

**THE ROLES OF ENTREPRENEURS TO THE DEVELOPMENT OF TOURISM
SECTOR IN ARUMERU DISTRICT, ARUSHA REGION**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT FOR THE
REQUIREMENTS OF THE DEGREE OF MASTER OF TOURISM PLANNING
AND MANAGEMENT OF THE OPEN UNIVERSITY OF TANZANIA**

2015

CERTIFICATION

The undersigned certify that he has read and hereby recommends for acceptance by the Open University of Tanzania, a dissertation titled, *“Role of Entrepreneurs to the Development of Tourism in Arumeru District, Arusha Region”* in partial fulfillment of the requirements for the Degree of Master of Tourism Planning and Management of the Open University of Tanzania.

Dr. Emmanuel Patroba Mhache

(Signature)

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DECLARATION

I, **Miriam Rahab Sokko**, do hereby declare that this dissertation is my own original work and that it has not been presented, and will not be presented, to any other University for a similar or any other degree award.

Signature

Date

DEDICATION

This work is dedicated to my beloved children Ibrahim, Irene, Ian, Iris and to my lovely husband Joseph Said Samgilo, whose patience and support inspired this undertaking. They were there for me financially, physically and psychologically throughout this exercise.

ACKNOWLEDGEMENT

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ABSTRACT

This study focuses on the role of entrepreneurs to the development of tourism in Arumeru District in Arusha Region. The main objective of this study was to explore the role of entrepreneurs to the development of tourism in Arumeru district. The expansion of entrepreneurs' activities in Tanzania has stimulated the growth of tourism industry in the country due to increase of availability and variety of accommodation, transport, campsites, curio shops and agriculture. Together with the expansion of entrepreneurs, the tourism industry does not meet the needs of tourists in Arumeru district. Entrepreneurs complained that they do not benefit from tourism activities due to high taxes charged and high running cost of their activities. The study design was a case study research design. The sample size included 15 hotel owners, 6 curio shops owners, 9 transport owners, 6 restaurant owners, 6 Campsites owners and 30 farmers. The purposive sampling technique and Simple randomly technique were also used. The collection instruments were questionnaires and interview. Data were analyzed by Statistics Packages for Social Science (SPSS version 16.0) and explained in descriptive statistics, the emerged themes was used also. The findings revealed that unqualified entrepreneurs, high running costs, shortage of skilled workers, and high taxes are reasons for tourism industry fail to fulfill the needs of tourists. Furthermore training for entrepreneurs is the best solution for the entrepreneurs to benefit from tourism industry. This study recommends for quality assurance for accommodation, entertainment, food and beverage, internet in hotels and restaurants, curio shops to meet the needs of tourists.

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ABBREVIATIONS

GDP - Gross Domestic Product

SME's	-	Small and Medium Size Entrepreneurs
SPSS	-	Statistical Package for Social Science
TTB	-	Tanzania Tourist Board
TVE	-	Township and Village Enterprises
URT	-	United Republic of Tanzania
UNCTAD	-	United Nations Conference on Trade and Development
UNWTO	-	United National World Tourism Organization
UK	-	United Kingdom

CHAPTER ONE

1.0 INTRODUCTION

1.1 Introduction

This chapter introduced the study by providing background information, statement of the problem, objectives of the study and research questions. It also presented significance and justification of the study, limitation of the study and organization of the dissertation.

1.2 Background of the Study

Tourism comprises activities of people travelling to and staying in places outside their usual environment, for not more than one consecutive year for leisure, business or other purposes (Holden, 2008). Tourism is commonly associated with international travel, but may also refer to travel to another place within the same country. Tourism is an industry which is very important source of income for many countries (Welford *et al.* 999), but the net foreign exchange earnings from this industry are considerably less than the gross receipts (Godwin, 2006). Many less developed countries now regard tourism as an important and an integral part of their economic development strategies (Dieke, 2003).

Tourism is expected to foster economic growth through foreign exchange earnings and an increase in statement revenue as well as improvement in peoples well being in the areas of job creation, revenue or income distribution and balanced regional development. However, given the active role of the governments to formulate policies for the tourism sector, have caused the so called third world destinations to

receive a very small return for exploitation of their natural environment and therefore hinder their efforts towards achieving sustainable development (Yilmaz and Bititc, 2006). Revenue per visitor is reported to be higher but little is retained in the local economy (Mtui, 2007 and UNCTAD, 2008). The surveys clearly show a high proportion of imports of goods and services by tourism sector some of which could be sourced from the local entrepreneurs in the country. Tourism is the world's largest industry in the second half of the twentieth century (Hall-Jenkins, 1995), and is often used as a key for economic growth in both developed and developing countries (Font-Ahjem, 1999). Tourist industry is a major economic, environmental and socio-cultural force (Hall-Jenkins, 1995) and a highly political phenomenon (Richter, 1989). In order to attract tourists, countries are choosing to develop and promote their resources, there upon; there is an increase of the competition and the creation of new challenges to prospective destinations (Font-Ahjem, 1999).

Developers of the tourism industry fall into three categories, public sector, private businesses (entrepreneur) and non-profit organizations (Font-Ahjem, 1999). Tourism is a special industry in the sense that several decision-makers are involved in delivering the tourism product. Entrepreneurs provide most services that the tourist needs to get to the destination and the products consumed while on site. The public sector owns and manages the destination's infrastructure and is concerned with the overall country's well-being and finally non-profit organizations. Tourism is a diversified industry, which requires cooperation, and very good relations between public and private sector in order to survive and flourish. In Arumeru district, entrepreneurs engage in different activities such as opening small and big luxurious

hotels Curio shops and so many activities to support tourist activities. Thus, this study ought to ascertain the contribution of tourism entrepreneurs in tourism development in Arumeru District in Arusha region

1.3 Statement of the Problem

Tourism is one of the major sectors in many countries, including Tanzania, with the highest growth potential. It is the world's largest employer and one among the major sources of substantial foreign exchange earnings (Mwandosya, 2007). The role of the public sector in tourism has changed over the last 40 years. In the early years of tourism development public sector played a pioneering role. This happened because huge investments were required to provide the basic facilities and infrastructure to create destinations and attract growth (WTO, 2000).

The purpose of public sector is to establish the framework by which a country can develop and foster the goodwill of all its citizens, while protecting the rights of the individual (Doswell, 1997). Entrepreneurs play a big role to the development of tourism since they are producers, supplier of goods and services to tourism sector. Entrepreneurs play an extremely important role in the economic and social development of most countries in the world. It is the largest generator of employment, whereby it helps in the increase of standard of living of the people by offering new and better jobs, which in turn helps them to improve the quality of life and their families and its services range from travel, accommodation, catering and maintenance of culture. Despite different studies have been conducted concerning the role of entrepreneurs in tourism development few studies were conducted in Arumeru

district and the contribution of entrepreneurs to the development of tourism is very low. Thus, this study is designed to ascertain the role of entrepreneurs in tourism development in Arumeru District in Arusha region.

1.4 Objectives of the study

1.4.1 General Objective

The general objective of this study was to explore the role of entrepreneurs to the development of tourism in Arumeru district in Arusha.

1.4.2 Specific Objectives

- i. To examine the role of entrepreneurs to the development of tourism in Arumeru District.
- ii. To assess challenges facing entrepreneurs in the development of tourism in Arumeru District.
- iii. To suggest solutions or measures for the challenges hindering entrepreneurs in the development of tourism.

1.5 Research questions

- i. What is the role of entrepreneurs to the development of tourism in Arumeru district?
- ii. What are the challenges facing entrepreneurs in the development of tourism in Arumeru District.?
- iii. What are the solutions to the challenges hindering entrepreneurs in the development of tourism?

1.6 Significance of the study

First, the study findings might be useful in improving the role of entrepreneurs to the development of tourism in Arumeru district.

Second, study findings are useful to the governments of Tanzania as it enable them to change or adjust their programs especially by making entrepreneurs responsible to pay tax.

Third, findings of this research might go a long way in sensitizing communities to take a leading role in making tourism sector sustainable and environmentally friend.

Fourth, research findings might bring awareness to the entrepreneurs in Arumeru District to take an active role in supporting governments' efforts in tourism programmers and to help them come up with better income generating activities.

Fifth, the study will contribute knowledge to other researchers and literature on tourism sector. The findings will also help in solving problems facing tourist entrepreneurs in Arumeru District.

Sixth, findings in this study will go a long way in influencing policy formulation and decision making concerning tourism sector. In addition the study findings will broaden the mind of the researcher.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presented review of studies related to the role of entrepreneurs to the development of tourism at global level, regional and local level. It also presents definition of key terms, theoretical literature review and empirical literature review. It further presents conceptual framework and research gap.

2.2 Definition of Terms

2.2.1 Entrepreneur

An entrepreneur is a person attempting to create a new business, enterprise either through spotting a new opportunity or out of necessity, job loss or redundancy (Frederick and Carswell, 2001). Frederick and Carswell (2001) define entrepreneurship as the commercialization of innovations. The role of the entrepreneur appears central to the whole innovative activity. Entrepreneur means someone who undertakes an enterprise, especially a contractor, acting as mediatory between capital and labour. (www.investopedia.com/terms/e/entrepreneur.asp) essentially an entrepreneur is an individual with vision, someone who works hard and has the courage to try something new even if it means failing. An individual who, rather than working as an employee, runs a small business and assumes all the risk and reward of a given business venture, idea, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes.

2.2.2 Tourism

Tourism is defined as the activities of persons traveling to and staying away from places of their usual environment for not more than one year and not less than 24 hours for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited (WTO, 2001). Tourism can be conducted in different forms such as game viewing, bird watching, canoeing, walking safaris, camping and mountain climbing (WTO 2001). (Wall and Matheson 2006) defined tourism is the activities of people travelling away from their usual habitat, of the establishment which responds to the requirement of travelers and of the impacts that they have on the economic, physical and social well being of their host. Tourism is based upon the economic and social processes and changes that are occurring in the environment of the societies where tourist come from, its development in destinations focuses on the use of natural and cultural resources which generates impacts. The environment is often referred to as the key component of tourism because it is the bedrock for any tourism development (Holden, 2008).

2.3 Tourism Sector in Tanzania

Tourism is one of the largest and developing sectors in Tanzania (UNCTAD, 2012). Its high growth and development rates, considerable volumes of foreign currency inflows, infrastructure development, and introduction of new management and educational experience actively affect various sectors of economy, which positively contribute to the social and economic development of the country. Public and private sectors which is involved in tourism look on planning to achieve sustainable tourism

development that benefit, creates appropriate employment, maintains the natural environment, and delivers quality visitors experience (Hinch and Butler, 2007)

Tourism is an industry that is an important source of income for many countries but the net foreign exchange earnings from this industry are considerably less than the gross receipts (Goodwin, 2006). Revenue per visitor in Tanzania is reported to be higher but little is retained in the local economy (Mtui, 2007; UNCTAD, 2008). The surveys show a high amount of imports of goods and services by the tourism sector, some of which could be sourced from the local market. But also the sector being controlled by foreigners the bigger portion of real revenue remain to their countries and here in Tanzania they just bring the running cost of the company. This situation has led to a considerable percentage of tourism revenues to “leak back” to external service providers/source of markets in other countries. In light of these facts it is logical to argue that, concentrated efforts are needed to empower local tourism entrepreneurs and source supplies from the local economy to reduce imports.

In order for tourism to happen, there must be a displacement: an individual has to travel, using any means of transportation (he might even travel on foot: nowadays, it often the case for poorer societies, and happens even in more developed ones, and concerns pilgrims and hikers.

According to recent statistics, tourism provides about 10% of the world’s income and employs almost one tenth of the world’s workforce (Fayissa *et al.*2007). Tourism is the fastest growing industry, which offers massive advantages to both the local and global society. The industry contributes annually over four thousands billion dollars

of economic activities all over the world and it creates vast job opportunities whereby one out of every five employees in the global labour force are employed (Fayissa *et al.* 2007). On the other hand, it is assumed that mass tourism increases land price, it also creates additional demand for land whereby potential buyer compete hence a higher price.

Generally, mass tourism leads to higher land value, more jobs and wealth. Conversely, in a situation when tourism demands are very high inflationary tensions in tourism spill over the economy at large and contribute to a large inflation (Wall and Mathieson, 2006). Tourism is one of the largest and dynamically developing sectors of external economic activities. Its high growth and development rates, considerable volumes of foreign currency inflows, infrastructure development, and introduction of new management and educational experience actively affect various sectors of economy, which positively contribute to the social and economic development of the country as a whole.

2.4 Theoretical Literature Review

2.4.1 Grounded Theory Model

The grounded theory provides insights into the lived experiences of seven tourism entrepreneurs on the Gold Coast, Queensland, Australia and their understandings and practices regarding sustainable tourism. Specifically, pursuing is a social process wherein the entrepreneurial self of tourism operators pursues information, legitimacy and futurity through social interaction in order to frame sustainable tourism and its implications for their entrepreneurial practices. (Glr, 1998; Honey, 2003). Related

tourism entrepreneurs are believed to be the key to the conflict of interest in common pool resource use, and ultimately sustainable tourism (Buckley, 2002; Chapman, 2000; Hemingway, 2005; Holden, 2005; Thompson, 2004; Wempe, 2005). Subsequently, research focusing on such topics from industry perspectives provides important insights into relationships associated with sustainable tourism (Morrison & Teixeira, 2004). Bearing this issue in mind, this study sought to develop a theoretical explanation of seven tourism entrepreneurs' lived experiences, understandings and commercial practices associated with sustainable tourism. The participating tourism entrepreneurs were involved in the accommodation, restaurant, transport, tour, attraction and event based sectors on the Gold Coast in the state of Queensland, Australia. The grounded theory will be used in this study because it evaluates the importance and the role of entrepreneurs in tourism industry (Glover, 1998; Honey, 2003).

2.4.2 Resource- Based Entrepreneurship Theories

The resource-based theory of entrepreneurship argues that access to resources by founders is an important predictor of opportunity based entrepreneurship and new venture growth (Alvarez and Busenitz, 2001). This theory stresses the importance of financial, social and human resources (Aldrich, 1999). Access to resources enhances the individual's ability to detect and act upon discovered opportunities (Davidson and Honing, 2003). Rindova and Fombrun (1999) argue that resources, capabilities and core competencies are essential for a firm's competitive advantage. Therefore, adequate resource support and policies to create capability are critical for SMEs' growth as they are small in size and need assistance. Resource based theory provides

a framework to explain how business can identify suitable measures to overcome growth obstacles, have better access to technology resources, manpower and , financial resources, natural resources, Infrastructure and access to market.

According to Barney (1991) and Grant (1991), the four types of tangible resources are financial, organizational, physical, and technological. The three types of intangible resources are human, innovation and reputational resources. An example is the Township and Village Enterprises (TVEs) model in China, where TVEs rely on the state sector as a source of capital, materials, equipment, specialized personnel, technology, subcontracting arrangement and sales revenues (Harvie, 2002). However, Barney (2001) provided counter-arguments to these points of criticism. For example, he said that any theory could be rephrased to appear tautological. He also stated that his theory applies to static (equilibrium) environments, but not to dynamic environments. The theory is applied in this study because successful of entrepreneurs will play important role in contribution of tourism development depending on resources which available in their environments.

2.4.3 Financial Capital/Liquidity Theory

Empirical research has showed that the founding of new firms is more common when people have access to financial capital (Blanch flower *et al.* 2001). By implication this theory suggests that people with financial capital are more able to acquire resources to effectively exploit entrepreneurial opportunities, and set up a firm to do so (Clausen, 2006). However, other studies contest this theory as it is demonstrated that most founders start new ventures without much capital, and that financial capital

is not significantly related to the probability of being nascent entrepreneurs (Aldrich *et al.* 1999). This apparent confusion is due to the fact that the line of research connected to the theory of liquidity constraints generally aims to resolve whether a founder's access to capital is determined by the amount of capital employed to start a new venture (Clausen 2006.) In his view, this does not necessarily rule out the possibility of starting a firm without much capital. Therefore, founders access to capital is an important predictor of new venture growth but not necessarily important for the finding of a new venture (Hurst & Lusardi, 2004) his theory argues that entrepreneurs have individual-specific resources that facilitate the recognition of new opportunities and the assembling of new resources for the emerging firm (Alvarez and Busenitz 2001.) Research shows that some persons are more able to recognize and exploit opportunities than others because they have better access to information and knowledge (Aldrich *et al.* 1999). Among the three theories presented above the grounded theory will be used in this study because it tries to show the role of Entrepreneurs in tourism development and the tourism sustainability, whereby the theory states that pursuing is a social process where in the entrepreneurial self of tourism operators pursues information, legitimacy and futurity through social interaction in order to frame sustainable tourism and its implications for their entrepreneurial practices.

2.5 Empirical Literature Review

Henry *et al.* (2003) state, it is now widely recognized that the promotion of entrepreneurship is not only necessary for a healthy economy but also critical for sustaining prosperity and creating new jobs. The heightened interest in

entrepreneurship has been as a consequence of a diverse range of contributory factors including the belief that it can act as a recipe for economic prosperity and that it can reduce unemployment. Many others believe entrepreneurship is beneficial and necessary for economic prosperity (Bolton Committee, 1971; Gorman *et al.* 1997. The Government in the UK has also recognized the importance of entrepreneurship (Ram and Barrett 2000) The Global Entrepreneurship Monitor Survey of 2004 found that more people in the UK have tried to start their own business than in any other major industrial country except the USA.

The survey found that entrepreneurship activity rose to 6.4% in 2003 and that black and Asian people are twice as likely to start businesses as whites. Particular interest in entrepreneurship has focused on the role of small business because of its ability to adapt to a changing environment and because its structure allows it to adjust itself to technical change at a rate fast enough for survival. Many countries have now recognized this and are preparing new policy measures to support small firms and entrepreneurship (Garavan and O’Cinneide, 1995). Entrepreneurship associated with small business is regarded as the key vehicle for the creation of new enterprises as it generates job growth and stimulates competition. The importance of small firms and entrepreneurs contributes to health of the economy and job creations have been recognized by the UK Government. They are at the forefront of this government’s efforts to promote enterprise, innovation and increased productivity. Small firms are vitally important because of their role in the supply chain, the competition they stimulate and the ideas and products they bring to the market place.

They account for over half of the UK's economic activities, providing 56% of non-government jobs (excluding financial services) and 52% of turnover. Small firms are and will continue to be the main providers of new jobs' (Hewitt, 2000). Above discussions it is clear that the field of entrepreneurship have some interesting and relevant theories (ranging from economic, psychological, sociological, anthropological, opportunity-based, to resource-based) which are underpinned by empirical research evidence. This development holds a rather brighter future for the study, research, and practice of entrepreneurship.

The centrality of entrepreneurship in contemporary management is echoed by Wickham (2004) who states that "an entrepreneurial approach is no longer seen as an option but as the only option for managers seeking to enhance the performance of their organizations". This is so whether the organization is a new start-up striving to establish itself in the marketplace, an established business seeking to reinvigorate itself, or a governmental or non-profit organization meeting the opportunity and the challenge of the shifting boundaries between the public and private sectors.' Previous work in the hospitality, leisure, sport and tourism fields has been sparse. Morrison *et al.* (1999) noted the dearth of texts in the hospitality, tourism and leisure industries which stimulated the production of their book. Of the articles on entrepreneurship applied to these fields, those related to hospitality are possibly greatest in number.

While Lynch and MacWhannell (2000) claim that research on entrepreneurship in hospitality adopts similar approaches to more general research and concentrates on formally established organizations, they indicate that accommodation workers have

been neglected, and state that research findings do not relate to wider macro-social and economic aspects. (Lynch and Mac Whannell, 2000:109) say that overall, the level of knowledge regarding the hospitality entrepreneur remains low, and this is particularly so regarding small businesses which predominate in the industry (Quinn Larmour and Mc Quillan, 1992).

2.6 Conceptual Framework

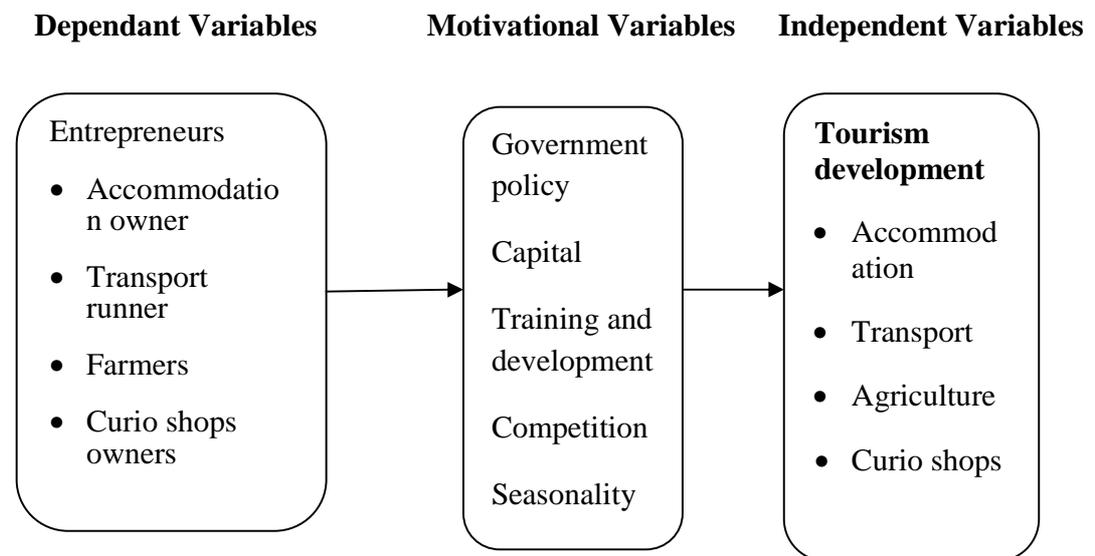


Figure 2.1 : Contribution of Entrepreneurs in Tourism Development

Source: Modified from Zanal, 2013

Entrepreneurs in this conceptual framework are independent variables, which are accommodation owners, transport runners, farmers and curio shops owners. Motivational variables comprised government policy, capital, training, competition, development and seasonality. Dependent variables are accommodation centers, transport services, agriculture and curio shops.

Entrepreneurs can develop tourism through investing in different tourism activities such as transport activities, accommodation activities and business activities (Figure 2.1). Their investments help provision of services to the tourists and add value to the tourism products. Entrepreneurs (accommodation owners, transport providers, farmers and businessmen) are independent variable. This variable is motivated by government policy, capital, training and development, competition and seasonality, Whereby if the government policy in tourism will reduce taxes the entrepreneurs will benefit from tourism activities, and by providing capital with low interest, and training to entrepreneurs on how to handle tourists proving good service hence development of tourism.

2.7 Research Gap

Different studies about entrepreneurs have been conducted. Henry *et al.* (2003) studies the role of entrepreneurship on tourism; Winnie (2012) studied about Micro and small horticultural enterprises market access to tourist hotel in Tanzania value chain, Stephen Ball (2005) studied the Importance of entrepreneurship to hospitality, leisure, sport and tourism and Font-Ahjem (1999) studied on Balance in tourism development strategies. Despite all these studies no study has been studied on the role of entrepreneurs in tourism development in Arumeru District in Arusha region. This study ought to fill this research gap.

CHAPTER THREE

3.0 THE STUDY AREA AND RESEARCH METHODOLOGY

3.1 Introduction

Research design is the conceptual structure which research is conducted (Kothari, C 2009). The research design in this study incorporates the way data was collected, measured and analyzed. This study used case study research design to collect both qualitative and quantitative data.

3.2 The Study Area

This study was undertaken in Arumeru District, in Arusha region. Arumeru district is one of the six district forming Arusha region, others are, Arusha, Karatu, Longido, Monduli and Ngorongoro. Arumeru district is surrounded by famous landscapes such as Longido Mountain, Ngurdoto Crater and Mount Meru. Administratively, this district is divided into thirty seven wards which are Akheri, Bangata, Bwawani, Ilkiding'a, Kikatiti, Kikwe, Kimnyaki, King'ori, Kiranyi, Kisongo, Leguruki, Makiba, Maji ya Chai, Nkoanrua, Mororoni, Matevesi, Mbuguni, Mlangarini, Moivo, Moshono Murieti, Musa, Mwandeti, Poli, Ngarenanyuki, Nkoanrua, Nkoaranga, Nkoarisambu, Oldonyosambu, Olijoro, Olkokola, Oltroto, Oltrumet, Singisi, Sokoni II, Songoro, Usa river and Nduruma. Arumeru District was selected for this study because many tourism activities of entrepreneurs are performed in this district. The district is surrounded by mountains and rivers which attracts tourists from different part of the world. The researcher also selected the area because is near to Arusha city which is a hub of Tanzania Northern tourism circuit and it is near to the Kilimanjaro

International Airport. The district has several attractive facilities and several services such as hotels, curio shops, campsites, good weather and attractive Mount Meru.

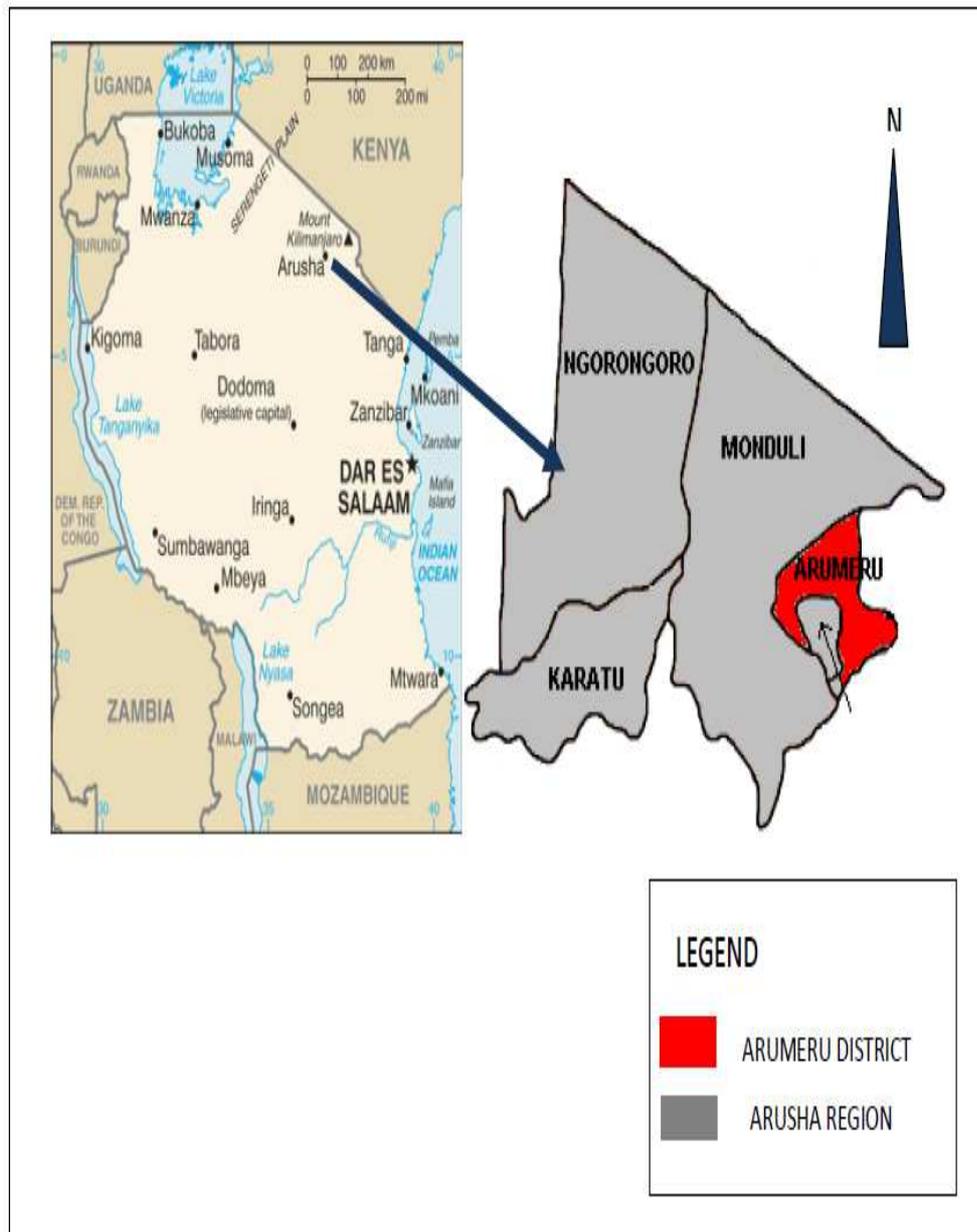


Figure 3.1 : Arusha Region and Arumeru District

Source: <http://merudc.blogspot.com/>

3.3 Research Design

Research design is the conceptual structure in which research is conducted (Kothari, 2009). The research design in this study incorporates the way data will be collected, measured and analyzed. Research data include primary and secondary data. Primary data are the data that collected for the first time directly by the researcher, and thus happen to be original character. Secondary sources of data are the kind of data, which are already available, are those data which have already been collected by someone else and which have already been passed through statistical process (Kothari, 2009).

The research design in this study incorporate the way data were collected, measured and analyzed. In order for the researcher to answer the research questions, a survey study was conducted in the area. The case study was quantitative when collecting biographical data and qualitative when collecting information for perceptions, expectations of entrepreneurs. Quantitative data will be collected using questionnaires and qualitative data will be collected concerning the role of entrepreneurs in tourism development using interviews and direct observation.

3.4 Target Population

The target population for this study is the population of Arumeru district. According to 2012 population census, Arumeru district had a total population of 590,726 (NBS, 2013). Whereby males were 285,565 and females were 305,161. The target population for this study included restaurant owners, hotel owners, transport owners; Curio shops owners, Government Officials, Hotel managers and Campsite Owners.

3.5 Sampling Procedure

According to Sweeney and Williams (2002) a sample is a small group of respondents drawn from a population that the researcher is interested in obtaining the information.

This can be a procedure that researchers use to identify people, place or things to study. This will ensure maximum coverage of population for the study. However due to inadequate resources, specifically time and finance it was not possible to study the whole population. Therefore sampling was necessary. The following sampling techniques were used to select samples.

3.5.1 Purposive Sampling Technique

The researcher will rely on this method because she used her own judgment to select sample from respondents who were the owners of hotels, restaurants, curio shops, campsites, transports and local authority. The researcher choose to use this technique because the technique help to get detailed information from the respondents on how entrepreneurs contribute tourism development.

3.5.2 Random Sampling Technique

A simple random selection method was chosen because it provides an equal chance for all farmers in each ward to be included in the sample (Robson, 2011; Vaske, 2008; Kothari, 2004). The simple randomly sampling is probability sampling technique which was used in selecting farmers from the list of farmers obtained from village office. Through simple random sampling the researcher selected 30 respondents out of 93 farmers which is equal to 37%, the researcher chose farmers because were many among the entrepreneurs. The researcher obtained the list of

farmers from 3 wards out of 37 wards in Arumeru district, the researcher prepared a list of all thirty seven wards in a piece of paper by numbering them hence asked her colleague to pick three pieces of paper randomly. The Wards were Kiranyi, ilboru and Iikiding'a, in Arumeru district. Then researcher wrote the names of farmers on pieces of paper one after another and mixes together in a box hence she asked her colleague to pick pieces of paper randomly as per number of sample size determined. Therefore the names of farmers picked were included in the sample size.

3.5.2 Sample Size

Gay and Diehl (1992) suggest that for descriptive research sample should be 10% of population. But if population is small the 20% may be required. For this study 30% of the sample is recommended. The total sample size of this study is 75 respondents. This sample size was taken from 250 targeted populations (Table 3.1).

Table 3.1 : Sample frame and sample size

S/n	Particulars	Target population	Sample size	Percentages
1	Hotel owners	50	15	20
2	Curio Shops Owners	20	6	8
3	Transport Owners	30	9	12
4	Restaurant Owners	20	6	8
5	Campsite Owners	20	6	8
6	Farmers	93	30	37
7	Local authority	17	3	7
	Total	250	75	100

Source: Researcher's computation, 2015

3.6 Source of Data

In this study both primary and secondary data was collected.

3.6.1 Secondary Data

Secondary data is a data that is available in documents or literature (Kothari, 2004). Secondary data was obtained from documents such as books, thesis, journals, articles, atlases, pamphlets and unpublished literature regarding what other people have written related to the topic under study. Secondary data was used by researcher because it helps in reviewing previous researches. Data was obtained from Arusha regional library and Open University center of Arusha.

3.6.2 Primary data

Primary data are information collected afresh and for the first time, and thus happen to be original in character (Kothari 2009). Primary data included information collected from respondents through interviews, questionnaires as well as direct observation which also enabled the researcher to get the views of various stakeholders about the role of entrepreneurs in tourism development.

3.7 Data Collection Methods

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic manner that enables one to answer research questions, test hypotheses, and evaluate outcomes. In this research, data will be collected by using several techniques as follows below.

3.7.1 Questionnaires

Questionnaire is a form of selected questions which was designed and prepared by a researcher to collect data and information from the entrepreneurs. Rule and John (2011) define questionnaires as printed sets of field questions to which participants respond on their own (self administered) on the presence of the researcher. Curio Shops owners, Restaurant Owners, Transport Owners questionnaire and farmer (Appendix 1, 2, 3 ,4) will be used to gather information on how entrepreneurs contribute in tourism in Arumeru District.

3.7.2 Interview

Interview is the primary data collection technique for gathering qualitative information (Cooper and Schindler, 2014.) The data was collected from different groups of entrepreneurs through interview guide from hotel owners, restaurant owners and campsite owners (Appendix 4, 5, 6). The interview helped researcher to obtain more detail information about the role of entrepreneurs in tourism development. The study will be conducted with personal interviews within the organization.

3.7.3 Direct Observation

This included observation on the tourism activities undertaken by entrepreneurs in Arumeru district. This will include observation on the activities undertaken by entrepreneurs and their role as entrepreneurs to the development of tourism in Arumeru district. These are hotel owners, restaurant owners, curio shops owners, Transport owners, Campsite owners and farmers. The observation will be conducted by using observation checklist (Appendix 7).

3.7.4 Documentary Literature Review

Documentary literature review refers to the review of documents related to the study. This technique involves review of published and unpublished materials. The researcher referred to written document like journal, report, books, magazine, administrative and public records from the Open University of Tanzania Arusha Center Library and Arusha Regional Library. The researcher used documentary materials so as to obtain data necessary to understand the role of entrepreneurs to the development of tourism in Tanzania.

3.8 Data analysis, Interpretation and Presentation

Data analysis means to organize, provide structure and elicit meaning. According to (Rwegoshora, 2006) data analysis involves the ordering of data into constituent parts to obtain answers to the research questions. Qualitative data was analyzed by using content analysis. Content analysis means analyzing the contents of an interview in order to indentify the main themes that emerge from respondents (Kumar, 2005). Content analysis is the one of the classical procedure for analyzing textual material range media products to interview data on this essential feature is the use of categories which are often derived from theoretical models (Flick, 2006). In this study content analysis was used to analyze data collected through interview and closed ended questionnaire.

Quantitative data are data which are in the form of numbers. This was analyzed using descriptive statistics where by simple statistical analysis such as simple comparisons, averages and percentages will be used to analyze data. Statistical Package for Social Science (SPSS) will be applied to analyze the coded information of the questionnaire

in this study. For analyzing the quantitative data, Welman and Kruger (2001) as well as Blaikie (2003) identify the descriptive statistic analysis, which is concerned with the description and or summarization of the data obtained for a group or individual unity of analysis. The data collected from this study was presented by using tables.

3.9 Validity and Reliability

3.9.1 Validity

This refers to the extent to which data collection method or methods accurately measure what they were intended to measure or the extent to which research findings are really about what they profess to be about (Saunders et al. 2007). The data collection methods for surveying data will be easier to assess where clear explanation of techniques used and response rate as well as the questionnaire used will indicate a degree of validity. To ensure validity of the data the researcher will use triangulation method to cross check the data collected from interview, questionnaire, and observation. Also researcher will look for copyright of published documents relating to the data to help validation.

3.9.2 Reliability

Reliability refers to the extent to which data collection technique or techniques will be yield consistent findings. In other words, similar observations would be made or conclusions reached by other researcher or where there is transparency in how sense will be made from the raw data to ensure reliability (Saunders *et al.* 2007). Pilot and pre test questions are prepared by researcher and few respondents were asked to respond to look if the information collected will be the same as expected information.

CHAPTER FOUR

4.0 DATA PRESENTATION, ANALYSIS AND DISCUSSION OF THE FINDINGS

4.1 Introduction

This chapter presents the findings obtained through interview, questionnaires, documentary literature review and observation from different categories of respondents. The chapter begins with the, demographic characteristics of respondents basing on age, marital status, education level and occupation. The chapter goes further to present the role of entrepreneurs to the development of tourism in Arumeru District.

4.2 Demographic characteristics of respondents

The parameters which were examined in this study were gender, age, education level and experience. These variables help to provide a profile of the sample surveyed. Some of the information is useful on its own because it highlights various characteristics for the role of entrepreneurs to the development of tourism under this study.

4.2.1 Gender of respondents

In this study both males and females were interviewed. About 58% of entrepreneurs were females and the remaining 41% % were males (Table 4.1). This shows that both male and female participate in entrepreneurial activities. Finally the situation can be attributed by the system which favored female in entrepreneurs' activities and discouraged male in entrepreneurs' activities. This system favour females to engage

in entrepreneurs activities because males left a burden of caring family to females hence to meet family needs so women enter in entrepreneurship activities.

Table 4.1 : Gender of the respondents

S/n	Sex	Frequency	Percentage
1	Male	25	41.7
2	Female	35	58.3
	Total	60	100

Source: Field survey, 2015

4.2.2 Age of the respondents

It is important to investigate the age of the entrepreneurs because of the diverse implication. The age of the entrepreneur determine age of the people involved entrepreneurial activities. The age of the respondents was categorized into six groups. The 13.3% of the respondents aged 18 – 24; 33.3% aged 25 - 34, and 25% of the respondents aged 35 to 44. However, 16.6% of the respondents aged 45 -54; 8.3% aged 55 – 64 and 3.3% aged 65 and above. The results revealed that, economically productive group range between 18 years to 65 years. from the age of 18 to 65 is more active to engage in entrepreneurs activities.

Table 4.2 : Age of respondents

S/N	Age category	Frequency	Percentage
1	18 – 24	8	13.3
2	25 - 34	20	33.3
3	35 – 44	15	25
4	45 – 54	10	16.6
5	55 – 64	5	8.3
6	65+	2	3.3
	Total	60	100

Source: Field survey, 2015

4.2.3 Education level of the respondents

Education is an important factor which motivates people to engage in entrepreneurial activities. Education level of respondents will also help respondents to provide accurate and relevant information to customers. The result revealed that majority of entrepreneurs 50% attained secondary education, 33.3% had college education, 10% had primary education and 6.7% university education (Table 4.3). In this study, no one found with non-formal education, this is due to high skills needed in entrepreneurial activities.

Table 4.3 : Education level of respondents

S/N	Education level	Frequency	Percentages
1	Primary education	6	10
2	Secondary education	30	50
3	College education	20	33.3
4	University education	4	6.7
	Total	60	100

Source: Field survey, 2015

4.2.4 Working experience

Understanding the experience is very important for the development of tourism, because through experience of respondents researcher obtained detailed information about entrepreneurial and tourism activities in general. The respondents provides detailed and accurate information regarding entrepreneurs.. Majority of respondents 25% have working experience of the age between 15 to 20; 23.3% have working experience of 11 to 14 years, 21.7 have working experience of 6 to 10 years, 16.7 % of respondents have working experience of 21 and above and 13.3 have working experience of 1 to 5 years.

Table 4.4 : Working experience of respondents

S/n	Year of experience	Response	Percentage
1	1 – 5	8	13.3
2	6 – 10	13	21.7
3	11 – 14	14	23.3
4	15 – 20	15	25.0
5	21 +	10	16.7
	Total	60	100.0

Source: Field survey, 2015

4.3 The role of entrepreneurs in the development of tourism

The respondents gave their views on how entrepreneurs' activities contribute to tourism development in Arumeru district (Table 4.5). The importance of entrepreneurs in the development of tourism among others includes provision of

variety of food, food and beverage, services to tourists and provides accommodation to the tourists. Entrepreneurs also add values to the packages and contribute in transporting tourists to the tourists' destination

Table 4 5 : Roles of entrepreneurs to the development of tourism

S/n	Role of entrepreneurs	Frequency	Percentage
1	Producing variety of food	12	20.0
2	Provides food and beverage service to tourists	25	41.7
3	It adds value to the four package	11	18.3
4	Transportation of tourists to the tourist destination	12	20.0
	Total	60	100

Source: Field survey, 2015

4.3.1 Producing varieties of food

Entrepreneurs' supplies food and other services lie accommodation to tourists. The question asked was what is a significance of entrepreneurs to the development of tourism. 20% of all respondents said that entrepreneurs help development of tourism by providing variety of food and supply them to the accommodation owner. However, 41.7% of respondents said that entrepreneur's helps development of tourism through providing food and beverage to tourist.

4.3.2 Add value to the tour packages

Tour package comprise attractions, accommodation, transport and ancillary services requested by tourists. Entrepreneurs add value to the tour packages, because they produce variety of goods such as tingatinga drawings, carvings and crafts which add value to the tourist. 18.3% of the respondents said that entrepreneurs add values to the tour package. Also the researcher observed the goods which are produced by the entrepreneurs (Plate 4.10. The goods which are produced by entrepreneurs add value to the tour package, instead of tourist visiting and enjoy wildlife package and cultural package only, tourists will also enjoy crafts and other local goods which are produced and sold by entrepreneurs hence add value in their package.



Plate 4.1: Tingatinga shop

Source: Field survey, 2015

4.3.3 Transportation of tourists

Transport entrepreneurs play a very important role to the development of tourism in Arumeru district. The interview conducted with transport owner confirms that transportation (Plate 4.2) is very important in tourism development. 20% of respondents gave their view that entrepreneurs provide transport to the tourists' destination.



Plate 4.2: Transport vehicles taking tourists to the national parks. **Source:** Field survey. 2015

4.3.4 Advertising and Marketing tourism

Entrepreneurs play important role to the development of tourism, they are marketing and advertising tourism products which they produce. This is done through attending trade fairs such as Saba Saba Trade Fair and Nane Nane Farmers' Day, seminars and different workshop. Also by using magazine, television and brochure. All these contribute or lead to marketing of tourism to local, tourists and market other products to be well known worldwide hence development of tourism.

4.4 Challenges facing entrepreneurs to the development of tourism in Arumeru district

Despite the roles played by entrepreneurs in the development of tourism in Arumeru district, entrepreneurs are facing various challenges in their daily operation. Respondents were asked to mention challenges which are facing them in their daily activities (Table 4.6). The challenges are as presented here. About 16.7% of the respondents mentioned infrastructure which include roads as one of the challenge. Other challenges include marketing problems mentioned by 8.3%; multi taxes by 20%, high running cost by 21.7%; lack of fund by 8.5%; Park fees and entrance fees by 6.6% (Table 4.6),

Table 4.6 : Challenges of entrepreneurs to the development of tourism

S/n	Challenges of entrepreneurs in the development of tourism	Frequency	Percentages
1	Infrastructure	10	16.7
2	Marketing	5	8.3
4	Inadequate skills	11	18.3
5	Multi tax and High running cost	25	41.7
7	Lack of fund	5	8.3
8	Park fees and entrance fee	4	6.6
	Total	60	100

Source: Field survey, 2015

4.4.1 Infrastructure

Infrastructure is a challenge facing entrepreneurs to the development of entrepreneurs. Infrastructure includes transport infrastructure such as roads and railways. Infrastructure becomes a challenge to transport owners when transporting tourists to destination. There is also a challenge when they want to communicate to their customers. About 16.7% of the respondents said that infrastructure is a challenge which is facing them. Some roads are not passable during rain seasons and there is problem with networks which include inaccessible internet.

4.4.2 Marketing

Marketing is a challenge for entrepreneurs to the development of tourism because most entrepreneurs gave their view that they face difficulties in accessing market due to poor infrastructure, lack of government support and inadequate marketing skills. About 8.3% of the respondents interviewed said that marketing is a challenge to them towards the tourism development.

4.4.3 Inadequate skills

Inadequate skills mean lack of entrepreneurs' skills. Some respondents 8.3% said that inadequate skill is a challenge to them because they are not competent in communication especially in English language and in information technology communication; they lack managerial and entrepreneurial skills. The respondents declared that, they are using their experience. Most of them have not attended any seminar or training related to their activities.

4.4.4 Multi tax and high running cost

The interview was conducted with hotel owners, restaurant owners and transport providers with focus on multi-tax and running cost. About 41.7% of the respondents said that multi-tax and high running cost is a challenge to them because huge amount of money earned by entrepreneurs is directed to the tax and running cost such as electricity supply, water supply and maintenances of vehicles due poor infrastructure. This maintenances is cost full because is converted in terms of dollars hence difficult for entrepreneurs to develop and contribute to the development of tourism

4.4.5 Lack of fund

Lack or shortage of fund is among the challenges facing entrepreneurs in executing their activities. About 8.3% of the respondents mentioned fund is a problem which hinders them in expanding their activities. Also lack of fund is challenges which make some of them fail to meet standard of service required by tourist.

4.4.6 Park fees and entrance fee

There is a say that, there is no free service. People have to pay to get services including leisure. 6.6% of the people interviewed said that park fee and entrance fee is a challenge because it is increasing running cost to them. Transporters have to pay fees for entering in national parks.

4.5 Measures taken to Challenges Facing Entrepreneurs to the Development of Tourism

There are number of measures to solve challenges facing entrepreneurs in the development of tourism in Tanzania. The measures presented here are as mentioned

by respondents in responding to third objective of this study. The question asked to respondents was, what are the mitigation measures on the challenges facing entrepreneurs in Arumeru district? The measures are presented in Table 4.6. 13.3% proposed that, to find alternative market or another market source and increasing marketing campaigns was the first measure. Another reasons and percentages of respondents in the brackets are construction of new infrastructure and doing maintenance for the presence road (20%), reducing number of tax charges to the entrepreneurs (21.7%), provision of education and training to the entrepreneurs (16.7%) and to involve stake holders in decision making process (11.7%).

Table 4.7 : Solution for the Challenges Facing Entrepreneurs

S/n	Solutions	Frequency	percentages
1	Alternative market or another market source and increasing marketing campaigns	8	13.3
2	Constructions of infrastructure and maintenance of the present infrastructure	12	20
3	Reducing of number o f tax charges to the entrepreneurs	13	21.7
4	Provision of education and training to the entrepreneurs	10	16.7
5	To simplify conditions of access funds/ loan	10	16.7
6	To involve stake holders in decision making	7	11.7
	Total	60	100

Source: Field survey, 2015

4.5.1 Alternative Market and Increasing Marketing Campaigns

Alternative market and increasing marketing campaigns is a measure suggested by entrepreneurs to overcome marketing challenges. About 13.3% of the respondents said that alternative marketing and increasing marketing campaigns will help to ensure adequate market. Entrepreneurs will be able to market and sell their crops like batiq, khanga and traditional food.

4.5.2. Construction of New Infrastructure and Maintenance

There is a need to make sure that roads are passable throughout the year. And roads with problems should be rehabilitated or maintained to be used throughout the year for the intended activities of taking tourist to and from the national park. About 20% of the respondents gave their view that construction of infrastructure will help the entrepreneurs to contribute in tourism development because it will reduce running cost and it will help in marketing tourism attractions in Tanzania.

4.5.3 Reducing tax charges

Tax is one of the sources of government revenue. Any establishment must pay tax to the government. Tax sometime is very high which disturb the revenue of the entrepreneurs. About 21.7% of the entrepreneurs commented that reducing tax charges will automatically cut the running cost of the entrepreneurs' projects.

4.5.4 Access to fund

If entrepreneurs have access to fund it will be easy for them to contribute to the development of tourism in Arumeru district. The fund obtained will be of use if it is

given in reduced interest rate and simple conditions of the loan. However, 16.7% of the people interviewed said that access to fund will address challenges facing entrepreneurs to the tourism development. People will have money for marketing, promotion and training.

4.5.5 Provision of education and training to the entrepreneurs

Education and training for entrepreneurs is the best way of empowering them. With education and training entrepreneurs will be able to solve some of the challenges facing them. The interview conducted with transport owners, hotel owners and hotel owner disclosed that, most of them need training and education regarding their daily activities. About 16.7% state that, training was very important to the entrepreneurs as it helps in tourism development. Training includes managerial, entrepreneurship and language skills.

4.5.6 Involve of stakeholders in decision making process

Interview conducted with transport and restaurant owner and the literature review shows that involvement of other stakeholders will help entrepreneurs to solve their challenges as they get chance to air their views and discuss with knowledgeable stakeholders. 11.7% of the respondents said that involving of other stakeholders in decision making will be a mitigation measure toward the challenge facing entrepreneurs. However, Government and NGOs have a role to play in supporting entrepreneurs. Some challenges need government hands like construction of roads, NGO's support to solve challenges facing entrepreneurs like providing seminars,

workshops and training.. This is through provision of education and training and supporting them secure fund from different financial institutions like banks.

4.6 Discussions of the findings

4.6.1 Importance of entrepreneurs in the development of tourism

Farmers helps in development of tourism in Arumeru district, because they supply range of food and fruits such as broccoli, banana, berry, cherry, lady fingers, grapes, papaya, peas, watermelon, beans cabbage, tomato, onions cauliflowers and cabbages which are needed by hotels, restaurants and campsites to provide needs to tourists. Entrepreneurs establish activities which contribute to the development of tourism (Haugen and Vic, 2008). Entrepreneurs such as curio shops businessmen add value to the tour package where by tourists who visit Tanzania intend to watch animals and other wonderful things instead they find there are things to see especially in curio shop, like tingatinga drawings, carvings, Antiques, Fabrics (boutique, khanga vitenge, masai shuka) arrows (bows and arrow), spears, walking sticks, caps, hats bracelets, Bead works, necklaces, key holders and bowls these adds value to tour packages. Local Entrepreneurs produce local goods which they produce through joint venture, this help to add value to the tour products (Akunay *et al.* 2013)

However, entrepreneurs play an important role in development of tourism in Arumeru district because they invest in entrepreneur's activities, this will help tourists to access different tourist destinations and meet their needs and interests. Transportation has been an integral part of tourism industry. Transportation links tourist with various attractions. There is a general agreement that tourism expands more when there are

better transportation systems (Joseph Kimaro, 2012). Provisions of food, beverage and accommodation services to tourists, entrepreneurs are very important as they play a great role in tourism development by investing in hotels, campsites and restaurants, which offer number of services such as local and international food, beverage and accommodation which cater needs of tourists. The main activities involved by the hoteliers were food sale, food and hospitality, hospitality and accommodation. (Rose Shikuri and Patricia Chepkwony, 2013) This leads to development of tourism.

4. 6. 2 Challenges facing entrepreneurs to the development of tourism in Arumeru district

Poor infrastructure is a big challenge which faces entrepreneurs in their daily activities towards development of tourism. Poor infrastructure lead farmers to face difficulties in transporting their crops from their farms to market, transport owners faces this challenge because the infrastructure lead them to enter high cost in maintenance of their vehicles and difficult to access to the tourist destination. For campsite, hotel, and restaurant owners it is also a challenge because it makes difficult for visitors to access their business centers. The board member of the Showula mountain camp highlighted that, they were having difficulties in maintaining the dirty road from the maintained road in a good condition; they said that during rainy season small cars sometimes had to be pulled out from the mud by tractors (Lakhele, 2013). Also in Arumeru district the road are not passable during rainy season hence become a challenge to the entrepreneurs.

Marketing of tourism is a challenge for entrepreneurs because tourism market is a seasonal market, so when high season and peak season end, are the challenge to entrepreneurs because they receive low number of tourists. Also most of entrepreneurs lack marketing skills hence fails to do aggressive market. Inaccessibility to the market, lack of customer and selling on credit is the challenge facing entrepreneurs in hospitality industry (Mugendo Shikuru and Patricia Chepkwony, 2013).

The study found that, most of the entrepreneurs are not skilled, they lack marketing skills, managerial skills and language barrier especially English language, which make them, face difficulty in communication with their customers. Women entrepreneurs in MSES are affected by lack of entrepreneurial managerial and marketing skills. Women have limited access to vocational and technical training in southern Asia (Mulugeta change wube, 2010)

High running cost of the entrepreneurs' activities is another challenge. The running costs such as paying of multiple taxes, paying of employees, electricity bills, water supply, maintenance especially vehicle used by tourists is paid by foreign currency. Also Park fees and entry fee is very high as it is paid per dollar, these are big challenges for the entrepreneurs to the development of tourism because large amount of money which entrepreneurs earned is directed to the expenses. SMES and small restaurants operating independents of hotels are not able to achieve economies of scale due to high complex tax structures and formalization of informal sector not viable (Steck *et al.* 2010).

4.6. 3 Mitigation measures to the challenges facing entrepreneurs

According to entrepreneur's views, challenges of marketing should be overcome by looking for market in and outside Tanzania and by doing serious advertisement. Promotion on inter firm cooperation and networking in providing of training, increasing of aggressive marketing, embracing technology and upgrading will help to increasing marketing for entrepreneurs (Shikuri and Chepkwony, 2013).

The construction of infrastructure will solve the challenges of poor infrastructures. The government should construct infrastructures where farms, campsite, hotels, restaurant are and to the tourists destinations in general. Even though the road condition are the stumbling block, the staff and board of trustee believes that the government should assist to manage roads in good conditions (Lakhele, 2013).

4.6.4 Reduction of tax charges and number of tax charges is of paramount important.

The entrepreneurs interviewed suggested that, reducing number of tax like TALLA, Hotel levies and SUMATRA can enable tourist stakeholders to benefit from tourism activities and cut off the high running costs. Education and training should be provided to the entrepreneurs and to their staffs so as to overcome the challenges facing them. The education and training including managerial, marketing, customer care skills and language skills, access to loans entrepreneurs said that, government should look and set up condition which will help entrepreneurs to access loan easily. This includes reducing of loans interest and the needs of core laterals in provision of loans. This includes reducing of loan interests and the needs of core laterals in

provisions of loans. Involve entrepreneurs in decision making; entrepreneurs said that if they will be involved in decision making they can get opportunity to air their views on how different decision will help to reduce challenge. Entrepreneurs training can increase growth of small to medium size enterprises in a region.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusion and recommendations.

5.2 Summary of the Research Findings

The study assesses the role of entrepreneurs in the development of tourism in Arumeru district. The study was guided by three specific objectives which are to identify the role of entrepreneurs in the development of tourism; to examine the advantages of entrepreneurs to the development of tourism in Arumeru districts; to identify challenges facing entrepreneurs in Arumeru district and propose measure to address challenges facing entrepreneurs. The study was carried out in Arumeru District. In this study both primary and secondary data were collected. Different methods were used for data collections which are questionnaires, interviews, observation and documentary literature review.

The first objective of this study was to identify the role of entrepreneurs to the development of tourism. The study established that the entrepreneurs provide a big role to the development of tourism to satisfy the needs of tourists. Entrepreneurs provide accommodations, food and beverage, transfer facilities and tourists, curio shops, and recreation services to the tourists. The second objective was to examine the advantages of entrepreneurs to the development of tourism in Arumeru district.

Farmers, campsite owners, hotel owners, restaurant owners, transport owners, and curio shops owners support tourism as they provide good and services to tourists.

The third objective of the study was to identify challenges facing entrepreneurs in Arumeru district. During the survey, it was revealed that the sector is facing challenges such as high running cost, infrastructure, multi tax, park fees and entrance fee and inadequate skills, which hinder smooth operation of tourism activities. The conclusion and recommendations are based on objectives of the study and have been careful guide policy maker, entrepreneurs, and other stakeholders in tourism industry in Tanzania on how to make sure that entrepreneurs contribute a lot in tourism development.

5.3 Conclusion

Entrepreneurs play a very big role in the development of tourism in Tanzania. Entrepreneurs provide information about tourism; provide accommodation and advice to tourists. All these services support tourism development. The entrepreneurs are facing various challenges services in the process of food and accommodation so as to meet the needs and demands of tourists. It requires the government to constantly listen, understand, evaluate and find immediate solutions for the entrepreneur's challenges that play a big role to the development of tourism. Findings concluded that on the maintenance of infrastructure, skilled labor, provision of funds, reduction of number of tax, and marketing of tourist's attraction to avoid seasonality, are the factors which will contribute to entrepreneurs to provide good service to meet

tourist's satisfaction as it has been researched on hotels, restaurants, campsites, transportation and farmers in Arumeru district.

5.4 Recommendations

- i. The entrepreneurs play a very big role to the development of tourism whereby the government earn a lot from it as it provide employment, whereby through it people live in a good standard of life and raise national income, the government should change the system especially on multiple tax such as hotel levies Sumatra and TALA system (Tourism license) whereby 2000 USD is being paid per year regardless of how many cars or vehicles an entrepreneur has. This make the small entrepreneurs remain poor.
- i. Entrepreneurs should be provided with education or training on advocating and market tourism attractions. Provisions of education to the entrepreneurs should be put in consideration as they serve tourist. Entrepreneurs have the ability to develop the tourism industry if they work successfully.
- ii. As it has been explained earlier that the issue of market is a major problem, the government should work hard to make sure that tourism industry is promoted effectively so as to accumulate more customers in and out Tanzania.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE FOR FARMERS

Dear Respondent,

The aim of this Questionnaire is to determine, “**The Role of Entrepreneurship in Tourism development in Tanzania, A case study of Arumeru District in Arusha Region**”. The required information is for a research for the award of Masters Degree of Tourism Management and Planning of the Open University of Tanzania. All the information is for research only and will be treated in confidential. I will appreciate if you can spare some time to answer all the questions provided. Kindly answer all questions as complete as possible.

Thanks in Advance.

- 1 (a) Age
- | | | | | | |
|--|-------|--------------------------|--|--|--|
| | 18-24 | <input type="checkbox"/> | | | |
| | 25-34 | <input type="checkbox"/> | | | |
| | 34-44 | <input type="checkbox"/> | | | |
| | 45-54 | <input type="checkbox"/> | | | |
| | 55-64 | <input type="checkbox"/> | | | |
| | 65+ | <input type="checkbox"/> | | | |
2. Sex
- | | | | | | |
|--|--------|--------------------------|--|------|--------------------------|
| | Female | <input type="checkbox"/> | | Male | <input type="checkbox"/> |
|--|--------|--------------------------|--|------|--------------------------|
3. Marital status
- | | | | | | |
|--------|--------------------------|-----------------|--------------------------|----------|--------------------------|
| Single | <input type="checkbox"/> | married | <input type="checkbox"/> | divorced | <input type="checkbox"/> |
| Widow | <input type="checkbox"/> | Other (specify) | | | |

4. Education level

- | | | | |
|----------------------------|--------------------------|--------------------------|--------------------------|
| No formal education | <input type="checkbox"/> | Primary school education | <input type="checkbox"/> |
| Secondary school education | <input type="checkbox"/> | College education | <input type="checkbox"/> |
| | | University education | <input type="checkbox"/> |

5. For how long have you been a farmer? Tick below.

1-5yrs 6-10yrs 11-14 15-20 21 and Above

6. What type of plantations are you working on?

- a).....
- b).....
- c).....

6. Who are your customers? Tick below

Local residents tourists both

7. What is your contribution to the development of tourism?

- a).....
- b).....
- c).....

9. What do you benefit from tourism activities?

- a).....
- b).....
- c).....

10. what are the challenges facing your farming activities

- a).....
- b).....
- c).....

10. What do you suggest as the mitigation measures towards the challenges facing your farming activities?

- a).....
- b).....
- c).....

APPENDIX 2: QUESTIONNAIRE FOR CAMPSITE OWNERS

Dear Respondent,

The aim of this Questionnaire is to determine, “**The Role of Entrepreneurship in Tourism development in Tanzania, A case study of Arumeru District in Arusha Region**”. The required information is for a research for the award of Masters Degree of Tourism Management and Planning of the Open University of Tanzania. All the information is for research only and will be treated in confidential. I will appreciate if you can spare some time to answer all the questions provided. Kindly answer all questions as complete as possible.

1(a) Age

18-24

25-34

34-44

45-54

55-64

65+

2. Sex

Female Male

3. Marital status

Single married divorced

Widow Other (specify)

4. Education level

No formal education Primary school education

Secondary school education College education University education

5. For how long have you been a campsite owner? Tick below.

1-5yrs 6-10yrs 11-14 15-20 21 and Above

6. Who are your customers, tick below

Local residents Tourists Both

7a. Being a campsite owner, do you think there is any contribution to the contribution of tourism development in Arumeru district? Tick below

Yes No

7b. if yes ,what is your contribution and if no why?

- (a).....
- (b).....
- (c).....

8. Being in Arumeru district, What are the positive impacts in tourism development.

- (a).....
- (b).....
- (c).....
- (d).....

9. What are negative impacts as campsite owner entrepreneur to the development of tourism in Arumeru District

- (a).....
- (b).....
- (c).....
- (d).....

13. Do you think there are any suggestions in mitigating the negative impacts to the development of tourism in Arumeru District? If yes mention and if no why?

- (a).....
- (b).....
- (c).....
- (d).....

APPENDIX 3: QUESTIONNAIRE FOR CURIO SHOPS OWNER

Dear Respondent,

The aim of this Questionnaire is to determine

The Role of Entrepreneurs in Tourism development in Tanzania, A case study of Arumeru District in Arusha Region.

The required information is for a research for the award of Masters Degree of Tourism Management and Planning of the Open University of Tanzania. All the information is for research only and will be treated in confidential. I will appreciate it so much if you can spare some time to answer all the questions provided. Kindly answer all questions as complete as possible

1(a) Age	18-24	<input type="checkbox"/>	
	25-34	<input type="checkbox"/>	
	34-44	<input type="checkbox"/>	
	45-54	<input type="checkbox"/>	
	55-64	<input type="checkbox"/>	
	65+	<input type="checkbox"/>	
2. Sex	Female	<input type="checkbox"/>	Male <input type="checkbox"/>
3. Marital status			
	Single	<input type="checkbox"/>	married <input type="checkbox"/>
	Widow	<input type="checkbox"/>	divorced <input type="checkbox"/>
	Other	<input type="checkbox"/>	(specify)

5. For how long have you been a Curio Shop owner? Tick below.

1-5yrs 6-10yrs 11-14 15-20 21 and Above

6. Are visitors happy with your products?

Yes No

7. Who are your customers? Tick below

Local residents Tourists Both

6a. Being a curio shop entrepreneur, do you think there is any contribution to the development of tourism in Arumeru district?

Yes No

6b. If yes what are your contributions to the development of tourism in Arumeru district and if no why?

- (a).....
- (b).....
- ©.....
- (d).....

7. As a curio shop owner what are the challenges to the development of tourism in Arumeru district?

- (a).....
- (b).....
- (c).....

8. What are the solutions in mitigating the challenges?

- (a).....
- (b).....
- ©.....
- (d).....

9 Do you think according to your Carrier there is any contribution to the development of tourism in Arumeru district? If yes mention, and if no why?

- (a).....
- (b).....

©.....

(d).....

10. What are the positive impacts of entrepreneurs to the development of tourism in Arumeru District?

(a).....

(b).....

©.....

(d).....

(e).....

11. What are negative impacts of entrepreneurs to the development of tourism in Arumeru District?

(a).....

(b).....

(c).....

(d).....

12. Do you think there is any suggestions in mitigating the solution for the negative impacts of entrepreneurs to the development of tourism in Arumeru District? If yes mention.

(a).....

(b).....

(c).....

(d).....

APPENDIX 4: INTERVIEW GUIDE FOR TRANSPORT OWNER

Dear Respondent,

The aim of this Questionnaire is to determine

The Role of Entrepreneurs in Tourism development in Tanzania, A case study of Arumeru District in Arusha Region.

The required information is for a research for the award of Masters Degree of Tourism Management and Planning of the Open University of Tanzania. All the information is for research only and will be treated in confidential. I will appreciate it so much if you can spare some time to answer all the questions provided. Kindly answer all questions as complete as possible

Thanks in Advance.

1(a) Age	18-24	<input type="checkbox"/>	
	25-34	<input type="checkbox"/>	
	34-44	<input type="checkbox"/>	
	45-54	<input type="checkbox"/>	
	55-64	<input type="checkbox"/>	
	65+	<input type="checkbox"/>	
2. Sex	Female	<input type="checkbox"/>	Male <input type="checkbox"/>
3. Marital status			
	Single	<input type="checkbox"/>	married <input type="checkbox"/>
	Widow	<input type="checkbox"/>	divorced <input type="checkbox"/>
	Other	(specify)	

1. As a transport owner what is your contribution to the development of tourism in Arumeru district?
2. What is your contribution to the development of tourism in Arumeru district?
3. What are the negative impacts to the development of tourism in Arumeru district?
4. What is the solution in mitigating the challenges

APPENDIX 5: INTERVIEW GUIDE FOR HOTEL OWNERS

Dear respondent

This interview is designed by the Researcher to gather information on the topic, **“THE ROLE OF ENTREPRENEURS IN TOURISM DEVELOPMENT IN TANZANIA: CASE STUDY OF ARUMERU DISTRICT, ARUSHA.** The information is required for a research leading to the award of Masters Degree of Tourism Management and Planning of the Open University of Tanzania. All the information is for research only and will be treated in confidential. You are kindly requested to answer in the best of your knowledge.

1 Age	18-24	<input type="checkbox"/>	
	25-34		
	34-44		
	45-54	<input type="checkbox"/>	
	55-64	<input type="checkbox"/>	
	65+	<input type="checkbox"/>	
2. Sex	Female	<input type="checkbox"/>	Male <input type="checkbox"/>
3. Marital status			
	Single	<input type="checkbox"/>	married <input type="checkbox"/>
			divorced <input type="checkbox"/>
4. Widow	<input type="checkbox"/>	Other	(specify) <input type="checkbox"/>

1. As a Hotel Owner owner what is your contribution to the development of tourism in Arumeru district?
2. What are the positive impacts to the development of tourism in Arumeru district?
3. What are the negative impacts to the development of tourism in Arumeru district?
4. What is the solution in mitigating the challenges

APPENDIX 6: INTERVIEW GUIDE FOR RESTAURANT OWNERS

Dear respondent of Tanzania. All the information is for research only and will be treated in confidential. You are kindly requested to answer in the best of your knowledge

This interview is designed by the Researcher to gather information on the topic, **“THE ROLE OF ENTREPRENEURS IN TOURISM DEVELOPMENT IN TANZANIA: CASE STUDY OF ARUMERU DISTRICT, ARUSHA.** The information is required for a research leading to the award of Masters Degree of Tourism Management and Planning of the Open University

1 Age 18-24

25-34

34-44

45-54

55-64

65+

2. Sex Female Male

3. Marital status

Single married divorced

4. Widow Other _____
(specify) _____

1. As a restaurant Owner what is your contribution to the development of tourism in Arumeru district?
2. What are the positive impacts to the to the development of tourism in Arumeru district?
3. What are the negative impacts to the development of tourism in Arumeru district?
4. What is the solution in mitigating the challenges

APPENDIX 7: OBSERVATION CHECKLIST

NO	ENTREPRENEUR	FACILITIES	YES	NO	NILL
1.	FARMER	Land, tractor, How about panga, hoe etc.			
2.	CAMPSITE OWNER	Camps, accommodation facilities			
3	CURIO SHOP OWNER	Carvings, crafts, tingatinga drawings, souvernors			
4	HOTEL OWNER	Recreation and Entertainment, Food and beverage, Internet Facilities			
5	TRANSPORT OWNER	Cars			
6	RESTAURANT OWNER	Food and beverage			