**The Travel and Tour Business in Ghana: Perspectives, Prospects, Barriers**

**Abstract**

Over the past six decades, travel and tourism have experienced continued expansion and diversification, becoming one of the largest and fastest-growing economic sectors in the world. The travel and tour facets of the tourism industry are still undergoing development in Ghana. Nonetheless, little research attention has been given to the prospects, challenges and barriers to business growth of the sector. The purpose of this paper is to assess the travel and tourism business in Ghana to identify its perspectives, prospects, barriers and success factors. The study relied on descriptive research design and a qualitative research approach where data were gathered from 20 managers of travel and tour agencies in Accra and Kumasi through semi-structured interviews. Data was gathered through semi-structured interviews. Thematic analysis was used to analyse the results by developing similarities in the responses to form the basis of the findings. The study is based on certain theoretical foundations, including the Institutional Theory and Theory of Change. The Institutional Theory assumes that firms require best practices, policies and strategies to succeed when there are new waves and changes in the business environment. The Theory of Change emphasises that traditionally, firms in the industry plan, design, and market tourism products and services for tourists and travellers to purchase. Nonetheless, current trends have caused significant changes in how tourism and hospitality products and services are accessed by travellers and tourists. The study showed that conventional business models of travel and tour businesses still revolve around travel arrangements (airline ticketing, hotel reservation, visa assistance, etc.). Nonetheless, the study observed that some travel and tour firms have added car rentals as part of their core business models as a means of diversifying the revenue generation streams. The study also showed that key prospects for business growth in the travel and tour sector include: new digital marketing streams, new markets such as travel and work abroad and the emergence of new destinations in Middle Eastern countries. Major challenges that undermine the growth of the travel and tourism business include: the emergence of armchair tourism, a lack of a technologically savvy workforce and an unfavourable macroeconomic environment. Balancing demand and supply in current times requires firms in the industry to build strategic partnerships and support. The study recommended that firms collaborate and build partnerships to ensure business continuity. Partnership in this context will enhance the flow of supply to service providers, thereby ensuring continuous performance. Again, a strategic partnership between airlines and travel and tour companies will ensure a consistent flow of clients, which in turn will boost business continuity.

*Keywords: Travel and tour business, prospects, perspective, Barriers*

**Introduction**

An increasing number of destinations have opened up investment streams, turning tourism into a key driver of socio-economic progress through export revenues, creation of jobs and enterprises, and infrastructural development (Egamberdiyev, 2023). Over the past six decades, travel and tourism have experienced continued expansion and diversification, becoming one of the largest and fastest-growing economic sectors in the world (Addison et al., 2023). Many new destinations have emerged apart from the traditional favourites of Europe and North America. Such destinations include Africa, the Caribbean, Asia and the Middle East (Aboagye & Kwakwa, 2023). The significant contribution of the travel and tourism industry in both developed and developing countries can therefore not be underestimated. The direct, indirect and induced growth of travel and tourism has a continuous trend over a decade and is expected to soar higher in the next decade. Ghana’s travel and tourism industry continues to record impressive growth over the years. In 2023, the country hit a 12% high increase in international tourist arrivals as compared to 7% in 2022 (Addison et al., 2023). Travel and tourism contributed a total of USD 3.4 billion to Ghana’s gross domestic product. This is expected to rise by 3.7% (to reach an increase of 12%) in 2030 (Adjei-Mantey et al., 2023). Tourism is about satisfying the travel needs of travellers and visitors by giving them desirable transportation, accommodation, food and beverage, entertainment, relaxation, facilities for conferences, etc. Sari et al. (2022) therefore categorizes the component of the industry to include segments such as accommodation service providers (hotels, Inns, guest house, home stays, motels etc.), travel and tour service providers (airlines, car rental, tour operators etc.), food and beverage services providers (bar, restaurants etc.) and other relating service providers that satisfy the need of travelers and visitors. Tourism is made up of two extreme ends which interconnect to create a single market. The extreme ends are demand and supply. Essentially, the component of tourism is clearly seen as all commercial activities that link the demand and supply ends of tourism (Pirjevec, 2017). According to Pirjevec (2017), travel and tourism are made up of several products and services which begin with travel and transportation services until the tourist or traveller departs to his or her home origin. The industry is therefore made up of several sectors and establishments that interrelate to offer memorable experiences to tourists and travellers (Brida et al., 2024). The nature of the tourism market makes it one of the diverse industries with different strands of opportunities. Several firms are operating in the travel and tourism industry in Ghana; nonetheless, little research has captured the potential, challenges and barriers to growth of the industry (Preko et al., 2023). The world is currently undergoing tremendous changes where technology and innovation have become the spine of industries. Little research has been done in Ghana to capture how firms within the travel and tourism industry are coping with the dynamics to accelerate growth (Tackie et al., 2024). The challenges that practitioners face in the industry regarding the new wave of technology and digital innovations have also not been articulated in the literature. The COVID-19 pandemic outbreak demonstrated the importance of tourism resilience research and provided a real stress test for researchers and practitioners on how to improve tourism resilience and cope with a terrible crisis (Hu and Xu, 2022). The way in which tourism survived the outbreak and recovered quickly has become a major concern for researchers and practitioners alike (Zhao & Li, 2023; Mensah & Boakye, 2023). Although some studies (Soliku et al., 2021; Thams et al., 2020; Quansah et al., 2023) have attempted to explore the impact of COVID-19 on the operations of firms in the travel and tour industry, nonetheless, little has been done on how firms are bouncing back in the aftermath of the pandemic. This study therefore set the grounds to investigate the perspectives, challenges and barriers to travel and tour businesses in Ghana amidst the new industry trend and the impact of COVID-19 pandemic on businesses.

**Theoretical Framework**

Early and Hall (2021) argue that much travel and tourism work lacks theoretical frameworks, due to the fact that many of the contributors are trained in peripheral fields, and thus are not exposed to the dynamic complex of social and cultural processes, which underpin tourism phenomena. Previous travel and tourism related studies in the literature, which has a significant amount of work revolving around the perspectives, barriers and challenges of travel and tourism business witnessed concepts and theories that are borrowed or adopted mainly from other branches of social sciences, including geography, though, many researchers failed to recognize their origin (Early & Hall, 2021). For example, concepts and frameworks from management often serve as foundations for the study of travel and tourism, where the dynamic process that underlies a travel and tourism business could be understood using theories such as institutionalism (Falaster et al., 2017). Falaster et al. (2017) identify four major areas of specialisation from the perspective of management interest in the study of tourism: the spatial aspects of supply, the spatial aspects of demand, the impact of tourism, and the patterns and distribution of tourism products and services.

**Institutional Theory**

Institutionalism is one of the commonest theories which is used to explain how firms adjust their cultures, structures, policies and management strategies to embrace new waves of business dynamism (Peters, 2022). The assumption of the theory is that firms require best practices, policies and strategies to succeed when there are new waves and changes in the business environment. For instance, travel and tours businesses can offer products and services that meet the demands of contemporary travellers and tourists when they embrace innovation and best practices (Early & Hall, 2021). In travel and tour business operations, institutional theory helps us to understand how consensus is built around how concepts and practices associated with business management are developed, accepted and consciously practised (Amenta & Ramsey, 2010). If the institutional culture is weakly aligned with innovation and technology, then businesses in the industry are likely to face several challenges and barriers to achieving sustained performance and growth. Institutional pressure ensures that travel and tour businesses position their operating models to embrace the new wave of industry dynamism. Institutional theory is a tool that should receive attention for its potential to foster greater understanding of technology adoption in the tourism and hospitality context. The institutional perspective is especially important in tourism, a phenomenon that spans across several industries with complex structures and heavy regulation (Soares et al., 2021).

**Theory of Change**

The travel and tourism industry has undergone tremendous changes over the last three decades. Thus, the demand and supply patterns of tourism products and services have changed over the last three decades (Reinholz & Andrews, 2020). Arguably, tourists and travellers have become knowledgeable in planning their tours and trips, thereby affecting the supply side of the industry (Yayla, 2019). The theory involves taking a step back from these methods to consider why and how change happens and what assumptions are made along the way. This is a critically important tool for tourism development projects because, without a clear line of sight on what problem needs to be solved, it is impossible to identify the right tool to use (Twining-Ward et al., 2021). Traditionally, firms in the industry plan, design, and market tourism products and services for tourists and travellers to purchase. Nonetheless, current trends have caused significant changes in how tourism and hospitality products and services are accessed by travellers and tourists (Yayla, 2019). For instance, the concept of “arm-chair tourism” has become part of the contemporary tourism industry where tourists and travellers sit in the comfort of their homes to plan their trips and tours all by themselves (Yu et al., 2024). The theory of change, therefore, lays emphasis on how firms must implement proper measures to navigate industry changes to enhance business success and continuity.

**Literature Review**

Perspective, challenges and barriers to the growth of travel and tour businesses have received research attention over the last decade. According to Brelik and Lacka (2024), the industry is still undergoing massive positive changes, thereby offering strands of business opportunities. The industry is becoming one of the highly competitive sectors of the global economy. Nonetheless, the nature of the industry, which combines different services, opens doors for varied investments and expansion. This narrative relates to the current situation of Ghana. The travel and tour business sector of the tourism industry is still open for investment. For instance, the upgrade of Kumasi airport to an international status (Prempeh I International Airport) has paved the way for new businesses to emerge in the travel and tour sector in Kumasi (Senya, 2024). According to Senya (2024), the travel and tour facet of Ghana will grow by a margin of 5% per annum due to the expansion of both ground and air transport services in Ghana. Discovering and developing existing destinations have also opened opportunities for tour operators to expand their businesses. Regardless of these positive outlooks, the sector is still facing the dilemma of a smooth transition to the new wave of industry trends. For instance, the rapid development of internet technologies has significantly improved access to information among tourists and travellers. Thus, almost every country across the globe has internet access, thereby providing unlimited access to information among travellers and tourists (Yu et al., 2024). The internet has made it possible for tourists to get access to hotel prices, the location of attractions, destination fees, host destination culture, among others. Tourists and traveler, therefore become knowledgeable on tourism products across the globe through their internet search engines (Chua et al., 2023). Consequently, tourists and travellers plan and execute their trips and travels without engaging the service providers of the industry. For instance, a tourist planning his trip to Ghana who has access to Ghana’s top destination, culture, food, transport systems, politics, etc., may decide to plan his or her trip without engaging the services of car rentals, tour operators and tour guides (Chua et al., 2023). This situation reduces the supply of services, which in turn affects the profitability of firms in the industry negatively (Yu et al., 2024). Although market competition is good for the industry, nonetheless, it is nonetheless seen as one of the major contributors to this current trend of supply and demand imbalances in the industry (Hojeghan et al., 2019). Market competition is forcing firms in the industry to release several information about their services and products to tourists and travellers (Hojeghan et al., 2019). Thus, several firms in the industry have websites that provide information about host destinations, available attractions, prices of goods and services, etc. Websites of tourism and hospitality businesses have become an information hub for arm-chair tourists to plan their own trips. Thus, corporate websites of tour operators have columns that provide information about attractions, nearby hotels, entry fees to attraction centres, nearby restaurants, etc. Tourists and travellers leverage this information to plan their own trips with little or no reliance on service providers (Uzunogullari, 2023). Macroeconomic factors such as unstable inflation are also seen as a major barrier to the growth of the travel and tour business. Tourism is an unsought product and service. Hence, tourists undertake tours and trips with their disposable incomes (Zhang, 2022). Essentially, tourists in recent times (example, post-COVID era) are increasingly becoming conscious of their expenditure, hence they often decide to plan their own trips with the intention of saving money by not engaging the services of tourism firms (Zhang, 2022). Service providers in the industry are often intermediaries. Hence, tourists and travellers can do without them. For instance, a tourist can go to a destination without a tour guide (Darici et al., 2023). Hence, deciding not to engage a tour guide provides them the opportunity to save money (Darici et al., 2023).

**Materials and Methods**

The study relied descriptive research design, which led to the discovery of relevant findings through the application of the probing technique. Thus, application of descriptive research design was appropriate since it enables the study to develop expansive qualitative outcomes which articulate the expert views of industry practitioners on the perspectives, challenges and barriers to travel and tour businesses based on past and previous industry experience. The design was complemented with a qualitative research approach. This approach as explained by Creswell (2007), gives more depth to the information that the study requires to arrive at relevant conclusions from a subjective articulation of the lived experiences of research participants. The population of this study included managers of twenty (20) travel agencies in Accra and Kumasi. The criteria for inclusion were based on the number of industry experience of participants. Thus, managers with at least five years of industry experience were engaged in the study. This allowed the study to articulate how the contemporary wave of travel and tourism business dynamics and COVID-19 have affected the perspectives of travel and tour businesses while acting as challenges and barriers to business growth. These 20 participants were selected through purposive sampling since the study intends to engage managers with in-depth knowledge and required experience on the research issues. Data was gathered through semi-structured interviews, which enabled the study to articulate and develop expansive data and information on the research issues through the application of a probing technique. The data source triangulation technique was used to check the validity of the responses. Thus, inclusion of different agencies (20) enabled the study to cross-check the information given by each respondent to ascertain whether they spoke to facts on the grounds. Qualitative thematic analysis was used as the data analysis approach, where similar emerging responses were compared to develop thematic responses and findings on the research issues. Key ethical issues such as confidentiality, privacy, data protection and academic integrity are ensured in the study by way of not including names of respondents in the study and acknowledging all borrowed resources both in-text and reference list.

**Results and Discussions**

This section presents the data, results and discussion of findings beginning with the demographic profile of respondents. The next sub sections focus on new perspectives of tour and travel business, barriers and challenges to growth of businesses in the sector.

**Demography of Respondents**

The key demographic information of the respondents, which was considered relevant to this current study, included: gender, age, level of education industry experience. Table 1 shows the summary of the demographic profile of respondents.

**Table 1: Demographic of Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
| **Demographic Feature** | **Categories** | **Frequency (N=20)** | **Sample%** |
| Gender | Male  Female | 9  11 | 45  55 |
| Age | 18-30 years  31-40 year  41-50 years  51-60 years | 2  8  7  3 | 10  40  35  15 |
| Level of Education | Bachelor’s Degree  Postgraduate | 4  16 | 20  80 |
| Years of industry experience | 5-10 years  11-15 years  16-20 years  20+ years | 2  5  8  5 | 10  25  40  25 |

***Source (Field Interviews, 2024)***

Table 1 shows that the majority (55%) of the respondents were females, while 45% were males. This gives an indication that women's participation in management and leadership roles in travel and tour businesses in Accra and Kumasi is relatively higher than men, as compared to other businesses and sectors. The data also show that 40%, 35%, 15% and 10% of the respondents were between the ages of 31 to 40 years, 41 to 50 years, 51 to 60 years and 13 to 30 years, respectively. This data shows that the average age of the respondents was clustered between 31 and 50 years. This connotes that the data on industry experience of the respondents were the years of industry experience of the majority of the respondents, 90% were clustered between 11 to 20 years and above. In education-wise, the majority of the respondents (80%) had postgraduate education, while 20% had undergraduate education. This indicates that the level of education of managers of travel and tourism businesses in Accra and Kumasi is relatively higher.

**Perspectives of Travel and Tour Businesses**

Assessing the perspective of the travel and tourism business in Ghana was one of the key objectives of the study. Appreciating the current perspective or scope of travel and tour business in Ghana opens the door to examine the prospects, challenges and barriers to growth in the sector. Findings showed that travel and tour businesses in Kumasi and Accra operate along the conventional tour operations, travel arrangements, airline ticketing, hotel and accommodation arrangements, ground transport, car rentals and trip/tour planning.

***Travel Arrangement and airline ticketing***

Travel arrangement is one of the traditional business models of travel and tour operators. The respondents showed that travel arrangements have been at the apex of the travel and tour business operations in Ghana. Responses from the interviews showed that most travel and tour companies in Accra and Kumasi focus on making travel arrangements for both inbound and outbound travellers and tourists.

*At the apex of our business model is “travel arrangement and airline ticketing”. Travel arrangement has been the major product of most travel and tour operators in Ghana. The arrangement includes acquisition of travel documents such as visas, airline ticketing, booking and reservation of hotel accommodation etc. This has been our primary business model over the last two decades since we started operations in 2003 (Manager of Travel and Tour Firm, Accra).*

Another respondent also stressed that;

*Our primary business model is traveling arrangement which include visa acquisition assistance, airline ticketing and hotel reservations and bookings. We offer visa acquisition to Ghanaians seeking to travel abroad. Hotel reservation is specifically designed for international travelers and tourists arriving in Ghana (Manager of Travel and Tour Firm, Kumasi).*

The narratives clearly showed that travel and tour businesses in Ghana are still developing their service scope around inbound and outbound travelling arrangements, which are designed for both Ghanaians and international travellers and tourists. Although arm-chair travel arrangements are increasingly gaining popularity (Hojeghan & Esfangareh, 2019), nonetheless, several tourists and travellers still rely on the services of travel and tour businesses for their travel arrangements. Travel arrangements, airline ticketing, travel insurance, etc., are relatively complex (Chua et al., 2023). Hence, travellers and tourists avoid these complexities and technicalities in these travel arrangements by relying on the services of travel intermediaries. This implies that the travel and tour facet of the tourism industry will continue to be a relevant facet of the industry, acting as an intermediary between frontline airline operators, embassies, hoteliers and travellers.

***Tour Planning and Operation***

Tour planning and operations are seen as major product design for both international and domestic tourists and day trippers. This product is still part of the business model of travel and tour businesses in Accra and Kumasi, where business trips, religious tours and vacations are designed for both inbound and outbound travellers and tourists. For instance, one of the respondents indicated that;

*Tour planning is ranked as our second product. We organise annual religious vacations for Christians to Israel. We also have vacation tours to the destinations such as Dubia, UK, Canada, China and USA. We have also tour packages which are targeted at international tourists in groups and corporate entities (Manager of Travel and Tour Firm, Accra)*.

Another respondent also stressed that;

*We have annual vacation packages for families and individuals to Dubia and the Caribbeans. We also receive international tourists from our international partners (Manager of Travel and Tour Firm, Kumasi).*

The narratives above clearly show that tour planning and operations still form part of the business perspective of travel and tour operators in Accra and Kumasi. Thus, firms in the sector have tour packages that appeal to both international and domestic tourists. These include vacations and holidays, religious tours, etc. Arm-chair tourism has become part of the tourism industry; nonetheless, travelling to unknown destinations requires some level of assistance from travel intermediaries. Despite the vast availability of information on global destinations, tourists still prefer to rely on travel and tour operators to plan their tours and vacations (Preko et al., 2023). This implies that both international and domestic tourists and travellers will continue to rely on the services of travel and tour agencies. The travel and tour facet of the tourism industry is very relevant since tour operators act as brokers of tourism deals. Thus, travel and tour operators are able to connect and negotiate with destinations, hotels, airlines and ground transport operators to bring the cost of travel down. Comparatively, the cost of purchasing a tour package is relatively lower than organising the tour individually. The comparative cost advantage explains why several tourists and travellers still rely on tour operators.

***Car Rentals and Ground Transport Operations***

Car rental was not a traditional component of the business models of travel and tour firms. Nonetheless, the need to survive business competition through product and service diversification compelled some tour operators to enter the car rental market. Thus, car rentals have become part of the business models of travel and tour firms as part of business survival strategy. For instance, one of the respondents indicated that;

*We used to rely on car rental companies for airport pick-up and intra-city travels for our international clients. Nonetheless, we decided to open our own car rental company in 2018 as part of our business model to expand our revenue streams. The competition is increasingly becoming tensed. Hence, we considered entering the car rentals market as part of our product diversification strategies to meet competition (Manager of Travel and Tour Firm, Accra).*

Another respondent also recounted that;

*We have entered the car rental business. We used to outsource this service, nonetheless, the impact of Covid-19 on revenue generation compelled management to diversify our services by adding car rentals to enhance our income generation streams. The car rental business is still young but it is contributing about 17% of annual revenue (Manager of Travel and Tour Firm, Kumasi).*

Business rejuvenation through diversification is part of Rostow’s model of tourism development (Brida et al., 2024). Competition in the travel and tour business circle in increasing on an annual basis. The competition is pushing some firms out of business. Hence, product and service diversification has become very essential in reviving businesses in the industry, considering competition and the negative ramifications of COVID-19 on revenue inflow to businesses. Car rentals are still part of the travel and tour business circle. Nonetheless, this business model was considered as peripheral since it was often outsourced by primary travel and tour companies for pick-ups and intra and inter-city travel. Nonetheless, the findings of this study are in agreement with the literature and have demonstrated that car rentals have become a major business model of travel and tour companies, serving as a product and service diversification spectrum for additional revenue generation.

**Prospects of the Travel and Tour Sector**

The previous analysis has demonstrated that the tour and travel business circle in Ghana is increasingly becoming very competitive compelling some firms to enter into the car rental and ground transport sectors. Nonetheless, the study showed that are still prospects and opportunities for growth that travel and tour businesses can explore. These include; travel and study abroad and travel and work abroad and digital marketing channels.

***Expansion of Local Air Travel Infrastructures***

Expansion of local air travel infrastructures was reported as one of the key prospects of the travel and tour business circle. This narrative was peculiar to the interviews gathered in Kumasi. Thus, the respondents in Kumasi stressed that, expansion formally Kumasi Airport to Prempeh I International Airport has opened another stream of business opportunity for travel and tour businesses in Kumasi. According to the respondents, revamping and modernising the Kumasi airport has several triggering effects on businesses. For instance, one of the respondents stressed that;

*We have now entered into partnership with an international airline company to be their local representative in Kumasi following the expansion and modernization of Prempeh I International Airport. Inflow of international airline to Kumasi means a new stream of business opportunity for us to expand our business (Manager of Travel and Tour Firm, Kumasi).*

Growth in the travel and tour facet of the tourism industry largely depends on infrastructural expansion (Senya, 2024). Hence, investment and expansion of both Kumasi and Tamale airports present different strands of opportunities for travel and tour businesses to grow. Operations of domestic airlines are still young, having prospects for growth through an increase in the inflow of international airlines. The Ho and Suyani airports are still dormant; nonetheless, these two airports present opportunities for growth in the domestic airline business operation in the future. Future economic booms will translate into massive patronage of these airports, thereby presenting prospects to travel and tour businesses.

***Travel and Study Abroad Market***

The respondents showed that the travel and study abroad market has been in existence over the last four decades. Nonetheless, demand in this market keeps increasing annually. According to the respondents, several undergraduates in Ghana are subscribing to this service, seeking to pursue postgraduate degrees in countries such as Canada, Australia, Germany, the UK, China and the USA. The respondents indicated that this market has not reached the saturation point, thereby opening new business streams for firms in the business circle. For instance, one of the respondents recounted that;

*Travel and study abroad have become any of the major prospects of the travel and tour business circle. The number of undergraduates seeking to study abroad keeps increasing annually. Our firm has even entered this market which was not our focus three years ago. We offer services such as university application, scholarship application, travel arrangements, etc. for students. In fact, this market will not become saturated any time soon thereby becoming one of the major prospects of the sector (Manager of Travel and Tour Firm, Accra).*

***Travel and Work Market***

Almost all the managers of the twenty (20) travel agencies that were interviewed stressed the “travel and work” market as another major prospect and business opportunity for travel and tour firms. According to the respondents, the number of individuals seeking to migrate to countries in the Middle East, such as the United Arab Emirates, Saudi Arabia, Qatar and Kuwait, keeps increasing annually. For instance, one of the respondents indicated that;

*We processed 1394 travel arranges to Dubia only in 2023. This figure is almost doubling in 2024 though the year has not ended. This shows that, the market is still open hence firms can capitalise and expand their business models and scope (Manager of Travel and Tour Firm, Kumasi).*

Another respondent also indicated that;

*Most countries lost substantial amount of labour during Covid-19 pandemic, when travel and work abroad is increasingly gaining grounds. The market is still not explored. For instance, Cananda has their skilled labour migration program which attract a larger pool of skilled workers from Africa. We have capitalized on it to expand our business (Manager of Travel and Tour Firm, Accra).*

Individuals are allowed to take advantage of migration programs. Nonetheless, complexities and application complexities compel applicants to rely on travel intermediaries with relevant expertise (Tackie et al., 2024). Thus, travel and tour companies are increasingly taking advantage of these programs to diversify their products and services. Moreover, the booming economies of countries in the Middle East have become the pull factor that triggers the migration decision of individuals in sub-Saharan Africa. While migration to the Middle East is increasing annually, it becomes a business opportunity for conventional travel and tour firms to diversify and take advantage of this market to increase their revenue streams.

***Digital Marketing Channels***

The rapid emergence of digital and internet technologies has caused significant changes in the business environment over the last two decades. With access to mobile technologies and the internet, consumers across different industries are rapidly changing their tastes and preferences in terms of the medium of business transactions. Thus, online purchases have become a new normal with consumers choosing convenience over face-to-face transactions. Digital marketing has therefore presented different marketing prospects to travel and tour firms to expand their markets, reaching large numbers of both international and domestic clients. For instance, one of the respondents indicated that;

*Digital marketing is increasing become part of our marketing strategy. It is cheaper than traditional media advertisement; at the same time, we are able to sell our products and services to larger audience on social media than traditional media streams (Manager of Travel and Tour Firm, Kumasi).*

Influencer marketing, Facebook, Instagram and TikTok are the current digital marketing channels that have shown greater impact on business marketing successes across the globe. The empirical study of Martinez-Lopes et al. (2020) showed that influencer marketing increases marketing outcomes by 30%. According to Martinez-Lopes et al. (2020), influencers with huge followers are able to influence the purchasing decision of their followers regarding a particular product or service. Olusegun et al. (2020) also concluded that businesses with active Facebook, Instagram and TikTok accounts with huge followers are able to increase their sales by an average of 15%. Olusegun et al. (2020) also concluded that businesses with active Facebook, Instagram and TikTok accounts with huge followers are able to increase their sales by an average of 15%. Based on this empirical evidence, it becomes evident for Delvin Fashion to focus on influencer marketing, Facebook, Instagram and TikTok as their primary digital marketing channels. Travel and tour firms can build their own platforms over the years through paid advertisements over time. This can increase the reach and reaction of the company, which can be actualised into sales.

**Challenges and Barriers to Business Growth**

The travel and tour business environment in Ghana has key potential to expand beyond its current level. Nonetheless, lack of skilled workforce, unfavourable macroeconomic environment and lack of technological integration are some of the key challenges and barriers that undermine growth of the sector.

***Inadequate Skilled Workforce***

Some firms are adopting innovative technology as part of their operating models. Thus, information communication technologies such as Enterprise Resource Planning, Central Reservation Systems, Customer Relationship Management, etc., are being adopted by travel and tour firms. Nonetheless, staff who deploy these technologies to achieve work efficiency lack the required skills and abilities to deploy them efficiently.

*We have several ICT infrastructures in place, nonetheless, less than 40% of our workforce have knowledge on how to deploy these infrastructures. Some of the software have complex user interface hence some staff have difficulties in deploying them to perform daily tasks (Manager of Travel and Tour Firm, Kumasi).*

Another respondent also stressed that;

*Some of our workers are diploma and degree holders yet they are not able to translate what they have acquire in school on the job. Some of the cannot take independent decision without support from their superiors. Some also lack management and leadership skills hence they are not innovative enough to solve problems they face on the job. We always have to organise on the job training for them Manager of Travel and Tour Firm, Accra).*

The new wave of business operations in the travel and tour sector which is highly dominated by digitalization require skilled and technologically savvy workers (Yu et al., 2024). Hence, competency gaps in these areas present a major challenge to businesses to achieve optimal service delivery, customer service and customer satisfaction which are essential components of the service delivery framework of tourism businesses.

**Unfavourable Macroeconomic environment**

Macroeconomic factors are said to be a major determinant of tourism supply. Thus, the income of tourists and travellers is always affected by macroeconomic indicators such as inflation and exchange rates. The current macroeconomic environment of Ghana is very unfavourable, considering the skyrocketing nature of inflation between 2022 and the latter parts of 2023. Inflation has stabilised in the last quarter of 2024; nonetheless, the figures are still high, making them considerably unfavourable for travel and tourism businesses. Respondents indicated that demand for their services and products was negatively affected by unstable currency and inflation. For instance, one of the respondents indicated that;

*We saw a 60% decline in our sales during the peak periods of inflation in 2022. Tourism products are unsought hence domestic tourist rely on their disposable incomes to purchase our products and service. Inflation caused significant decline in consumption of goods and services across industries. This situation presented a serious threat to our business (Manager of Travel and Tour Firm, Kumasi).*

Cost of operation is also affected by both unstable currency and inflation. According to the respondents, inflation alone increased their cost of operations by an average of 60% thereby affecting their profitability and business sustainability.

**Armchair Tourism**

Armchair tourism was also cited as another threat and barrier to the growth of conventional travel and tour firms. According to the respondents, domestic travellers are reducing their reliance on travel and tour companies to organise and plan their domestic trips and tours. Thus, the availability of information on destination prices, private transportation such as VIP, State Transport Corporation and destinations has made it extremely easy for individuals and groups to organise their tours and day trips. For instance, one of the respondents indicated that;

*We all know Citi Heritage Caravan which is organised by Citi FM. Though the initiative is good but it is a major threat to us as travel and tour companies. These companies would normally rely on us for such packages; but now information of entry fees, private transport, destinations are available so they can easily plan their trips (Manager of Travel and Tour Firm, Accra).*

Tourists and travellers have become knowledgeable about tourism products across the globe through their internet search engines. Consequently, tourists and travellers plan and execute their trips and travels without engaging the service providers of the industry. For instance, a tourist planning his trip to Ghana who has access to Ghana’s top destination, culture, food, transport systems, politics, etc., may decide to plan his or her trip without engaging the services of car rentals, tour operators and tour guides. This situation reduces the supply of services, which in turn affects the profitability of firms in the industry negatively.

**Conclusion and Recommendations**

The study has demonstrated that the travel and tour business environment has some prospects for growth, considering the opportunities that travel and study/work abroad offer. Nonetheless, trends such as armchair tourism, macroeconomic indicators and a technologically unsavvy workforce present some barriers to expanding the growth of the sector. Balancing demand and supply in current times requires firms in the industry to build strategic partnerships and support. For instance, the travel and tour business can build a partnership with airlines in order to attract international tourists. Partnership in this context will enhance the flow of supply to service providers, thereby ensuring continuous performance. Again, a strategic partnership between airlines and travel and tour companies will ensure a consistent flow of clients, which in turn will boost business continuity. Collaborating with other apex firms such as airlines and tour operators, will ultimately reduce the cost of production, which in turn will enable firms to offer services to budget consumers at affordable rates. Service optimisation and redesign is another strategy which can be used by firms to meet the expectations and demands of contemporary travellers and tourists. For instance, group tour bundles offer unique experiences than single tour bundles. Thus, tour operators can leverage these services to offer unique experiences to tourists, thereby enhancing business sustainability. Moreover, group tours reduce the cost of operations since service providers can negotiate for other affiliate services such as hotels, entrance fees, flights, ground transportation, etc. In turn, operators can offer unique services to tourists at affordable rates.

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Authors have declared that they have no known competing financial interests OR non-financial interests OR personal relationships that could have appeared to influence the work reported in this paper.

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Author(s) hereby declare that generative AI technologies such as Large Language Models, etc. have been used during the writing or editing of manuscripts. This explanation will include the name, version, model, and source of the generative AI technology and as well as all input prompts provided to the generative AI technology

Details of the AI usage are given below:

1.

2.

3.

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