

# Empowering Local Communities through Family Business in Tourism in Nigeria: A Multi-stakeholder Model

MOHAMMED BALA BANKI AND HAIRUL NIZAM ISMAIL

Universiti Teknologi Malaysia

Faculty of Built Environment

Department of Urban and Regional Planning

## Abstract:

*Micro and Small family owned tourism businesses are arguably reliable vehicles for the economic transformation and the improvement in the livelihood of rural dwellers. With the numerous benefits associated with their development, they have been given less consideration as a promising way of alleviating poverty in rural peripheral tourism destinations in developing countries and Nigeria in particular. In order to investigate the phenomenon, semi structured in-depth interviews were conducted with 38 members of the existing micro family owned tourism businesses in Obudu mountain resort, 10 staffs of government and private agencies and a focus group with local communities' inhabitants. The study finds inadequacy of disposable capital and extreme seasonality as the main factors affecting the growth and sustainability of family owned tourism businesses in the mountain destination. While the low capital base impedes industry specific training and effective marketing, extreme seasonality experienced impact severely on the entire business and family system as the owners depend solely on the businesses for survival. As a way of promoting the development of family owned tourism businesses in developing countries for rural poverty alleviation and communities' well-being sustainability, a multi-stakeholder model was developed to guide the existing and prospective tourism entrepreneurs, the government and private organizations.*

**Keywords:** Micro family tourism business, Multi-stakeholder model, Local communities' empowerment, Obudu mountain resort

## 1.0 Introduction

Family businesses predominate in many tourism regions, particularly in rural areas. Their significance for job creation and rural economic revitalization cannot be overemphasized (Andersson et al, 2002; Getz, et al., 2004). In the developed countries the

development of family business owned by local community inhabitants in the peripheral rural tourism destination has been on the increase in the last two decades. For instance in Australia, the entire membership of the Augusta-Margaret River Tourist Association in Western part of the country survey revealed that 90% of respondents are owner's family businesses (Carlsen et al., 2001). It was estimated that in 1988 about 3000 tourism-related businesses operated in Western Australia (Haines, 1988), and that number might well have doubled over the subsequent decade. This spontaneous growth in family business in tourism owned by the locals is not the case in developing countries.

With the huge endowments in tourism potential in Nigeria and the existence of few well managed tourism destinations, many local communities' members in these tourists' areas are not owners of tourism businesses. In rural communities of Obudu mountain resort in Nigeria where traces of active family owned tourism business are found, very few people are actually involved when compared to what obtains in developed countries. Six of its host communities are located at the top of the mountain where the tourist resort is situated and they are called: Anape, Okpazawge, Kigol, Keji-Ukwu, Okwamu and Apah-Ajilli. The seventh community called Ikwette is located at the bottom of the mountain close to the entrance of the mountain top. Majority of the locals in these communities still wallow in abject poverty and depend on the government for basics family needs and survival. A recent study conducted by Nwahia et al., (2012), is the basis for the claim. In their study, it was reveal that local community participation in Obudu tourism had little effect on their poverty as 1% increase in tourism income of both active and non-active participating core poor and moderate poor households in Obudu tourism reduces their poverty by 0.01%. This effect is seen as extremely low and may likely not show any significant improvement on the livelihood of local communities hosting Obudu Mountain Resort that will make them self-reliant and less dependent on government for survival.

Furthermore, the existing approaches to local communities' empowerment and rural poverty alleviation such as pro-poor tourism and community based tourism are laudable initiatives but have limitations in terms of the proper understanding of the family systems in peripheral rural tourism communities and their ability to provide wide spread empowerment for all the strata of rural communities. Family business in tourism has not been given considerable attention as a promising way for local communities' empowerment in the context of developing countries and particular in Nigeria. Therefore, the main objective of this research is to investigate the phenomenon of family owned tourism businesses in the local communities of Obudu Mountain Resort in Nigeria and to develop a model that will

guide the existing and prospective tourism entrepreneurs, the government and private organizations in the development and sustainability of family owned tourism businesses. In order to achieve this goal, the study was guided by the following research questions.

- (1) What are the characteristics of family owned tourism businesses with respect to the family system in relation to the businesses in Obudu Mountain Resort?
- (2) How are the strategies adopted by family owned tourism businesses in marketing?
- (3) How is the effect of seasonality on family owned tourism businesses and what are the coping strategies adopted?
- (4) What are the factors affecting the willingness of local communities' inhabitants to participate in family owned tourism businesses?
- (5) How has been the role of government and other stakeholders in supporting the development family owned tourism businesses?

### **1.1 Rationale for the Research Questions**

Achieving the research goal necessitate an understanding of the family system in relation to the businesses. This inform the need to examine the characteristics of small family owned tourism business in Obudu mountain resort host communities in terms of their demographic features, the types of businesses, relationship of family members in the businesses, nature of family meetings, powers and hierarchy of family members in the business. Other Characteristics investigated include: start-up issues such as source of capital and difficulty encountered during start-up, motivation, method of business decision, and level of industry-specific training among family members, crisis management approach and succession planning. All of these features are necessary during family business start-up and its sustainability.

Understanding the marketing practices of the existing tourism businesses and the obstacles to it is important as ineffective marketing of tourism business will hamper growth and development. As noted by Polo-Peña et al. (2012) marketing practices have a significant effect on the achievement of outcomes that keeps tourism business going. In addition, the sustainability of small family owned tourism businesses is often threatened by seasonal nature of tourism activities in many destinations as seasonality is generally considered one of the major challenges of tourism businesses (Kastenholz and Almeida, 2008).

Moreover, the incidence of poverty in the rural communities of Obudu mountain even with the existence of an international tourism destination calls for the need for us to ascertain whether the local inhabitants are interested in tourism business or not so as to unveil the factor affecting their low participation in tourism development and in particular low engagement in family tourism business enterprises. Also, in getting people to embrace tourism businesses, government and private sector play a significant role (UNWTO 2004, 2006; López-Guzmán et al. 2013). This is why we investigated them.

## **2.0 Methodology**

We use a qualitative research paradigm using a case study research strategy for this study. The distinctive need for case studies arises out of the desire to understand complex social phenomenon (Yin 2003; 2009). To commence the actual process of data collection, we used three sample populations to obtain in-depth information about issues surrounding the phenomenon of family owned tourism businesses in Obudu mountain resort. These include the existing family owned tourism businesses, the local communities' inhabitants, and the government and the private agencies. For the existing family owned tourism businesses, we have no knowledge of their location in the area, so we use the snow ball sampling techniques to draw samples as suggested by Smith, (2010) and Cresswell, (2012). We did this by first of all locating the initiator of the first family owned tourism business (a hotel) in Apah-Ajilli community and used him as a key informant to locate the remaining family owned tourism businesses. In all fourteen (14) family owned tourism businesses were located.

We used a semi-structure face to face in-depth interviewing to interact with 38 family members participating in the tourism businesses. The interview participants have their local language but majority of them could communicate in English language while some communicated in Nigeria Pidgin English in varying fluency perhaps because all of them are Christians and English is a regular language of communication in their churches outside their local languages. We conducted all the interviews with family members of each tourism business at the premises of the businesses starting from 15<sup>th</sup> June to 31<sup>st</sup>, 2013. Interviews with the proprietors of the businesses were for duration of 60 – 80 minutes and that of the members took 30 – 40 minutes. All of the interviews were recorded with a digital recorder with the permission of the respondents.

Furthermore, we conducted a focus group interview with 19 members drawn from the seven (7) communities hosting Obudu Mountain Resort using purposeful maximal variation sampling. In this case, two young peoples of between the age of 15 to 20 years and one elderly person of between the age of 40 – 55 years that are not participating in any tourism business were selected from each community in order to understand why participation in family owned tourism business is low and the factors affecting their willingness to engage in family owned tourism businesses. The key informant help us to send invitation to locals who appeared to be interested in having a tourism business but are not engaged in any. 21 people were actually invited but 19 turned up. The focus group took place on the 19th June, 2013 in the premises of the hotel in Apah-Ejilli community and lasted for 2 hours and 28 minutes. In addition, we had interviews with two (2) management staffs of Cross River State tourism bureau, Obudu mountain resort, Obanliku Local Government Council and with the operation managers of FCE micro finance bank and Obudu micro finance bank. The participants were selected using purposive sampling techniques. The interviews with the government and private sector management staffs lasted for duration of 35 – 50 minutes each and were also conducted in their offices from 31<sup>st</sup> June to 16<sup>th</sup> July, 2013. The essence of this interview is to have an understanding of the roles these stakeholders have played in supporting the development of tourism business in Obudu mountain resort host communities.

For the analysis, we transcribed all the interviews verbatim and subjected the interview transcripts to thorough thematic analysis. All of the transcripts of the interviews were coded and categorized into emerging themes and sub-themes through manual coding with little assistance of aid of NVivo 10 auto-coding function. The themes that emerged from our analysis were used as important input in our model.

### **3.0 Findings**

#### **3.1 Characteristics of Family Owned Tourism Businesses with Respect to the Family Systems in Relation to the businesses.**

The first aspect of data analysis is the socio-demographic features of family members in tourism businesses. Our finding reveals that majority them are males and their ages varies with the highest age's bracket of 45 to 55 years and the lowest is between 15 to 25 years. Our finding also reveals that majority of the members of the family businesses are holders of primary and secondary school certificates. The varieties of family owned businesses

identified in this study are categorised into four groups namely: small hotels, provision shops, alcohol shops and restaurants. These have a maximum number of five staffs which implies that they are micro tourism businesses. Our finding revealed that there are only two (2) hotel businesses located in two communities that are the closest to the mountain resort which are Apah-Ajilli and Keji-Ukwu, six (6) provision shops were identified, three (3) alcohol shops were located and three (3) restaurants were also located.

In terms of the relationship of the family members in the tourism business, majority of them are brothers, sisters, cousin and nephews of the proprietors as only three (3) families reported to have their children involved in running their businesses. This also signifies that the existing family owned tourism businesses are predominantly run by the extended family members. With regard to the power of control and hierarchy of family members in tourism businesses, the proprietors seems to have the highest control, followed by the direct blood brothers and sisters and then other family members. This implies that the power to control most of the tourism businesses is determined by the closeness and strength of members to the proprietors. To this end, a respondent commented, *“If I will not be around, I leave the control of my hotel in the hand of my junior brother because he is closer to me than other members. I also trust him more (proprietor of a hotel, Keji-Ukwu community)”*.

Furthermore, when we pose questions to the members of the tourism businesses on whether they use to have meetings to discuss their family and business, the majority of the respondents said they do have business meetings 2 or 3 times a year. This indicates that family meetings on the businesses are irregular and the family members that are not participating in the tourism business often do not make the meetings. Moreover, our finding also reveals that majority of the family owned tourism businesses do not have a member designate as an accounting officer. According to a female respondent, *“I really don’t have a specific person that I assigned to collect cash from sales and write down the amount. We are just three in the business and sometimes may not be all around when customers will come. So anybody around collect money and record it in our buying and selling record book (wife of a proprietor of a provision shop)*. This is not proper and could lead to conflict.

When the proprietors of the tourism businesses were asked about how funds were sourced and the difficulty they encountered during start-up, majority (10) of them revealed to us that they started their businesses through personal savings. As a matter of fact, a proprietor of an alcohol shop remarked that, *“I worked as Agricultural Development Corporation staff. When I retired, I used my savings to start this family business. I started with just one (1) carton and later 2 cartons, 3 cartons, 4 cartons and I can buy up to 100 cartons now”*.

In the course of our conversations with the participants, we try to find out why they choose the sources they claimed to have raised funds from for starting their businesses. To this end, a provision shop owner commented that, *“When I wanted to start my business, I approached FCE micro finance bank for loan. One of their staff told me that the bank can only give me loan only if I have an account with them that has been running for three month. At that time, I was struggling to survive to provide for my family and I had no money to open any account. So I could not access there micro loans. I think there is need for a review of this policy. It’s not for the poor”*. Additionally, another respondent commented that, *“No government or private sector has given me any fund to support my business. I have reached out to the tourism bureau of the state once and the procedure was a very long one. To cut the story short, I didn’t get any funding assistance from them (proprietor of a small hotel, Apah-Ajilli community)”*.

Moreover, when we enquire from the proprietors of the existing tourism business on the difficulty they faced in starting their businesses, almost all of them gave some complains. This led to emergence of some themes which include: high cost of building up the mountain resort, tough times in raising start-up fund, inexperience entrepreneurs and inefficient transportation system. On their motivation for going into tourism business, the entire respondents reported that they started tourism business to have a source of getting income for economic survival. To this end, a respondent remarked, *“The reason for setting up this business is to get something to help myself and my family and to further my education also, so that I will not be begging for food to eat, what to wear, pay health bills, and other necessities of life (proprietor of a provision shop)”*

When respondents were asked about the type of training they received when they are about to start their tourism businesses, majority of them commented that they didn’t receive any training since they have been in business. This signifies that a substantial number of the owners of the existing family owned tourism businesses have no any form of training in managing their businesses. For instance, a female member of a restaurant commented that, *“Since I joined my mother in her restaurants I have not receive any training (Daughter of a proprietor of a restaurants)”*. Regarding how family members take decision on their businesses, our findings revealed that majority of the business decision are taken with due consultation with family members. Although very few of the respondents recognise the need for regular meeting to discuss the activity of their family business. This was reported by one of the participants in this study as he pointed out that, *“Business decision regarding the*

*activities of this venture is been taken together with my wife because I believe it is important we share ideas and since I have seen her commitment to see that the business grow from strength to strength, I have always involve her in taken decisions that will affect the business and I must tell you that approach has been great for us as a family because it takes away doubt and mistrust (proprietor of a provision shop).*

Occasional crisis occurs when two to three people or more work together. Thus, when the respondents' were ask on their crisis management approach, the majority actually acknowledged the occurrence of crisis in their family business and see it as normal. For many of them, what is important is the ability of family members to understand themselves and try to settle issues of disagreement amicably within the family immediate issues arise. One interviewee commented on this, *"We have had several crises and we do not even allow it to grow; we resolve it quickly. Like a son from another mother coming to say we should be sharing from this property because the property is on the land that family owns. We said to such issues no; let's not let this issue arise because we are using the money for everybody in the family (junior brother of the proprietor of a hotel in Keji-Ukwu community)".*

Furthermore, on succession planning, our excerpt with the proprietors whose children are very young and are not presently involved in the running of their tourism businesses indicates that majority of them appears to be optimistic that their children's will take over their businesses when they grow up. Also, our findings with the proprietors whose children's are engaged in running their businesses also indicates that majority of them are not much concern about that for now. Children's participating in tourism business appears not to be interested in taken over their parent business should they get old or dies. Respondents' expressions on this subject matter are presented under the following themes:

### **3.1.1 Lack of comprehensive succession plan**

This is peculiar to all the proprietors of existing tourism businesses. According to the proprietor of an alcohol shop, *"I have not started thinking about who to succeed me but I have confidence that my son who is in love with the business will surely take over the business when I am no more alive. But as a family we haven't talk about that (proprietor of an alcohol shop).* The proprietor of a hotel in Keji-Ukwu also remarked that, *"I have not introduced my children into the activities of this hotel. They are presently in primary school. I will not force them to take over the business. So I don't really have any plan on ground now for anybody to succeed me. I think it will come naturally".*



### **3.1.2 Tourism Business Unreliability**

Children participating in the existing tourism business have shown some degree of apathy with the takeover of tourism business from their parent in Obudu mountain resort for reasons that sale is usually very low during rainy season (off peak season). As such the businesses are term unreliable. In view of this, the son of a female proprietor of a restaurant located at the bottom of the mountain commented that. *“This business is good. My problem with it is that it is located in a tourism area that is characterized by seasonality. Like during rainy season, we don’t get enough patronage; we only enjoy the business much during the dry season when activity booms fairly in the resort”*.

### **3.1.3 Aspiration for white collar job**

The aspiration for jobs outside the tourism environment as expressed by three respondents is an issue affecting possible succession in Obudu mountain resort. To support this claim, a respondent commented that, *“This business is my parent idea. I want to pursue a different career. I want be an engineer and work in Big companies outside this environment (son of a female proprietor of a restaurant)”*. Another respondent stated that, *“I am in this business to give my parents some support. I don’t really like it much. My desire is to grow to be become a medical doctor (son of a proprietor of a provision shop)”*.

## **3.2 Marketing strategies of family owned tourism businesses**

Recognising that ineffective marketing of a business venture can lead to business failure, we asked respondents about the marketing strategies that they have adopted in marketing their family owned tourism businesses. The result of our enquiries indicates that majority of the respondents’ practice two marketing strategies. The strategies are:

### **3.2.1 Target Marketing Approach**

Our finding indicates that all the existing family owned tourism businesses practice target marketing strategy to market their businesses. They all emphasized targeting the low and medium income tourists. A remark by the initiator of the first family owned tourism business in the entire resort host communities explains this claim, *“We target the low and medium income tourists who are mostly local tourists because majority of the well to do tourists will prefer to stay in the resort hotels*. In getting the target tourists to their businesses, majority of the members of the existing hotels mentioned having an arrangement with the tour guides who in most cases are always at the bottom of the mountain around the entry point of

the resort to help them attract low class tourists to their businesses. According to the cousin of the proprietor of a hotel in Apah-Ajilli community, *“We have an arrangement with some tour guides who are always strategically around the entrance point of this resort. I mean at the bottom of the mountain... they help us to market our hotel to tourists. Some of the tour guides help the tourists drive up the mountain and in that process, they convince them to lodge in our hotel. Some tourism entrepreneurs’ use local community members working in the resort for marketing as the proprietor of an alcohol shop commented that, “Beer is cheaper here than the hotel. The drivers of big tourists’ income and that of other low class tourists are little. They cannot afford the beer sold in the main resort. So we target them. We have friends working in the resort that market us to them”.*

### **3.2.2 Relationship Marketing Approach**

Our excerpt with respondents shows that relationship marketing strategy is also used in attracting tourists. In this respect, one of the owners of a restaurant commented that, *“When we sell, we give tourists our phone numbers and pled with them to help us tell their friends and families about our business... So through this, potential tourists do call us (son of a proprietor of a restaurant). A female interviewee helping in the running of a restaurant also commented that, “We try to be nice to those that come to eat in our restaurant and tell them to say good about our services to their friends out there (junior sister of a proprietor of a restaurant)”.* In addition, a member of a small hotel in Keji-Ukwu community stated that, *“We receive phone calls from some potential tourists on our services. When we ask them about how they get to know us; they often tell us that our business was introduced to them by tourists who once visited us (cousin of a proprietor of a Hotel).*

Further investigation on the obstacles to marketing the existing family owned tourism businesses reveals that majority of respondents reported that inadequate Fund, inefficient telecommunication network services, absence of networking among family owned tourism businesses, lack of understanding and Integration with management of Obudu mountain resort are the major issue militating effective marketing.

### **3.0 Effects of Seasonality on Family Owned Tourism Businesses and How They Cope**

All the respondents in this study recognized the fact that tourism activities in Obudu Mountain resort are not all year round confirming that it is seasonal in nature. In this regard, majority of the respondents recognizes only three seasonal periods known as the high peak

seasons when the resort and the existing family owned tourism businesses enjoys significant patronage. The three seasons identified by the majority of the respondents include the Christmas period, the Obudu international mountain race and the Easter period. All of these periods are in dry season in Sub-Sahara countries (see figure 3.0). Those who are inclined to the seasonal nature of tourism in Obudu resort in three periods reported that, *“We have three main seasons which are the international mountain race, Christmas period and Easter celebration time. Sometimes few tourists do come in the New Year but the people that come are few when compare to the patronage in other period of the seasons. So I will not like to include New Year as a season here (proprietor of a restaurant)”*.

Investigation into how the seasonal nature of tourism affects the businesses reveals that in the high peaks tourism entrepreneurs enjoyed increased in business activities and make reasonable income. This was clarified by a respondent who stated that, *“We sell much in dry winter season. This is the period we experience high patronage from visiting tourists. So this period is good money making time for us. We live well. The period is better than other periods of the year when we almost starve (proprietor of restaurant, indigene of Ikwette community”*. During the off peak season, family tourism businesses suffers from its adverse effects. As a matter of fact, virtually all the respondents complained of low sales and underutilization of facilities and the tremendous effect it has on family survival as a respondent commented that, *“In rainy season when there is low number of visitors into this place, the sale is usually low because the tourists patronize us better than the locals as they have more money to spend...so this affect sale a lot and make life difficult for my family” (proprietor of a restaurants)*. Moreover, the son of the proprietor of a restaurant in Ikwette community also lamented that, *“Really there was a season that my mother couldn't pay my school fees because sales were very low in summer rainy period”*. Figure 3.1 and 3.2 shows visitor arrivals in the two hotels in the host communities by quarter. By this figures, it is evident that there the tourism entrepreneurs experience extreme seasonality.

In order to cope with the effects of seasonality, the tourism business owners have resulted to hiring casual staffs in high peaks, mounting of tent to handle congestion in high peaks, reduction of price of goods and services in off peak season, leaving the business open throughout the year. Other strategies adopted are the stocking the shop with daily consumables, raring of animals to sell in off peak season, seeking alternative employment and relationship marketing.

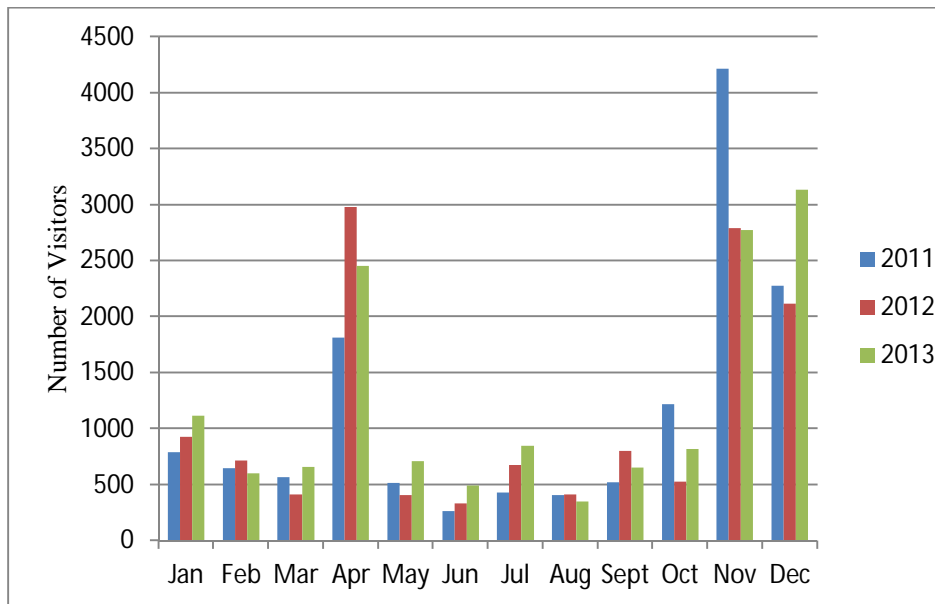


Fig. 3.0 Visitor arrivals to Obudu Mountain resort by month 2011-2013

Source: Raw Data from Obudu Mountain Resort and Chart Produced by Authors

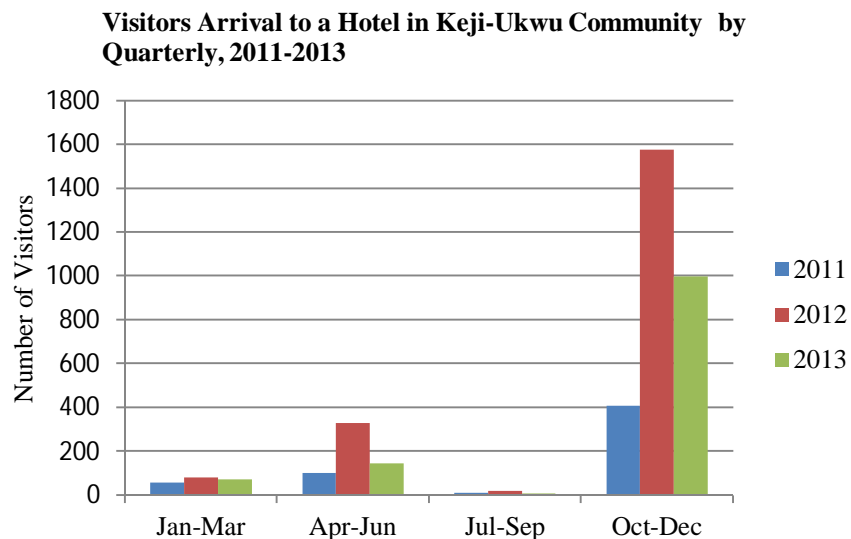


Fig. 3.1 Visitors arrival to a hotel in Keji-Ukwu community of Obudu Mountain resort by quarter, 2011-2013

Source: Chart produced by authors from raw data obtained from the hotel proprietor

**Visitor Arrivals to a Hotel in Apah-Ajilli Community by Quarter, 2011-2013**

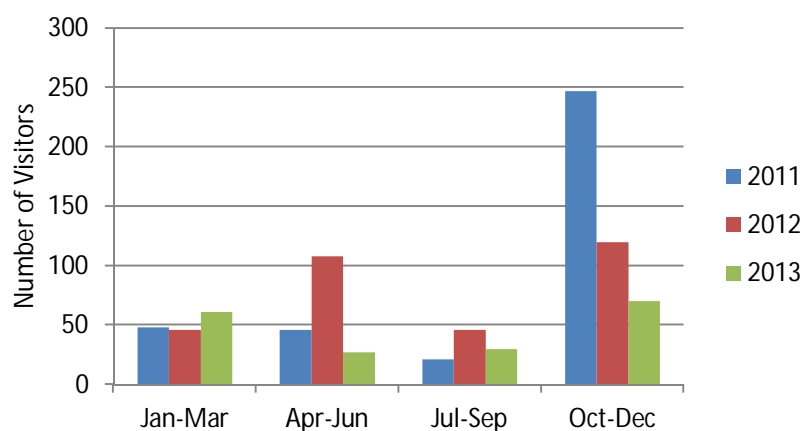


Fig. 3.2 Visitors arrival to a hotel in Apah-Ajilli community of Obudu Mountain resort by quarter, 2011-2013

Source: Chart produced by authors from raw data obtained from the hotel proprietor

#### **4.0 Factors Affecting the Willingness of Local Communities' Inhabitants to Participate in Family Owned Tourism Businesses**

In the course of our enquiries, we try to ascertain if local communities inhabitants who are not participating in running tourism businesses actually have interest in been engaged in any of the tourism business. We also find out what is hindering then for not been in business given that there are government financial institution for micro and small business development and private micro finance banks. Our discussion during the focus group indicates that majority of the local community members were interested in owning a tourism business as one respondent reported that, *“Family business is actually a good idea because it help to build and increase family relationship. In a tourism environment like ours, those in it are really enjoying because they get money from it to take care of their family. I also love to have one if somebody can help me with fund to start (indigene of Apah-Ajilli community)”*. Another respondent also indicated interest to have a family business by commenting that, *“If I will be introduced into a family tourism business and everything that is need to sustain it is been given to me, I will certainly be grateful.. At least I will be sure of some income that will be used for family up keep (indigene of Kigol community)”*.

When we threw questions at the focus group participants on their less involvement in tourism business ownership, majority of them made it clear that lack of capital to start is the main constraint. For instance, a respondent who is an indigene of Anape community reported that, *“Why I am not in business is because of lack of fund. My family cannot provide the money to start any business because we are poor. So I just stay in the house. There are no industries here. So if given the opportunity to own a business in this environment, I will love to have as it will help me and the family”*. A similar comment was made by a respondent from Okwanu community who stated that, *“The main reason why I am not engage in any business is because I am still young under the care of my parent. My parents don’t have money to establish a business for the family otherwise I would have been actively engage in it”*.

Further investigation on whether community members are aware of the activities of government financial institution and the private micro finance banks reveals that majority of participants are not aware of the workings of these financial institution. So they simply assume that they are not establish for the poor and refuse to patronize them. However, few participants that seem to have some knowledge about their activities complain on the conditions they often attached to granting loans. As a matter of fact, a respondent reported that, *“I once approach a micro finance bank for small loan of 100, 000 naira (609.95 USD) to start a provision shop. When I was given the conditions for their loans, I got discourage. I was scare of collecting the loan and not meeting up with the conditions. Like I was told that I have to have an account with them running for at least three month and that if given the loan, I will pay all the money in six month. I think that that policy is anti-poor*. Another respondent also reported what he experienced with a micro finance bank that, *“I personally had a bad experience with the micro finance bank in Obudu main town. I went to the bank for loan of 150,000 naira (914.92 USD) to set up a restaurant here in the market square to enjoy the benefit of visiting tourist. The same six month duration was given to me and the interest then was 20% (Indigene of Okpazawge Community)”*. In order to increase to encourage people to embrace micro finance loan scheme for micro and small business development, majority of the respondent were of the opinion that the present policy should be reviewed. One respondent commented that, *“Six month duration to pay off loan is too short. It should have been two (2) years and the interest rate should be as low as 1%”*. In support of this position, a female respondent also stated that, *“The banks should give us loan at a very low interest of*

*1% and the start of repayment should be after 1 year and six month. (Indigene of keji-Ukwu community)”.*

## **5.0 The Role of Government and Private Agencies in Supporting the Development of Family Tourism Businesses**

We consider the government and private financial agencies as vital in stimulating tourism business development in rural tourism communities. Thus, we made enquiries on what role they have played so far in encouraging local communities of Obudu Mountain resort in starting a tourism business. Our findings reveals that government organization such as the Obanliku local government council, Obudu mountain resort, and Cross River state tourism bureau that have direct link with the people of Obudu mountain resort host communities are not doing enough to support the development of micro and small family owned tourism businesses. For instance, according to the tourism officer of the local government, *“Actually for now, the local government have not fully embark on organising some packages like granting loans to local people here to establish businesses. What the local government has done as a way of monitoring the activities of hotels is appointing committees to collect data on the activities of the hotels in the local communities”*. A management staff of the Cross River State Tourism Bureau also remarked that, *“In terms helping local people to get capital to start tourism business, we haven’t done anything. But we do send our staffs to Obudu mountain resort to educate the local people on how to start and manage tourism business”*.

Moreover, the sample micro finance banks that are the closest to the local communities of Obudu mountain resort also have not made life easy for the local people in terms of encouraging them to take small loans to establish tourism businesses. They also have not really done much in terms supporting micro and small tourism business development in Obudu mountain resort environs. An officer of one of the micro finance attest to this when stated that, *“we have given out many micro loans to people but the people of the communities hosting Obudu mountain resort have not come for our loans. I don’t know why”*. So apart from the report of participants in the focus group discussion, a staff of FCE micro finance bank reported that, *“Normally we give preference to those that have account with us and have been operating the account for at least three month. In particular, 20,000 naira (121.99 USD) to 30,000 naira (182.98 USD) is given to pity traders who apply for our loans. We charge 5% as interest. People given this kind of loan are expected to pay back within three month.”* Similar to this report, a staff of Obudu micro finance bank also commented that, *“In*

*terms of interest we charge for our loans, we charge 5% for small loans of 10,000 naira (60.99 USD) to 50,000 naira (304.97 USD) and 20% for loans of above 100,000 naira (609.95 USD). The small loans are to be paid within three months and the higher loans are to be paid back in six months”.*

As a way of ensuring that existing and prospective tourism business entrepreneurs are adequately supported with funds to start business, the central bank of Nigeria in its micro policy have directed all local government in all states in Nigeria to deposit 1% of their budget with micro finance banks in their localities. It appears that majority of the local government have not complied with this regulation thereby making it difficult for the micro finance banks to discharge its responsibilities effectively. For instance, *“CBN policy regulation says that local government must give at least 1% of their annual budget to microfinance banks in their locality to enable them have sufficient funds to give to the rural people as loans so that they can establish micro and small businesses in their environment. But quite seriously, they have not been doing that. This has made it difficult for us to make our conditions flexible for those that come for loans”.* A staff of Obudu micro finance bank stated.

## **6.0 Multi-stakeholder Model for Local Communities Empowerment through Family Business in Tourism**

Given the findings of this study, we developed a model for local communities' empowerment through family business in tourism in the context of Obudu mountain resort. The model is multi-stakeholder in nature and it has four main components (figure 6.1). These are: destination marketing and telecommunication infrastructure upgrading in host communities of tourism destination, Ease of access to capital, reducing the effects of seasonality and Family/business dimension.

### **6.1 Destination marketing and Telecommunication Infrastructure upgrading**

From the findings, it was evident that Obudu mountain resort is experiencing low tourists patronage; an experience that can be improved through thorough destination marketing. Destination marketing is now acknowledged as a pillar of the future growth and sustainability of tourism destinations in an increasingly globalised and competitive market for tourists (UNWTO, 2011). This could be achieved using destination marketing organizations (DMOs) (Buhalis, 2000). DMOs focus on promoting and marketing what the destinations have to offer to tourists and play an important role as a facilitator to achieve the strategic objectives of the destinations (Buhalis & Collins, 2003). The government through partnership



with private organization can help achieved image enhancement of Obudu mountain resort to increase its patronage by local and international tourists.

Telecommunication infrastructure also appears to in a terrible state in the host communities of the mountain resort. This has tremendous effect on communication necessary for all stakeholders. Tourists for instance are intensive mobile device users (Lamsfus et al., 2011) and would like to enjoy their devices when they on vacation in any tourism destination and in this case the Obudu Mountain resort. Failure of tourists to make calls and connect to internet could affect revisit intention. If this happens, the survivability and sustainability of the family owned tourism businesses will be in jeopardy. Therefore relevant government body in charge of tourism development should intensify effort to upgrade telecommunication facilities in host communities of the mountain resort.

## **6.2 Ease of Access to Capital**

Government have incredibly important roles, and responsibilities, when it comes to tourism development in developing countries, particularly if they are concerned about issues of sustainability (Scheyvens, 2002). Governments at all levels are also important in setting the context for entrepreneurship and investment. The federal finance ministry is the key stakeholder in this drive. It is the ministry of government in Nigeria that disburse monthly allocation to all states and local government. Thus, our model suggests that 2.5% of the monthly allocation of the mountain resort's local government council should be directly deposited in an account with all micro finance banks within its environs to avoid mismanagement by staffs of the council given the high level of corruption in Nigeria.

Funds deposited with micro finance should be given to interested tourism entrepreneurs who have shown interest in family tourism business at a very low interest of 1% without any request for collateral for all loans and the repayment of the loans should start after one year and six month. This period will enable the business to adjust and readjust to several shocks that may be associated with small business venture. Tourism entrepreneurs who default in repayment intentionally should be punished and his or her identity should publish on newspapers to send a signal to like minds so as to discourage them.

## **6.3 Reducing seasonality Effects**

Furthermore, our model recognised seasonality as having tremendous effect on the survivability and sustainability of family owned tourism businesses as evident in the finding of this study. Thus, we advocate for possible measures to reduce it. The popular measures for

reducing seasonality such as changing the product mix, differential pricing and market diversification should be adopted. Most importantly, the state tourism development board should collaborate with private agencies to organize diverse events and festivals during dry seasons and some part of the rainy season when the foggy nature of the weather in the mountain resort is not much. Many destinations around the world have begun to develop specific festivals or events as a way of reducing the effect of seasonality (Baum and Hagen, 1999; Hudson & Cross, 2005; Goulding, et al., 2004), In this sense, some aspect of such festivals like the Calabar annual cultural festival of the Cross River state that is now popular among local and international tourists should be hosted by the resort so that the number of high peaks will increase. Other sporting competition should organise in the resort to draw tourists (Higham, 2005).

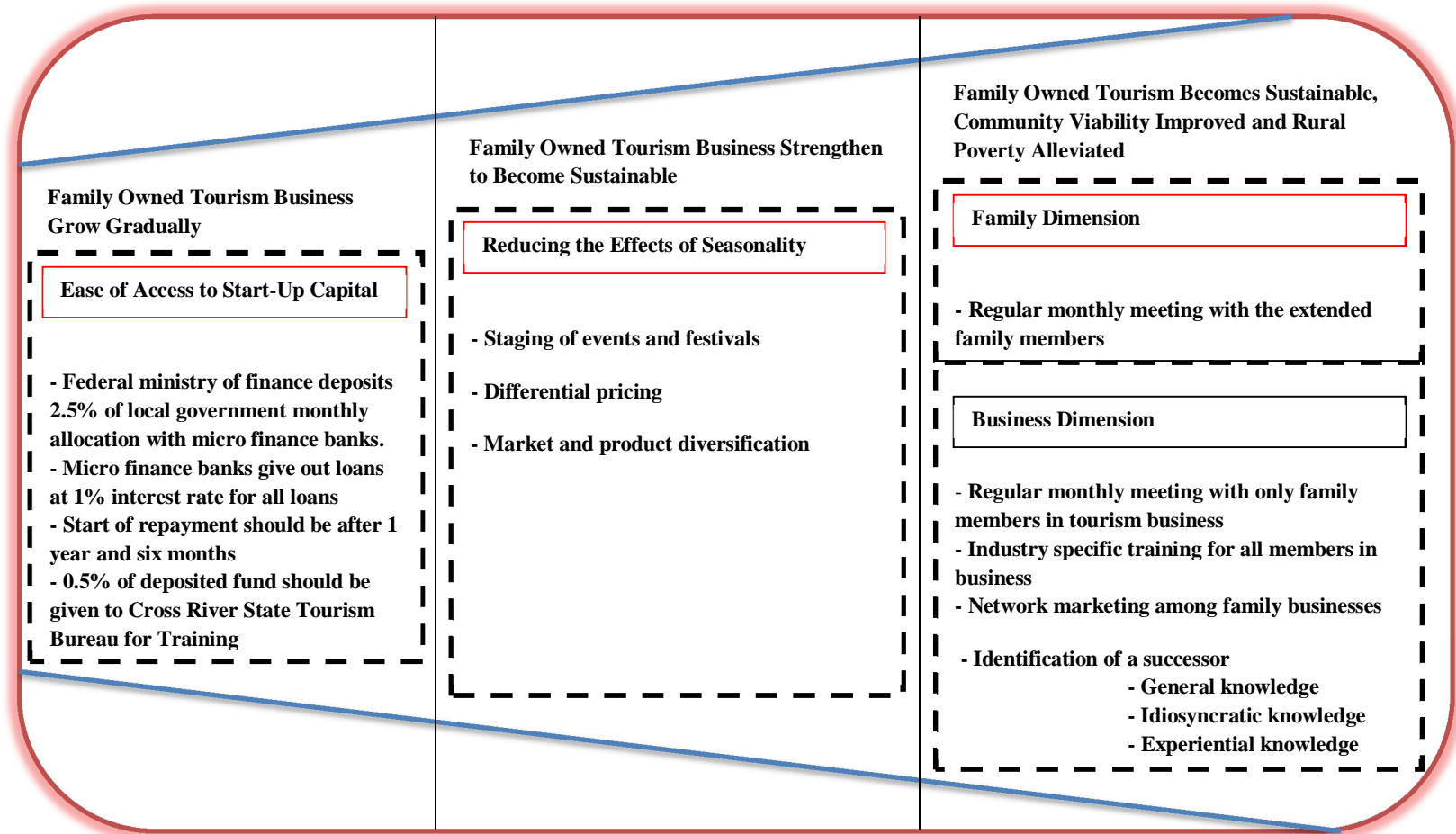
#### **6.4 Family and Business Dimension**

The extent of overlap between the family and business systems vary from family business to family business. From the findings of this study, it is difficult to separate the family from the business since majority of the owners of tourism businesses in the host communities of the resort depend on their businesses for survival. To reduce interference, our model has two dimension which are the family and business dimension. We suggest that within the family dimension, all members of the extended family including those in tourism businesses should hold regular monthly meetings to discuss family issues and other issues in relation to the business.

Within the business dimension, monthly family meeting should be held with family members in business to discuss all the activities of the business. Educational programs on how to build family businesses virtually always mention family meetings as a key to success. In fact, family business forums and centres offer specific programs on how to establish successful family meetings (Tower et al., 2007). Additional, all members in family business should be given industry specific training. Government truly has a role to play in providing or coordinating appropriate training to increase the skills of local people engaging in tourism enterprises. Training in small business and management skills is particularly relevant and should be available to those formal and informal enterprises (Scheyvens, 2002). This training should be conducted quarterly with members of existing family owned tourism businesses and identified members of prospective family tourism business with micro loans. Furthermore, proper book keeping should be taking seriously through a member designate for that.

Target and relationship marketing have been adopted by the existing family owned tourism businesses and it is considered appropriate. However, the model advocate for the coming together of the existing businesses to form networks for network marketing and other alliances for the common good of their businesses. Networking represents a crucial and effective option in terms of mobilizing information and resources, and of engaging in cooperative processes among tourism businesses (Buhalis, 2000). Since the majority of the proprietor complained of lack of fund to dispose to marketing, forming networks for that purpose will save cost, increased audience size, increase pooling of knowledge and expertise.

The model also advocates for the introduction of the children of the proprietors of the business who appears to have some desire to take over the business. The likely successor should be given adequate training on the workings of the family tourism businesses. Most importantly, training should dual on the acquisition of general knowledge, experiential knowledge and idiosyncratic knowledge. All of this knowledge is pertinent in sustainability and profitability of family business. The success of a family business in terms of its profitability often depends on idiosyncratic knowledge that the managing family members possess (Lee et al., 2003). This knowledge has a lot to do with the ability of the successor to have pertinent personal contacts and networks and to motivate employees to cooperate, as well as knowledge about local conditions and internal processes in the family business (Royer et al., 2008). A potential internal successor has to have the experiential knowledge learned in the all-time process of being a family members participating in business as well as the general knowledge of how to manage a business and relevant technical industry-specific knowledge (Royer et al., 2008).



**Figure 9.1** A Multi-stakeholder Model for Local Community Empowerment through Family Business in Tourism

## Conclusion

In this study we investigate the phenomenon of family business in tourism in Obudu mountain resort and developed a multi-stakeholder model for local community empowerment through family business meant to encourage rural dwellers to venture into family tourism businesses and ensure the sustainability of the businesses. The model is based on two fundamental factors affecting family tourism business growth and sustainability as evident in the study. It is the reliance of the model that with the existing and prospective family business having easy access to capital, well regulated and monitored by other stakeholders and the family structure working in harmony and seasonality effects drastically reduced, the income accruable from products sold and services rendered to tourists will increase and this will help to empower rural dwellers in tourism areas.

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