

*Review*

## Transforming the Nigeria tourism industry through tourism entrepreneurial development

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This paper seeks to explore the role of tourism entrepreneurship in producing destination tourism spirit in Nigeria. Nigeria is a land richly endowed with natural and cultural resources. Concerted attempts have been made in the past five decades to build a viable tourism industry by government and a small number of operators, but not much has been achieved. The country has not been able to harness the abundant resources into attractive tourist products with high visitor-drawing power. Many reasons have been given for this ugly situation. The paper therefore conceptualized that, the possession of a resource base can only give absolute advantage, but does not produce the desired level of industry spirit necessary to sell the destination. What matters most is the resource conversion rate of entrepreneurs. Nigeria does not currently have a tourism model capable of achieving 80% of tourism resource conversion rate. This paper therefore proposes a tourism sector development model that posits tourism entrepreneurship as the potential driver of the tourism industry. It also highlights specific entrepreneurial tourism operations that are necessary to optimize the country's tourism goals. The proposed tourism destination development model (TDDM) has the following four components: invention of tourism entrepreneurial programmes, harnessing the potential of existing hospitality enterprises in creating a tourism value chain, promoting community based tourism (CBT) in tourism resource management and creating effective tourism regulatory framework and infrastructural base.

**Key words:** Tourism entrepreneurship, tourism development, tourism industry, tourism business plan, community based tourism, tourism development model.

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### INTRODUCTION

The benefits of tourism to community and national development cannot be over emphasized. Countries such as Spain, Gambia, South Africa, Kenya, etc had long recognized and have benefited from the catalytic power of tourism in community and national development. Evidence from countries where tourism has been

enshrined as a development strategy are good examples of the success story of why tourism (Milne, 2001). But most interesting is the existence of plethora of literature with copious evidences that support the efficacy of tourism as a sustainable development tool for the developing and less developed countries (LDC) of the

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world. Tourism has enormous potential for driving the developing nations toward achieving the MDGs (Holden, 2008).

Tourism was called upon by the World Bank and United Nations World Tourism Organization (UNWTO) to take its place in national development of developing countries (World Bank, 2002). Because of the importance and relevance of tourism, most developing countries are now promoting some brand of tourism tied to its development (Marafa, 2006; Yunis, 2004). Nigeria is no exception. Nigeria is an oil rich country and also richly endowed with abundant tourism resources. However, the oil deposits are found in higher quantities in the South-south Geographical Zone than in the other five zones of the country. This uneven distribution has led to the formulation of political and economic policies that have brought about the lopsided development in the country. Unlike oil distribution, tourism resources are spatially distributed in all the geopolitical zones in Nigeria. It is observed that every LGA in Nigeria has at least one tourism resource. If this is the case, it can be extrapolated that with the present geographical structure, Nigeria has nothing less than 776 tourism potential sites or attractions. A thorough resource inventory would show the huge potential of tourism in Nigeria. For example, Cross River State has 85 tourist sites/attractions. Out of this number, 16 sites are nature-based, 42 are historical & cultural, 16 sites recreational and 11 other sites are industrial, educational, religious based, etc. (Cross River Tourism Bureau, 2012).

Experts believe that tourism can trigger the much needed socio-economic development in any country, including Nigeria. In the same line of reasoning, we argue that tourism in Nigeria has the potential of being a supplementary source of revenue for the country if not the major source. Secondly, that the negative impact of oil exploration on the ecosystem would be ameliorated if the country adopts an optimal resource mix that positions sustainable tourism development and oil exploration as the mainstay of the economy. Since there are more tourism resources than oil in Nigeria, optimization of the two resources will produce better payoffs. The expected growth in the tourism sector may produce ripples of multiplier that will likely cause the almost moribund economy to rebound. If tourism is considered and taken seriously in Nigeria and if most of the tourist sites/attractions were to be developed to visitor-ready state and effectively packaged and marketed, Nigeria would expectedly attract to itself the following benefits: *Economic benefits* (tourism will bring in additional money into the community, contribute to the revenue generated by the states and local governments through taxes, create new jobs for unemployed community members in managerial positions and for lesser skilled residents, attract other industries and encourage economic diversification and stability and supports small business development in the states and region); *Cultural benefits*

(tourism will foster civic pride in local arts and festivals, music and other local customs, provides valuable cultural exchange between hosts and guest); *Social benefits* (tourism will help support amenities that the community may not otherwise be able to support and enhances civic pride); *Environmental benefits* (tourism can help foster conservation and preservation of important natural, cultural and industry resources).

### Statement of the problem

The word transformation operationally means a process of changing from one state to a more desired state or condition in life. Contextually, one could say that the tourists cape of the country is currently in a shabby or sully state and therefore requires strategic activities to change the situation to a desire one: one that will yield expected results or benefits as enunciated in the introduction section of this paper. A simple evaluation of the performance of the Nigeria tourism industry reveals the absence of a tourism spirit among industry players and the lack of adequate-visitor ready tourism products (Table 1). Secondly, the contribution of tourism to the national GDP is still below 1% (Central Bank of Nigeria Statistical Bulletin, 2013).

Several attempts have been made by the Federal Government to boost the tourism industry in Nigeria. This was overtly expressed in 1990 with the formulation of the National Tourism Policy and the subsequent promulgation of Decree 81 of 1992 establishing the Nigeria Tourism Development Corporation (NTDC). A further boost was the design and development of the Nigeria Tourism Development Master Plan in 2005. The Plan was prepared in collaboration with the United Nation World Tourism Organization (UNWTO) and Tourism Development International. The Master Plan was focused on strengthening institutional capacity of the Nigeria tourism sector. Since then not much has been achieved. The slow implementation of the Nigeria Tourism Master Plan can be attributed to the low political will expressed by political office holders and human capital deficiency in tourism planning by responsible public agencies.

Notwithstanding the low level of implementation of the Nigeria Tourism Master Plan, sporadic developments have taken place in some States of the country such as Cross River State, Akwa Ibom State, Kebbi State, Lagos State, Osun State, Abuja, etc. Several initiatives by government to reposition the tourism industry in Nigeria as the cash cow of the country have failed. This scenario has been the concern of academics, tourism practitioners and most Nigerians. The question then is what are the underlying factors affecting the growth of the tourism industry in Nigeria? The industry is in a sully state even when the government has shown concern; although little effort. This paper posits that the slow development of the

**Table 1.** Nigeria tourism development master plan implementation problems.

<b>Tier of government</b>	<b>Implementation problems</b>
Federal Level	<p>Low and inadequate budgetary allocation to the tourism sector in the annual national appropriation bill (check %)</p> <p>Bureaucratic bottle necks at the apex tourism body of the country: Federal Ministry of Culture, Tourism and National Orientation and the Nigeria Tourism Development Corporation</p> <p>Poor working relationship between the Federal Ministry of Culture, Tourism and National Orientation and the Nigeria Tourism Development Corporation (NTDC) in the formulation of strategic direction for the achievement of the national tourism objectives.</p> <p>Conflicts in the roles of Federal Ministry of Culture, Tourism and National Orientation, NTDC and National Institute for Hospitality and Tourism (NIHOTOUR) in the implementation of national tourism policies as it concerns manpower development</p> <p>The fuzziness of the NTDC Law in the distribution of responsibilities between NTDC and State Tourism Organizations (STOs). A good example is seen in the licensing of hospitality facilities in Nigeria; the case of Lagos State and the Federal Government of Nigeria.</p>
State Level	<p>The failure of the State Governments to domesticate the content of the National Tourism Master Plan.</p> <p>Inefficiency of most State Tourism Boards and attendant inability of the State Tourism Organizations (STOs) to effectively develop tourism at the state level</p>
Local Government Level	<p>The failure of Local Government Council Areas (LGAs) to see tourism development as part of their legislated functions, thereby leading to the absence of tourism plans to guide tourism businesses at that level, despite the fact that the NDTC Law provides for it.</p> <p>Unwillingness of the local governments to drive the development of tourism at the rural areas.</p>
Community Level	<p>The failure to participate in tourism development as result of ignorance and lack of empowerment</p>

Source: Author's research.

tourism industry is as a result of the absence of tourism entrepreneurship in Tourism destination development (TDD).

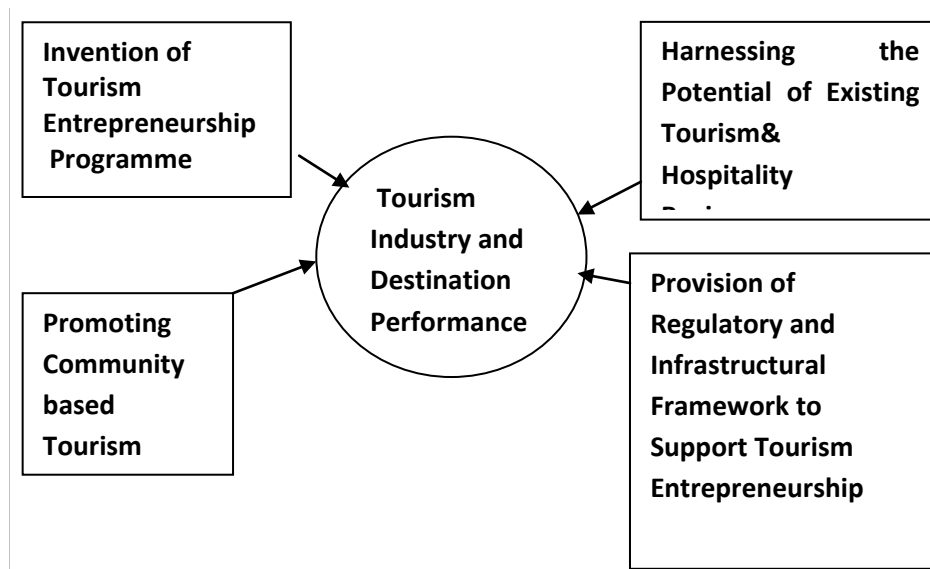
The paper argues that the absence of national and local tourism entrepreneurship awareness is the bane of the industry and has led to the slow take off and growth of the industry. The paper conceptualizes a four component tourism entrepreneurial development model to will transform the tourism industry in Nigeria. The transformational strategies are subsumed in the four components of the model: invention of tourism entrepreneurial programmes to catalyze aggressive tourism product development, harnessing the potential of existing hospitality enterprises in creating a tourism value chain, promoting community based tourism (CBT) in tourism resource management, and creating the right business environment through effective tourism regulatory framework and infrastructural base (Figure 1).

## **INVENTION OF TOURISM ENTREPRENEURSHIP IN NIGERIA**

### ***The structure of tourism industry and entrepreneurship***

It is generally known that five tools are necessary in the

production milieu, namely: man, material, money, method and machines. In all, man is the most important of the elements. Man is the only factor that can create value. The man who creates the value is referred to in this context as "tourism entrepreneur", while the ability (knowledge and skill) to create the value is referred to as "tourism entrepreneurship". Koh and Hatten (2002: 25) define tourism entrepreneur as: "a creator of touristic enterprise motivated by monetary and/or non-monetary reasons to pursue a perceived market opportunity legally, marginally or illegally". Tourism entrepreneurship covers a range of activities that are relevant in the creation and operation of a legal tourist enterprise. Legal tourism enterprise here refers to those businesses that operate on a profitable basis and seek to satisfy the needs of tourist and visitors. Tourism industry is a mixture of public and private organizations that are actively involved in the development, production and marketing of both products and services that satisfy the needs of tourists (Gee et al., 1989). Koh and Hatten (2002) categorize tourism entrepreneurs into 4 groups: inventive, innovative, imitative, lifestyle, social, marginal and closet entrepreneurs. Inventive entrepreneur is one whose offering is truly new to the tourism market. Innovative entrepreneur is one whose offering is somewhat new. Imitative entrepreneur is one whose offering has no significant difference from



**Figure 1.** Conceptual model for tourism industry and destination development in Nigeria.

other established offerings in the tourism market. Social entrepreneur is one who establishes a non-profit touristic enterprise for support social ideas and norms. Lifestyle entrepreneur is one who launches a tourist enterprise to support his/her lifestyle and /or hobby/interest with no/little interest of growing his or her enterprise. Marginal entrepreneur is one who operates his/her tourist enterprise in the informal sector of the tourism industry and the closet entrepreneur is one who operates a touristic enterprise alongside a fulltime job for various reasons.

There are several classifications of the tourism industry. In this paper, we shall take the one by British Columbia (n.d.), which classifies tourism industry as one with eight industries: accommodation, food and beverages services, attractions, adventure tourism and recreation, events and conferences, transportation, travel trade and tourism services (Table 2).

- (i) Accommodation: Hotels, motels, campgrounds, hostels, B &Bs, etc.
- (ii) Food and beverage services: restaurant, fast food outlets, pubs, club facilities, catering services.
- (iii) Attractions: museum, galleries, parks, trail systems, guides, water parks, interpretive centres, cultural centres, agricultural tourism, etc.
- (iv) Adventure tourism and recreation: nature based tourism, marine tourism, outfitting, etc.
- (v) Events and conferences: special events, concerts, community or annual festivals, conventions, trade shows and sporting events, etc.
- (vi) Transportations: Recreational vehicles, air carriers, coaches, railways, cruise lines, car rentals, ferries, taxis, gas stations, etc.

(vii) Travel trade: Recreation services, tourism suppliers, tourism information centres, travel agencies, tour wholesalers, tour guides, etc.

(viii) Tourism services: Advertising agencies, travel writers, photographers, consultants, tourism/hospitality educators, website developers, research services, tourism sector associations, destination marketing organizations, etc.

### ***The importance of tourism entrepreneurship***

The thesis of this paper is that no meaningful tourism development can take place in a destination without an integral platform through which entrepreneurs can play a dynamic role. The contribution of tourism entrepreneurship in tourism development is captured here:

1. A community quantity and quality of supply of entrepreneurs significantly determine the magnitude and forms of its touristscape. This is because tourism entrepreneurs are the 'person-causa' of tourism development (Koh and Hatten, 2002).
2. Tourism entrepreneur is central in attracting and re-attracting visitors to the destination (Koh and Hatten, 2002).
3. Entrepreneurs are the key tourism factor that are highly influential at a given point in time, inherently dynamic and capable of having long lasting effect on shaping the fortunes of a destination over time (Ryan et al., 2012) .
4. It is only when tourism entrepreneurs are present do a community's climate; landscapes, flora, fauna, historic vestiges and ethno-cultural enclaves become tourism

**Table 2.** Tourism product and services.

Tourism products	Tourism products
All-terrain vehicles	Water rafting
Adventure education	Water diving
Bungee jumping	Fishing
ATV riding	Kayaking
Bobleigh	Wing surfing
Caving	River boating
Cycling tours/mountain biking	Water tubing
ecotours	Ballooning
Guided walk	Scenic flight
Horse riding	Parachuting
Mountain recreation	Art and craft
Quad biking	Nightlife entertainment
Village and agricultural tours	Catering services
Bird watching	Accommodations such as bed & breakfast, camp stead, apartments, guest houses
School visits	Provision of rental accommodation
Hair braiding	Provision of rental vehicles, boats and bikes
Drumming and dance	Establishment of casinos
Sharing meals with family	Visit to craft workers
Farming	Village settlement
Domestication of animals	Vernacular architecture
Blacksmiths	Visit to local markets
Story telling	History tours
Bush craft	
Guided walk to look at plants and their medicinal values	
Language classes	

Source: Author's research.

resources that may be transformed into tourist attractions (Koh and Hatten, 2002:27).

5. Without the influence of entrepreneurs it is doubtful that a tourism industry would evolve, even areas that are favourably endowed with resources (Koh and Hatten, 2002).

6. The innovation, flair and vision of entrepreneurs shape modern tourism (Russell, 2006:105; Russell and Faulkner, 1999, 2004; MCKERCHER, 1999).

7. Britton (1991) cited how the building of just one hotel in an area triggered further development because it provided a base from which further construction can proceed and signals a confidence in the location.

8. Hall (2004) found that tourism innovation in New Zealand occurred primarily because of champions and individual innovators who have been able to generate local interest and involvement.

9. Mottiar and Tucker (2007) acknowledge that there are a growing number of significant studies on the impact of entrepreneurs on tourism development.

10. Keen (2004) in his study of tourism in New Zealand

claim that social and community entrepreneurs were the main facilitators of tourism development.

11. The study by Johnson & Mattson (2005) revealed the impact of a single entrepreneur on destination development in Hay-on Wye.

12. Hall (2004) asserts that in regional and rural areas: (i) small business and entrepreneurs are the foundation of the tourism product, delivering the tourism reality, quite often in the form of niche products based on the resources available to them. (ii) They provide the platform that makes a region accessible and attractive. (iii) Entrepreneurs influence tourism development beyond their own individual contributions.

### ***Developing tourism entrepreneurial skills***

An entrepreneur is one who identifies a tourism business opportunity and builds an organization to leverage the opportunities and to make profit. It is important that starters in tourism entrepreneurship should know and

appreciate the various activities necessary in starting a tourism business to avoid the risk of business failure which is common among new businesses. The startup activities include:

### ***Identifying tourism business opportunities in Nigeria***

Tourism potential refers to the pool, array and collection of natural, cultural and man-made tourism resources possessed by a community, state and/or country that can be transformed and developed into visitor-ready attractions or finished products and services packaged to provide touristic experiences. Experiences are intangible offerings provided by a tourism service provider that cannot be seen or measured, but motivates the visitor to make a choice. Investments opportunities are capital goods or services that have economic and commercial benefits for the entrepreneur and for the society.

Tourism business opportunities are conceptualized in this paper as tourist sites, attractions and spots that require designing, creating and packaging of touristic experiences and the provision of tourist facilities, tourist services and tourist infrastructure required to make the clusters and attractions within them visitor-ready by an entrepreneur for commercial purpose.

The abundant tourism resources in Nigeria present with numerous opportunities for investors in the tourism sector of the economy (Esu, 2013). UNWTO (2006) grouped the tourism resources and attractions in Nigeria into five tourism clusters: Tropical Rainforest Cluster, Conference Capital Cluster, Atlantic Gateway Cluster, Scenic Nature Cluster, and Sahara Gateway Cluster. Each cluster is made up of core attractions (products) and other supporting and ancillary products packaged to give tourists maximum satisfactory experience. The Nigeria Tourism Master Plan also elaborated and proposed enhancements that must be carried out to transform these tourist sites/attractions to visitor-ready status, and subsequently create value added in the market (Esu, 2013). Specifically, entrepreneurs can choose from a wide range of products based on tourist demand. The problem is the lack of knowledge about product development and packaging; this is because tourism is nascent business in Nigeria. The entrepreneurs are not knowledgeable in the specific activities and combinations of resources that could be harnessed or put together to form a delightful experience. Table 1 presents a long list of possible tourism product and services an entrepreneur can venture into in Nigeria.

### ***Selecting business opportunities***

To be successful, the entrepreneur must give all diligence to this stage of tourism entrepreneurship. The tourism

entrepreneur should carry out a feasibility study on the business concept. The entrepreneur must also have a vision that forms the foundation of his/her business planning. He/she should generate market research information: collect information about all aspects of the tourism product that will help in estimating the market potential and industry competition. The entrepreneur should have knowledge of the business registration procedure in the state of the federation where the business will be located. The entrepreneur should note and list all the requirements for permit, lease, license, insurance, staffing and other factors and other things needed to put in place to operate a successful tourism business. He/she should take an approach that will make the tourism business unique while learning lessons from the experiences of existing businesses.

After selecting the business idea that fits the market opportunity, the entrepreneur may select a tourism product from any of these three classifications based on his/her ability to meet the industry entry requirements (Saayman and Saayman, 1999). The enterprises are classified based on degree of sustainability: small sized enterprise, micro sized enterprise and medium sized enterprise. Small and micro tourism enterprises tend to be less sustainable than medium sized tourism enterprise and seem to be much more influenced by external factor such as the weather. For example, if it rains for a couple of days, the enterprises are hampered in doing business which leads to a loss of revenue. Medium sized enterprises create more jobs than small and micro enterprises, although they cost considerably more to develop (Table 3).

Entrepreneurs should also decide on the form of tourism enterprises they intend to operate. There are generally three forms of businesses: sole proprietorship, partnership, incorporated business.

Another classification of tourism enterprises that is useful in the selection process is given by Rogerson (1998). It divides tourism businesses into three models-models 1, 2 and 3: These are depicted in Table 4.

### ***Business analysis***

At this stage of tourism enterprise formation, the entrepreneur should take what he/she has learned from the feasibility study and market research analysis to ascertain whether or not the business idea is viable. Furthermore, the following barrel of questions will help the entrepreneur develop a rough budget, review his/her expenses and projected revenue to ensure that the business will be profitable in the long term: have I accounted for the seasonality of the tourism business? How will I pay the bills in the off season? Will I need to employ staff? How much full time or part time? What skills will they need? How can I develop my skills as a

**Table 3.** Classification of tourism businesses based on degree of sustainability and entry requirement.

<b>Small and micro sized enterprise</b>	<b>Medium sized enterprise</b>
<b>Types of firms</b>	<b>Type of firms</b>
Arts and crafts, tour guides, street musicians, artists, vendors etc. <i>Characteristics:</i> less sustainable <i>Entry requirement:</i> Few and limited Easily accessible Low funding requirement Requires specific skills based on natural talents Needs little if any infrastructure	Guest houses, hotels, tour operators, game farmers and reserves, transport service providers. <i>Characteristics:</i> Sustainable enterprise <i>Entry requirement:</i> Lots of entry requirement e.g. for guest, hotel, etc. High cost and funding requirements. Requires managerial skills Requires specific marketing skills. Dependent on other specific skills (chef, professionals, etc). Needs specific infrastructure.

Source: Adapted from Saayman and Slabbert (n.d.).

**Table 4.** Tourism Business classification model.

<b>Model</b>	<b>Model characteristics</b>
1	Small and medium scale tourism enterprises are organized as co-operatives at the village or community level. In this model tourism is a means of increasing and diversifying sources of community income and employment
2	Small scale tourism enterprises are organized as individual or family concerns. The enterprise usually serves as the only or principal sources of family income. For the self-employed, this type of enterprise is a means of family subsistence. Examples are to be found in the smallest bed and breakfast.
3	Small scale tourism enterprises are organized by individuals & families as supplementary to other rural livelihood.

Source: Adapted from Rogerson (1998).

manager? And most importantly, can I afford to properly market to my target audience? Where are my best potential markets? How will I market to them?

### **Preparing a tourism business plan**

The understanding the entrepreneur gets from the business analysis will form the basis of the tourism business plan. The entrepreneur needs to develop his/her detail business plan and budget. The major components of business plan are: company overview (provide information about company structure, management, and staffing); product strategy (review your current product and service and its uniqueness); market analysis (it defines the target market characteristics); marketing plan (the firms marketing programme); and financial plan (capital requirement and profit potential). The challenge with most tourism business is how to finance the business idea. It is interesting to note that many tourism businesses do not operate all year round because of seasonality. For instance, from the month of June to September in Nigeria, there is high humidity and extreme wetness that makes outdoor tourist activities difficult and uninteresting. The peaks and trough and valleys must be

taken into consideration in financial planning. The annual revenue should be planned for the twelve months although in reality effective financial months may be 6-8 months. This is to ensure that the business can be sustained through the other months of low cash flow. This is challenging because the time for cash flow is often the same time you need to invest in marketing and promoting the business for the upcoming season. There is therefore the need for a credit line with a financee (bank, venture seed holder, family member, etc.) to carry the entrepreneur through the cash-flow valleys.

A risk management strategy should be incorporated into the business plan. It acknowledges actual and potential threats to the successful operations of a business and determines the activities required to minimize or eliminate the risks. Businesses that have risk management operating procedures in place could qualify for premium reduction from their insurance company: (i) provide operational procedure, (ii) risk management and insurance guide for the adventure, ecotourism and others in the industry. It is necessary to protect your investment against various risks. The most commonly required types of insurance for the tourism industry are: (i) commercial general liability (CGL) insurance. This insures you and your business against claim made by third parties that

may arise out of your activities or operations. (ii) Account receivable insurance. It insures up to 90% of the entrepreneur's receivable if a tour operator does not pay because of insolvency or default.

### **Business registration (general and specific)**

Registering the enterprise after visioning stage is very important as an entrepreneur. Registration confers legal status on an enterprise and endorses the operator as a true entrepreneur. Regardless of the type of tourism enterprise or service, the following steps must be taken to register the enterprise with government: register your business as any of the following: proprietorship, partnership business, limited or incorporated company with the Corporate Affairs Commission (CAC); the enterprise should be registered with Internal Revenue Service (IRS) of the state where the enterprise is located in Nigeria for business license and business permit and taxes and tourism development levy (TDL) in the case of Cross River State and the Federal Inland Revenue Service (FIRS) located in the State where the enterprise is located. The different taxes are shared between the state and Federal Government. The entrepreneur should be informed of all the statutory levies and taxes payable in the State/LGA where the business is located. After the general business registration has been done, there are some tourism specific registration which must be done in line with the state regulation and legislation. All tourism and hospitality businesses are required to register with NTDC in line with Decree No. 81 of 1992: Section 20.

### **Harnessing the potential of existing tourism and hospitality enterprises**

Existing hospitality enterprises can work together to transform the touristscape of the country. Their collective actions would expand the business opportunities in the tourism sector. This role was hitherto considered government's responsibility towards their citizens. However, in today's global market environment, various risks and opportunities provide reasons for entrepreneurs to leverage the opportunities in the tourism sector. It is an imperative that businesses should leverage the competitive advantage in the environment. The following issues in the industry should be addressed by existing tourism enterprises:

1. Existing business should create tourism businesses that are based on inclusive business model involving the employees, entrepreneurs, suppliers, distributors, retailers, customers in order to spread the tourism benefits (Ashley et al., 2007).
2. Low human capital in the sector. There is a dearth of qualified manpower in the tourism industry and

academic to provide a competitive edge that is required to reposition the industry in Nigeria (Esu, 2012). The academic institutions which are the citadel of knowledge are themselves weak in tourism and unable to impact on the industry positively. At the moment the number of universities offering tourism and hospitality are less than fifteen; number of polytechnics and monotronics offering tourism and hospitality are about twenty (Esu, 2012). There is also obvious absence of tourism entrepreneurial development centres in Nigeria where tourism skill specialization could be taught to tourism entrepreneurs.

3. Low institutional capacity of tourism enterprises. Most tourism organizations have weak institutional capacity which has led to their inability to perform efficiently in the industry. A vibrant tourism industry can only be achieved by strengthening the industry associations, markets, intermediaries, universities, government, civic society organizations and grass root groups to be able to play their role effectively within the system. Existing tourism enterprises help in promoting best practice in the industry and carry out advocacy for compliance with existing specific industry commercial laws.

4. The collaboration and networking among tourism firms in the rural area has significant economic impact in tourism development. Taskov et al. (2011) citing Lynch and Morrison (2007:6) define networking as "social structures that enable the operations of small firms to build the level of trust necessary for them to share in the development of the local tourism product". Networking is a measure of the extent to which entrepreneurs are connected to their environment. This relationship could be described as tight or loose. The concept of networking is underpinned on the premise that entrepreneurs know that many of the critical skills and resources factors necessary for high industry performance exist outside the firm. Tinsley and Lynch (2001) explore the networking practices of small tourism businesses in rural destination development. Michael (2007) focused on the influence of micro-clusters and found that local operators enjoy a co-operative and complementary interactions that enable them exploit energies that give the destination comparative advantage. Cluster refers to the geographic concentration of small numbers of firms in a cohesive environment where the complementary interaction between these firms contributed to an enhanced level of specialization.

5. Absence of tourism value chain framework: The division of the nation's tourism potential into five clusters is a welcome development. The specific products in the industry should not be stand alone. For the cluster arrangement to work, the value chain framework must be institutionalized to drive the clusters. The businesses in the cluster will experience innovative growth, new product formulation, enhance visitors satisfaction,



increase attractiveness of region, increase in the number of tourist at sites, increase employment and revenue growth (Cravens and Piercy, 2006).

Two models that provide more insight into the way in which local entrepreneurs influence tourism development are Lewis (1998) and Ritchie and Crouch (2003). Lewis's Model (1998) identifies the role of local entrepreneurs as trigger of change that heightens and strengthens the dynamism that underpins tourism development. Their model show that small tourism enterprises contend, contribute to destination development and competitiveness through their strategies, structure and rivalry, in particular, through their inter-firm competition and cooperation. Pearce (1995), in a case study, observes that it is entrepreneurs who provide a community with the diversity and dynamism that assures continuous development. According to him, this development may extend beyond individual development projects to stimulate other sectors of the community economy. He cited how the development of one entrepreneur triggered further development in the case study.

#### **PROMOTING COMMUNITY BASED TOURISM INITIATIVE IN NIGERIA**

The generally accepted approach for community involvement in tourism is known as community based tourism (CBT). It is a derivative of community based natural resource management (CBNRM) which started in Southern African in the 1980s and was initially focused on community-based wildlife management in Zimbabwe. CBNRM entails organizing a community or a group of communities in such a way that they can take responsibility for the management of local natural resources in areas traditionally owned by the community for the benefits of the community (Arntzen, 2003, as cited in Sebele, 2005). The community usually obtains permit from the government to exercise exclusive rights and responsibility of the tourism resource.

Kirkpatrick (1999) as cited in Sebele, 2005:15) describes community based tourism as "tourism in which a significant number of local people are involved in providing services to tourists and the tourism industry, and in which local people have meaningful ownership, power and participation in the various tourism and related enterprises". According to him, community based tourism should offer some form of benefits to local people who are not directly involved in the tourist enterprises. Such benefits include: improved education or infrastructure, etc. Similarly, Mearns (2003:30) defines CBT as "tourism initiatives that are owned by one or more defined communities, or run as joint venture partnerships with the private sector with equitable community participation, as a means of using the natural resources in a sustainable manner to improve their standard of living in an economi-

cally viable manner". It is a bottom-top approach to fill the failure gap of government developmental role. A community's most important strength is the capacity of the residents to work collectively. The rationale for CBT is that, most of the valuable tourism resources of the state or country are in the rural areas.

Successful CBT projects must be pivoted on four pillars which include: economic viability, ecological sustainability, equal distribution of costs and benefits and transparent organization (Rozemeijer, 2001). According to McKercher (1999), for sustainable tourism to occur, it must be closely integrated with all other activities that occur in the host region such as agriculture, construction, mining, commerce, etc. Successful CBT projects occur through collaboration with stakeholders (government, private sector, NGOs and CBOs). The different perspectives of benefits from CBT are the triggers of tourism development (Rozemeijer, 2001). This is shown in Table 5.

#### **PROVISION OF REGULATORY AND INFRASTRUCTURAL FRAMEWORK THAT SUPPORTS TOURISM ENTREPRENEURSHIP**

##### ***Provision of general and specific physical tourism business infrastructure***

The provision of basic soft and super infrastructure will reduce the cost of doing business in Nigeria, thereby making the country's investment environment more attractive to both domestic and foreign investors. The absence of these infrastructures has acted as a disincentive to the country's tourism effort. These inadequacies were also captured by the Nigeria Tourism Master Plan (2006). They include: poor and deplorable state of roads, epileptic public power supply, few international airports, few airlines connecting states with tourism attractions, weak ICT infrastructure, limited or no railway lines connecting states with tourism attractions, etc.

##### ***Human capacity development in the tourism sector***

At the moment there is a dearth of competent persons to transform the abundant tourism resources in Nigeria to enchanting tourism products. The human capital status of the sector is grossly inadequate. Inyang and Esu (2008) found that only 5.8% of the employees in the hospitality industry in Cross River State had dedicated tourism and hospitality certification, those with diploma and higher degrees in non-tourism discipline were 40.09% and those without tertiary level certification were 47.07%.

##### ***Formulating laws that regulate tourism and hospitality practice in Nigeria***

The legal environment of tourism in Nigeria is

**Table 5.** Different perspective of stakeholder groups toward CBT.

Stakeholders	Rural development	Conservation in communal areas	Tourism development
Government	CBT offers an opportunity for communities in remote areas to generate sustainable income and employment from the use of the few resources they have without heavy government investment	CBT is an incentive to protect valuable natural resources, which lessens the controlling costs of government departments such as Departments of Wildlife and national parks	CBT adds to the natural tourism product and, as such, increases the national income derived from tourism.
Private sector	CBT offers private sector investment opportunities CBT increases the political acceptance of tourism as a development opportunity and, as such, secures private sector investment in the long term.	CBT encourages the conservation of the natural resources that are the basis for private sector investment in consumptive and non consumptive tourism.	Cultural activities of CBT projects fill a specific niche in the tourism market. Community hunting-areas are of increasing value to safari companies as hunting areas are scarce CBT can be profitable business and, as such, is an interesting sector for NGOs to be involved in as part of their costs can be recovered through community contributions
NGOs	CBT offers an additional sector where NGOs can 'sell' their services to the communities (with donor financial assistance)	The sustainable use of the environment dimension of CBT helps sell the idea of NGO assistance to financiers.	
CBOs	CBT generates income, employment and local investment opportunities. CBT is an accepted approach that justifies the allocation of natural resources by government to a community. CBT adds to local capacity building and community empowerment. CBT enhances the value of culture	CBT enhances the value and pride in the natural environment. CBT encourages a sustainable management of the (tourism) environment	CBT offers exposure to innovations.

Source: Adapted from Rozemeijer (2001: 14).

characterized by weak and few tourism related legislations. If the Nigerian Government wants to take advantage of the enormous tourism potential and investment opportunities that will make contribution to the realization of their national development objectives, the MGDs and poverty alleviation, she must put in place institutional and regulatory framework in which tourism entrepreneurs can thrive. Where there is no sound legal system that supports tourism business, it will act as a disincentive to investment.

#### **Access to credit and funds for SMEs in the tourism and hospitality industry**

The development of the tourism industry has been very slow because the available funds through federal and state governments' budgetary allocations are inadequate.

There is therefore a dire need for a steady source of funds for investments in the Tourism sector. In many countries with tourism success stories, like Israel and South Africa, the governments have bridged the financial gaps and challenges in providing funds for the development of tourism projects. In South Africa, the Small Medium Enterprise Development Programme (SMEAP) offers cash grant incentives to tourism related enterprises within South Africa. The programme has the following provisions: establishment of an investment board within the tourism ministry; offers a tax free cash grant for two years based on the cost of the investment in building, furniture, equipment and vehicles; investing in the development of tourism sites and supporting relevant small businesses including professional consulting and tourism improvement programme. In Israel, the Jewish Agency supported tourism development in the following ways: the establishment of tourism village, small business

loan/guarantee fund, capital support fund for agricultural tourism farmers and establishment of tourism advisory services (tourism incubation). In view of the critical role of finance in the achievement of the nation's tourism dream, the need for government intervention cannot be over-emphasized. The proposed Tourism Development Fund should be made operational as soon as possible. The federal government intervention banks such as Bank of Industry and others should consider tourism as a priority area.

## Conclusion

For transformation to take place in the tourism industry in Nigeria, the country needs to develop tourism entrepreneurship programmes that will empower tourism entrepreneurs. Training and funding alone do not guarantee success in tourism development. The most critical factor is entrepreneurship. The skills and attitudes gained by entrepreneurs are important in developing and offering assortment of tourist need satisfying products and services. This also depends on the quantity and quality of entrepreneurship a country possesses. The four strategies enunciated in this paper promise to have the potential of producing a vibrant and competitive tourism industry; one where the entrepreneurs have requisite skills to produce the right products for the right markets. From the aforementioned discussion, this model appears to be a fit for filling the gap in the tourism development effort of Nigeria.

## Recommendations

1. The Government should establish a tourism entrepreneurial development centre. The centre should be charged with the responsibilities of doing research and identifying tourism business opportunities and act as "one stop shop" in order to disseminate information to potential entrepreneurs in tourism. The centre should offer tourism entrepreneurial programme after care and support. Entrepreneurs who are starters should be incubated for a certain number of months or years by the centre to enable the entrepreneurial centre to monitor and nurture them from cradle to maturity. This will motivate the entrepreneur and reduce business failure.
2. Existing tourism business must take responsibility for setting the human capital objective of the industry. Since education and training programmes are seen as the most effective human capital strategies, stakeholders generated tourism curriculum should be developed for the certificate, diploma and degree levels.
3. There should be leadership commitment in driving the process through capacity building: to train entrepreneurs, to assist in the development of business plans and the

acquiring of funds and to implement a programme of after care and monitoring of success and failure. The Federal Ministry of Culture, Tourism and National Orientation and collaboration with the State Governments should carry out industry needs and capacity assessment.

4. The legal frame work must be consistent with the provision of the international economic development bodies which the country is a member or aspirant (World Trade Organization, UN World Tourism Organization, etc.). The legal framework should clearly spelt out the responsibility for management of tourism resources, power to establish tourist sites and tourist attractions, the provision of inter-ministerial cooperation on tourism related matters, the role of state and local governments in tourism development (for instance, the matter as to who has the responsibility to register and license hospitality and tourism enterprises in Nigeria is a serious conflict in Nigeria: whether Nigeria Tourism Development Corporation (NTDC) or state governments.

5. Existing tourism enterprises should help in shaping the regulatory and policy framework and business norms in the destination that will support tourism and hospitality practice in Nigeria and extend tourism potential into superior tourism offerings and service of international standards.

6. The law should have provision for general obligation on tourist production (consumer): make it obligatory for trade organizations in the tourism sector to develop codes of conduct, professional continuing education, display of price list, craft authentication scheme, carry out research, and ensure safety and security of tourists. The tourism law should set out a licensing and qualification framework for the sector and also encourage the trade associations to develop or adopt their own ethical standards.

7. Improvement in safety and security. Entrepreneurs need to be safe. Entrepreneurs will not prosper in the presence of crime. They need to be free from bureaucratic tapism. This is because there are many rules and regulations preventing entrepreneurs from expanding and entering the markets.

8. Appropriate taxes. Entrepreneurs need tax incentives to start a successful business. Therefore they should be exempted from tax up to a certain level and be gradually upgraded to the maximum rate. It is counterproductive to try to increase the number of entrepreneurs in Nigeria if no incentives are offered to them.

## Conflict of Interests

The author has not declared any conflict of interest.

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