The Ghanaian “small business traveller” – a conceptual paper on Tourism Marketing

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Abstract

Objectives - The purpose of this paper is to profile the tourism sector in Ghana taken from the purview of small-to-medium enterprises (SMEs).

Prior Work – Scholarly discourse on SMEs in Ghana is scant at worse and fragmented at best. Most existing literature is in the manufacturing sector; very little in services; and almost nothing in the tourism sector.

Approach – This exploratory study is based on an initial documentary analysis with a view for the development of in-depth case studies of leading SMEs in the Ghanaian tourism sector.

Results – The contribution of SMEs to the tourism sector in Ghana has not been duly acknowledged in the literature. However, it is arguable that players in the tourism sector may not have drawn attention to themselves as a result of neither having fully appreciated the range of incentives available to them nor leveraged these.

Implications – It is interesting that Ambassador James Victor Gbeho, President of the Commission of the Economic Community of West African State (ECOWAS), opened a three-day West African Business Development Workshop and Exhibition only recently, aimed at promoting market development practices for SMEs to expand their operations in a more integrated West African market. With the theme “Expanding your Business in West Africa: A Strategic Approach”, it remains unclear as to how SMEs in the country have leveraged the opportunity.

Value – In their appeal to the investor community, the Ghana Investment Promotion Centre (GIPC) highlighted the availability of a “generous incentive and tax holidays for private investors” in the acknowledgment that “business tourist activities” constituted over half of international tourist arrivals. This paper consequently provides an academic front to the public policy provisions for the development of the Ghanaian tourism sector.

Keywords: small-to-medium sized enterprises (SMEs), tourism, Ghana

Introduction

The purpose of this paper is to profile the tourism sector in Ghana taken from the purview of SMEs. There seems to be a scant scholarly discourse on SMEs in Ghana, and where this exists they are mostly in the manufacturing sense with nothing in either the services or the tourism sector. This exploratory study is based on a documentary analysis of the Ghanaian tourism sector where a strong case is made that the contribution of SMEs to the tourism sector has neither been duly acknowledged in the literature nor fully leveraged on the ground.

According to Blankson et al. (2004, p. 116), in 2001 “...tourism contributed 3.5 percent to GDP and US$447.8 million (in net foreign exchange earnings)…” in Ghana. Interestingly also the world tourism organisation rated Ghana as the most visited country in West Africa only second to Nigeria, but still first in terms of international tourism receipts. It is also persuasive to argue that key players may not have drawn attention to themselves as a result of not having fully appreciated the range of incentives available to them. Indeed in a recent West African Business Development Workshop and Exhibition in June 2011, aimed at promoting market development practices for SMEs to expand their operations in a more integrated West African market.
The role of SMEs was acknowledged – albeit in terms of potential as opposed to actual achievements. With a workshop themed “Expanding your Business in West Africa: A Strategic Approach”, it would be interesting to see how SMEs in Ghana have managed to contribute to the country’s economy.

It is worth adding that the availability of a “generous incentive and tax holidays for private investors” by the Ghana Investment Promotion Centre (GIPC) is an acknowledgment that “business tourist activities” constituted over half of international tourist arrivals to the country. This paper consequently provides an academic front to the public policy provisions for the development of the sector.

**State of Ghanaian Tourism**

Ghana enjoys numerous UNESCO designated as World Heritage Sites – i.e. European built forts and castles - strung along the country’s coastline that played a major role in the shaping of world history between the 15th and 19th centuries. From these massive buildings vast quantities of gold (and African youth to be enslaved) sent off to Europe in what was then known as ‘the New World.’ There are several other attractions including cruising on Lake Volta (one of the largest man-made water bodies in the world), sport fishing, as well as ‘Hang’ and ‘Para-gliding.’ Furthermore, Ghana has of late become a favourite conference destination for many, as well as a preferred choice for other international events such as the bi-annual Pan-African Festival for Arts and Culture (PANAFEST) and the **Emancipation Day** held between mid-July and early August every year to commemorate the final abolition of slavery in all British colonies in 1834.¹

Recently the United Nation’s World Tourism Organisation (UNWTO) Secretary General, Taleb Rifai, pledged technical and financial support for tourism development in Ghana (GhanaWeb, 23 March 2011). Referring to a hotel survey conducted in the country, Mr. Akologu of the GIPC said business tourists activities in Accra constituted over half of international tourist arrivals and noted that business and conference tourism in Accra could be much larger than it was currently (GhanaWeb, 26 July 2010). According to him, “Business tourism is not inherently pro-poor”, as there was always an important transfer of resources from the tourists to the poor in the community (GhanaWeb, 26 July 2010).

Requesting the investor community to pay attention to Ghana, it has been reported that the GIPC’s Legislative Instrument sought to provide a generous incentive and tax holidays for private investors (GhanaWeb, 26 July 2010). He therefore called on potential investors to consider venturing into the provision of hotel accommodation; construction of cable car facilities along the mountain ranges; operation of luxury coaches and domestic flights among other opportunities (GhanaWeb, 26 July 2010). Indeed Ambassador James Victor Gbeho, President of the Economic Community of West African State (ECOWAS) Commission, only recently opened a three-day West African Business Development Workshop and Exhibition (Ghana News Agency, 24 April 2011) - aimed at promoting market development practices for SMEs to expand their operations in a more integrated West African market.

Themed “Expanding your Business in West Africa: A Strategic Approach” (Ghana News Agency, 24 April 2011), the workshop was supported by the Office of the Vice President and under the auspices of the Ministry of Trade and Industry (MOTI), in collaboration with the ECOWAS Commission and the GIPC.² The event was billed to offer information on opportunities and regulations regarding investments in key business areas, in Ghana and other West African states. The workshop was also in response to consistent calls on

¹ Minister’s speech available online at: [http://www.ghanatourism.gov.gh/documents/WTDL%202010%20Speech%20By%20Minister.pdf](http://www.ghanatourism.gov.gh/documents/WTDL%202010%20Speech%20By%20Minister.pdf)

² Among the key speakers at the event were Ms. Hannah Tetteh, Minister of Trade and Industry, Dorothy Gordon, Director General of Ghana Indian Kofi Annan Centre of Excellence, Mr. Asare Akuffo, President of Private Enterprise Foundation and MD of HFC Bank, Alhaji Muhammad Mumuni, Minister of Foreign Affairs and Regional Integration, and Major General Carl Modey, Commissioner of Customs Excise and Preventive Services.
ECOWAS to ensure a more intra-regional trade and “the move from an ECOWAS of States to an ECOWAS of people” (Ghana News Agency, 24 April 2011). Among topics covered in the workshop were trade tariffs and customs duties at entry points, transportation, logistics and insurance across the sub-region. According to media reports, "the event is an opportunity for local businesses in Ghana to meet prospective partners and clients from other West African countries".

Ghana Tourism Federation (GHATOF)
GHATOF is the highest organization established to champion the cause of the private sector in Ghana’s tourism industry. Membership of GHATOF, known as the Governing Council, is comprised of the Presidents of the various trade associations engaged either directly or indirectly in the tourism industry and meets regularly to discuss issues confronting the tourism industry and to consider possible ways of addressing such issues. Since its formation, GHATOF, like all infant organizations faced many challenges in terms of weaknesses and constraints. However, with the support of the Ministry of Tourism and Diaspora Relations (MTDR), some major strides seem to have been taken to remedy some of these problems so as to strengthen and move the organization forward in order to fulfill its aims of ensuring that the tourism sector is properly focused on achieving the goals for which it was set up by the MTDR towards the maintenance of standards among member associations and due compliance of regulations pertaining to the industry.

Additional functions of GHATOF include lobbying, advocacy, marketing and promotion as well as influencing legislations that impact on the business activities of member associations. In line with the new structuring, the MTDR had continuously supported the initiative by facilitating the Japanese International Co-operation Agency (JICA) technical co-operation project towards the implementation of Tourism Development through strengthening of Public-Private Partnership (PPP) in Ghana. There have equally been other development partners such as the Dutch Development Agency (SNV).

The Role of the private sector
The important role of the private sector in the development of the country’s tourism industry cannot be over-emphasized. For a long time after independence, the tourism industry in Ghana did not receive serious attention though the country’s unique history kept attracting visitors from around the world. In 1986 the Ghanaian government decided to promote the sector with the aim of making tourism an important foreign exchange earner and a catalyst for national development (see Blankson et al., 2004). The initiative received the support of the country’s development partners and public response soared as each region and district tried to outdo the other in the promotion of both their known and less-known local attractions. To give the sector the priority it deserved, the Ministry of Tourism was created in 1993 to facilitate government policy on the industry.

In recognition of the vital role played by the private investors in providing the needed travel and tourism services such as transport, food, lodging, entertainment and other services, the government encouraged them as the engine for the growth of tourism. Some operators in the various trade associations including hotels, airlines, car rentals, restaurants amongst others, had come together and formed their individual trade associations in pursuit of their own goals. It was to empower these associations to effectively articulate their concerns and to enhance productivity that the government in 1995 initiated GHATOF, to serve as an umbrella organization, or single, voice for the myriad organizations and their affiliates. Besides promoting the welfare of member associations, GHATOF according to its constitution also undertakes other activities to help advance the cause of tourism generally in Ghana, such as on the maintenance of high service standards of practitioners in the industry.
Since 2006, GHATOF in collaboration with the MTDR and JICA have been working to advance further the implementation of Tourism Development through the strengthening of the PPP. The objective of the project was to strengthen, facilitate and build the capacity of stakeholders in the tourism industry to boost tourism development in the country.\(^3\) GHATOF’s membership is composed of two categories – (i) full members made up of associations whose members are registered and licensed by the Ghana Tourist Board; and (ii) Affiliate membership granted to other tourism related bodies (see table 1). For the purpose of this paper we focus on the full registered/licensed members.

### Table 1. Member associations of GHATOF

<table>
<thead>
<tr>
<th>Full Members</th>
<th>Affiliate organizations</th>
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<tbody>
<tr>
<td>1. Car Rentals Association of Ghana (CRAG)</td>
<td>1. Board of Airlines (BAR-GH)</td>
</tr>
<tr>
<td>2. Ghana Association of Travel &amp; Tour Agents (GATTA)</td>
<td>2. Cook Art Ghana</td>
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<tr>
<td>5. Ghana Hotels Association</td>
<td>5. Skal International Club of Accra</td>
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<td>7. Ghana Traditional Caterers Association (GTCA)</td>
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<td>8. Indigenous Traditional Caterers Association</td>
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<tr>
<td>9. National Drinking Bars Operators Association (NADBOA)</td>
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<tr>
<td>10. Tour Guides Association of Ghana (TORGAG)</td>
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<tr>
<td>11. Tour Operators Union of Ghana (TOUGHA)</td>
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<tr>
<td>12. Ghana Association of Travel &amp; Tour Agents (GATTA)</td>
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<tr>
<td>13. Ghana Bar Operators Association (GHABOA)</td>
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<tr>
<td>14. Ghana Forex Bureau Association (GARFORB)</td>
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<tr>
<td>15. Ghana Hotels Association</td>
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<tr>
<td>16. Ghana Restaurants and Nightclubs Association</td>
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<tr>
<td>17. Ghana Traditional Caterers Association (GTCA)</td>
<td></td>
</tr>
<tr>
<td>18. Indigenous Traditional Caterers Association</td>
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<tr>
<td>19. National Drinking Bars Operators Association (NADBOA)</td>
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<tr>
<td>20. Tour Guides Association of Ghana (TORGAG)</td>
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<tr>
<td>21. Tour Operators Union of Ghana (TOUGHA)</td>
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The benefits of GHATOF Membership have been reported to include five key elements ranging from (i) the power of unity and affiliation; (ii) recognition and enhanced prestige; (iii) access to training and education; (iv) advantages of collaboration; and (v) welfare matters.

### Discussions

In the most recent study on this subject from the Ghanaian perspective, respective governments have strived to position Ghana as “a good quality internationally competitive tourism destination” (see Ofori-Appiah, 1999; cf. Blankson et al., 2004, p. 117). Indeed the government earmarked the transport and communications sectors for development as the backbone to tourism in the country. The 15-year National Tourism Development Plan (1996-2010) focused on separate objectives for the public and private sectors.\(^4\) In all these, however, rarely anything was mentioned in terms of event management including music and film festivals. In the case of the former in particular, one opinion piece article in the *New York Times*, Bono, a founding member of the pop group U2, highlighted the need for a rebranded Africa through music (cf. Madichie, 2011, p. 178):

[...] still-stinging corruption and political unrest confirms too many of the headlines we in the West read about Africa. Ghana confounds them. Not defiantly or angrily, but in that cool, off hand Ghanaian way [...] whose music of choice is jazz; a country that long ago invented a genre called highlife that spread across Africa – and, more recently, hip life [...]
Music based tourism has been described by Leaver and Schmidt (2009, p. 223) as: [. . .] a part of a visitor mosaic and a possible focus of regeneration. Each is inter-connected and all have implications for how they are utilised to build a sustainable place based economy.

Bob Marley (AKA Robert Nesta Marley), a Jamaican by root, but African by choice, celebrates the East African state of Ethiopia as the cradle of Rastafarianism, often calling for African Unity as well as for human rights and equality in other sub-Saharan African states from Angola, through South Africa, to Zimbabwe (Collings, 2011). Bono, on a recent visit to Ghana had pitched the idea of marketing Ghana as the “birthplace of cool” to the minister for tourism. Commenting on the Ghanaian government’s place marketing strategy, Bono opined that the focus would not be (Madichie, 2011, p. 178): [. . .] on the problems that afflict the continent but on the opportunities of an Africa on the rise [. . .] fed up with being patronized and hearing the song of their majestic continent in a minor key [. . .] this kind of haemorrhaging of human capital is not something we can accept as normal.

But as the example of Ghana makes clear, that’s only one chord. Indeed as Madichie (2011, p. 179) argued “inspired by Bono’s article, Jeremy Tamanini ...presented five guiding principles on how to begin to decipher the challenge of bringing more substance to the goal of Rebranding Africa.” According to him, there is a need to clear some misconceptions about Africa, which include addressing misnomers, especially the fact that:

1. Bigger does not always mean better. While the Kenya, Egypt, Nigeria, South Africa (KENS) constitute the largest share of the African economy, smaller states like Ethiopia and Ghana (and likewise Senegal) may have more growth potential.
2. Do not hide from Africa’s challenges. Because many African governments are deeply connected to the larger development community, countries are best served by being both realistic and aspirational when it comes to nation branding.
3. It is not all about Tourism. Imagine the intrigue if an African country shifted more of its marketing dollars to targeting new forms foreign direct investment in unexpected ways?

The latter point is very instructive. Indeed as Tamanini (2009) elaborated, “nation branding in Africa must become about more than attracting tourists and begin to tell a deeper story about the diverse economic landscape of opportunities on the continent”. It obvious that this can only be actualised via PPPs – driven largely by SMEs (perhaps from the ranks of GHATOF members identified in table 1).

Conclusions & Implications
The contribution of SMEs to the tourism sector in Ghana has not been duly acknowledged in the literature. However, it is arguable that players in the tourism sector may not have drawn attention to themselves as a result of neither having fully appreciated the range of incentives available to them nor leveraged these. It is interesting that the ECOWAS Commission ran a three-day West African Business Development Workshop and Exhibition only recently, aimed at promoting market development practices for SMEs to expand their operations in a more integrated West African market. With the theme such as “Expanding your Business in West Africa,” it would be interesting to see how SMEs in the country have leveraged that opportunity. Consequently this paper is a step in that direction. Indeed the paper also intends to follow-up on the GIPC’s appeal to the investor community - the availability of a “generous incentive and tax holidays for private investors” in the acknowledgment that “business tourist activities” constituted over half of international tourist arrivals to the capital. This paper consequently provides an academic front to the public policy provisions for the development of the sector.
Abridged References


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