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## **DETERMINANTS OF PERFORMANCE AMONG SMALL AND MEDIUM TOURISM ENTERPRISES IN TANZANIA**

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### **ABSTRACT**

*The tourism sector is an important sector providing services based upon various attractions ranging from beaches to national parks. Millions of international tourists arrive in Tanzania to tour where tourism attractions contributing to the national economy. Consequently, Small and Medium Tourism Enterprises (SMTEs) may wish to pay attention to this sector. However, recently, it has been realised to dwindling market share as performance in SMTEs. Thus, the main purpose of this paper is to examine the influence of determinants on the performance of SMTEs. This research paper informs by the Information System Success Model, Networking Theory, Resource-Based Theory and Institutional Intervention Theory, which address the influence of determinants on performance among SMTEs. A total of 325 questionnaires were collected through a cross-sectional survey. A positivists' philosophy underpins this research, and the research hypotheses were tested using Structural Equation Modelling. The findings indicate that the market share of SMTEs is influenced by service quality, business networks, and government intervention. Also, service quality, business network and government intervention are important factors in improving market share among SMTEs in Tanzania. However, the determinants do not influence the sales volume and number of tourists served yearly. Therefore, for performance improvement, SMTEs are recommended to formulate and implement strategies to improve a strong business network. Furthermore, the governments should review SMEs and tourism policies to ensure that optimal taxes, levies and licenses are charged to tourism firms.*

**Key words:** Performance, SMEs, Tourism enterprises, Service quality, Business networks,

### **1.0 INTRODUCTION**

The tourism sector is an important sector that provides services to tourists from many countries of the world. It is based upon various tourism attractions ranging from beaches to national parks. Worldwide tourism plays a significant role; the sector contributed USD 1.481 billion as foreign earnings, which was 10 percent of the world's gross domestic product (GDP) (Dogru, Suess, & Sirakaya-Turk, 2020). Also, the sector estimated 330 million jobs which were 10.3 percent worldwide in 2018 (United Nations World Tourism Organisation [UNWTO], 2018). In Serbia, the tourism sector has contributed 8.4 percent of GDP, and employment has been generated 6.45 percent. The tourism contribution is accounting 12.89% of the GDP and 12.74% employment rate in Slovenia. In India, the tourism sector generated USD 240 billion that is 9.2 percent of GDP; employment generation was 42.673 million accounted for 8.1 percent of its total jobs, and Foreign exchange earnings from tourism have amounted to USD to 28.56 billion in 2018 (Sarwar & Naqvi, 2021; WTTC, 2020). In Africa, the sector accounted for 3.3 percent and 4 percent of GDP in 2017 and 2018. Similarly, the sector generated 2.6 percent jobs in 2017.

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The tourism sector brands Tanzania and has some of the World's greatest natural wonders (Kabanda & Brown, 2017). Many attractions in Tanzania are remarkable as natural features in both Africa and the globe. Also, the country has a plentiful amount of cultural multiplicity, with over 120 different ethnic groups, national parks, and snow mountain Kilimanjaro (Charles, 2019; Chami, 2018). Based on these attractions, the sector contributing to Tanzania's foreign exchange earnings accounted for USD 2.4 billion of 28.7 percent in 2018. It is also a potential employment opportunity that accounted for 1,400,000 jobs in 2018 (WTTC, 2019; Assaf, Josiassen, Woo, Agbola, & Tsionas, 2017). In addition, the tourism sector contributes to SMEs competing with larger enterprises, given its advantage of being flexible and lacking bureaucracy (Okundaye, Fan & Dwyer, 2019; Gilmore & Carson, 2018). SMEs in the tourism industry are called Small and Medium Tourism Enterprises (SMTEs). However, there is few micro or large enterprises in the Tanzanian tourism industry.

Despite the range mentioned above of diverse natural and cultural attractions and the increasingly greater contributions in the Tanzania economy, the performance of tourism firms is still poor, particularly for SMTEs (Sanches-Pereira, *et.al*, 2017). For example, In Europe, international tourist arrivals were 713 million, which accounted for 6.2 percent in 2018. Also, in Asia and the Pacific, international tourist arrivals were 343 million, 5.8 percent, and in Tanzania, international tourist arrivals were 1,505,702 (Survey Report, 2018). Also, Survey report (2018) reported that market share among SMTEs is relatively low in Tanzania. For instance, the number of tourists' arrivals was 1.1 million in 2015, slightly decreasing from 1.14 international tourists in 2014. Moreover, Tanzania's score in terms of Travel and Tourism Competitiveness is 3.46, ranking it 109<sup>th</sup> in the World (WTTC, 2017). However, the low number of tourist visits seems to be a common trend in Africa, except Tanzania (Survey Report, 2018). In addition, Kinyondo & Pelizzo (2015) reported that the number of tourist arrivals relatively decreased in Tanzania compared to other countries in the world. Several factors contribute to the poor performance among Tanzanian SMTEs, including under-developed physical infrastructure, unreliable electricity supply, lack of promotion, and marketing (Adeyemi, *et al.*, 2020). Also, SMTEs, lack of technology capability, poor legal and regulatory framework, unskilled human and inadequate capital resources, weak relationship among stakeholders (Hieu, & Nwachukwu, 2020). Other factors are inaccessible credit, inaccessible to the global market, and low usage of innovative technology (Nguyen, *et al.*, 2020).

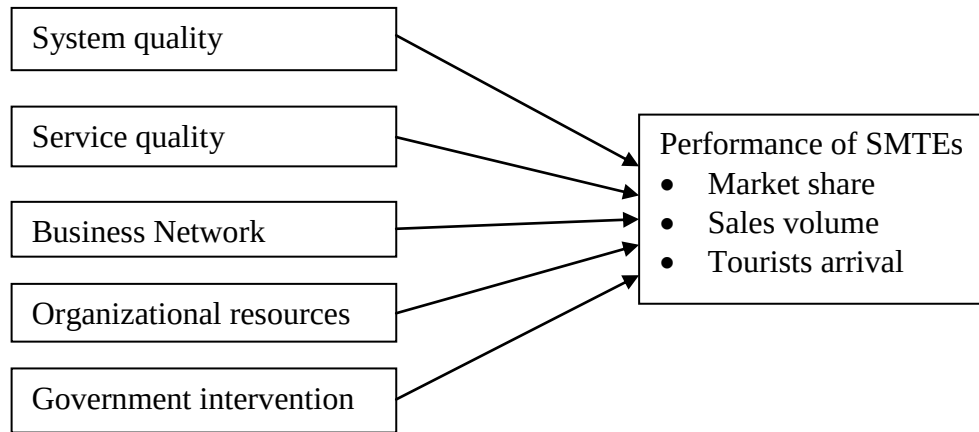
It is important to acknowledge the endeavours so far made by the Government of Tanzania in addressing the noted shortcomings in the attempt to improve performance. It has developed some legal and policy frameworks reviewed in 1999 to solve serious political, economic, social, and technological issues. In this case, the valuable legal system and policy framework are said to create an assurance among tourists by creating trust and privacy. Similarly, the government has created a conducive environment for the growth and development of financial institutions such as banks and micro-finance to easy transactions and the loan accessibility of most SMTEs (Chami, 2018). Moreover, the government took initiatives on branding tourism destinations in Tanzania by formulating a national branding committee in 2017.

In addition, the Tanzania National Parks Authority (TANAPA), an authority managing the national Parks of Tanzania, has undertaken some initiatives to reinstate the ecosystem size to absorb the impact of human activities. This reduced overgrazing and dirt roads in the tourism areas (Mnaya, Elisa, Kihwele, Kiwango, Kiwango, Ng'umbi & Wolanski., 2021). Moreover, Tanzania Tourist Board (TTB) undertook some efforts to formulate and implement a 2012 marketing strategy to market the tourism sector. Unfortunately, the implementation of the strategy has not done adequately likened to South Africa, Kenya, and Botswana (TTB, 2012). Government, TANAPA and TTB undertake initiatives as aforementioned, yet it is nevertheless still SMTEs performance is noticeable relatively low.

The previous studies focus on tourist loyalty cultural heritage sites in Zanzibar Island (Chami 2018). The results reveal that tourists touching loyalty to cultural heritage sites, especially Zanzibar stone town tourism destinations, are greater. Some other research narrowed their scope to tourism destination competitiveness among tourism firms in Tanzania (Novais, 2018). The study reported that destination competitiveness is measured as perception, performance and long-term process. Also, results indicated that destination competitiveness is examined through a combined approach to supply and demand-side stakeholders' measurements (*Ibid*).

Furthermore, Wamboye, Nyaronga, and Sergi (2020) investigated the relevant determinants of international tourism demand. Their results show that tourists' income and the building and development of infrastructure are the two leading determinants of international tourism demand in Tanzania. Charles (2018) identified the institutional challenges related to coordinating regulatory agencies for improved tourism policy in Tanzania. Charles indicated that tourism firms are governed by a mass of national, sub-national, and sectoral institutions mandated to execute several firm taxes, fees, and levies. Most challenges emerge from a lack of coordination

and information sharing amongst government agencies in implementing and formulating a legal framework. If any, less information examined the main determinants of (SMTEs) performance in terms of improved sales volume, market share, and the number of tourism visits in the country. Thus, this research was required to examine the main determinants of performance among SMTEs in Tanzania by answering the overarching question on how the performance of SMTEs is affected by its determinants.



**Figure 1: The Conceptual Framework**

## 2.0 METHODS

This study was conducted in Dar es Salaam, Arusha and Kilimanjaro regions in Tanzania. Since these regions have a range of tourism attractions, namely wildlife, beaches, Masai culture, Olduvai George, and Snow Mountain so high concentration tourism firms (Chami, 2018; Survey report, 2018), these regions are the leading tourist destination received a greater number of international tourist arrivals in the country. However, there is low performance. For example, market share declined, despite their numerous natural and cultural. Also, most tourists who arrived through Julius Nyerere and Kilimanjaro International airports accounted for 46.1% and 12.7% respectively.

The study adopted a cross-sectional survey to collect 325 SMTEs from travel agents, tour operators and hospitality firms. The SMTEs were chosen purposely from a directory provided by the Ministry of Natural Resource and Tourism in Tanzania (MNRT). The MNRT is the principal government body that deals with the tourism sector. The database of MNRT has missed the categorisation of tourism enterprises by size. Cross sectional studies are cheap to conduct and take less time and help on controlling conditions of the study by capturing the state at the moment (Saunders *et al.*, 2019; Mushi *et al.*, 2021; Siwandeti, *et al.*, 2021). A non-probability sampling technique is deemed more fitting when the requirement for probability methods is not achieved. The self-administered questionnaires were sent to the firm's managers of these tourism companies since their relationship to the theme and their extensive knowledge of over-tourism business processes to capture performance and relate it with quality factors, business network and government support. Hence, SMTEs with less than two years in operation were excluded.

The five factors were measured using a 5-point Likert scale ranging from 1=strongly disagree to 5= strongly agree. For example, the tourism firm is accessible (system quality), the SMTEs service understands your specific needs (service quality), the sharing of knowledge with other firms (business network), the firm has enough capital resource (organisational resources) and legal framework favours a firm (government intervention). In measuring firm performance subjectively through a five-point Likert scale, DeLone & McLean (2003) is important to measure market share. Measurement of market share includes the number of tourists served in the firm-year 2014, 2015, and 2016. Another measuring item of performance subjectively is sales volume (firm's annual turnover, cost-saving, and acceptable price). The final variable that measured SMTEs performance is the average number of tourists in a year. It is measured objectively.

The study adopted Structural Equation Model (SEM) to examine the influence of factors on performance on the AMOS 21 software package. In the SEM, there are two models: the measurement model and the structural model. The measurement model is calculated using Confirmatory Factor Analysis (CFA) for confirming the latent variables explained by the measuring item of the study theories. The first part of conducting the measurement model is the Goodness of Fit (GoF) index. It is measured by using parsimonious index (Chi-

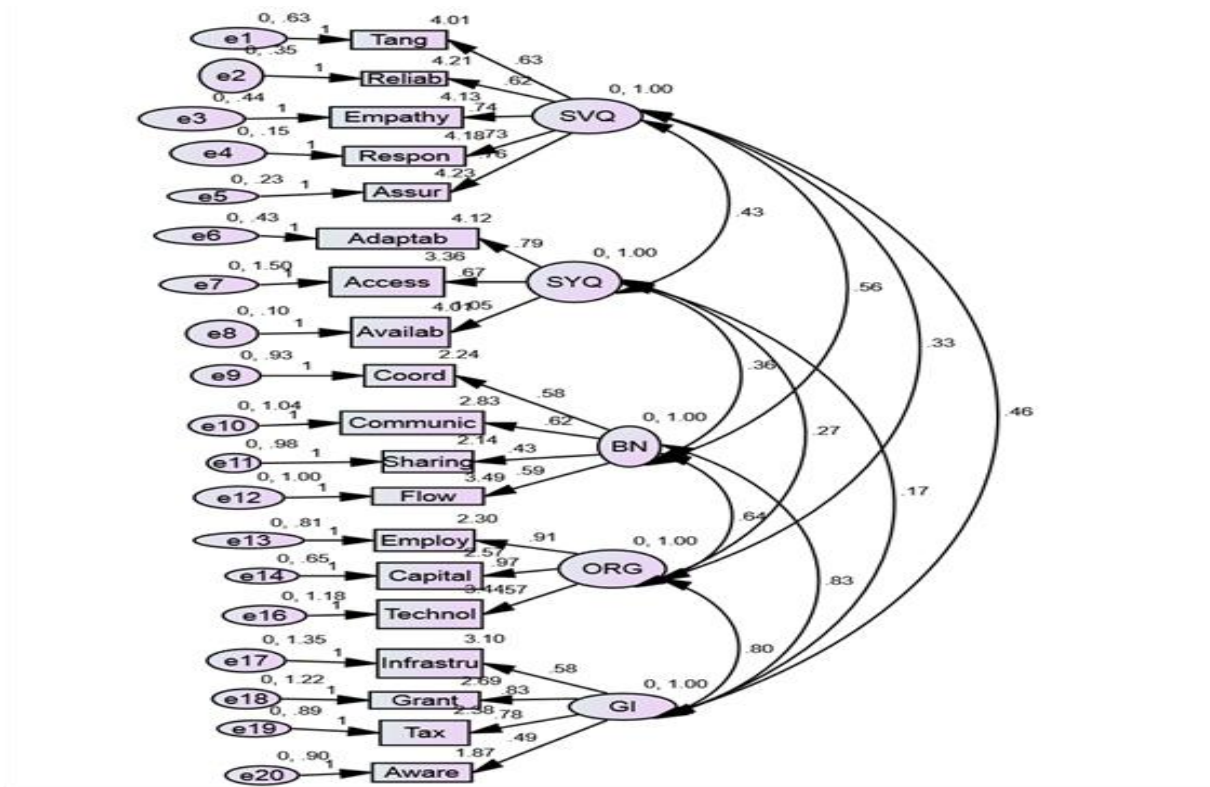
square/degree of the freedom), secondly, incremental fit {Turkey Lewis of Fit Index (TFI), Incremental Fit Index (IFI) and Normed Fit Index (NFI) and Comparative Fit Index (CFI)} and thirdly, absolute index (Root Mean Square Error of Approximation (RMSEA). Then, the data of variables are subjected to validity (factor loading and average variance extracted) and reliability tests (alpha coefficient and composite reliability).

After the measurement model, the structural model in the SEM was done to test the hypothesis of the relationship between determinants and performance. This study employed the latent variables, where SEM is appropriate for testing the hypothesis. Furthermore, the decision rule on accepting or rejecting the null hypothesis depends more on  $P \leq 0.05$  at a 5% significance level. The decision to reject or accept the null hypothesis is that if three sub-hypotheses or two sub-hypotheses out of three are significant, the null hypothesis is accepted, and vice versa, the null hypothesis is rejected.

### 3.0 FINDINGS AND DISCUSSION

#### 3.1 Model Fitness Results

Like other previous studies (Amani & Chao, 2021; Amani, 2021) this study performed the measurement model to analyse the Goodness Fit of Index (GFI), which included absolute, incremental and parsimonious fittest. The goodness of fit of determinants was tested, and their results are presented in Table 1 and Figure 2. The findings in Table 1 and Figure 2 show the absolute fit of RMSEA of all constructs is approximately 0.1 or equal to 0.1 as recommended in the literature. Similarly, the incremental fit of FI, TLI, IFI, and NFI close to 1, are satisfactory as required (Sungau & Msanjila, 2012).



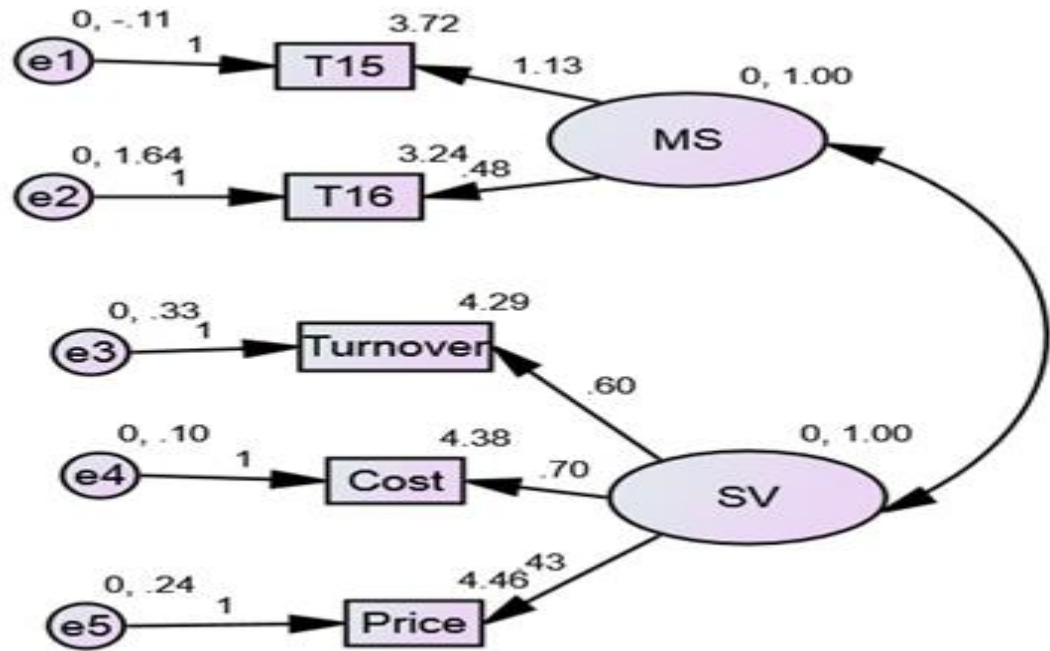
**Figure 2: Measurement Model of Determinants**

In the same way, the parsimonious fit of chi-square/Df (Degree of Freedom) < 3 for determinants is lower at  $P \leq 0.05$  is achieved as recommended in the literature. Therefore, all indexes fit are achieved by the requirement, the determinants to be explained well by respective measuring items used.

**Table 1: Goodness Fit Index of Determinants**

| Name of Category | Index            | Determinants    |
|------------------|------------------|-----------------|
| Absolute Fit     | RMSEA            | 0.077           |
| Incremental Fit  | CFI              | 0.891           |
|                  | TLI              | 0.884           |
|                  | IFI              | 0.893           |
|                  | NFI              | 0.864           |
|                  | Chi-square/Df <3 | 2.939           |
| Parsimonious Fit | (P<0.05)         | P-value = 0.000 |

Moreover, the research paper estimated the measurement model for performance. The measurement model calculates the absolute, incremental and parsimonious performance fit, as shown in Tables 2 and 3.

**Figure 3: Measurement Model of Performance**

The findings in Table 2 and Figure 3 revealed that the absolute fit of RMSEA of all constructs is approximate 0.1 or equal to 0.1 as recommended in the literature. Similarly, the incremental fit of RFI, CFI, TLI, IFI and NFI close to 1 is achieved as required (Sungau & Msanjila, 2012). In the same way, the parsimonious fit of chi-square/D.f (Degree of Freedom) < 3 for performance is lower at  $P \leq 0.05$  is achieved as recommended in the literature. Therefore, all indexes fit are achieved by the requirement, the performance to be explained well by respective measuring items used.

**Table 2: Goodness Fit Index of Performance**

| Name of Category | Index            | Performance     |
|------------------|------------------|-----------------|
| Absolute Fit     | RMSEA            | 0.066           |
| Incremental Fit  | RFI 0.940        |                 |
|                  | CFI              | 0.993           |
|                  | TLI              | 0.975           |
|                  | IFI              | 0.993           |
|                  | NFI              | 0.984           |
| Parsimonious Fit | Chi-square/Df <3 | 1.688           |
|                  | (P<0.05)         | P-value = 0.000 |

After that, the study statistically measures the discriminant validity and reliability tests. In discriminant validity, the study tests for factor loading and convergent validity. Three measures are used to calculate the discriminant validity of a measurement model: factor loading as presented in Table 3 for determinants and Table 4 for performance, correlation, and Average Variance Extracted (AVE).

**Table 3: Factor Loading of Retained Measuring Item for Determinants**

| Constructs                  |    |                    | Estimate |
|-----------------------------|----|--------------------|----------|
| Assurance                   | ←- | Service Quality    | .844     |
| Responsive                  | ←- | Service Quality    | .886     |
| Empathy                     | ←- | Service Quality    | .746     |
| Reliability                 | ←- | Service Quality    | .724     |
| Tangibility                 | ←- | Service Quality    | .623     |
| Information Flow            | ←- | Business Network   | .510     |
| Knowledge sharing           | ←- | Business Network   | .394     |
| Communication Effectiveness | ←- | Business Network   | .520     |
| Coordination                | ←- | Business Network   | .514     |
| Marketing capability        | ←- | Organ. Resource    | .463     |
| Capital Resource            | ←- | Organ. Resource    | .771     |
| Employee Resource           | ←- | Organ. Resource    | .710     |
| Awareness of benefit        | ←- | Govt. Intervention | .456     |
| Tax                         | ←- | Govt. Intervention | .637     |
| Grant, Loan Subsidies       | ←- | Govt. Intervention | .599     |
| Infrastructure              | ←- | Govt. Intervention | .447     |
| Adaptability                | ←- | System Quality     | .767     |
| Availability                | ←- | System Quality     | .958     |
| Access                      | ←- | System Quality     | .478     |

The factor loading analysis revealed that determinants' technological capability and knowledge building capacity are dropped due to their loading below 4. Furthermore, only an average number of tourist travel in 2014 had dropped in running the factor loading in the study. This is because of the value of factor loading of these measuring items, which were not statistically significant with values below four as literature recommended.

**Table 4: Factor Loading of Retained Measuring Item for Performance**

| Constructs         |      |    | Estimate |
|--------------------|------|----|----------|
| Tourist Arrival 16 | ←-   | MS | .403     |
| Acceptable Price   | ←-   | SV | .661     |
| Cost Saving        | ←-   | SV | .910     |
| Turnover           | ←-   | SV | .721     |
| TouristArrival15   | <--- | MS | 1.046    |

The remained measuring items were tested in the convergent validity (Correlation and AVE) and reliability tests in CFA. Under the convergent validity, the study measures the correlation and AVE. As a result, the correlation was determined as presented in Table 5. The correlation between factors is smaller than 0.85.

**Table 5: Correlation measurement Result for Determinants**

| Items |   | Estimate |      |
|-------|---|----------|------|
| SYQ   | ↔ | SVQ      | .434 |
| SVQ   | ↔ | BN       | .556 |
| SVQ   | ↔ | OGR      | .331 |
| SVQ   | ↔ | GI       | .464 |
| SYQ   | ↔ | BN       | .364 |
| SYQ   | ↔ | OGR      | .270 |
| SYQ   | ↔ | GI       | .165 |
| BN    | ↔ | OGR      | .637 |
| BN    | ↔ | GI       | .803 |
| OGR   | ↔ | GI       | .800 |

Moreover, the statistical calculation shows the discriminant validity and reliability of determinants and performance results, as presented in Table 6—the value of AVE calculated with the values greater than or equal to 0.5. The reliability of the measures for each of the two constructs was analysed by examining the Cronbach's alpha coefficients and composite reliability. The Cronbach's alpha for determinants and performance were greater value than recommended standards of 0.7. The composite reliability of determinants and market share was estimated with values greater than 0.6. Therefore, the results of this study show that the constructs are more strongly correlated to their respective measuring items than to the other constructs in the model.

**Table 6: Discriminant Validity and Reliability of Determinants and Performance**

| Constructs        | Discriminant Validity                                                                                                                                                 |                                                                                                                           | Reliability                                                                                            |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
|                   | Factor Loading                                                                                                                                                        | Validity                                                                                                                  |                                                                                                        |
| Determinants      | Retained measuring items = 19.<br>Dropped measuring items: technological capability ( $\lambda = 0.025$ ) and knowledge building capacity ( $\lambda = 0.254$ )       | Correlation between variables ranged from 0.165 to 0.803<br>Average Variance Extracted (AVE) = ranged from 0.537 to 0.593 | Alpha Coefficients ranged from 0.663–0.869<br>Composite Reliability (CR) is ranged from 0.725 to 0.878 |
| Performance       | Retained measuring items = 2 (average number of tourist arrival 2015 and 2016).<br>Dropped measuring item is the number of tourist arrival 2014 ( $\lambda = 0.036$ ) | Average Variance Extracted (AVE) is 0.609                                                                                 | Alpha Coefficient is 0.728<br>CR is 0.715                                                              |
| Recommended value | $\lambda \geq 0.4$                                                                                                                                                    | Correlation between variable $\leq 0.85$ (Zainudin 2012).<br>AVE $\geq 0.5$                                               | $\geq 0.7$ (Hair et al., 2010)<br>$R \geq 0.6$ (Nunnally & Bernstein, 1994).                           |

#### 4.2 Inferential Findings

This section presents the path analysis (structural model) of determinants and the firm's performance. This study has investigated the developed hypotheses, as stated in the literature review section. The findings of the hypotheses analysis are summarised in Table 7 and Figure 4.



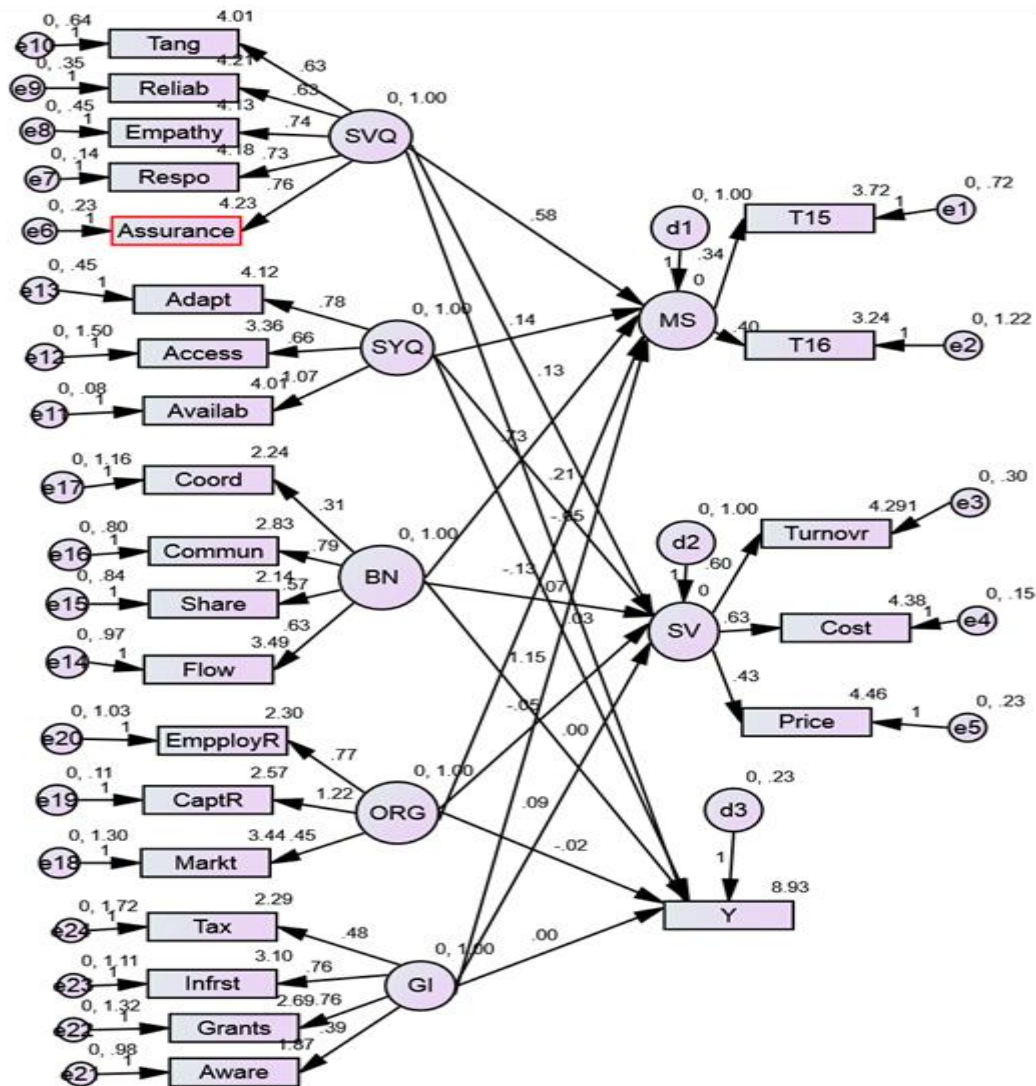


Figure 4: Regression Result of Determinants and Performance

#### 4.2.1 Influence of Service Quality on performance

The influence of service quality is examined on the performance of SMTEs. The statistical estimates revealed that sub-null hypotheses  $H_{1a}$  (P-value = 0.006 and  $\beta = 0.583$ ) and  $H_{1b}$  (P-value = 0.050 and  $\beta = 0.128$ ) is supported as depicted in Table 7. This indicates that service quality significantly influences market share and sales volume, as theoretically expected. Conversely, service quality does not influence the number of tourist arrivals a year; thus,  $H_{1c}$  is not supported. This statistical model results suggest that the SMTEs with a high quality of service enhance the tourism firms' performance. A possible explanation is that Tanzania has natural and cultural attractions ranked 4<sup>th</sup> in terms of natural resources endowment. Also, these attractions range from beaches to landscapes. The findings of this study conform to the findings by Ashfaq, *et.al.* (2020). Also, the findings are consistent with the ISS model. However, the study finding by William and Tjhin (2021) is not in line with this study.. In the case of the number of tourist arrival, service quality has no significant influence on the number of tourists who arrive in tourism firms. This is because the user's perception of the quality related to customers and support has no impact on the number of tourists' arrivals in the firms.

#### 4.2.2 Influence of System Quality on Performance

The statistical findings of the system quality on performance in the firm are presented in Figure 4 and Table 7. The findings show that system quality positively influences sales (P-value = 0.001 and  $\beta = 0.214$ ), and the sub-null sub-hypothesis ( $H_{2b}$ ) is supported. While, the null of sub-hypotheses ( $H_{2a}$ ) and ( $H_{2c}$ ) are not supported, hence, system quality does not significantly relate to market share (P-value = 0.316 and  $\beta = 0.137$ ) and the number of tourists served in the firm annually (P-value = 0.296 and  $\beta = 0.029$ ). In summary, the findings suggest that the system quality does not predict the performance of the firm. This is attributed to the lack of reliable power supply, inaccessibility of the area tourism attractions. This finding is similar to the study



conducted by Al-shargabi, Sabri, & Aljawarneh, (2021) and Nguyen, *et.al.* (2020). However, the study finding is not similar to the study of the ISS Model.

**Table 7: Determinants and Performance Relationship**

| IV                       | DV              | Hypotheses | Estimate | S.E. | C.R.   | P    |
|--------------------------|-----------------|------------|----------|------|--------|------|
| Service Quality          | Market Share    | H1a        | .583     | .211 | 2.763  | .006 |
|                          | Sales Volume    | H1b        | .128     | .065 | 1.956  | .050 |
|                          | Tourist Arrival | H1c        | -.048    | .028 | -1.716 | .086 |
| System Quality           | Market Share    | H2a        | .137     | .137 | 1.002  | .316 |
|                          | Sales Volume    | H2b        | .214     | .065 | 3.283  | .001 |
|                          | Tourist Arrival | H2c        | .029     | .027 | 1.046  | .296 |
| Business Network         | Market Share    | H3a        | .732     | .276 | 2.650  | .008 |
|                          | Sales Volume    | H3b        | .073     | .077 | .947   | .343 |
|                          | Tourist Arrival | H3c        | .004     | .033 | .112   | .911 |
| Organisational Resources | Market Share    | H4a        | -.135    | .138 | -.978  | .328 |
|                          | Sales Volume    | H4b        | -.050    | .064 | -.788  | .431 |
|                          | Tourist Arrival | H4c        | -.021    | .028 | -.754  | .415 |
| Government Intervention  | Market Share    | H5a        | 1.154    | .404 | 2.854  | .004 |
|                          | Sales Volume    | H5b        | .093     | .079 | 1.176  | .240 |
|                          | Tourist Arrival | H5c        | -.003    | .034 | -.098  | .922 |

#### 4.2.3 Influence of Business Network on Performance

The statistical findings reveal that the sub-null sub-hypothesis of business network and market share ( $H_{3a}$ ) is supported. For example, the business network has determined market share improvement (P-value = 0.008 and  $\beta$  = 0.732). On the other hand, the null sub-hypothesis of the influence of the business network on sales volume and the number of tourist arrival in the firm yearly ( $H_{3b}$  and  $H_{3c}$ ) are not supported. For example, a business network does not explain the sales volume (P-value = 0.343 and  $\beta$  = 0.073) and the number of tourist arrival annually in the business (P-value = 0.911 and  $\beta$  = 0.004) even if business work positively relates to the sales volume and the number of tourists' arrival. The findings suggest that SMEs aiming to improve market share should invest more in the business networks in terms of communication, coordination, information flow, and sharing of skills.

#### 4.2.4 Influence of organisational resources on performance

SEM results show in Table 7, organisational resources negatively influencing market share (P-value = 0.328 and  $\beta$  = -0.135), the sales volume of the firm (P-value = 0.431 and  $\beta$  = -0.050) and number of tourists' arrival in the firm yearly (P-value = 0.451 and  $\beta$  = -0.021); thus, the null sub-hypotheses  $H_{4a}$ ,  $H_{4b}$  and  $H_{4c}$  are not supported. Then, the organisational resource has not played a significant influence on the firms' performance. The tourism business requires a competent employee who has knowledge and skills in the tourism business. Furthermore, the SMTEs in Tanzania face the problem of marketing capability. They are not capable of reaching many tourists globally due to poor marketing and promotion. This finding is unlike with concepts of RBT and empirical studies (Hieu & Nwachukwu, 2020; Maziriri, 2020).

#### 4.2.5 Influence of government intervention on performance

Path analysis results reveal the null sub-hypothesis  $H_{5a}$  is supported (see Table 7). Government intervention positively relates with market share (P-value = 0.004 and  $\beta$  = 1.154). On the other hand, the null sub-hypotheses of the associates between government intervention and sales volume ( $H_{5b}$ ) (P-value = 0.240 and  $\beta$  = 0.093) and the number of tourists' arrival yearly ( $H_{5c}$ ) (P-value = 0.922 and  $\beta$  = -0.003) are not supported. However, the government's intervention did not significantly influence the sales volume and the number of tourists who visited the firm. This may be due to poor road and bridge conditions; for example, the Makuyuni Bridge was observed to cause some disturbances to the tourists who used them for their safari. Further, the Tanzania government has imposed various taxes, levies, and VAT on tourism firms. The finding is similar to the findings of Nkwabi & Mboya, (2019) in Tanzania.

## 5.0 CONCLUSION AND STUDY IMPLICATIONS

This study estimated the determinants of market share among small and medium tourism enterprises in Tanzania using SEM under the maximum likelihood estimate. It was revealed that service quality, business networks and government intervention are among the significant determinants of market share improvement in the tourism firms in Tanzania. Notably, the government should make more efforts to improve road and water infrastructures to improve market share. This would place them in the position of winning a competitive advantage. Similarly,

the government should improve the ICT infrastructure to improve the speed of internet networking. Also, the government may reduce the tax related to business and ICT equipment.

Furthermore, the SMTEs should improve accommodation facilities and hospitality services to enhance tourist preference for arriving. Further, financial institutions may be encouraged to empower SMTEs by offering loans that require simple collateral. Further, the tourism sector may be getting more subsidies and grants from tourism. Moreover, the policymaker may be facilitated to advance the safe and clean environment policy in all regions of Tanzania.

Also, service quality plays a more significant role in tourism firms to improve market share. Similarly, the business network has a greater contribution to the market share improvement, like establishing the website of AMADEUS and GALILEO, which SMTEs and stakeholders effectively access. This facilitates the tourism business, hence, improvement of market share. Therefore, the improvement of these determinants may, in turn, make a supporting environment for SMTEs to improve market share in their firms.

Contrariwise, based on statistical results, it is concluded that determinants do not best explain the sales volume and the average number of tourists arriving in tourism firms. This is because most SMTEs in developing countries face the problem of power supply. Most of the time, the power fluctuates. Again, the physical infrastructure is very poor. Furthermore, the advancement of technology is very slow in developing countries which lead to poor technological capability.

The determinants of performance represent factors for improving market share in the tourism business. Therefore, the results provide a better understanding of the ISS Model, NT, and IIT in improving market share in the tourism firms. The integrated model of ISS model, NT, and IIT examine the determinants of market share, the extent of influence of factors, and the main factors and their outcomes on the market share.

This study shows the significance of persistently improving the quality of the overall tourism services. The high quality is likely to greater tourists' satisfaction and its outcomes to the market share of SMTEs. Therefore, short and long-term education in terms of training could provide valuable skills and knowledge related to quality service in business-related. Most of the SMTEs are unqualified borrowers. The financial institutions could amend the policies and strategies of offering a loan with simple collateral to SMTEs. Also, the government could provide subsidies and a grant to SMTEs.

Similarly, the study suggests that the government can optimise various charges imposed on tourism firms like tax, license, and levies fees. Further, the government could improve power and water supply services and ICT and physical infrastructure, possibly increasing the market share of tourism firms. Moreover, the government could improve tourism attractions that range from beaches to landscapes, which could increase the number of tourists in Tanzania. Hence, market share increases. Also, SMTEs could develop strategies that enhance sustainable business networks to gain communication, knowledge sharing and support the flow and coordination of information among various stakeholders. This is important to achieve efficiency and effectiveness that will increase market share.

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