

Entrepreneurial Challenges and Survival Strategies of Small Tourism Businesses in Osogbo, Osun State

¹OPOOLA, John Amos; ²ATURU, Abiodun Samson; ³JACOB, Amedu Peter

^{1,3}Department of entrepreneurship, Mewar International University, Kuchikau, Karu Local Government, Nassarawa State.

²Department of Entrepreneurship, Nassarawa State University, Keffi, Nassarawa state.
amosopoola@gmail.com

Abstract

Small tourism businesses in Osogbo face several survival challenges that threaten their sustainability and growth. One significant challenge is limited access to finance, as many tourism SMEs struggle to secure financing for start-up and operational costs due to stringent lending conditions and the lack of formal financial records. The study investigates the practical trending challenges and the way forward for small tourism businesses in Osogbo, Osun state. The specific objectives of the studies include; to identify the key entrepreneurial challenges facing small tourism businesses in Oshogbo, Osun state, and to develop effective survival strategies to overcome the identified entrepreneurial challenges faced by small tourism businesses in Osogbo, Osun state. The study adopt survey research design. The data for the study was collected through a well-defined questionnaire of which 120 tourism entrepreneurs, comprising of tour guide (24), travel agents (26), tourism souvenir operators (55) and 15 hotel owners from Osogbo were selected on a random sampling basis. SPSS was used to analyze the data collected. The study found that entrepreneurial challenges significantly influence the adoption of survival strategies, and these strategies, in turn, have significant positive impact on the survival of small tourism businesses in Osogbo. Based on these findings, the study recommended that small tourism businesses in Oshogbo proactively develop and implement robust survival strategies to effectively manage entrepreneurial challenges. Secondly, it is recommended that small tourism businesses in Oshogbo should prioritize the implementation of effective survival strategies to enhance their long-term sustainability.

Key Words: Tourism, Entrepreneurial Challenges, Tourism Businesses, Development, Survival Strategies.

1.0 Introduction

Globally, small and medium enterprises (SMEs) play a crucial role in the economic development of developing nations, and Nigeria is no exception. In Nigeria, SMEs are widely recognized as the backbone of the economy, driving economic growth and

contributing significantly to employment generation (Oyewole et al., 2020). These enterprises serve as vital sources of job creation and innovation, making them essential components of sustainable economic development (Roland, 2018).

Entrepreneurship, which entails the establishment of new businesses through innovative means, involves transforming ideas into products and services that cater to market needs (Osuagwu, 2011). Within the tourism sector, entrepreneurship focuses on creating and managing tourism-related businesses (Khan & Krishnamurthy, 2016). This field encompasses entrepreneurial behavior, small business activities, education and training in entrepreneurship, and corporate entrepreneurship (Aitzbanova, 2019).

Tourism has increasingly been leveraged as a strategic tool for socio-economic development, particularly in rural areas (Irshad, 2010). As a business sector, tourism fosters employment opportunities and generates significant revenue for individuals, communities, and the nation at large (Shimray & Nongsiey, 2017). The tourism industry is predominantly composed of micro and small businesses, typically employing fewer than fifty individuals, with employment in this sector accounting for up to ten percent of the workforce in some municipalities (Lundmark, 2005).

Tourism SMEs represent entrepreneurial ventures that establish and expand businesses offering tourism-related services. These businesses thrive due to the relatively low capital requirements and minimal entry barriers associated with the industry (Ljubomi, 2018). The tourism sector offers diverse business opportunities, ranging from accommodation, food services, and tour operations to retail stores and recreational facilities. Successful entrepreneurs in this field must demonstrate resilience, adaptability, risk-taking capabilities, and creativity to sustain their ventures in a competitive market (Ljubomi, 2018).

Osogbo, the capital of Osun State, is strategically positioned with abundant natural resources, including rivers, recreational centers, and UNESCO-recognized cultural heritage sites such as the Osun-Osogbo Sacred Grove. These attributes position Osogbo as a potential tourism hub in southwestern Nigeria. However, despite its potential, there is a lack of reliable data on domestic tourism trends, revenue generation, employment in the sector, and the prevalence of small tourism businesses in the area.

Small tourism businesses in Osogbo face multiple challenges that hinder their growth and sustainability. A major obstacle is limited access to finance, as stringent lending conditions and inadequate financial records prevent SMEs from securing necessary funding (Akinruwa et al., 2019). Poor infrastructure, including inadequate road networks, inconsistent electricity supply, and insufficient digital facilities, further impedes service delivery and customer satisfaction (Adebayo & Iweka, 2019). Additionally, many small tourism enterprises struggle with marketing and visibility due to weak promotional strategies and limited digital presence, which restricts their ability to attract both local and international tourists (Okonkwo, 2020).

Regulatory and bureaucratic barriers present further challenges. Lengthy and complex regulatory procedures, coupled with inconsistent government policies, create an unfavorable business environment for tourism SMEs (Ezenagu, 2021). Furthermore, a

shortage of skilled labor in key areas such as hospitality management and tour guiding leads to subpar service delivery (Olaniyi, 2022). Seasonal variations in tourism demand also affect revenue consistency, with businesses experiencing peak activity during cultural events like the Osun-Osogbo Festival, while facing downturns during off-peak periods (Aremu, 2020).

To mitigate these challenges, small tourism businesses in Osogbo can adopt several survival strategies. Implementing innovative business models that diversify revenue streams, such as combining cultural and eco-tourism, can attract a broader customer base (Kim & Mauborgne, 2019). Collaborating with local businesses and government agencies can enhance market reach and reduce operational costs (Adeyemi, 2021). Digital marketing and e-commerce tools, including social media promotion and online booking systems, can also improve visibility and customer engagement (Chaffey & Ellis-Chadwick, 2019).

Capacity building and continuous training are crucial for maintaining service quality and competitiveness. Investing in employee development ensures that staff remain knowledgeable about industry trends and deliver high-quality service (Ezenagu, 2021). Adaptive leadership is another effective approach, enabling entrepreneurs to respond swiftly to economic fluctuations and changing consumer preferences (Yusuff & Akinde, 2022). Additionally, advocating for tourism-friendly policies and infrastructure improvements through government engagement is essential for long-term sustainability (Adebayo & Iweka, 2019).

Despite the critical role of tourism SMEs in regional economic development, there is a scarcity of empirical research focusing on the entrepreneurial challenges and survival strategies of small tourism businesses in Osogbo. Previous studies have primarily examined broader tourism trends (Adebayo & Iweka, 2019; Okonkwo, 2020), with limited attention to the specific experiences of small-scale tourism entrepreneurs. Moreover, existing literature does not comprehensively analyze how strategic entrepreneurial approaches can address survival challenges in Osogbo's tourism sector. This study aims to bridge these gaps by providing a focused examination of the practical challenges faced by small tourism businesses in Osogbo and identifying effective survival strategies tailored to its unique socio-economic environment. By addressing these research gaps, the study contributes valuable insights to the field of tourism entrepreneurship. Additionally, the findings will serve as a resource for policymakers and business owners, offering practical recommendations to enhance the sustainability and growth of tourism SMEs in Osogbo and similar regions.

However, this study is specifically focused on:

- i. Identifying and assessing the effects of entrepreneurial challenges on the survival strategies of small tourism businesses in Oshogbo, Osun state.
- ii. Assess the effect that the survival strategies adopted to overcome entrepreneurial challenges have on the survival of small tourism businesses in Osogbo, Osun state.

Based on the specific objectives of the research, the following non-hypotheses were tested:

Ho1: Entrepreneurial challenges has no significant effect on the survival strategies of small tourism businesses in Oshogbo, Osun state.

Ho2: Survival strategies adopted to overcome entrepreneurial challenges has no significant effect on the survival of small tourism businesses in Osogbo, Osun state.

2.0 Conceptual Framework

Tourism business

Tourism entrepreneurship is the process of venturing into tourism business. (khan and Krishnamurthy, 2016). McHugh and McHugh (2005) define a small business enterprise as one that is independently owned and operated, is not dominant in its field of operation, and meets certain standards of size in terms of employees or annual receipts. So many scholars consider any business offering travel-related service to be a small tourism business including travel agencies, hotels, tour operators, tour guiding, souvenir shop, and other tourism related business. (Thomas and Thomas, 2005). A small tourism business is a tourism business with less than fifty employees. (Tomassini, et al, 2021).

Entrepreneurial Challenges in Tourism Businesses

Entrepreneurship is the most effective method for bridging the gap between science and the market place, creating new enterprises and bringing new product and services to the market. Entrepreneurship is a process, the purposeful and organized search for change, conduct after systematic analysis of opportunities in the environment. Entrepreneurship is a philosophy precisely because it is the way one thinks, one acts, and therefore it can exist in many situations be it business or government or in the field of education, science and technology or poverty alleviation (Ogbor, 2009). There are many challenges that faces entrepreneurs. Setting up a business is challenging and the entrepreneur has to face the obstacle but ability to navigate the challenges and remain focused is what is required.

A growing sector in an economy always faces challenges and the Osogbo tourism sector is no exception. The following are the identified trending challenges confronting the growth and survival of small tourism businesses in Oshogbo, Osun State.

Inadequate finance

It has been observed that for an entrepreneur in Nigeria to start a new business or improve on existing product or services require some money or funds. Very unfortunate that the required money is not always available or accessible and this pose as a threat or problem for the survival of the business. Finance can be described as the management function of managing the flow of funds in an organization Inadequate finance is one of the major challenges faced by some small business(es) as a result they find it difficult to survive as sited by (Tende, 2024). Bank and other financial institution reluctantly give money or loan for entrepreneurs for business expansion or growth especially if they are young entrepreneurs that cannot produce collateral and old entrepreneurs always do follow rigorous procedure before accessing such loan and this has limited them in growth and expansion. Also, the interest rate charge on the loan is high (two digits' interest) depending on the bargaining power of the applicant. The situation is applicable to small

tourism business in Osogbo and this has slowed down their growth and expansion. With this situation one would think that government can put in place an assisting measure in form of tourism soft loan to all to assist the small tourism enterprises.

Seasonal revenue generation

Seasonality is the term used to describe predictable changes that take place over a year in an economy business based on the season, such as the calendar or commercial season. This seasonality has been observed to be a challenge in the tourism sector (Devi, 2019). Seasonality has a profound impact on tourism businesses, influencing demand, revenue, and operational decisions (Kozak, 2017). The fluctuation in tourist arrivals and expenditures during peak and off seasons affects the financial performance of tourism businesses, with peak seasons always going with increased revenue and off-peak seasons showing a fall in demand and revenue (Haber, 2000).

Seasonality also impacts the human resources management of tourism businesses, with many businesses experiencing staff challenges during peak seasons (Baum, 2006). With this, it can also pose as a serious entrepreneurial challenge.

Survival Strategies to Tackle the Entrepreneurial Challenges

This research pointed out the trending challenges confronting the tourism sector and the need to address them through survival strategies. To mitigate these challenges, small tourism business can consider strategies like:

Developing off season packages and promotion- introduction of promotional fare for the tourism products and service at low season will attract customers and increase the patronage. As this will surely help the business to survive at the low season and more revenue would be generated. Furthermore, investing more in digital and online marketing would really attract more patronage and more prospective customers would be reached and this would increase the patronage of tourism business during the low season. Understanding the effects of seasonality is crucial for tourism businesses to develop effective strategies to manage demand, optimize resources, and maintain competitiveness.

The financial resources are the lifeblood of the enterprise for sustainable development protection and is also necessary to help small businesses set up and expand. Provision of tourism soft loan should be available for intending and existing tourism entrepreneurs as this would really assist them and have a positive impact on their business survival.

Empirical Review

Omar (2020) studied examining challenging factors of tourism entrepreneurship in Oman using PLS-SEM. The data was collected through a well-defined questionnaire through which 241 tourism entrepreneurs from Oman including unemployed youth who were interested in tourism were selected, on a random sampling basis. The result of the research shows that the initial capital, working capital and good location are the essential factors required to establish a tourism business in Oman. Also, cultural value and physical working condition do not encourage tourism-related businesses and non-

preference of spouse from the tourism sector is another major constraint for Oman in taking up tourism businesses.

Shin, et al. (2020) examined the challenges facing small and medium tourism enterprises: A case study in Kuala Sepetang. Qualitative approach using in-depth interviews was adopted as a data collection strategy. The finding revealed that most of the boat operators based in Kuala Sepetang are male with primary or secondary education, and also major challenges of boat operators are: lack of qualified manpower, inadequate infrastructure, variable number of seasonal and competitive among boat operator.

Adilah, et al. (2021) examined the challenges encountered by SMEs in tourism industry: A review from 2017-2021. The systematic literature review (SLR) method was used to examine and analyse all extant research articles published in google scholar from 2017-2021. The finding shows that challenges were divided into external and internal. The internal involves: SMEs lack knowledge of tourism activities, small tourism business in rural area lack digital diverse for their businesses. Furthermore, SMEs in tourism still have no skills in product design and no innovativeness and uniqueness. SMEs craft producers do not know potential customers or promotional strategies and identify marketing opportunities. While the external factors include: government policies and programmes, natural disaster like covid-19, seasonalities, market accessibilities, change in technology and SMEs are not getting much assistance and sufficient business entities.

Yerlan, et al. (2023) examined the effect of the problems and prospect of small tourism business development in the city of Almaty. Survey design was used and 655 questionnaires responses from business owners and managers. The findings show that the challenges include; lack of knowledge about tourism activities, inability to get loan from bank, consequence of war in Ukraine and business representative does not have marketing plan. The positive trend includes: individual entrepreneurs invest in small tourism businesses, young entrepreneurs in tourism business and motivation to develop their own business.

Atila (2021) examined understanding small tourism business: A perspective from turkey. The study employed a comparative research methodology using a survey instrument similar to those used by Thomas et al (1997). A sample of 87 businesses in Akcakoca, Turkey was examined and their role in tourism evaluates. The findings of this study revealed that small tourism business carry deficiencies and inadequacies and face a common set of problem.

Ljubomir (2018) examined small business growth in the context of tourism. The handing printed questionnaire in person to randomly selected companies was prepared, submitting the questionnaire in an online soft copy by email, as well as uploading with questionnaire in an electronic format on –line application which can be directly filled in and tested on a small number of businesses.

Litheko (2021) examined small tourism business growth through eco-tourism in Machikeng, south Africa. In-depth face –to-face interviews were utilized to collect data from small tourism businesses located in Machikeng, south Africa. The findings reveal that Training programmes can assist business owners and general employees to become

proficient and competent in the sector and furthermore, training can enhance the business owner's confidence level so that they can have success and grow their business in the eco-tourism sector. The removal of over-restrictive regulations that are associated with the sector can encourage small tourism business to enter the eco-tourism market and grow their businesses.

3.0 Methodology

The study adopted survey research design. The data was collected through a well-defined questionnaire through which 120 tourism entrepreneurs that comprises of tour guide (24), travel agents (26), tourism souvenir operators (55) and 15 hotel owners from Osogbo were selected on a random sampling basis. A sample size of 113 respondents was drawn and used for the analysis, while regression analysis was used to test the hypotheses developed.

Model 1: Effect of Entrepreneurial Challenges on Survival Strategies

Regression Equation: $SS = \beta_0 + \beta_1 EC + \varepsilon$

Where:

EC: Entrepreneurial Challenges faced by small tourism businesses in Oshogbo.

SS: Survival Strategies adopted by these businesses.

β_0 is the intercept.

β_1 indicates the change in survival strategies for every one-unit increase in entrepreneurial challenges.

Model 2: Effect of Survival Strategies on Business Survival

Regression Equation: $STB = \beta_0 + \beta_1 SS + \varepsilon$

SS: Survival Strategies.

STB: Survival of Small Tourism Businesses in Osun State.

β_0 is the intercept.

β_1 measures the impact of survival strategies on business survival.

4.0 Data Analysis and Presentations

Table 1: Descriptive Statistics

	N	Mean	Std. Deviation	Variance	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
SS	113	4.18	1.226	1.504	.069	-.441
EC	113	4.27	1.297	1.683	-.227	-.039
STB	113	3.15	1.344	1.808	.214	-.663
Valid (listwise)	N 113					

Source: Survey (2025).

Table 1 presents descriptive statistics for the study's three key variables: Survival Strategies (SS), Entrepreneurial Challenges (EC), and Business Survival (STB). The analysis is based on a robust sample of 113 observations, ensuring reliable data. The mean for SS is 4.18, indicating a moderate level of survival strategies adopted by the businesses. EC has a mean of 4.27, suggesting that entrepreneurial challenges are notably prevalent. STB records a mean of 3.15, reflecting a comparatively lower level of business survival. Standard deviations for SS, EC, and STB are 1.226, 1.297, and 1.344 respectively, demonstrating acceptable variability. Variances are reported as 1.504 for SS, 1.683 for EC, and 1.808 for STB, indicating consistent dispersion. These figures provide a clear understanding of central tendencies and variability in the dataset. The descriptive statistics form a solid foundation for the subsequent inferential analyses.

Skewness values for SS (0.069), EC (-0.227), and STB (0.214) suggest that the distributions are approximately symmetric. EC's slight negative skew indicates a modest tendency towards higher challenge ratings. STB's small positive skew reflects a slight asymmetry in business survival ratings. Kurtosis values of -0.441 for SS, -0.039 for EC, and -0.663 for STB denote relatively flat, platykurtic distributions. These kurtosis figures imply fewer extreme values than in a normal distribution. The provided standard errors for skewness and kurtosis ensure the precision of these estimates. The uniform sample size across all variables strengthens the validity of the analysis. Collectively, these distributional properties support the use of parametric statistical tests.

Table 2 Correlations

		SS	EC	STB
SS	Pearson Correlation	1	.396**	.390**
	Sig. (2-tailed)		.000	.000
	N	113	113	113
EC	Pearson Correlation	.396**	1	.457**
	Sig. (2-tailed)	.000		.000
	N	113	113	113
STB	Pearson Correlation	.390**	.457**	1
	Sig. (2-tailed)	.000	.000	
	N	113	113	113

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Survey (2025).

Table 2 presents the Pearson correlation coefficients among the key variables: Survival Strategies (SS), Entrepreneurial Challenges (EC), and Business Survival (STB). The correlation of SS with itself is naturally 1, establishing a baseline for comparison. SS and EC share a moderate positive correlation of 0.396, which is statistically significant at the 0.01 level. SS and STB exhibit a significant correlation of 0.390, suggesting a meaningful association. These coefficients indicate that as entrepreneurial challenges increase, the adoption of survival strategies also tends to rise. The significant p-values (all 0.000) confirm that these relationships are not due to chance. The data imply that effective survival strategies are linked to improved business survival outcomes. Moderate positive correlations provide empirical support for the conceptual

framework of the study. The consistent sample size of 113 across all variables further strengthens the reliability of the correlations. EC and STB are significantly correlated at 0.457, reflecting a stronger association than that observed between SS and the other variables.

This finding suggests that higher levels of entrepreneurial challenges may indirectly contribute to better business survival through the mediation of survival strategies. The positive correlations across all variable pairs reinforce the study's theoretical propositions. They suggest that entrepreneurial challenges can drive the development of survival strategies that ultimately enhance business sustainability. The results imply that addressing challenges effectively is crucial for the strategic planning of small tourism businesses. The moderate to strong associations observed provide a clear basis for further inferential analyses. These empirical findings are consistent with previous research in entrepreneurship and tourism management. The statistical significance at the 0.01 level confirms the robustness of the observed relationships. A uniform sample size ensures that the correlations are reliable and representative.

Table 3 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Sig. F Change	Durbin - Watson
					R Square Change	F Change	df1	df2			
1	.396 ^a	.157	.149	1.131	.157	20.607	1	111	.000		2.193

a. Predictors: (Constant), EC

b. Dependent Variable: SS

Source: Survey (2025).

Table 3 summarises the regression model where Entrepreneurial Challenges (EC) predict Survival Strategies (SS). The model reports a correlation coefficient (R) of 0.396, indicating a moderate linear relationship. An R Square of 0.157 shows that EC explains 15.7% of the variance in SS. The Adjusted R Square of 0.149 accounts for sample size and confirms the model's explanatory power. The standard error of the estimate is 1.131, reflecting the average distance of the observed SS from the predicted values. The R Square Change is also 0.157, underscoring the unique contribution of EC. An F Change value of 20.607 indicates that the overall model is statistically significant. The degrees of freedom are 1 for the predictor and 111 for the residuals, appropriate for simple regression. The significance of F Change is 0.000, confirming that the relationship is not due to chance. The Durbin-Watson statistic of 2.193 suggests that the residuals are approximately independent.

This model summary provides strong evidence that entrepreneurial challenges are a key predictor of survival strategies. The moderate R value implies that while EC significantly influences SS, other factors may also be at play. With an R Square of 0.157, EC accounts for a meaningful portion of the variance in SS. The Adjusted R Square of 0.149 further validates the model by adjusting for the number of predictors. A standard error of 1.131

indicates that the predictions are reasonably precise. The F Change value of 20.607 demonstrates a robust overall effect of EC on SS. A significance level of 0.000 for F Change confirms the reliability of the findings. The model's degrees of freedom support the simplicity and focus of the regression analysis. The Durbin-Watson statistic near 2 reinforces the assumption that there is no serious autocorrelation in the residuals. Table 3 convincingly shows that EC significantly influences the survival strategies of small tourism businesses.

Table 4 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	26.378	1	26.378	20.607	.000 ^b
Residual	142.082	111	1.280		
Total	168.460	112			

a. Dependent Variable: SS

b. Predictors: (Constant), EC

Source: Survey (2025).

Table 4 presents the ANOVA results for the regression model predicting Survival Strategies (SS) from Entrepreneurial Challenges (EC). The regression sum of squares is reported as 26.378, representing the variance explained by the model. There is 1 degree of freedom associated with the regression, corresponding to the single predictor (EC). The mean square for the regression is calculated as 26.378. An F value of 20.607 indicates the strength of the overall model effect. The significance level ($p = .000$) confirms that the model is highly statistically significant. The residual sum of squares is 142.082, representing unexplained variance in SS. There are 111 degrees of freedom for the residual, reflecting the sample size minus the number of predictors minus one. The total sum of squares, combining both regression and residual, is 168.460. these statistics affirm that EC is a meaningful predictor of SS in the model.

The ANOVA analysis validates that the regression model fits the data significantly well. The F statistic of 20.607 is robust and indicates a clear model effect. A p-value of .000 strongly rejects the null hypothesis that EC has no effect on SS. The regression sum of squares (26.378) quantifies the portion of variance in SS explained by EC. The residual sum of squares (142.082) shows the variance not explained by the model. With 1 degree of freedom for regression, the model is simple yet effective. The residual degrees of freedom (111) provide a solid basis for the mean square error calculation. The total sum of squares (168.460) encapsulates the overall variability in SS.

These results support the reliability of the model in explaining variations in survival strategies. Table 4 confirms that entrepreneurial challenges significantly impact the survival strategies of small tourism businesses.

Table 5 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	2.578	.368		7.006	.000
EC	.374	.082	.396	4.540	.000

a. Dependent Variable: SS

Source: Survey (2025).

Table 5 displays the coefficient estimates for the regression model predicting Survival Strategies (SS) from Entrepreneurial Challenges (EC). The constant is estimated at 2.578, indicating the baseline level of SS when EC is zero. This constant is statistically significant with a t-value of 7.006 and a p-value of .000. The unstandardised coefficient for EC is 0.374, showing that a one-unit increase in EC results in a 0.374 unit increase in SS. The standard error for the EC coefficient is 0.082, demonstrating a reliable and precise estimate. These estimates confirm a positive relationship between entrepreneurial challenges and survival strategies. The t-value of 4.540 for EC indicates a robust and significant effect. A p-value of .000 further confirms that the relationship is statistically significant. The unstandardised coefficients allow direct interpretation in the original measurement units. The coefficients provide strong evidence that EC significantly influences SS.

The standardised coefficient (Beta) for EC is 0.396, enabling comparison across variables. This Beta value indicates a moderate effect size of entrepreneurial challenges on survival strategies. The positive Beta reinforces the hypothesis that increased challenges lead to enhanced survival strategies. The results imply that as EC rises, small tourism businesses adopt stronger survival strategies. The low standard error underscores the precision of the estimates provided. Both the constant and EC coefficients are highly significant, as shown by their p-values of .000. High t-values further validate the robustness of these regression estimates. The model clearly demonstrates that EC is a critical predictor of SS in this study. These findings are consistent with theoretical expectations and previous empirical research. Table 5 confirms that entrepreneurial challenges have a significant and positive impact on the survival strategies of small tourism businesses in Osogbo.

Table 6 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Sig. F Change	Durbin - Watson
					R Square Change	F Change	df1	df2			
1	.390 ^a	.152	.144	1.244	.152	19.892	1	11		.000	1.685

a. Predictors: (Constant), SS

b. Dependent Variable: STB

Source: Survey (2025).

Table 6 presents the regression model where Survival Strategies (SS) predict Business Survival (STB). The correlation coefficient (R) is 0.390, indicating a moderate linear relationship between SS and STB. An R Square of 0.152 reveals that 15.2% of the variance in STB is explained by SS.

The Adjusted R Square of 0.144 refines this estimate by accounting for the model's degrees of freedom. The standard error of the estimate is 1.244, reflecting the average deviation of observed STB from predicted values. The model reports an R Square Change of 0.152, emphasising the unique contribution of SS. An F Change value of 19.892 indicates that the overall model is statistically significant. The degrees of freedom are 1 for the predictor and 111 for the residuals, which is typical for a simple regression. The significance level ($p = .000$) confirms that the predictive relationship is not due to chance. A Durbin-Watson statistic of 1.685 suggests that there is acceptable independence among the residuals.

These findings demonstrate that Survival Strategies have a significant impact on Business Survival. The moderate R value implies that SS is a notable predictor, although additional factors may also influence STB. With an R Square of 0.152, SS accounts for a meaningful portion of the variance in Business Survival. The Adjusted R Square of 0.144 further validates the model by adjusting for the number of predictors. A standard error of 1.244 indicates that the model's predictions are reasonably precise. The F Change value of 19.892 underlines the robustness and overall significance of the model. The model's degrees of freedom confirm that the analysis is appropriately focused on a single predictor. The p-value of .000 provides strong evidence that the relationship is statistically significant. The Durbin-Watson statistic, close to 2, supports the assumption of independent residuals. Table 6 offers compelling evidence that enhanced Survival Strategies are crucial for improving Business Survival among small tourism businesses.

Table 7 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	30.765	1	30.765	19.892	.000 ^b
Residual	171.677	111	1.547		
Total	202.442	112			

a. Dependent Variable: STB

b. Predictors: (Constant), SS

Source: Survey (2025).

Table 7 displays the ANOVA results for the regression model predicting Business Survival (STB) from Survival Strategies (SS). The regression sum of squares is 30.765, indicating the variance in STB explained by the model. There is 1 degree of freedom for the regression, corresponding to the single predictor. The mean square for the regression

is 30.765, calculated by dividing the regression sum of squares by its degrees of freedom. The F statistic is 19.892, which represents the ratio of explained to unexplained variance.

This high F value suggests a strong overall effect of SS on STB. The p-value of .000 confirms that the model is statistically significant. The residual sum of squares is 171.677, reflecting the variance not explained by the model. There are 111 degrees of

freedom associated with the residuals. The total sum of squares is 202.442, which represents the overall variance in STB.

These ANOVA results demonstrate that Survival Strategies are a significant predictor of Business Survival. The significant F value of 19.892 provides robust evidence for the model's explanatory power. A p-value of .000 indicates that the probability of the result occurring by chance is negligible. This supports the hypothesis that effective survival strategies positively influence business survival. The variance explained by the regression component is meaningful in the context of small tourism businesses. A low mean square error of 1.547 suggests that the model's predictions are quite precise. The partitioning of variance clearly separates the effects of the predictor from the residual error. These findings have important implications for improving the sustainability of tourism businesses. They underscore the critical role of strategic adaptation in overcoming entrepreneurial challenges. The ANOVA results reinforce the value of employing effective survival strategies to enhance business survival.

Table 8 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.365	.417		3.275	.001
SS	.427	.096	.390	4.460	.000

a. Dependent Variable: STB

Source: Survey (2025).

Table 8 presents the regression coefficients for the model predicting Business Survival (STB) from Survival Strategies (SS). The constant is estimated at 1.365, representing the baseline level of business survival when SS is zero. This constant is statistically significant, with a t-value of 3.275 and a p-value of 0.001. The unstandardised coefficient for SS is 0.427, indicating a positive association with STB. This coefficient implies that each one-unit increase in survival strategies results in an average increase of 0.427 units in business survival. The standard error for the SS coefficient is 0.096, demonstrating the precision of the estimate. A t-value of 4.460 for SS confirms that its impact on STB is robust and statistically significant. The significance level for the SS coefficient is $p = 0.000$, affirming the reliability of the effect. These unstandardised estimates provide a direct interpretation of the effect of survival strategies on business survival. The results suggest that enhanced survival strategies are significantly linked to improved business survival outcomes.

The standardized coefficient (Beta) for SS is 0.390, indicating the effect size in standardised terms. This Beta value signifies that a one standard deviation increase in SS

is associated with a 0.390 standard deviation increase in STB. Standardised coefficients facilitate comparison of effects across different variables within the model. The robust significance of the SS coefficient supports the theoretical expectation that survival strategies positively influence business survival. Both the unstandardised and standardised results consistently reveal a strong positive impact of SS on STB.

The findings align with the conceptual framework of the study in the context of small tourism businesses. The low standard error reinforces the reliability and precision of the SS estimate. A high t-value further confirms the statistical robustness of the relationship. These results provide compelling evidence that strategic survival initiatives are crucial for business sustainability. Table 8 underscores the significant role of survival strategies in enhancing the long-term survival of small tourism businesses.

Test of Hypotheses

For Ho:1, which states that "entrepreneurial challenges faced by small tourism businesses in Oshogbo have no significant effect on their survival strategies," Model 1 provides clear evidence to reject this null hypothesis. The regression analysis (Table 3) indicates a moderate correlation ($R = 0.396$) with an R^2 of 0.157, meaning that approximately 15.7% of the variance in survival strategies (SS) is explained by entrepreneurial challenges (EC). The coefficient for EC is 0.374 with a t-value of 4.540 and a p-value of .000 (Table 5), which confirms that the effect is statistically significant. These findings imply that as entrepreneurial challenges increase, small tourism businesses tend to adopt more robust survival strategies.

For Ho:2, which posits that "survival strategies to overcome entrepreneurial challenges have no significant effect on the survival of small tourism businesses in Osogbo, Osun State," the results from Model 2 clearly reject this hypothesis as well. The regression analysis (Table 6) shows a moderate correlation ($R = 0.390$) and an R^2 of 0.152, indicating that survival strategies account for about 15.2% of the variance in business survival (STB). Furthermore, the coefficient for SS is 0.427 with a t-value of 4.460 and a p-value of .000 (Table 8), reinforcing that the relationship is highly significant. This outcome demonstrates that effective survival strategies significantly enhance the likelihood of business survival. The statistical evidence strongly supports the rejection of both null hypotheses. Entrepreneurial challenges significantly influence the adoption of survival strategies, and these strategies, in turn, have a significant positive impact on the survival of small tourism businesses in Osogbo.

Discussion of the Study

This study set out to examine the influence of entrepreneurial challenges on the survival strategies adopted by small tourism businesses in Osogbo, and further, the impact of these strategies on overall business survival. The regression analyses reveal that entrepreneurial challenges significantly predict survival strategies ($\beta = 0.374$, $p < .001$), with EC explaining 15.7% of the variance in SS. In turn, survival strategies exert a significant positive influence on business survival ($\beta = 0.427$, $p < .001$), accounting for 15.2% of the variance in STB. These findings align with previous research by Omar (2020) and Shin, Chang, and Dawood (2020), which underscore those operational challenges in tourism can drive strategic adaptations among entrepreneurs. The positive

associations observed suggest that as challenges increase, small tourism enterprises are compelled to innovate and adopt adaptive strategies to ensure continuity. Such results are consistent with empirical evidence from various contexts, including Turkey and South

Africa (Atila, 2021; Litheko, 2021), where resilience and adaptive strategies have been identified as critical determinants of business sustainability.

The theoretical and practical implications of this study are considerable. The findings not only validate the conceptual framework that entrepreneurial challenges serve as catalysts for strategic adaptation but also extend current knowledge by contextualising these dynamics within the tourism sector in Osogbo. Consistent with studies by Adilah et al. (2021) and Yerlan et al. (2023), the results indicate that survival strategies are essential in mitigating the adverse effects of external challenges, thereby enhancing business resilience. From a practical perspective, these insights call for targeted interventions, such as capacity-building programmes, access to finance, and strategic advisory services, to bolster the adaptive capabilities of small tourism businesses. Furthermore, the evidence supports the development of policies aimed at alleviating the unique challenges faced by these enterprises, ensuring they are better equipped to navigate a volatile market environment. In summary, the study not only contributes to the theoretical discourse on tourism entrepreneurship but also offers actionable insights for stakeholders seeking to enhance the sustainability of small tourism businesses in developing economies.

5.0 Conclusion and Recommendations

This study has significantly contributed to our understanding of the dynamics within small tourism businesses in Osogbo, Osun State by empirically establishing that entrepreneurial challenges are a critical driver in the formulation of survival strategies. The regression analyses unequivocally demonstrate that as entrepreneurial challenges intensify, small tourism enterprises adopt more robust survival strategies, which in turn have a substantial positive impact on business survival. These findings not only substantiate the theoretical framework underpinning tourism entrepreneurship but also fill a notable gap in the empirical literature specific to the Nigerian context. The evidence indicates that entrepreneurial challenges account for a meaningful portion of the variance in survival strategies, while the effective implementation of these strategies further enhances business sustainability. The study provides a rigorous and nuanced understanding of how strategic responses to environmental pressures can foster resilience and competitive advantage in small tourism businesses.

Recommendations

Based on these findings, it is recommended that small tourism businesses in Oshogbo proactively develop and implement robust survival strategies to effectively manage entrepreneurial challenges.

Secondly, it is recommended that small tourism businesses in Oshogbo prioritize the implementation of effective survival strategies to enhance their long-term sustainability. Business owners should adopt innovative approaches such as digital marketing, strategic partnerships, and operational efficiency improvements to navigate entrepreneurial challenges.

References

- Aitzhanova, K. (2019). Small and medium-sized business: There is support from the state. *Kazakh*, 21, 4-7. (in Kazakh).
- Atila, A. (2012). Understanding small tourism business: A perspective from Turkey. *Journal of Hospitality and Tourism Management*, 19(1), 31-47. <https://doi.org/10.1017/jht.2021>
- Baum, T. (2006). Human resource management in tourism: A small island perspective. *International Journal of Hospitality Management*, 25(3), 442-455.
- Devi, R. R. (2019). A study on challenges of MSME in tourism and hospitality industry. *Think India Journal*, 22(10), 3591-3596.
- Haber, S., & White, K. G. (2000). The impact of seasonality on tourism businesses in a small island destination. *Journal of Tourism Studies*, 1(1), 24-34.
- Khan, F. R., & Krishnamurthy, J. (2016). Future-proofing of tourism entrepreneurship in Oman: Challenges and prospects. *Journal of Work-Applied Management*, 8(1), 79-94. <https://doi.org/10.1108/JWAM-06-2016-0008>
- Kozak, M., & Rimminngton, M. (2017). *Tourist behavior: An international perspective*. CABI.
- Litheko, A. (2021). Small tourism business growth through eco-tourism in Mahikeng, South Africa. *African Journal of Hospitality, Tourism and Leisure*, 10(1), 256-269. <https://doi.org/10.46222/ajhtl.19770720-100>
- Ljubomir, D., & Aleksandra, J. (2018). Small business growth in the context of tourism. *Proceedings of the Faculty of Economics in East Sarajevo Year 2017*, 15, 63-77. <https://doi.org/10.725/zRCfjls1715063D>
- Lundmark, L. (2005). Economic restructuring into tourism in the Swedish mountain range. *Scandinavian Journal of Hospitality and Tourism*, 5(1), 23-45.
- Nickels, W. G., McHugh, J. M., & McHugh, S. M. (2005). *Understanding business* (7th ed.). McGraw-Hill Irwin.
- Ogbor, J. O. (2009). *Entrepreneurship in sub-Saharan Africa: A strategic management perspective*. Bloomington, IN, USA.
- Omar, A. A., & Khari, F. R. (2020). Examining challenging factors of tourism entrepreneurship in Oman using PLS-SEM. *International Journal of Research in Entrepreneurship and Business Studies*, 1, 48-64.
- Osuagwu, L., & Tende, S. B. (2011). *Entrepreneurship and small business management*. Etaricreative.ng.
- Oyewole, I., Asikhia, O., Makinde, G., & Onyia, V. (2020). Entrepreneurial mindset and enterprise success: The role of government policy. *The International Journal of Business and Management*, 8(3). <https://doi.org/10.24940/theijbm/2020/v8/i3/BM2003-064>
- Roland, I. (2018). Managing for a rainy day? Precautionary savings and managerial quality. *Working Paper*.
- Shimray, R. S., & Nongsiey, P. (2007). The role of entrepreneurship in the tourism industry.

- Shin, O. K., Chang, N. S., & Dawood, R. S. (2020). Challenges facing small and medium tourism enterprises: A case study in Kuala Sepetang. *Innovative and Transformation in Humanities*. <https://doi.org/10.15405/epsbs.2020.10.02.35>
- Thomas, R., & Thomas, A. (2005). Understanding tourism policy-making in urban areas.
- Tommasini, I., Lamond, I., & Burai, E. (2021). Global citizenship and participation in small tourism firms. *Leisure Sciences*, 1-19. <https://doi.org/10.1080/01490400.2021.1874574>
- Yerlan, I., Kamelkhan, G., Imanbekova, B., Zhoya, K., Zheldibayev, A., Molzhigitova, D., & David, D. L. (2023). Study of the problems and prospects of small tourism business development in the city of Almaty. *GeoJournal of Tourism and Geosites*, 46(1), 290-303.