



Case study

Understanding the characteristics of family owned tourism micro businesses in mountain destinations in developing countries: evidence from Nigeria

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ABSTRACT

The objective of this study is to contribute to the understanding of family-owned tourism micro businesses in Obudu Mountain, a resort destination in Nigeria. The genesis of such businesses is explained with reference to the destination development model of Miossec (1977) which emphasizes the key role of a pioneer resort that then acts as an incubator for subsequent ventures catering to an ever-broadening circle of demand as visitation to the destination increases. Paying specific attention to traditional family structure and the demographic composition of family-owned businesses, start-up issues, motivation, training, and succession planning, a qualitative semi-structured interview was conducted with 38 members engaged in existing family-owned tourism micro businesses. Family-owned provision shops, alcohol shops, restaurants and hotels constitute these businesses, predominantly run by males utilizing extended family members in contrast to the norm in western societies of the nuclear family unit. Start-up funds were sourced from personal savings, contributions from family members, and a novel form of loans from 'local banks' that are an indigenous source of community funds embedded in local village society. Their motivation is for economic survival while a lack succession planning affects the long term sustainability of the businesses.

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1. Introduction

International programmes and national policies around the world have identified that in some circumstances tourism is an appropriate mechanism for sustainable development and poverty alleviation (Spenceley & Goodwin, 2007). Developments in the tourism and hospitality sector in recent times have showcased tourism as an innovative tool for the revitalisation of rural areas in developing countries. This is evident from the pro-poor tourism initiative, the United Nations World Tourism Organization (UNWTO ST-EP (Sustainable Tourism for Eliminating Poverty) programme, the SNV (Dutch Aid Organization) programme on tourism value chain analysis for community based tourism, the UK Overseas Development Institute's programme of Pro Poor Tourism (PPT), the UN International Trade Centre's Tourism-led Poverty Alleviation Programme, the Asian Development Bank's Greater Mekong Subregion Tourism Programme and other regional and national initiatives aimed at alleviating poverty (Rossetto, Li & Sofield, 2007).

This tourism-based approach to poverty alleviation has sparked serious interest among governments and development organisations, and it has begun to exert substantial influences on their development policies and priorities (Scheyvens, 2007). As a result of these concerted efforts,

indigenous small enterprise development is commonly promoted as a gateway to economic independence, community empowerment, and capacity-building (Zhao, 2009). According to the UNWTO (2002), the ST-EP programme recognised and prioritised the establishment and running of small and micro enterprises as one of the most important avenues through which the poor can participate in and shares the benefits of tourism development. Among the seven recommendations for the implementation of ST-EP, four are relevant to local enterprises (UNWTO, 2004, 2006). They are include: employment of the poor in tourism enterprises, supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor, establishment and running of small, micro or community-based tourism enterprises or joint ventures by the poor (formal economy), Investment in infrastructure stimulated by tourism also benefiting the poor in the locality, directly or through support to other sectors (UNWTO, 2004).

Today, small and micro business enterprises are predominant in emerging sectors in developing countries such as nature-based tourism in rural settings and most of them are initiated and managed by entrepreneurs who are owner-operators and families who play significant roles in modifying the supply of leisure and recreational opportunities (Chang, 2011). Getz, Carlsen, and Morrison (2004) defined a family business as "any business venture owned and/or operated by an individual, couple(s) or family". The prevalence of small and micro family businesses in rural and peripheral areas is attributed to the traditional

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pattern of land ownership, which militates against large commercial operations (Wilson, 2007). The importance of such enterprises is evident from the major contribution that they make to the visitor destination experience. Family businesses that operate within the tourism and hospitality industry have been indispensable in regional development (Getz & Carlsen, 2000). As noted by Kokkranikal (1993), successful family businesses provide a better quality of life for the residents by enhancing community development and creating a variety of new jobs.

In the last decades, reasonable efforts have been made to research small and micro tourism enterprises and fair achievements have been recorded. However, until relatively recently, the nature of small and micro family businesses has infrequently been evaluated as a distinct field, and it has been treated only incidentally within tourism (Getz & Calsen, 2005). Despite the seeming growth in the field of small and micro tourism businesses, a recent review by Thomas, Shaw, and Page (2011) argued that they remain “under-theorised and under-researched”. Moreover, Chang (2011) was of the opinion that research on tourism entrepreneurship remains scanty and suggested that a great deal of study could be conducted topically, spatially, and methodologically. Roberts and Hall (2001) and Li (2008) also noted that the number of studies on the behaviour of micro and small tourism and hospitality firms is relatively small when compared with studies on large firms.

While many studies of community based tourism that invariably involve family owned businesses have been conducted in developing countries, most studies on small and micro family businesses *per se* in tourism have been located in developed Western countries, thereby leaving some gaps that need to be filled. Despite the vast potential and development of tourism in recent times and the emergence of small and micro family-owned tourism businesses in some of the developed destinations in developing countries there seems to be little in international academic literature about the existence of Obudu mountain resort in Nigeria. This mountain resort is located in Cross River State of Nigeria at an altitude of 1,575.76 m above sea level (Esu & Arrey, 2011). Six communities are located at the top of the mountain where a major tourist resort (Obudu Mountain Resort) is situated: Anape, Okpazawge, Kigol, Keji-Ukwu, Okwamu, and Apah-Ajilli. The seventh community, called Ikvette, is located at the bottom of the mountain close to the entrance to the mountain top.

Among all the developed tourist centres in Nigeria, such as Kainji Lake National Park, Yankari Game Reserve, Bargu Park, Old Oyo Park, and Gashaka Park, among others, Obudu mountain resort is distinguished as being a relatively well-managed tourism destination for both local and international tourists attracting 65,341 Nigerian tourists and 18,161 foreign tourists in 2008 (Ushie, 2009). While the initial development of the mountain as a tourist destination was driven by the transformation of the former Obudu cattle ranch into the Obudu Mountain Resort, the resulting tourist flow and the promotion of the mountain in the marketplace by the Resort have been responsible for the emergence of numerous micro businesses in the adjacent communities owned solely by families in those communities – a modified form of ‘mainstreaming’ whereby the original flow of tourists to the upmarket resort has expanded to include other segments such as domestic budget travellers that have been ‘picked up’ by the family micro businesses.

As a way of contributing to our understanding of family-run micro businesses in tourism in mountain destinations in developing countries, the purpose of this study is to provide information about the demographic features and other characteristics of such businesses in Obudu mountain resort. Details include the type of family micro businesses, the start-up process of the businesses in terms of how funds were sourced and the difficulties encountered; the motives for starting family-owned tourism micro businesses, and long term sustainability, which includes the issue of planning for succession. The use of the term ‘micro businesses’ to describe family owned ventures in Obudu in contradiction to ‘small businesses’ is our preferred terminology because the largest has only five family members working for it, and

internationally accepted definitions suggest that small businesses employ anywhere from 10 to 50 people (European Commission, 2011; Thomas, Friel, Jameson, & Parsons, 1997).

2.0. Literature review

2.1. The genesis of family owned tourism businesses

There is a significant literature outlining many reasons that are attributed to the establishment of a family owned business (leadership, entrepreneurial spirit, opportunity are but some), but in every instance any business requires a demand for its goods and services if it is to be set up in the first place – i.e. meeting the basics of demand and supply (Adams, Taschian, & Shore, 1996; Hollander & Elman, 1988). This study with its focus on tourism-related family businesses examines the question of the genesis of such businesses with reference to two overlapping tourism constructs that focus on the broader question of the evolution of a destination, but within their frameworks the presence of family owned businesses can be deduced.

According to Liu & Wall (2006) tourism development in rural peripheral communities often starts with the recognition of its potential as an attractive environment. This potential attracts investment (sometimes government through its regional planning processes, and/or the private sector). An area that may have been inaccessible and underdeveloped previously could begin to capture the attention of tourism development authorities and this leads to the construction of facilities and support services for tourism. Such development, often by large investors and government in providing basic infrastructure (roads, airports, water, power, etc) fosters the emergence of micro and small family tourism businesses, which often predominate in rural areas (Getz & Carlsen, 2000). Their individuality may contribute to the individuality of experience and unique sense of place for tourists (Zhao, 2009).

Miossec (1977) formulated a conceptual model to explain this scenario. The concept has five (5) stages of tourism development starting from stage 0 (zero) to stage 4 that are examined in terms of the variables of increase in visitor numbers over time (see Fig. 1). Each of the stages is subjected to four additional variables to predict how development proceeds: (i) resorts and supporting facilities, (ii) transport links, (iii) tourist behaviour and external profile of the destination, and (iv) the attitude of decision makers and population in adjoining regions. Miossec's Zero stage is typified by the lack of any tourism facilities, with visitation only by a very small number of ‘explorers’ or ‘adventure tourists’ (Cohen, 1974) who find their way there despite the lack of formal tours, accommodation, transport links, etc. Local understanding of tourism is very limited, piqued by curiosity about the odd strangers who arrive in their midst, but with no broader comprehension of tourism *per se*. There is no outside knowledge of the region as a destination either domestically or internationally, and adjoining regions also have no experience of tourists and tourism.

At Stage One, in response to growing demand a pioneer resort is established and a regular transport link is opened up (at first limited capacity, restricted frequency of perhaps only 2–3 times per week, aircraft or ship, or unsealed road) and this begins to attract tourists' attention. The local population of the area begins to develop an understanding of tourism, and through the promotion of the pioneer resort the region starts to get the first national/international awareness of the destination's existence. Adjoining regions still exhibit little or no interest. At Stage Two of the model, the resorts multiply in number over time as demand increases, the transport networks improves, greater promotion starts to put the destination on the world travel map, more travellers arrive and there is the beginnings of a spill-over into adjoining regions.

At Stage Three demand has increased significantly, mass tourism is appearing, the multiplicity of different resorts and accommodation types organise their space based on their target visitor segments, and spatial competition and segregation set in. The transport system is

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