of the Study

The organization of this research paper encompasses five chapters.

The first chapter is introductory chapter and focus on background of the study, statement of the Problem, aim and objective of the study, research questions, significance of the study, scope of the study, limitation of the study, plan of the study and lay out of the paper is included.

The second chapter outlines the review of different literatures related to the areas under investigation; which Contains definition of terms and concepts about the effective mixes of promotional elements for tourism & also includes conceptual framework of the study.

The third chapter is research methodology focus on, description of the study area, research design, sources of data, target population of the study, sampling design and sample size, data collection method, data analysis; ethical considerations, validity and reliability of the instruments are included in this chapter.

The fourth chapter present and analyze the data collected through the primary and secondary means using questionnaires and the last chapter summarizes the points raised in the study and gives recommendation and conclusions

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical review on Promotional Mixes

Marketing strategy has become important tool globally for any organization to remain in competitive market environment. Since hospitality industry is an industry that is full of competitions from national and international chain standard hotels developing flexible, realistic marketing strategies is not a will but an obligation to be carried out. Aremu and Lawal (2012) sees strategy as, a pattern of resource allocation decisions made throughout an organization. This encapsulates both desired goals and beliefs about what are acceptable and most critically unacceptable means for achieving them. Since marketing mix strategies are keys for the marketing strategies of the travel industry, different perspectives have been given about their contents.

2.1.1. Definition of Terms

Promotion- is vital element of marketing mix used to pass information, persuasion and influence to audiences.

Promotion mix- is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers.

Tourism- is the activity of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, or any other purpose.

International Tourist- is anyone who visits a tourism resource of a country on temporary bases that is not his usual place of residence for at least 24 hours.

Domestic Tourist- is a person who travels with in the country where he resides to a place other than his usual place of residence for at least 24 hours or one night.

Tour operator- is a person or a company that purchase separate elements of transportation, accommodation and other services and combine them into package which they then sell directly or indirectly to the consumers (Holloway, 2002).

2.1.2. The Marketing Mixes

The marketing mix represents the organization's marketing offering and consists of the controllable variables that the organization puts together to satisfy the needs and desires of the target market. The traditional marketing mix (the 4Ps) has four components, namely, product, price, place and promotion.

In the case of the travel and tourism industry the core product product/service is dependent with the availability of touristic destinations within the host nation and more specifically its promotion to the target customers will play a significant role in attracting prospective tourists.

I. Product

Products or market offerings are the basis of any business, which is why the product can be regarded as the reason for marketing. If there were no product (or service), there would be nothing to sell. A company aims to make the product different and better in a way that will cause the target market to favor it and even pay a premium price for it (Kotler, 2012). The tourism product may comprise a place, service, tangible products or experiences. The tourism product can be thought of either as the total tourism product (the total holiday package consisting of accommodation at various hotels and different types of transport used) or that of the individual producer.

II. Price

Kotler & Armstrong (2012) define price as the amount of money charged for a product or service; the sum of values that customers exchange for the benefits of having or using the product or service. Price is not only the money redeemable for a product or service, but more broadly again is the sum of all value given to all consumers benefit. Thus, firms have to think comprehensively with regards to the marketing mix strategy, especially when considering the price. Communicating affordability constitutes an important pull factor in drawing tourists to particular destinations. When used in tourism, a product package is sold which includes airfare, transport, accommodation, entertainment and meals, usually at a lower rate than if each component were to be purchased separately.

III. Place / distribution

Place is an important consideration because tourists must travel to the destination in order to consume the tourist product. Tasks include making contact with potential buyers, negotiating, and contracting, transferring title, providing local inventory, transportation and storage. These tasks may be performed entirely by the manufacturer or entirely by intermediaries. In the case of tourism, since the market offering is a service, inventory and storage cannot take place because, hotel rooms, for example, if not sold for a certain night, cannot be sold again - the concept of perishebility is evident. Without place, the customer will not have access to products. Distribution channels can be defined as “a path through which goods and services flow in one direction (from vendor to the consumer) and the payments generated by them that flow in the opposite direction (from consumer to the vendor)”. Place is important in a firm’s level of competitiveness especially in hospitality sector by which the location by itself can be considered as elements of the service.

IV. Promotion

Promotion and communication strategy is a major component in the marketing mix strategy. It helps firms to communicate on their product or services to the customers. Promotional strategy constitutes a number of elements that include personal selling, sales promotion, advertising, public relations and direct marketing (Lehtinen, 2011). Promotion or marketing communication is the final element in the marketing mix. It is intended to send marketing-related messages to a selected target audience and to persuade consumers to purchase the product. It therefore covers all those communication tools that can deliver a message to a target audience. One of the reasons is that effective advertising helps firms to attract and ensure loyalty of the customers within the current changing business environment.

2.1.3. Theories of Marketing Communication

Marketing communication is the process of effectively communicating product information or ideas to target audiences. Marketing communication is therefore the element used to showcase important features of the other three components of the marketing mix to increase the odds that the consumer will purchase a product.

As mentioned previously, marketing communication sends messages, ideas and information to target audiences. To communicate the marketing message effectively, companies must realize that everything they do can send a message.

Imparting the right message to the travelers demands a planned and careful implementation; to this end this study will contribute in filling the gap between communication practice and its impact on sales performance of tour operators found in Addis Abeba.

Planned messages take the form of marketing communication tools, for example, advertising, sales promotion, public relations, direct marketing or personal selling. Unplanned messages, however, include all the other elements associated with the company or brand which are capable of delivering implicit response service, crisis management or word of mouth. Planned messages can be further subdivided into personal and non-personal marketing communication.

2.1.4. Critiques Against IMC as a Marketing Tool

Not every promotional activity results in positive outcomes while it is correct that promotion yields positive results and ultimately business growth, it is not automatic that everyone who runs promotional activities is guaranteed of winning. Promotion does not yield immediate tangible success, hence the need to commit resources towards it, in anticipation for future payback. Kotler (2003) explicitly put it when he expressed that it is one thing to create awareness, it is another thing to sustain the attention attained, and still another thing to trigger action (in the form of purchasing the promoted product/service). He thus emphasized that it is not guaranteed that every promotional effort results in a sale, therefore promotion on its own cannot be deemed critical for the success of service providers.

Unlike the other three 'P's' of a marketing mix (Lancaster and Reynolds, 2005), promotion can be omitted from a marketing mix program without noticeable immediate detrimental effects. Price, place and product are indispensable. No-matter how much of promotional effort a company can engage in, if the product quality, price and distribution channels are not superior or competitive, customers can

still avoid these products. Promotion ensures the customer attains information and ideas which are means to the customer's decision about the product. Therefore this study was intended to find out ways by which tour and travel operators of Addis Abeba benefit from the integrated and appropriate marketing communication techniques.

2.2. Empirical Studies on Tour Operators Business

There are some papers conducted in tour operators business. However, because of more relevance to the current study and the papers are supposed to give more recent information, two papers were selected. The first study was conducted on the topic entitled as "assessing on the effectiveness of integrated promotion to attract international tourists to the city of Addis Ababa". The general objective of the study was to assess on effective mix of the promotional schemes undertaken by the city tourism authorities and its stakeholders to aware and attract international tourists.

The findings of the paper implied that that there is average integration and cooperation of tourism stakeholders to promote the city tourism products and potentials to the international levels. The stakeholders have attempting to promote together heavily through the use of professional associations, trade and tourism exchanges activities, web/Internet, and international bench marking. This may indicate that individual promotion efforts are more dominate to assure one's own benefits from the tourism actors. It described that there is an attempt to promote the country and the city together with the tour and travel operators, regional tourism bureaus and offices, and the city government. However, there is no strong integration yet. The TTOs are at the front for harvesting the benefits of tourism, but they have less interest to cover the required amount of promotion cost (*Girmay, 2014*).

This paper is used as a foundation for the current study. It showed that there is no integration among stakeholders in promoting the country and it did not state the integration of tour and travel operators and their promotion strategy and program. The current study is deemed to investigate the tour operator's promotional practice and its impact on their sales performance specifically.

Another study was conducted on the topic entitled with “assess the use of social media as a marketing tool for tour operators located in Addis Ababa” (*Abiy, 2014*). The objective of the study was to assess the extent to which tour operators are using social media to reach target customers, to evaluate the potential of using social media as marketing tool for tour operators and to identify benefits of using social media as marketing tool and to analyze the disadvantage of using social media as a marketing tool.

The results of the study indicated that most of the tour operators in Addis Ababa are not using social media through developing social media strategy (*Abiy, 2014*). This study is also used as a bench mark for the current study in that it shows that tour operators in Addis Ababa are not using social media through developing social media strategy. But the study didn't comprehensively study the overall promotional practices of tour operators in Addis Abeba. On the other hand, the current study attempted to comprehensively analyze the overall promotional practices of tour operators in Addis Abeba and its impact on their sales performance.

2.3. The Empirical Review of Marketing Communications Mix

Like any other business organization, the tour and travel operators use different marketing communications mix for the effective promotion of their services to the target markets; these marketing communication consists of a set of tools that can be used in various combinations and different degrees of intensity in order to communicate with a target audience. In addition to these tools or methods of communication, there are the media, or the means by which marketing communications messages are conveyed.

Today, in an age where the word ‘integration’ is used to express a variety of marketing and communication-related activities, where corporate marketing is emerging as the next important development within the subject (*Balmer and Gray, 2003*), and where relationship marketing is the preferred paradigm (*Gronroos, 2004*), marketing communications now need to embrace a wider dispatch to move beyond the product information model and become an integral part of an organization's overall communications and relationship management strategy. Marketing

communications, therefore, can be considered from a number of perspectives. It is a complex activity, and is used by organizations with varying degrees of sophistication and success.

2.3.1. Personal Marketing Communication

Personal communication channels involve two or more persons communicating directly with each other (Kotler, 2012). This may be face to face, person to audience, over the telephone or via e-mail. There are many alternatives which will be discussed in the sections to follow. The personal communication creates opportunities for tailoring the message to the person to whom it is being delivered, and also that immediate feedback can be received.

Direct Marketing

The growing utilization of direct marketing by organizations over recent years has been significant. It signals a shift in focus from mass to personalized communications. In particular, the use of direct mail, telemarketing and the fast- developing area of interactive communications represents through-the-line communications. By removing the face-to-face aspect of personal selling and replacing it with an email communication, a telephone conversation or a direct mail letter, many facets of the traditional salespersons' tasks can be removed, freeing them to concentrate on their key skill areas.(Chirs Fill,2006)

Direct marketing uses a set of direct-response media such as direct mail, interactive television, direct selling, telemarketing, e-mail and the Internet. These media are the tools that direct marketers use to implement the communication process. Direct-response media carry messages to identifiable customers or prospects and can be used to send brand messages to specific geographic and electronic addresses. According to Pender (1999), direct marketing techniques essentially involve marketing the product directly to the consumer without the involvement of a middleman or intermediary. This allows the marketer to gain direct access to the buyer.

Interactive Media

There have been some major changes in the environment and in the way organizations communicate with their target audiences. New technology has given rise to a raft of different media, while people have developed a variety of ways to spend their leisure time and organizations have developed fresh combinations of the promotional mix in order to reach their audiences effectively. The Internet and digital technologies have made possible new interactive forms of communication, where the receivers have greater responsibility for their part in the communication process.

According to Belch and Belch (2001), interactive media allow for a back-and-forth flow of information whereby users can participate in and modify the content they receive. Interactive media also include CD-ROMS, kiosks and interactive television. Also known as two-way media, interactive media allow both companies and customers to send and receive messages and also permit an instant exchange of information. Travel and tour operators can make use of these communication tactics that are available to maintain and manage ongoing marketing communication activities and relationships (Andersen, 2001). Developments in information technology have made new communication options available, including the internet, email and e-commerce.

Personal Selling

Personal selling is a form of person-to-person communication in which the seller attempts to persuade prospective buyers to purchase his or her company's product or service. One of the main advantages of personal selling is two-way communication because it allows for greater flexibility in the design of messages and enables salespeople to tailor the message to their customers. Negotiation with prospective customers is also possible. In almost all instances, personal selling is more effective than other types of promotion (Reich, 1997) because most purchase decisions are based to varying extents on information and persuasion. There is not enough time or space in an advertisement to attempt to supply all answers to target customer's potential questions.

2.3.2. Non-Personal Marketing Communication

Non personal communication channels include media, atmospheres and events. Media consist of broadcast media (television and radio), print media (newspapers and magazines), electronic media (CD-ROM, web pages) and display media (billboards, signs and posters). Atmospheres are used to create or reinforce the buyer's credibility (vital to the tourism product) and events are occurrences designed to communicate particular messages to target audiences (such as news conferences, sponsorships or new product launches, arranged by an organization's public relations department).

Advertising

Advertising is a form of either mass communication or direct-to-consumer communication that is non personal and is paid for by various business firms, nonprofit organizations and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience (Shimp, 2000). Advertising attempts to develop and change attitudes by providing information or touching emotions to persuade consumers to act. Persuasion is the conscious intent on the part of one person to influence or motivate another through the use of reason, emotion or both. These basic features of advertising should be born in mind when designing an advertisement.

In communication through advertizing it is crucial to identify clearly the target consumers, the objective expected to meet, the means of achieving the objectives and the right time of implementation. In short this means communication should answer the four WH questions who, what, how and when.

According to Hollenson (2007), the selection of media to be used in a particular advertisement campaign starts with some idea of the target market's demographic and psychographic characteristics, regional strengths of the product, seasonality of sales. According to him; the main media types are:

Television: is an expensive but commonly used medium in attempting to mach broad national markets. In most developed countries coverage is no problem. However, television is one of the most regulated of communications media.

Radio: is a lower-cost broadcasting activity than television. Commercial radio started several decades before commercial television in many countries. Radio is often transmitted on a local and therefore national comparisons have to be built up on are by-are basic. Radio advertising must create a sense of visual and verbal message.

News papers: most people have access to either a news papers or magazine. Most people, made the same news papers each day and their regular choice of magazine reflects either their business or leisure interests.

Outdoors media- consists mainly of billboards/posters, shop signs and transit advertising. This medium shows the creative way in which space can be sold to customers. In the case of transit advertising, for example, a bus can be sold as an advertising medium.

Sales Promotion as a Marketing Communication

Sales promotions are used to provide strong incentives to purchase and are often used to boost sales. They vary between being extremely subtle and extremely dramatic, depending on the specific promotional activity chosen. There may be a strong element of immediacy inherent in their use, because when a product is bought, the sales promotion accompanies the purchase.

Sales promotion consists of various promotional activities which can be used to target buyers, respond to special occasions and create an incentive for purchase. It stimulates sales by offering an extra short-term incentive to act or justify action. Sales promotion is based on the premise that each brand or service has an established perceived price or value. It changes the accepted price-value relationship by increasing the value, lowering the price, or both (Burnett & Moriarty, 1998). Thus sales promotion offers consumers an immediate inducement to buy a product by the simple step of making the product more valuable.

Public Relations as a Marketing Communication

Public relations (PR) are a management function which enables organizations to achieve effective relationships with various publics in order to manage the image and reputation of the organization. Public relations are a popular marketing tool in tourism because of the credibility of the message.

Maintaining effective public relations has a number of benefits since a company will receive a reasonable amount of exposure and a positive image will be portrayed. Experts believe that consumers tend to trust the media more than they do advertisers. Consumers prefer to be informed rather than "sold to" (as in advertising) and will thus possibly take more cognizance of an article written by a newspaper journalist about a product than an advertisement.

One advantage of PR is that there are no advertising costs involved. Publicity usually involves sponsoring an event or conducting a press conference, which costs the company money, but being mentioned in the newspaper the next day is free. Effective PR requires commitment to the company and resources for a planned and focused program.

The costs of public relations activities often appear less than for other types of promotions. This is because articles may appear in newspapers and magazines which are usually expensive to place advertisements into. In addition, such articles tend to have higher credibility because of the lack of an obvious commercial sponsor. This enables public relations to be an effective means of marketing communication.

Public Relation Tools for Effective Marketing Communication

Public relations have certain tools that are used to inform its publics of the company. These tools include crisis management, media relations, corporate relations, customer relations and events and sponsorships.

Crisis management

When negative incidents occur, it is important to use public relations to ensure that the company's version of the event is presented, and thereby attempt to lessen any damage that may have been caused by the unexpected event. It is essential for the company to act quickly and responsively

towards the negative incident. Tourism destinations are particularly vulnerable to negative publicity because if something happens at a specific destination, such as floods or terrorist attacks, travelers will be reluctant to visit the area.

Media relations

The aim of media relations is to provide newsworthy information to the press, radio and television to gain publicity. Media relations are imperative for marketing purposes, necessitating development of contacts with local, national and specialist media. PR staff should also be prepared to assist media contacts should they call with any requests for information or interviews. The media relations function of PR is primarily responsible for publicity. Media relations specialists develop personal relationships with the media covering their industry or company. They provide information in the form of story ideas, press releases and other publicity materials, serve as a source or find an expert when a reporter needs to speak to someone knowledgeable.

Special events and sponsorships

Sponsorship is a viable means to generate publicity, especially by sponsoring a competition or event, even if it is in conjunction with another company. The sponsors are always mentioned and thanked, and goodwill is created for them. Social events such as company picnics or sports days can also generate publicity. Such activities may simply be used to create a pleasant atmosphere and build relationships with employees and customers, investors and important stakeholder publics.

Public Relations and Communication

The increasing use of public relations and publicity in particular, reflects the high credibility attached to this form of communication. Publicity involves the dissemination of messages through third-party media such as magazines, newspapers or news programs. There is no charge for the media space or time, but there are costs incurred in the production of the material. (There is no such thing as a free lunch or free promotion.) There is a wide range of other tools used by public relations, such as event management, sponsorship and lobbying. It is difficult to control a message once it is placed in the channels, but the endorsement offered by a third party can be very influential and have a far greater impact on the target audience than any of the other tools in the promotional mix.

PR was described as one of the most cost-effective ways of promoting the destination brand and product offering through effective media communication, i.e. providing the various printed and electronic media with interesting and newsworthy stories about the destination, which could then be included as editorial content in the various media. In addition to the obvious cost advantages associated with editorial coverage versus PR, stories about the destination in editorial format carries more credibility as it is the objective view of the writer and not advertising that is designed to influence.

2.4. An Overview of the Tourism Industry

Tourism is one of the largest and fastest growing global industries. It is a vibrant in creating significant employment and economic development, particularly in many developing countries. Over the last few decades, tourism has become one of the main sectors of the global economy, not only because of its contribution to the gross domestic product (GDP) of different countries, but also because of the employment it generates (Cooper, Fletcher, Fyall, Gilbert, & Wanhill 2008).

So far, many definitions of tourism have emerged as a result of the growth and changes of tourism-related activities, but there is one simple definition that has been accepted for a long time now: It is a temporary movement of people to destinations outside their normal places of work or residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs (Ibid). More importantly, the World Tourism Organization (WTO, 2004) defines tourism as “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” (Ibid).

In countries those endowed with significant tourist attractions, tourism has emerged as a new impetus for economic growth because its ability to generate foreign exchange and employment. A concise analysis of the economic impact of tourism for a developing country is important to guide the policy intended to develop tourism and augment its benefit on the economy (Dwyer and Forsyth, 1993). Tourism impacts on the economy through tourist’s expenditure on different (mostly non-traded)

goods and services (Hazari and Sgro, 1995:243). More generally, the economic impact of tourism can be examined by analyzing its impact on the growth of production, use of the factors of production or on the country's balance of payments (Mikić, 1988: 302). Tourism is a phenomenon that warrants investigation due to its impacts economically and socially to a region or country.

According to tourism towards 2030, UNWTO's recently updated long-term outlook and assessment of future tourism trends, the number of international tourist arrivals worldwide is expected to increase by 3.3% each year on average from 2010 to 2030. This represents some 43 million more international tourist arrivals every year, reaching a total of 1.8 billion arrivals by 2030. Based on the information from countries with data available, tourism's contribution to worldwide gross domestic product (GDP) is estimated at some 5%. Tourism's contribution to employment tends to be slightly higher and is estimated in the order of 6-7% of the overall number of jobs worldwide (direct and indirect). For advanced, diversified economies, the contribution of tourism to GDP ranges from approximately 2% for countries where tourism is a comparatively small sector, to over 10% for countries where tourism is an important pillar of the economy. For small islands and developing countries, the weight of tourism can be even larger, accounting for up to 25% in some destinations.

2.5. History of Tourism Industry in Ethiopia

Ethiopia was one of the first African countries to establish a tourist industry and in the 1960s; tourist arrivals grew at the rate of 12 percent a year. By 1974, when the Emperor Haile Selassie was overthrown and replaced by a military regime, Ethiopia's tourist sector was on a par with Kenya's. Ethiopia then had actually more to offer than Kenya: both had coastlines, spectacular scenery and abundant wildlife, but Ethiopia also had historic sites and an identity defined by its own history, culture and peoples, rather than by colonialism as depicted in the manual of Ministry Of Urban Development and construction.

Ethiopian Airlines for international and domestic air access, building airfields around the country at key tourism sites, building hotels at or near these sites, and establishing a national tourism operation (NTO) to take tourists to the hotels and attractions. The main attraction was the "Historic Route"

which at the time (1968-73) Ethiopian Airlines was servicing with seven flights per day (up to 280 passengers daily). The “Historic Route” took place in Addis Ababa, Lalibela, Gondar, Axum and Asmara as elaborate in the manual of Ministry of Urban Development and Construction (Ministry Of Urban Development and construction, 2006).

From 1974 for two decades, the Ethiopian tourism industry suffered from the adverse effects of a prolonged civil war, recurrent drought and famine, strained government relations with tourist generating countries, and restrictions on entry and free movement of tourists during the military government from 1974 to 1991. During this period, apart from periodic upgrades of the infrastructure (such as airports and roads), there has been little investment and successive governments have largely overlooked the sector. The sector is in urgent need of re-investment, in particular, the cultural and natural attractions, and human resources that form the basis of the tourism product, have been completely neglected as mentioned in manual of Ministry Of Urban Development And Construction (Ministry Of Urban Development and construction, 2006).

It was illustrated that the linkages to international tourism networks, both for marketing and research purposes, have also been neglected. Lack of coordination between stakeholders and the government resulted in poor infrastructure development and under developed tourist sites as well as a shortage of skilled workers in the sector. Generally, there was lack of marketing and promotional strategy as well as low awareness of tourism by local communities. In addition, the limited share of tourism earnings reaching the local community is affecting the sustainability of the sector and is having a negative impact on the contribution of tourism towards poverty alleviation (Ministry Of Urban Development and construction 2006).

By adding its explanation, the Ethiopian context for developing tourism is somewhat unique in Africa in that the country has been, until recently, closed to foreign investors. This has resulted in an unusual and potentially powerful paradigm where businesses in the tourism sector are almost entirely Ethiopian-owned (either by government, the Ethiopian Orthodox Church or the private sector). On

the other hand, this closed and relatively controlled system has stifled the development of a creative and innovative industry in terms of product development, crafts, exploration of new attractions, etc.

Ethiopia has also so many magnificent historical and natural sites and diverse cultural, historic and heritage tourism attractions. And therefore has great potential to develop itself as a tourist destination. However, the country could not get the economic benefits it deserves from the sector as it was stated in the manual of ministry of urban development and construction (Ministry Of Urban Development and construction, 2006).

Furthermore, Ethiopia is a strategically important country in the horn of Africa for most countries and therefore, many international meetings and conferences are held in Ethiopia. This creates a huge demand for accommodation at an international standard and even an increase in such a demand is expected in the future because the importance of Ethiopia has been growing and many international organizations have been continuously strengthening their institutions and augmenting their personnel in Ethiopia as described in the manual of ministry of urban development and construction (Ministry Of Urban Development and construction, 2006).

According to the manual of ministry of urban development and construction (September, 2006), the government of Ethiopia (GOE) has now prioritized tourism development in its development strategy, the Plan for Accelerated and Sustained Development to End Poverty (PASDEP), Millennium Development Goals (MDGs), Growth and Transformation Plan (GTP) and tourism policy to optimize the existing tourism resources as a driving force of economic growth for the whole country. In light of all these, the government planned to make Ethiopia one of the top ten tourist destinations in Africa by the year 2020 with an emphasis on maximizing the poverty reducing impacts of tourism and to change the international image and positioning of the country. The sector should be planned in a comprehensive way to foster the contribution of tourism on the general economic development of the country.

Tourism industry is increasingly recognized as a valued mechanism for job creation, economic development and poverty reduction. Emerging economies from Thailand to Kenya to Mexico have benefited over time from this sector. Though growing and diversifying their tourism resources they have leveraged them into economically productive assets. Similarly, Ethiopia is well-positioned to leverage its vast tourism potential through integrated mix of the promotion elements to address its tourism resources. The potential for growth of attracting international travelers may be promising due to improvements and great attention of the GOE and the stakeholders.

2.6. Tour Operators and their Marketing Communication Practice

Tour operators perform a distinct function in the tourism industry .They purchase separate elements of transportation, accommodation and other services and combine them into package which they then sell directly or indirectly to consumers. They are sometimes called as wholesalers in the sense that they purchase services and break bulk (buy in large quantities in order to sell in small quantities).

Tour operators sometimes called packagers or tour wholesalers; they offer consumers their selection of tourism products that form complete packages of holiday services in destinations selected by the company. These services can include for transportation, accommodation, possible day trips, sightseeing tours and meals. Most often holidays organized by tour operators are not longer than one to two weeks in length and include only one destination, but exceptions occur, such as trekking tours and other tour packages where tourism services in several locations are included (Holloway, 2002).

Tour operators aim to create packages that can be sold to the consumers with a compatible and attractive price while at the same time making enough profit to run the business. This is assured by the concept called ‘bulk buying’, which means that the tour operator buys a large number of e.g. hotel rooms and airline seats to get discounts and be able to offer their packages to consumers at an attractive price. Other things often bought in bulk are airport transportation, taxi transportation and local entertainment that can be sold to the customers in advance or on site. The tour packages are sold to the public using different types of marketing tools, such as paper form (leaflets and brochures), TV advertising or online advertising (Holloway, 2002).

In Ethiopia, most of tour operators offer a very familiar range of tour, including the one-day or half day Addis Ababa tours, the one-day excursion from Addis Ababa and range of two-thirteen day tours to historic sites, national parks, and other tourist circuits of the country. Still, a number of tour operators are beginning to diversify other unique tours that exploit the full diversity of Ethiopia, including hiking tours, birds watching, hunting, etc. are emerging. There are 333 registered tour operators which are currently working in Addis Ababa (Ministry of culture and Tourism, 2016).

2.7. Marketing Communication and Distribution Channels for Tour Operators

Sales through travel agencies

Sales through travel agencies were stated as distribution channel related to domestic and foreign travel agencies and aimed at two generic segments: foreign tourists who buy travel packages and domestic tourists who make use of package tours. (WTO, 2013)

Trade and tourism exchanges

Fairs and exhibitions – at different levels – are an alternative form of presentation and sale of products to intermediaries and the general public. Their main advantage is the potential for establishing personal contact between different private and public tourism businesses according the explanation in the guide. (WTO, 2013)

Internet

The Internet was described as one of the most effective communication, information and promotion tools in today marketing activities. It was advised to depended on accessibility and knowledge, explore and use different options (web sites, emails, web advertising) to contact your former clients to keep them updated, communicate with travel agencies and publicize on different web pages, among other things. (WTO, 2013)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research Approach

Yin (1994) suggests that the best research method to be used for a study depends on that study's research purpose and the accompanying research questions. The study attempted to quantify the results through statistical summary or analysis as well as tried to describe the results that are not expressed in numbers. Therefore, both qualitative and quantitative research approach are applied.

3.2. Research Design

The research can be classified as descriptive, explanatory and exploratory based on the specific purpose that the researcher tries to address. The researcher interacted with tour operators to obtain facts, opinions and attitudes on their promotional practices and the impact on sales performance.

Therefore, descriptive and explanatory research is the research design used for this study. The researcher attempted to describe and interpret the impact of promotional mixes on sales performance of tour operators found in Addis Abeba. The researcher conducted the study through the use of available literatures which are relevant to this study and in this study the survey method was used to effectively collect data. The key variables and measurements which are appropriate for the study were recognized carefully. And also the researcher tried to adopt different factors or promotional mixes which have an impact on sales performance of travel operators were applied to this study.

3.3. Data Types and Data Sources

Both primary and secondary data were used for the purpose of this study so as to make the research more organized and rich with important information. The methods of collecting primary and secondary data differ since primary data are to be originally collected, while in case of secondary data the nature of data collection work is merely that of compilation (Kothari, C.R., 2004). The primary data was collected from the primary sources by using structured questionnaires to staff of the tour and

travel operation companies in Addis Abeba. The secondary data were collected using magazines, manuals, various studies and tourism actors' official web-sites.

This study was mainly dealt with the primary data that was gathered with the help of questionnaires. Primary data encompass the original research conducted on a topic (Cooper &Schindler, 1998). These data are collected if information needed for a specific purpose is not available, or if the information is not already available in published form and primary data ensures that they provide unbiased information that is relevant, clear and accurate.

3.4. Data Gathering Instruments

Primary and secondary data was used for this study mainly by using questionnaire for the staff and management of the travel and tour operators. Oppenheim (2001) suggests questionnaire is method of data collection ensures a high response rate and accurate sampling.

Structured questions were prepared and distributed to the tour and travel operator found in the city based on self-administered questionnaires. The structured questionnaire was organized in two parts; the first part contains questions regarding respondents' demographic profile. The second part includes questions regarding promotional mixes and its impact on sales performance and respondents were asked to rate according to their choice.

A five-point Likert's scale was used to measure the promotional mixes used or applied by tour and travel operators. The secondary data were collected using magazines, manuals, various studies and tourism actors' official web-sites. Generally, the following steps were implemented to collect data from the selected travel and tour operators:-The researcher secured permission for data collection from selected travel and tour operators, informed the respondents about the research objectives, the research process, and confidentiality and provided the questionnaire to the respondent. Finally, data was collected by researcher using the instrument.

3.5. Population of the Study

According to Kothari, C.R., (2004), a population is a well defined or set of people, services, elements, events, group of things or households that are being investigated. The main objective of this study is to assess the impact of promotional practices of tour operators on sales performance. Therefore, the populations of this study are 333 tour and travel operators which are found in Addis Ababa (MoCT, 2016).

Tour and travel operators found in Addis Abeba are the target population of this study; they are characterized in different ways. Most travel and tour operators are concentrated and found in Addis Abeba having the main function of tour package and travel related service sales and more specifically the emphasis is placed for international tourists while little attention is given for domestic travelers. The relevant characteristic with related to this study is that the travel and tour operators of Addis Abeba are engaged with the promotion of Ethiopia as a tourist destination for their specific target market and more precisely preoccupied among the more identifiable characteristics

3.6. Sample Size Determination

It is true that census survey requires so much time, effort and money. To this end, social science research is generally about inferring patterns of behaviors within specific population. That is, it is difficult to study the entire population because feasibility and cost constraints. Hence, it is reasonable to select a representative sample from the population/target group of interest for survey (Bhattacharjee, 2012).

In this study, among the total number of tour operators (from three hundred thirty three tour operation companies) (MoCT, 2016), 181 is calculated and selected as sample size using the formula described here under (Israel, 1992). After the determination of sample size using the below mentioned formula, convenience sampling was employed for individual observation.

$$n = \frac{N}{1 + N(e)^2}$$

Where;

N= number of total population

n= required sample size

e= level of confidence = 95 %(0.05)

A non-probability convenience sampling method was used to select each respondent. The selected TTO operators assigned one person from their respective company to fill questionnaire. So that 181 persons which have more knowledge and experiences in the subject filled out the questionnaires.

The study considered Bole, Mexico, Piasa and Meskel Square surrounding areas because these are places where many tour and travel operators are found and easily accessible and proximity to the researcher's place of work.

3.7. Data Analysis Technique

According to Yogash k.s (2006) the analysis of data serves the following main functions: To make the raw data meaningful, to test null hypothesis, to obtain the significant results, to draw some inferences or make generalization, and to estimate parameters.

In order to address the research objectives, the descriptive research method was used. Descriptive statistical tools were used effectively in order to address the research objectives. To do so, SPSS software was used to analyze the data gathered through questionnaire from the respondents (the selected travel and tour operators).

3.8. Reliability and validity

Reliability and validity jointly called the “psychometric properties” of measurement scale are the yardsticks against which the adequacy and accuracy of our measurement procedures are evaluated in scientific research (Bhattacharjee, 2012).

Validity

All the survey questionnaire items in this study are expected to be valid and reliable. The content validity of the items in this study was reviewed by my knowledgeable instructor and advisor (Mesfin Workineh; PHD) and Bizualem Getu; MA by hospitality Management who have expertise in research in hospitality industry. Comments made by these individuals were integrated to make better of the research items.

Reliability of the Data

Table 3.1: Reliability Statistics for general instrument

Cronbach's Alpha	N of Items
.780	28

Source; SPSS Survey Output (2019)

Reliability, which relates to the dependability and consistency of measuring instruments, is another important consideration in scientific investigation. In this regard, the study used the Cronbach's alpha coefficient, which is one of the tests used to check for reliability of an instrument to relay on the outcome of the instrument applied. According to Mugenda and Mugenda (2003) reliability is the ability of a research instrument to produce consistent results after repeated trials. The researcher conducted reliability test to make sure the instrument used in the study is reliable. The Cronbach's alpha for the general instrument is found to be 0.780 which is more than the acceptable range 7.0. Table 3.1 summarizes the reliability test of research instrument which was done on the actual study.

From the findings on the table above, the Cronbach's Alpha co-efficient was used as a measurement parameter such that in the main survey, all the items included in the questionnaire were reliable. The acceptable Alpha value that meets the statistical prerequisite for the instrument to be characterized as

reliable should be 0.70 and above (Travakol & Dennick, 2011). The Alpha score for the questionnaires fell within the given range and as a result the researcher found the instrument suitable for conducting data analysis. This implies that the assessment tools used was capable of producing stable and consistent results.

3.9. Ethical Consideration

The research with the title “Assessing the impact of promotional mixes on the sales performance of tour operators in Addis Abeba” was conducted by taking all ethical issues of a research into consideration. The main reasons behind taking ethical norms in this research are: First to promote the aim of research such as knowledge, truth, and avoidance of error.

Second, since research often involves a great deal of cooperation and coordination of tour operators to provide the intended data of the establishment. Many of these ethical standards promote the values that are essential to collaborative work, such as trust, accountability, mutual respect, and, fairness. In general to get ethical acceptance, the following task were conducted during the study.

Organizational approval; a written letter that explains the research idea was provided to the tour and travel operators. The researcher obtained approval prior to any research activity at the specified tour and travel operators.

Informed consent- The cover letter explains the purpose of the questionnaire and the right to accept or refuse to participate in the research activities was given to the respondents of this study. As well as explained the purpose of the study and for what purpose the study is conducted

Voluntary participation and harmlessness: Subjects in a research project must be aware that their participation in the study is voluntary, that they have the freedom to withdraw from the study at any time without any unfavorable consequences, and they are not harmed as a result of their participation or non-participation in the thesis.

Anonymity and confidentiality: to protect subjects` interests and future well-being, their identity must be protected in a scientific study. Anonymity implies that the researcher or reader of the final

research report or paper cannot identify a given response with a specific respondent. Confidentiality; the researcher can identify a person's responses, but promises not to reveal that person's identity in any report, paper, or public forum.

Disclosure: usually, the researcher has an obligation to provide some information about his/her study to potential subjects before data collection to help him/her decide whether or not they wish to participate in the study. For instance, who is conducting the study, for what purpose, what outcomes are expected, and who will benefit from the results. Guided by this ethical principle, the researcher attempted to disclose about the content and purpose of the study. Moreover, the benefit of the research after finalization is going to be disclosed to selected respondents.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Response Rate

Table 4.1: Response rate

Distributed questionnaires	181
Collected questionnaires	175
<i>Response rate</i>	96.68%

Source; SPSS Survey Output (2019)

The sample respondents comprised 181 staffs in different managerial levels currently employed at travel and tour operation companies in Addis Abeba. Out of 181 targeted tour and travel operation companies 175 respondents filled and returned the questioners making a response rate of 96.68%. A response rate of 60% and above is a good response rate for statistical reporting (Mugenda and Mugenda, 2003).

4.2. Demographic Background of Respondents

Table 4.2: Demographic background

Variable	Description	Frequency	Percentage
Gender	Male	85	48.6
	Female	90	51.4
	Total	175	100.0
Age	21-30	87	49.7
	31-40	80	45.7
	41-50	8	4.6
	Total	175	100.0
Academic Qualification	Diploma	29	16.6
	Higher diploma	16	9.1
	Degree	102	58.3
	Masters and above	28	16.0
	Total	175	100.0
Length of Service	1-5 years	72	41.1
	6-10 years	91	52.0
	>10 years	12	6.9
	Total	175	100.0

Work position of respondents	Finance officer	6	3.4
	Tour guide	15	8.6
	Tour operator	64	36.6
	Marketing manager	54	30.9
	General manager	28	16.0
	Other	8	4.6
	Total	175	100.0

Source; SPSS Survey Output (2019)

Gender of Respondents

As shown in the table above, male respondents contribute 48.6 % or 85 in number while the rest 90 respondents or 51.4 % are female employees of the tour and travel companies in Addis Abeba. This demonstrates that there is a fair gender distribution of the respondents which can be inferred to concluding that tour and travel operation companies found in Addis Abeba gives equal employment opportunity to gender on a professional level.

Age of Respondents

From the findings, 49.7 % of the respondents were aged 21-30 years, 45.7 % of the respondents were aged 31-40 years and 4.6 % of the respondents were aged 41-50 years. Based on the result it is evident that the respondents are composed of different age groups and this can contribute for the heterogeneity of the data collected.

Academic Qualification of Respondents

As shown in the table above, 58.3 % of the respondent's possess first degree, 16.6 % of the respondent's possess diploma, 16.0 % of the respondent's possess a Masters degree while the rest 9.1 % of the respondents have the educational level of higher diploma. This is important as the respondents are expected to have the basic understanding of illustrating the relationship between the independent variables (the promotional mixes) and the sales performance of the tour and travel operation companies.

Respondent's Length of Service in the Tour Operation Company

Out of the total 175 respondents in the survey, 52 % of the respondents have been working in the tour operation company for more than six years; in other words 91 individuals has been working in the tour operation company which enable them to understand the tour operation activities and the travel market at a higher level. On the other hand, 41.1 % of the respondents have been working in the tour operation company for 1-5 years and 6.9 % of the respondents have been working in the tour and travel operation company for more than 10 years. Given the fact that all the respondents are educated as well as stayed for a relatively longer period of time in the travel and tour operation industry, one can use the respondents work experience to gain accurate data on the relationship of the independent variable and the dependent variable.

Work Position of Respondents

As the table above illustrates, 36.6 % (64) of the respondents are tour operators, 30.9 % (54) of the respondents are marketing managers, 16 % (28) of the respondents are general managers, 8.6 % (15) of the respondents are tour guides, 8.6 % (15) of the respondents are finance officers and the remaining 4.6 % of the respondents are from other work positions. According to the data obtained, the respondents' positions are general managers, marketing managers, tour operators, tour guides, finance officers and other tourism professionals. This can ascertain the reliability of the data collected because they are all in the right position to provide information which is related with promotional mixes and their effects on sales performance of tour and travel companies. The researcher tried to select each respondents based on their knowledge and experience in the subject.

4.3. Descriptive Statistics of the Variables

In order to explore the existence and importance of every sub variable of the main variables according to the response of the respondent means, and standard deviations for the independent variables (Advertising, direct marketing, personal selling and public relation) were calculated. But, while making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear (Al-Sayaad, Rabea, & Samrah, 2006). As cited by (Bassam, 2013).

Table 4.3: Five Scaled Likert Criterion

No.	Mean range	Response option
1	1 to 1.80	Strongly disagree
2	1.8 to 2.6	Disagree
3	2.6 to 3.4	Neutral
4	3.4 to 4.20	Agree
5	4.2 to 5.00	Strongly Agree

Source: Al-Sayaad et al. (2006, as cited by Bassam, 2013).

Descriptive statistics for Advertising

Advertising is any paid form of non-personal communication directed towards target audiences and transmitted through various mass media in order to promote and present a product, service or idea. The key difference between advertising and the other promotional tools is that it is impersonal and communicates with large numbers of people through paid media channels.

The study sought to find out the extent to which advertising of institutions services/products influences the sales performance of tour and travel companies. Since advertising is particularly influential for the travel business in terms of creating more travel requests, communicating with the potential clients and offering opportunities to generate more sales with the respective clients, here below a brief description is provided regarding the tools considered for investigation on this research.

Table 4.4: Descriptive statistics on Advertising

	N	Frequency	Percent	Mean	Stdev
Tour operators advertising their websites on Google can affect sales performance	175	-	-	4.46	.584
Moderate extent		8	4.6		
Great extent		79	45.1		
Very great extent		88	50.3		
Total		175	100.0		
Online activities such as advertising on social media can affect sales performance	175	-	-	4.21	.631
Moderate extent		20	11.4		
Great extent		98	56.0		
Very great extent		57	32.6		
Total		175	100.0		

Tour operators' participation on trade fairs can affect their sales performance.		-	-		
Moderate extent		21	12.0		
Great extent		95	54.3		
Very great extent		59	33.7		
Total	175	175	100.0	4.22	.642
Billboards & wall branding used by tour operators can affect sales performance.		-	-		
Not at all		26	14.9		
Low extent		54	30.9		
Moderate extent		61	34.9		
Great extent		34	19.4		
Total	175	175	100.0	2.59	.966
Travel and tour operators' flyers and brochures can affect its sales performance.	175	-	-	3.17	.840
Not at all		8	4.6		
Low extent		18	10.3		
Moderate extent		92	52.6		
Great extent		50	28.6		
Very great extent		7	4.0		
Total		175	100.0		
TV advertisements of tour operators can affect the firms sales performance		-	-		
Not at all		26	14.9		
Low extent		43	24.6		
Moderate extent		60	34.3		
Great extent		24	13.7		
Very great extent		22	12.6		
Total	175	175	100.0	2.85	1.210
Radio advertisement of tour operators can affect its sales performance		-	-		
Not at all		39	22.3		
Low extent		62	35.4		
Moderate extent		45	25.7		
Great extent		14	8.0		
Very great extent		15	8.6		
Total	175	175	100.0	2.45	1.173

TTO advertisement on news papers and magazines can affect sales performance		-	-		
Not at all		28	16.0		
Low extent		73	41.7		
Moderate extent		40	22.9		
Great extent		19	10.9		
Very great extent	175	15	8.6	2.54	1.143
Total		175	100.0		
Interactive media relation activities can affect tour operators sales performance		-	-		
Low extent		26	14.9		
Moderate extent		73	41.7		
Great extent		55	31.4		
Very great extent	175	21	12.0	3.41	.885
Total		175	100.0		

Source; SPSS Survey Output (2019)

Looking at the various forms of advertising and their effect on the tour operator's sales performance, as outlined in the table above, it is evident that all have important contribution. The respondents consider all forms of advertising to affect sales performance from low to very great extent. Particularly, advertising tour operator's websites on Google, online promotion activities and tour operators' participation on trade fairs are considered to affect sales performance to a great extent, with a mean score of 4.46, 4.21 and 4.22 respectively (these particular forms of advertising are considered vital). From the mean score result it is evident that tour operators interactive media relation and tour operators' flyers and brochures do have a moderate level of impact on sales performance with a mean score of 3.41 and 3.17 respectively. On the other hand TV and radio advertisement by tour operators and wall branding used by tour operators have relatively lower mean and higher standard deviation which indicates they have a relatively lower impact on the sales performance of tour operation companies found in Addis Abeba.

Descriptive Statistics of Personal Selling

Personal selling as defined in the second chapter is a two-way communication tool between a representative of an organization and an individual or group, with the intention to inform, persuade or

remind them, or sometimes serve them to take appropriate actions. Negotiation with prospective customers is also possible. In almost all instances, personal selling is more effective than other types of promotion (Reich, 1997) because most purchase decisions are based to varying extents on information and persuasion.

Table 4.5: Descriptive statistics on personal selling

	N	Frequency	Percent	Mean	Stdev
Tour operator's direct interaction with clients can affect sales performance		-	-		
Moderate extent		34	19.4		
Great extent		63	36.0		
Very great extent		78	44.6		
Total	175	175	100.0	4.25	.762
The level of attention given by tour operators for their customers can affect sales performance		-	-		
Moderate extent		12	6.9		
Great extent		115	65.7		
Very great extent		48	27.4		
Total	175	175	100.0	4.21	.550
Quick response and keeping promise at the time of service delivery can affect sales performance		-	-		
Moderate extent		34	19.4		
Great extent		80	45.7		
Very great extent		61	34.9		
Total	175	175	100.0	4.15	.723
Providing product information and offering evidence can affect tour operators sales performance		-	-		
Moderate extent		24	13.7		
Great extent		89	50.9		
Very great extent		62	35.4		
Total	175	175	100.0	4.22	.668
Sales persons skill and ability to initiate sales with the prospective travelers can affect sales		-	-		
Not at all		8	4.6		
Moderate extent		8	4.6		
Great extent		98	56.0		
Very great extent		61	34.9		
Total	175	175	100.0	4.17	.885

Source; SPSS Survey Output (2019)

Table 4.5, describes the mean score and standard deviation for personal selling techniques employed by tour operators, among personal selling activities considered for investigation, tour operator's direct interaction with clients is considered to affect sales performance to a very great extent with a mean score of 4.25. Furthermore, the attention given for customers by tour operators, providing product information, keeping promise at the time of service delivery (reliability), as well as sales person's skill and ability to initiate sales with the prospective travelers are affecting the sales performance of tour operators to a significant level, with the mean score of 4.21, 4.22, 4.15 and 4.17 respectively.

Descriptive Statistics on Publicity

Table 4.6: Descriptive statistics on publicity

	N	Frequency	Percent	Mean	Stdev
TTO engagement with media interviews focusing on business related programs can affect sales		-	-		
Low extent		35	20.0		
Moderate extent		79	45.1		
Great extent		34	19.4		
Very great extent	175	27	15.4	3.30	.962
Total		175	100.0		
Attention given by TTO in dealing with negative publicity can affect sales performance		-	-		
Low extent		20	11.4		
Moderate extent		63	36.0		
Great extent		58	33.1		
Very great extent	175	34	19.4	3.61	.928
Total		175	100.0		
TTO press coverage for events and engagement with the media can affects its sales performance		-	-		
Low extent		32	18.3		
Moderate extent		44	25.1		
Great extent		64	36.6		
Very great extent	175	35	20.0	3.58	1.007
Total		175	100.0		
TTO practice of press conferences and press release					
Moderate extent		101	57.7		
Great extent		52	29.7		
Very great extent		22	12.6		
Total	175	175	100.0	3.55	.708

Source; SPSS Survey Output (2019)

From table 4.6, in reference to the mean, most of the respondents agreed that tour operators attention in dealing with negative publicity to affect sales performance with mean 3.61), most of the respondents also agreed that tour operators press coverage for events and continuous engagement with the media to affect sales performance with a mean result of 3.58) tour operators practice of press conferences affecting company's sales performance with mean result of 3.55 and most of the respondents expressed their neutrality that tour operators engagement with media interviews focusing on business related programs to affect sales performance with mean result of 3.30.

Descriptive Statistics on Direct Marketing

Regardless of the medium, direct marketing emphasis on those measurable activities those customers respond to. Marketing using various channels that directly provide products to customers, information exchange and prompt response to inquiries, business to business communications, direct mail, telemarketing, emails, interactive consumer websites and outdoor advertising.

Table 4.7: Descriptive statistics on direct marketing

	N	Frequency	Percent	Mean	Stdev
B2B marketing activities of TTO can affects their sales performance		-	-		
Moderate extent	175	69	39.4	3.95	.863
Great extent		45	25.7		
Very great extent		61	34.9		
Total		175	100.0		
TTO effort to create travel business through electronic media can affect sales performance		-	-		
Moderate extent	175	35	20.0	4.04	.664
Great extent		98	56.0		
Very great extent		42	24.0		
Total		175	100.0		
TTO application of telemarketing on travel requests can affect sales performance		-	-		
Low extent	175	13	7.4	3.65	.836
Moderate extent		63	36.0		
Great extent		71	40.6		
Very great extent		28	16.0		
Total		175	100.0		

TTO current level of response to customer travel enquiries/requests affects sales performance		-	-		
Low extent		15	8.6		
Moderate extent		27	15.4		
Great extent		87	49.7		
Very great extent		46	26.3		
Total	175	175	100.0	3.94	.872
TTO operators effort to create direct business without agents can affect sales performance		-	-		
Not at all		7	4.0		
Low extent		13	7.4		
Moderate extent		82	46.9		
Great extent		59	33.7		
Very great extent		14	8.0		
Total	175	175	100.0	3.34	.882

Source; SPSS Survey Output (2019)

From table 4.7, in reference to the mean, most of the respondents agreed that tour operators effort to create travel business through electronic media/internet can affect sales performance to a great extent (mean= 4.04), that B2B marketing activities of travel and tour operators can affect sales performance to a great extent (mean= 3.95), tour operators' level of response to customer's travel requests can affect sales performance to a great extent (mean= 3.94). Most of the respondents thought that use of telemarketing on customers travel requests can affect sales performance to a great extent (mean= 3.65) and tour operators effort to create more direct travel business without agents to affect sales performance to a moderate extent (mean= 3.34). Rhee, (2010) has supported the findings of this study by concluding that the internet channel in direct marketing is useful for the acquisition when the customer has low perceived risk and high experience and familiarity with the purchase.

4.4. Sales Performance

Table 4.8: Descriptive statistics on Sales Performance

Sales performance indicators	N	Mean	Stdev
Profitability of the tour operation	175	4.46	.584
Market share	175	4.21	.550
Travel request conversion to sales	175	3.34	.882
Customer retention	175	4.15	.723

Source; SPSS Survey Output (2019)

According to the findings, profitability, market share and customer retention had improved for the last five years as shown by a mean of 4.46, 4.21 and 4.15 respectively. In addition, the trend of travel request conversion to sales for the last five years was shown by a mean of 3.34. The finding of the study is an implication of that sales performance of tour operators is greatly influenced by the promotional mix elements employed by the respective tour operation firms, even though all promotional mixes don't contribute for sales performance equally they can still play a significant role.

4.5. Correlation

Correlation is important to understand the strength of the linear relationship between two variables. The correlation coefficient (r), ranging from -1.0 to +1.0, shows the level of strength of the relationship. Accordingly, if the coefficient is close to +1.0 or -1.0, the relationship is said to be strong while a result close to 0 is an indication of weak relationship between the variables. According to Hinkle, Wiersma and Jurs (2003) the rule of thumb for interpreting the size of a correlation coefficient is as indicated below in the table.

Table 4.9: Correlation between the variables

		Correlations				
		AD	PS	PR	DM	SPER
AD	Pearson Correlation	1	.536**	.165*	.367**	.740**
	Sig. (2-tailed)		.000	.029	.000	.000
	N	175	175	175	175	175
PS	Pearson Correlation	.536**	1	.440**	.249**	.499**
	Sig. (2-tailed)	.000		.000	.001	.000
	N	175	175	175	175	175
PR	Pearson Correlation	.165*	.440**	1	.253**	.125
	Sig. (2-tailed)	.029	.000		.001	.098
	N	175	175	175	175	175
DM	Pearson Correlation	.367**	.249**	.253**	1	.458**
	Sig. (2-tailed)	.000	.001	.001		.000
	N	175	175	175	175	175
SPER	Pearson Correlation	.740**	.499**	.125	.458**	1
	Sig. (2-tailed)	.000	.000	.098	.000	
	N	175	175	175	175	175

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

Source; SPSS Survey Output (2019)

Table 4.10: Rule of Thumb for Interpreting the Size of a Correlation Coefficient

Size of Correlation	Interpretation
.90 to 1.00 (-.90 to -1.00)	Very high positive (negative) correlation
.70 to .90 (-.70 to -.90)	High positive (negative) correlation
.50 to .70 (-.50 to -.70)	Moderate positive(negative) correlation
.30 to .50 (-.30 to -.50)	Low positive (negative) correlation
.00 to .30 (-.00 to -.30)	Little if any correlation

Source: (Hinkle, Wiersma & Jurs, 2003)

A Pearson correlation coefficient was calculated for the relationship between promotional mixes and sales performance. A strong positive correlation and significant linear relationships are obtained between the sales performances of tour operators and promotion mixes. The correlation coefficients (r) for all variables range from 0.165 to 0.740, which show a positive correlation. The most correlated dimension with sales performance among the promotional mixes is Advertising (r =0.740) followed by personal selling (r =0.536), direct marketing (r =0.367), and public relation (r =.165).

The correlation between the promotional mixes themselves shows that there is a moderate correlation between personal selling and advertising with persons correlation of (r =.536). The second correlated items are personal selling and public relation (r =.440) with a moderate level of correlation. On the other side of the table, the two least correlated items are advertising with public relation (r =.165) and direct marketing with personal selling (r = .249) respectively.

4.6. Multiple Liner Regression Analysis

Multiple regression is a statistical model through which researchers analyze the relationship between the dependent variable and a set of independent or predictor variables. Ho (2006), it is a frequently used a statistical technique to achieve three main objectives. Firstly it is used to sort the best prediction equation for a set of variables, Secondly it is also important to control for confusing factors to evaluate the contribution of a specific variable or set of variables trough identifying independent relationships and it is also important to find structural relationships and provide illustrations for what seems to be a complex relationship.

It allows the prediction of one variable from several other variables. Multiple linear regressions assume that all variables are interval or ratio scaled. In addition, the dependent variable should be normally distributed around the prediction line. This, of course, assumes that the variables are related to each other linearly. All variables should be normally distributed (Pallet, 2005).

One of the SPSS outputs of the regression analysis is the model summary that includes the R square and the standard of the error term for the model. R Square (called the coefficient of determination) tells one the proportion of the variance in the dependent variable (sales performance in this particular case) that can be explained by variation in the independent variables (the promotional mixes). The Standard Error of the Estimate gives a margin of error for the prediction equation.

Table 4.11: Collinearity Statistics

	Sig.	Collinearity Statistics	
		Tolerance	VIF
AD	.000	.641	1.561
PS	.005	.586	1.707
PR	.054	.768	1.302
DM	.000	.827	1.209

Source; SPSS Survey Output (2019)

According to Pallet (2005), multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are multicollinear, there is “overlap” or sharing of predictive power. This may lead to the paradoxical effect, whereby the regression model fits the data well; but none of the predictor variables has a significant impact in predicting the dependent variable. This is because when the predictor variables are highly correlated, they share essentially the same information.

Any variable with tolerance below (0.10 or tolerance with a value above (10.0) would have a correlation more than 0.90 with other variables, indicative of the multicollinearity problem. The tolerance value is an indication of the percentage of variance in the predictor that cannot be accounted for by the other predictors. As we can see from table 4.16 these requirements are not invalidated in our results and there is no issue of multicollinearity.

Table 4.12: Model Summary

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.780 ^a	.609	.599	.23737	.609	66.073	4	170	.000

a. Predictors: (Constant), DM, PS, PR, AD

Source; SPSS Survey Output (2019)

The result in the table above indicates the correlation between independent variables (Advertising, Direct marketing, personal selling and Public Relation) with sales Performance of the tour operators is 0.609, this implies 60.9% of the variation on the sales performance of tour operators on the attributes identified can be explained by variation in undertaking various promotional mix programs. The other 39.1% of the variations are considered to be the effect of other variables out of this scope.

Table 4.13: ANOVAa Analysis for Promotion mixes and sales Performance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.891	4	3.723	66.073	.000 ^b
	Residual	9.579	170	.056		
	Total	24.470	174			

a. Dependent Variable: SPER

b. Predictors: (Constant), DM, PS, PR, AD

Source; SPSS Survey Output (2019)

The ANOVA summary table for the regression analysis is observed that the significance level is less than 0.05 ($p < 0.05$) that illustrate there is significant linear regression. This implies that promotional mix programs have a significant effect on the sales performance of tour operation companies.

Table 4.14: Multiple regression result for Promotion mixes and sales Performance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.175	.243		4.829	.000
	AD	.459	.048	.579	9.652	.000
	PS	.084	.030	.178	2.842	.005
	PR	-.077	.040	-.106	-1.939	.054
	DM	.221	.051	.229	4.331	.000

a. Dependent Variable: SPER

Source; SPSS Survey Output (2019)

The last output in the analysis of the multiple regression models represents the output for the beta coefficients of each promotional mix tools. The regression equation for this research is presented below.

$$\text{SPER} = \text{BO} + (\text{B1}) \text{AD} + (\text{B2}) \text{PS} + (\text{B3}) \text{PR} + (\text{B4}) \text{DM} + e$$

Where, SPER= Sales Performance, DM=Direct Marketing, PS=Personal Selling, PR= Public Relation, AD= Advertisement, BO= Constant, B1 to B4= beta coefficients and e=the error term substituting the results in the model gives:-

$$\text{PER} = 1.175 + 0.459 \text{AD} + 0.084 \text{PS} + (-0.077 \text{PR}) + 0.221 \text{DM} + e$$

The results in the table above shows Personal Selling (B=0.084), Advertising (B=0.459), Direct Marketing (B=0.221) and Public Relation (B= -0.077) all have positive relationship with sales performance with the exception of PR. The regression equation above also established that taking all factors into account (advertising, Public relation, personal Selling and direct marketing) constant at zero sales performance will be 1.175. The findings presented also show that taking all other independent variables at zero, a unit increase in advertising would lead to a 0.459 increase in sales performance. The contribution of advertising and direct marketing has a significant and positive effect on sales performance of travel and tour operation companies. On the other hand the effect of

personal selling activities of the tour operators on sales performance is significant to a moderate extent. While public relation activities do not affect sales performance.

The findings shows that a unit increases in advertising activities would lead to a 0.459 increase in sales performance. This is particularly in line with the fact that advertising activities can directly result in an increase in travel requests and particularly increase sales. As the literature above suggests, this effect of advertising activities make it a critical element in raising the sales performance of tour operators found in Addis Abeba. Direct marketing activities are also highly effective in influencing sales performance of tour operators since they provide a way for tour operators to directly contact prospective travelers and provide product information and thereby instigate sales of a package tour this in turn will result in an increase in the sales performance of tour operators.

On the other hand, the personal selling activities are important in creating awareness with regards to the tour packages offered by tour operators and furthermore, the attention given for customers by tour operators, providing product information, keeping promise at the time of service delivery (reliability), as well as sales person's skill and ability to initiate sales with the prospective travelers are affecting the sales performance of tour operators to a moderate extent.

From the finding above, public relation activities such as tour operator's engagement with media interviews, dealing with negative publicity as well as tour operator's practice of press briefing are is not affecting the sales performance of tour operators.

4.7. Discussion of Results

Organizations use advertising for either their short-term or long-term objectives. Tour and travel companies seek through its marketing communications, to build awareness and to impress customers looking for the best range of products and services.

Mortimer (2001) states that an important part of advertising is to reduce perceived risk and provide a clear idea of what the product comprises. Furthermore she considers it is important to advertise consistently, with a clear brand image, in order to achieve differentiation and encourage word-of-mouth communication.

Today, travelers are more knowledgeable and demanding than ever before at marketplace conditions. They are able to research product attributes, investigate competitors' offerings and compare prices. In this case tour operators which are found in Addis Abeba need to design and implement effective advertising to boost their sales; the findings of this study goes in line with the literature, advertising being the best contributor and influencer of tour operators sales performance.

Direct marketing allows businesses to communicate straight to the consumer using various channels. Tour operation companies are leaning more towards this method of promotion due to challenges posed by other indirect promotion methods. Each business wants to understand and control its sales performance elements. Due to a strong focus on a customer and organization's relationship with a customer, all four marketing-mix disciplines come closer than ever before and require companies to develop integrated campaigns in order to achieve the best results. As per the findings of this study, the contribution of direct marketing has a significant and positive effect on sales performance of travel and tour operation companies.

Emphasis is placed on building the relationship with prospects and retaining the existing ones rather than trying to sell the product or service in order to increase sales. Increased competition within the fast changing environment of products/services has lead companies to develop and maintain comprehensive relationships with their customers. The long-term person-to-person relationship is an important factor for a company to achieve a competitive advantage (Meidan 2006). The finding of this study explicitly depicted the impact of personal selling in particular and promotional mixes in general.

Public relations (PR) are a management function which enables organizations to achieve effective relationships with various publics in order to manage the image and reputation of the organization. Public relation is a popular marketing tool in tourism because of the credibility of the message. Maintaining effective public relations has a number of benefits since a company will receive a reasonable amount of exposure and a positive image will be portrayed.

Experts believe that consumers tend to trust the media more than they do advertisers. Consumers prefer to be informed rather than "sold to" (as in advertising) and will thus possibly take more cognizance of an article written by a newspaper journalist about a product than an advertisement, even if the literature suggests the influence of public relation activity, the finding of this research explicitly express that public relation do not have a significant impact on sales performance of tour operators found in Addis Abeba.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of Findings

The general objective of the study was to assess the impact of promotional mixes on sales performance, focusing on tour operators found in Addis Ababa. The study was guided by the following research questions with regards to impact of promotional mixes on the sales performance of tour operation companies:

To what extent advertising is affecting the sales performance of tour operators? To what extent personal selling is affecting the sales performance of tour operators? How dose public relations affect the sales performance of tour operators? To what extent dose direct marketing affect the sales performance of tour operators?

The researcher targeted tour and travel companies found in Addis Abeba. The staffs of the tour and travel companies (general managers, tour operators, marketing managers, finance officers and tour guides) were the main point of focus. This study was important in that it sought to establish the effect of promotional mixes on sales performance of tour operators. The study would be of particular importance to the tour and travel operators as it would draw recommendations that tour and travel operators might employ the appropriate promotional mix elements to boost their sales performance in general.

Explanatory and descriptive research designs were used for this study. The target population of the study was 181 staffs in different travel and tour companies. A non-probability convenience sampling method was used to select each respondent. A non-probability convenience sampling method was aimed to reduce standard error by providing some control over variance. This 181 population was chosen since they have more knowledge and experiences in the subject and also the respondents have

day to day interaction with one or more of the promotional mix tools and can observe its impact on the sales performance of the given tour and travel company. The researcher used primary data for this study and collected using questionnaires. The quantitative data in this research was analyzed by descriptive statistics using statistical package for social sciences (SPSS). Descriptive statistics includes mean, frequency, standard deviation, regression analysis and percentages to profile sample characteristics and major patterns emerging from the data.

The study found that advertising and direct marketing activities conducted by tour operators affect their sales performance significantly in a positive manner. This goes in line with the literature as well as the conceptual framework of the study. The study concluded that tour operator's advertising activities influenced sales performance to a great extent. The regression analysis shows an increase in a unit of advertising activities by the tour operator's increased sales performance by 0.459 units. Advertising activities identified in the study affect sales performance of tour operators to a great extent. This leads to the conclusion that efforts made on these activities have a positive and instant effect and is where the tour operators should focus on to maximize their sales performance and enhance their profitability.

Furthermore direct marketing efforts such as, tour operator's effort to create more direct travel business, level response to customers travel enquiries, create travel business through electronic media, as well as business to business marketing affect sales performance of tour operation companies to a significant and positive manner. Particularly, using electronic media, responding to customer's travel requests and business to business marketing activities are considered to have moderate effect on the sales performance of tour operators. The regression analysis shows an increase in a unit of direct marketing activities by the tour operator's increased sales performance by 0.221 units. This in turn results in an increase in the sales performance of tour operators. So these activities are important to focus on as their return is higher.

On the other hand, the personal selling activities are important in instigating travel package sales in particular and achieving institutional promotion in particular, the literature suggests that there must be

consistent and effective personal selling efforts to persuade customers to buy the package tours and to offer product information about the intangible service. As the effect of personal selling in this particular case is reasonable, it is important for the tour operators to continue to spend on such activities in a careful and designed way. The regression analysis show a unit increases of personal selling activities by the tour operators increased sales performance by 0.084 units; this in turn will result in an increase in the sales performance of tour operators.

The effect of public relation activities on sales performance is shown by a negative result in the regression model, public relation is not affecting sales performance of tour therefore, it is important for the travel and tour operators to focus more on the later activities of promotion mixes in depth while trying to have a properly designed and careful approach to selected publicity tools.

5.2. Conclusions

The study concludes that the promotional mixes of tour operators can't influence the company sales performance equally; accordingly the majority of tour operators have revealed that from the mix of the advertising tools; official web-site, participation on trade show, social media activities and interactive media relations, are mostly applied in proceeding order and influenced the company sales performance to a great extent. On the other hand, tour operator's advertisement on news papers and magazines, TV, radio and billboards can't impact tour operators sales performance.

The study concludes that direct marketing influenced tour operator's sales performance to a great extent. Tour operator's effort to create travel business through internet, tour operators B2B marketing activities, level of response to customer travel enquiries and application of telemarketing on travel requests influenced the company sales performance significantly in a positive manner, this goes in line with the literature as well as the conceptual framework of the study.

The study concludes that, the personal selling activities of tour operators have influence on sales performance. Direct interaction with clients, high level of customer attention, reliability and sales person's skill influenced tour operator's sales performance to a great extent. Again the finding goes in

line with the literature and conceptual framework and public relation activities do not have significant impact on tour operator's sales performance.

The study finally concludes that advertising had the highest effect on sales performance of tour operators found in Addis Abeba followed by direct marketing, then personal selling while public relation had no effect on sales performance of travel and tour operators.

5.3. Recommendations

Recommendations for Improvement

Generally speaking promotion mix elements must remain an integral component of tour operator's business strategy as a tool to achieve the company's business objectives. This is because the promotional mix tools are able to explain 60.9% of the variation in sales performance of tour operation companies. A single means of promotion element is not effective to aware, influences, persuade, attract target tourists and enhance sales performance therefore, the approach to each promotional mix and its components must be carefully designed and strategically vary.

For its significance impact on sales performance it is important for the travel and tour operators to focus on advertising activities which affect sales performance almost instantly. Furthermore the effect is positive and significant as shown in the regression analysis. Particularly advertising must be an area of focus as it affects sales performance to a great extent. So it is important for tour operators to advertise official web site on Google, participate on travel fairs and indulge in social media marketing activities; besides these can be major areas to focus on.

As direct marketing activities are having the highest coefficient as well as a significant positive effect on sales performance, the tour operators must focus on exploiting its opportunities to this end. Particularly creating travel business through internet, responding to customers travel enquiries and participating on B2B marketing activities are key elements that could be enhanced by the travel and tour operators in order to improve their sales performance. This can be demonstrated in travel business through creating more online visibility and reaching out more prospective travelers and promptly responding to all travel related inquires. Having a well established B2B marketing activity

is also another important aspect of direct marketing to focus on, as it helps to meet the sales performance improvement.

Compared with the other promotional mixes, the effect of public relation on sales performance is not significant compared with that of advertising, direct marketing and personal selling, and this is supported by the literature in previous sections. So it is important to consider for the tour operators further examination of as to how this effect can be raised to a significant level as to how to pass consistent, effective and persuading messages on for the prospective travelers' regarding the package tours offered for sale.

In general the researcher suggests that effective mixes of the promotional elements, i.e. advertising, direct marketing and personal selling, play great role to aware, influence, persuade and attract tourists and contribute for the improvement of tour operator's sales performance when they are used effectively.

Recommendations for Further Studies

While developing and completing this study, the researcher has looked to certain topics emanating from this study which have not yet been studied. A few suggestions for future research are indicated below; this study has explored the effect of promotional mix tools on sales performance tour operation companies found in Addis Abeba. The overall effect of marketing communication can therefore not be ignored at any cost. The study further recommends that another study needs to be done with an aim of investigating the effectiveness of promotion mix tools utilized by tour operators.

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Attachment 1: Questionnaire



St. Mary's University ትድቡት ግርያም ዩኒቨርሲቲ
committed to excellence

St. Mary's university
School of graduate studies
Department of marketing management

Questionnaire

Dear Respondents,

This questionnaire is designed to collect data to carry out a research entitled with **Assessing the Impact of promotional mixes on sales performance of tour operators in Addis Ababa**. The Aim of my study is to assess the impact of promotional mix on sales performance of tour operators.

The information that you offer me with this questionnaire is used as a primary data in my case study which I am conducting as a partial fulfillment of the requirements for the degree of Masters of Marketing management at St. Mary's University. Any information you provide in this questionnaire will be kept confidential and it will be used only for the academic purpose.

I would like to express my deep appreciation for your generous time, honest and prompt responses.

With Regards;

Biruk Lemma [0916380343/](tel:0916380343) serawit952@gmail.com

SECTION A: DEMOGRAPHIC PROFILE

In this section, we are interested in your background in brief. Please tick (✓) or write your response on the space provided as appropriate.

1. Gender:

Male

Female

2. Age:

18 - 20 years

21 – 30 years

31 – 40 years

41 – 50 years

51 years and >

3. Your highest academic qualification

Diploma

Higher Diploma

Degree

Masters and above

Others-specify

4. Length of Service in the travel and tour operation company

Between 1 and 5 years

Between 5 and 10 years

Above 10 years

5. What is your work position in the tour operation company

General Manager

Marketing manager

Tour operator

Tour guide

Finance officer

Other

SECTION B: EFFECTS OF PROMOTION MIXES ON SALES PERFORMANCE

1. In your own opinion, what is the extent to which the following forms of advertising influences the company sales performance? Where 1 = not at all, 2 = low extent, 3 = moderate extent, 4 = great extent and 5 = very great extent.

AD	Advertisement	Level of agreement				
	Statement	1	2	3	4	5
1	Online activity of travel and tour operators such as advertising official websites on Google can affect sales performance					
2	Travel and tour operators' participation on trade fairs and exhibitions can affect its sales performance.					
3	The use of billboards and wall branding put in various places by the travel and tour operators can affect its sales performance.					
4	Travel and tour operators' flyers and brochures can affect its sales performance.					
5	TV advertisements of travel and tour operators can affect sales performance					
6	Radio advertisements by the travel and tour operators can affect its sales performance					
7	Print media advertisements on news papers and magazines affect travel and tour operators sales performance					
8	Interactive media relation activities contribute to the travel and tour operators sales performance					
PS	Personal selling	Level of agreement				
	Statement	1	2	3	4	5
1	Travel and tour operators direct (face to face) interaction with clients can affects its sales performance					
2	The level of attention given by the travel and tour operators for the customers can affect sales performance.					
3	Tour operators prompt response and keeping promise at the time of service delivery (Reliability) is affecting travel and tour operators' sales performance.					
4	Providing product information, making comparisons and offering evidence to support product claims; can affect travel and tour operators sales performance					
5	High level of customer attention and initiating sales with the prospective travelers can affect sales performance of travel and tour operators					
PR	Public Relation	Level of agreement				
	Statement	1	2	3	4	5
1	Travel and tour operators engagement with media interviews focusing on business related programs can affect its sales performance					
2	The level of attention given by the travel and tour operators in dealing with negative publicity can affect sales performance					
3	Tour operators press coverage for events and continuous engagement with the media can affects its sales performance					
4	Travel and tour operators practice of press Briefings/conferences and Press releases can affects its sales performance					

DM	Direct Marketing Statement	Level of agreement				
		1	2	3	4	5
1	Tour operators effort to create more direct travel business without agents affects its sales performance					
2	Travel and tour operators' current level of response to customer travel enquiries/requests affects sales performance.					
3	Travel and tour operators' application of telemarketing on travel requests can affect sales performance.					
4	Tour operators effort to create travel business through electronic media/internet affects its sales performance					
5	Business to Business marketing activities of travel and tour operators affects its sales performance					

SECTION C: SALES PERFORMANCE

1. This section contains statements on sales performance. Please indicate the extent to which you agree or disagree with the statement on marketing communication mix activities towards improvement of sales performance of your respective tour operation company for the past five years

Sales performance indicators of tour operation companies		Level of growth of the sales performance indicator				
		Greatly Improved	Improved	Consistent	Decreasing	Greatly Decreasing
1	Profitability of the tour operation					
2	Market share					
3	Travel request conversion to sales					
4	Customer retention					

End of Questions

Thank you for your participation!

Attachment 2: SPSS output results

SPSS Statistics Viewer

Form Insert Format Analyze Direct Marketing Graphs Utilities Add-ons Window Help

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.780 ^a	.609	.599	.23737	.609	66.073	4	170	.000

a. Predictors: (Constant), DM, PS, PR, AD

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.891	4	3.723	66.073	.000 ^b
	Residual	9.579	170	.056		
	Total	24.470	174			

a. Dependent Variable: SPER
b. Predictors: (Constant), DM, PS, PR, AD

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.175	.243		4.829	.000
	AD	.459	.048	.579	9.652	.000
	PS	.084	.030	.178	2.842	.005
	PR	-.077	.040	-.106	-1.939	.054
	DM	.221	.051	.229	4.331	.000

a. Dependent Variable: SPER

SPSS Statistics Viewer

Form Insert Format Analyze Direct Marketing Graphs Utilities Add-ons Window Help

CORRELATIONS
/VARIABLES=AD PS PR DM SPER
/PRINT=TWOTAIL NOSIG
/MISSING=PAIRWISE.

→ **Correlations**

[DataSet1] C:\Users\HF\Desktop\Data SPSS 3.sav

Correlations

		AD	PS	PR	DM	SPER
AD	Pearson Correlation	1	.536 ^{**}	.165	.367 ^{**}	.740 ^{**}
	Sig. (2-tailed)		.000	.029	.000	.000
	N	175	175	175	175	175
PS	Pearson Correlation	.536 ^{**}	1	.440 ^{**}	.249 ^{**}	.499 ^{**}
	Sig. (2-tailed)	.000		.000	.001	.000
	N	175	175	175	175	175
PR	Pearson Correlation	.165	.440 ^{**}	1	.253 ^{**}	.125
	Sig. (2-tailed)	.029	.000		.001	.098
	N	175	175	175	175	175
DM	Pearson Correlation	.367 ^{**}	.249 ^{**}	.253 ^{**}	1	.458 ^{**}
	Sig. (2-tailed)	.000	.001	.001		.000
	N	175	175	175	175	175
SPER	Pearson Correlation	.740 ^{**}	.499 ^{**}	.125	.458 ^{**}	1
	Sig. (2-tailed)	.000	.000	.098	.000	
	N	175	175	175	175	175

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