A MODEL FOR ATTAINING EXTENDED E-COMMERCE ADOPTION AND USE BY HOSPITALITY SMMES IN THE EASTERN CAPE PROVINCE

BY

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A MODEL FOR ATTAINING EXTENDED E-COMMERCE ADOPTION AND USE BY HOSPITALITY SMMES IN THE EASTERN CAPE PROVINCE

By

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ABSTRACT

There is a slow adoption and use of electronic commerce or e-Commerce by Small, Medium and Micro-sized Enterprises based in the hospitality sector (hospitality SMMEs). Only a few hospitality SMMEs that have adopted e-Commerce show the migration of value adding activities to their e-Commerce platforms. As such, this study developed and proposed a model that shows how hospitality SMMEs in the Eastern Cape Province can attain extended e-Commerce adoption and use. Extended e-Commerce platforms are characterised by the institutionalization of e-Commerce that includes Search Engine Marketing activities and/or listing services on intermediary websites, and engaging through social media websites. Tourism and hospitality customers' information needs and buying behaviour were used to guide the requirements of extended e-Commerce platforms for hospitality businesses. The proposed model outlined factors determining extended e-Commerce adoption, extended e-Commerce characteristics and the anticipated e-Commerce adoption outcomes. The model was evaluated in the Eastern Cape using a multiple-case study methodology. The study's use of a multiple-case study was applied within the interpretivist paradigm and four cases were considered. Triangulation through document analysis, interviews and observation was used for collecting data regarding factors determining the transition to extended e-Commerce adoption. A questionnaire was used for evaluating extended e-Commerce use. Within and cross-case analysis with the aid of coding was used for data analysis. Data collection and analysis validated the proposed model as a model that shows how hospitality SMMEs can attain extended e-Commerce adoption and use. The proposed model concedes that, successful adoption and use of e-Commerce by hospitality SMMEs would result in e-Commerce adoption outcomes namely online sales, reservations and customer service. These e-Commerce adoption outcomes are the criteria against which the level of extended e-Commerce adoption is measured.

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Lastly, I am grateful to the SMMEs that participated in this study and who contributed to the achievement of its objectives.

DECLARATION

I, Pardon Blessings Maoneke, hereby declare that:

- The work in this dissertation is my own work.

- All sources used or referred to have been documented and recognised.

- This dissertation has not previously been submitted in full or partial fulfilment of the requirements for an equivalent or higher qualification at any other recognised educational institution.

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Pardon Blessings Maoneke

PUBLICATIONS ARISING FROM THE THESIS:

P.B. Maoneke and N. Isabirye. 2013. A model to enhance the understanding of factors of e-Commerce adoption by tourism SMMEs. A case of the Eastern Cape Province. *Proceedings of the 15th WWW Applications Conference 2013, Cape Town, South Africa.*

P.B. Maoneke and N. Isabirye. 2014. An e-Commerce model for hospitality SMMEs. A case of the Eastern Cape. *Proceedings of the SAICSIT 2014 Conference, University of Pretoria, Pretoria, South Africa*

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1.0 Background

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1.0 Background

South African Small, Medium and Micro-enterprises (SMMEs) and the hospitality sector are highly regarded for economic development through employment creation and equitable development (SEDA, 2012; ECSECC, 2012). With no local mining activity, hospitality SMMEs in the Eastern Cape Province are expected to play a pivotal role in steering economic growth through job creation and addressing rural development (SEDA, 2012; ECSECC, 2012; Local Economic Development Unit, 2009).

However, hospitality SMMEs have limited resources for them to efficiently compete with established hospitality entrepreneurs and meet their envisaged economic developmental goals (SEDA, 2012; Mapeshoane & Pather, 2012). For instance, hospitality SMMEs are faced with inadequate finance, have challenges in building client base, have limited skills and face challenges when accessing the market (Al-Qirim, 2007a; Elliott & Sewry, 2006; SEDA, 2012). A number of solutions have been proposed by various researchers to overcome these challenges and enhance their overall operability and competitiveness. Jeppesen (2005) suggests technology as one of the tools that can be considered when enhancing competitiveness. Maswera, Dawson and Edwards (2008) went on to propose that tourism SMMEs, hospitality SMMEs included, should adopt electronic commerce (e-Commerce) and market their products globally. Accordingly, this research proposes e-Commerce adoption and use as one of the solutions to address the challenges faced. E-Commerce adoption and use can assist hospitality SMMEs in enhancing their service delivery or value adding activities (Mapeshoane & Pather, 2012).

Maoneke and Isabirye (2013) conducted a preliminary investigation to establish the level of e-Commerce adoption by hospitality SMMEs in the Eastern Cape Province. It was found that the majority of hospitality SMMEs are at the initial stage of e-Commerce adoption with few SMMEs attaining extended e-Commerce adoption that shows the migration of a business organisation's value adding activities to e-Commerce platforms. These findings are in line with Maswera et al.'s (2008) research remarks following an evaluation of 373 websites of African tourism entrepreneurs, South African included, that even though tourism entrepreneurs have shown a keen interest in adopting e-Commerce, their level of adoption is yet to reach strategic levels. Maoneke and Isabirye (2013) went on to propose a model that

presents e-Commerce adoption by hospitality SMMEs in the Eastern Cape Province as a process with three stages namely non-adoption, initial adoption and extended e-Commerce adoption. Various researchers also agree with the notion that e-Commerce adoption is a process that follows different stages. For example, Hameed, Counsell and Swift (2012) suggested that the adoption of Information and Technology (IT) including e-Commerce follow a sequence of stages, progressing from initiation to adoption-decision to implementation. Similarly, Abou-Shouk, Lim and Megicks (2012) reviewed about 15 post-2000 (year) models examining stages of e-Commerce adoption by SMEs. They found that most models begin with e-mail interaction with customers and informative static websites, dynamic websites for negotiation with customers and placing orders classified under the second level, e-Commerce websites that provide online booking and payment are the third level of e-Commerce implementation. In light of different levels of e-Commerce adoption, this study agrees with recommendations by Maswera et al. (2008) that tourism entrepreneurs should evolve their e-Commerce platforms into marketing tools and attain extended e-Commerce adoption if they are to capitalize on the potential Internet market.

Even though research by Abou-Shouk et al. (2012), Hameed et al. (2012), Maoneke and Isabirye (2013) acknowledge that e-Commerce adoption follows different stages, it should be noted that the majority of past studies on IT and/or e-Commerce adoption only examine the processes and factors contributing to the initial adoption of IT until acquisition of innovation with no judgement on whether the innovation grows to be part of their institutional process. This calls for the investigation of processes and factors that contribute to extended e-Commerce adoption and use (Chong, 2008; Hameed et al., 2012; Hong & Zhu, 2006; Maoneke & Isabirye, 2013).

1.1 The statement of the problem

Despite research findings that SMMEs can enhance their operations by adopting and using e-Commerce (Maswera et al., 2008; Ramanathan, Ramanathan & Hsiao, 2012), e-Commerce adoption and use by hospitality SMMEs remains low in developing countries (Mapeshoane & Pather, 2012; Abou-Shouk, Lim & Megicks, 2012). A preliminary investigation conducted by Maoneke and Isabirye (2013) on hospitality SMMEs in the Eastern Cape shows that, very few hospitality SMMEs have managed to attain extended e-Commerce adoption that shows a clear-cut strategic integration of their e-Commerce platforms and respective business

services. These findings point to the fact that e-Commerce adoption is not a once-off adoption process (Chong, 2006; Hameed et al., 2012; Abou-Shouk et al., 2012). Instead, e-Commerce comes with numerous features that may result in hospitality SMMEs taking a considerable amount of time to adopt and fully enjoy the associated benefits. As such, issues concerning e-Commerce pertaining to initial adoption and implementation or use need to be understood first for hospitality SMMEs to plan and use their e-Commerce platforms more effectively (Abou-Shouk et al., 2012; Chong, 2006; Mapeshoane & Pather, 2012). In order to address the research problem, the following research question was formulated.

1.2 Research question

How can extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape Province be attained?

Findings from a preliminary investigation conducted by Maoneke and Isabirye (2013) suggest that most hospitality SMMEs in the Eastern Cape are at the initial stage of e-Commerce adoption with static and information intensive websites. Previous studies also acknowledge that African hospitality entrepreneurs' websites, South African included, leave a lot of room for considerable improvements into an e-Commerce tool with interactive facilities for online transactions (Maswera et al., 2008; Maswera, Edwards and Dawson, 2009). In addition, there is a belief that even if hospitality SMMEs were able to overcome the barriers of initial adoption, they are still likely to face challenges when trying to adopt and use e-Commerce extensively in their business activities (Abou-Shouk et al., 2012; Hameed et al., 2012; Chong, 2006). Considering the fact that most hospitality SMMEs are at the initial stage of e-Commerce adoption, this research focuses on examining issues centred on extended e-Commerce adoption and use. Accordingly, the following sub-questions were formulated to address the research problem and question.

1.2.1   Sub-questions
1.2.1.1 What are the characteristics of extended e-Commerce adoption and use?

This sub-problem aims to investigate the feasibility of e-Commerce in the Eastern Cape. It also investigates the characteristics that describe extended e-Commerce adoption and use. Hence, the sub-problem defines the levels of e-Commerce sophistication that warrants

extended e-Commerce and goes on to propose a criterion for evaluating the use of e-Commerce in the hospitality sector. By so doing, the research makes a distinction between setting up a website and conducting e-Commerce as described by Hong and Zhu (2006). The criterion for evaluating the extended use of e-Commerce allows the research to observe the extent to which hospitality SMMEs migrated from traditional channels to the Internet (Hong & Zhu, 2006). This research argues that, by attaining and using extended e-Commerce adoption, hospitality SMMEs stand a better chance of enhancing their business operations and overall competitive edge in a competitive tourism sector.

1.2.1.2 What are the factors determining the transition to extended e-Commerce adoption and use?

This sub-problem seeks to identify factors influencing the adoption and integration of value adding activities with various e-Commerce platforms. Thus, these factors are expected to influence the attainment or transition to extended e-Commerce adoption and use described in sub –question 1.2.1.1.

1.3 Objectives of the study

The aim of this research is to propose a model that shows how extended e-Commerce adoption and use can be attained. The proposed model defines the characteristics of extended e-Commerce with regards to hospitality SMMEs in the Eastern Cape. It also expounds on the various categories of extended e-Commerce usage. In addition to identifying factors determining extended e-Commerce adoption and use, the research discusses some of the approaches adopted by hospitality SMMEs in addressing some of the challenges related to extended e-Commerce adoption. Such information can be of use to hospitality SMMEs that are struggling with extended e-Commerce adoption and use. This research is partly motivated by Kshetri's (2007) research study on Thamel.com which argues that business organisations in developing countries need to find ways to overcome barriers to e-Commerce adoption and use if they are to benefit from e-Commerce adoption.

1.4 Significance of the study

This study adds to the body of Information Systems (IS) knowledge by investigating issues centred on extended e-Commerce adoption and use.   While the adoption of Information Technology (IT) innovations has been of enduring interest to IS research and practice over a considerable period of time (Jeyaraj & Sabherwal, 2008), focus has been centred on issues pertaining to non-adopters and initial adopters.   However, research by Chong (2006) and Hameed et al. (2012) suggested that issues pertaining to e-Commerce adoption and implementation need to be investigated if SMMEs are to fully adopt and continuously use e-Commerce.

In addition, hospitality SMMEs face a number of challenges that negatively affect their overall operability and competitiveness.   For instance, hospitality SMMEs lack entrepreneurial drive, they have challenges in coping with the complex regulatory environment, have challenges in accessing finance and have limited business skills (Wanhill, 2002; SEDA, 2012). Accordingly, Elliott and Sewry (2006) found that small businesses view market access and the inability to sell their goods and services as one of the most serious obstacles to starting and running of a successful business.   As such, this research seeks to address some of these challenges by investigating and proposing a model of extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape Province.   It is believed that technology could assist this sector in solving its problems such as its small size and limited resources (employees, skills, financial or capital, knowledge, lack of time and managerial skills, encapsulation or isolation from the outside environment, limited market scope) (Al-Qirim, 2007b).

1.5 Literature review

A literature review was conducted to enhance the understanding of the subject in question. Yin (2003) proposed that a literature review is a means to an end and not − as many people have been taught to think − an end itself.   The literature review was guided by the research scope and questions.   As such, the literature review focused on the evaluation of how

hospitality SMMEs can attain extended e-Commerce adoption and usage. It also explores existing research and models on IT and e-Commerce adoption.

1.5.1 Extended e-Commerce adoption and use

This section focused on establishing the feasibility of extended e-Commerce adoption and use and described characteristics of extended e-Commerce. It addressed the first research sub-question:

"What are the characteristics of extended e-Commerce adoption and use?"

This section reviewed literature on electronic readiness (e-Readiness) of South Africa and the Eastern Cape Province to see if they are ready to welcome extended e-Commerce. An evaluation of the nature of hospitality products is also conducted to ascertain customers' buying behaviour and establish the requirements and suitability of extended e-Commerce. The evaluation established that hospitality products assume characteristics of the service sector namely; inseparability, intangibility, perishability and heterogeneity. Due to the nature of hospitality products, it was found that hospitality business is marketing and information-intensive nature of business (Rogerson, 2007a; Maswera et al., 2008) in which customers acquire a large quantity of information and anticipate the consumption by creating images and expectations before the actual buying of respective products (Seabra, Abrantes & Lages, 2007). The Internet is expected to play critical roles such as allowing information to flow through the Internet on a worldwide basis with virtually no entry barriers, opening new markets, fostering customer retention and levelling the playing field of business organisations in the hospitality sector irrespective of their size (Maswera et al., 2008).

1.5.1.1 Reviewed model of extended e-Commerce adoption

This study was guided by Angehrn's (1997) Information, Communication, Distribution and Transaction (ICDT) model to describe the characteristics of extended e-Commerce. The ICDT model explains how business organisations can take advantage of the opportunities

presented by the Internet and extends, redesign the way they distribute and sell their products and services to customers. Taking into consideration the characteristics of hospitality products and customers' buying behaviour, this study concedes that extended e-Commerce platforms for hospitality SMMEs are characterised by institutionalizing e-Commerce that includes SEM activities and/or listing services on intermediary website, and engaging through social media websites. The study goes on to use interactive facilities on extended e-Commerce that describe the conduct of e-Commerce as measures of its use. By defining characteristics of extended e-Commerce and its use separately, the research attempts to differentiate between setting up a website and the actual conduct of e-Commerce. As such, e-Commerce use is seen as a measure of e-Commerce practise over the Web and the Internet.

1.5.2 The reviewed models on IT or e-Commerce adoption

Selected models and studies on IT and or innovation or e-Commerce adoption were reviewed to identify factors that could determine the transition to extended e-Commerce adoption and use. The reviewed literature was used to address the second sub-question:

> *"What are the factors determining the transition to extended e-Commerce adoption and use?"*

The choice and use of models and studies on IT or innovation adoption was motivated by the desire to identify technical, environmental, individual or organisational factors that could determine or influence extended e-Commerce adoption and use. The reviewed models include Venkatesh, Morris, Davis, and Davis's (2003) Unified Theory of Acceptance and Use of Technology, and Molla and Licker's (2005) Perceived e-Readiness Model. These models were used as sources of factors determining extended e-Commerce adoption and use. The identified factors were used to develop a model of extended e-Commerce adoption and use.

1.5.2.1 The Unified Theory of Acceptance and Use of Technology (UTAUT) model

Venkatesh et al. (2003) proposed the UTAUT model that centred individuals' acceptance of technology on the usage intention and/or actual usage. Four constructs are seen as direct determinants of user acceptance and usage behaviour namely performance expectancy, effort expectancy, social influence and facilitating conditions (Venkatesh et al., 2003). Gender, age, voluntariness and experience are seen as key moderators of the determinants to the intention or use behaviour (Venkatesh et al., 2003). UTAUT was included in this research to provide factors that could predict the adoption and use of extended e-Commerce. It should be noted that the UTAUT was developed through the consolidation of eight models making it the most complete model with the ability to explain 70 percent of variance in usage intention (Venkatesh et al., 2003). Since its inception, the UTAUT has received wide use and validation on different technologies in studies conducted in both developed and developing countries (Martins, Oliveira & Popovi, 2013; Yang, Wu & Tao, 2008; Casey & Wilson-Evered, 2012; Im, Hong & Kang, 2011).

1.5.2.2 The Perceived e-Readiness Model (PERM)

Molla and Licker (2005) proposed the PERM with two constructs, namely Perceived Organisational e-Readiness (POER) and Perceived External e-Readiness (PEER), as instrumental constructs of e-Commerce adoption in developing countries. In their study, Molla and Licker (2005) defined POER as the manager's evaluation of the degree to which they believe that their organisation is ready in terms of awareness, commitment, resources and governance to aid e-Commerce implementation. PEER is defined as the degree to which managers believe that the environment is ready to aid e-Commerce implementation as determined by market forces, government and supporting industries e-Readiness. Since its inception, the PERM has received wide use in studies on e-Commerce adoption as either a vehicle for providing factors of adoption and/or depicting the sophistication of e-Commerce platforms. For instance, Ghobakhloo, Arias-Aranda and Benitez-Amado (2011) recently used PERM to define what constitutes e-Commerce adoption within the context of Iranian SMMEs. Kabanda (2011) used the PERM to study the institutionalization of e-Commerce by Tanzanian SMMEs. Additionally, Tyler, Tan and Manica (2007) adapted, extended, tested and validated the PERM with an empirical study involving 134 Chinese SMMEs

within the context of business-to-business e-Commerce adoption. All these studies tested and validated the PERM in the context of SMMEs in developing countries, making it suitable for use as a source of factors determining extended e-Commerce adoption and use.

1.6 Research methodology

This research used a qualitative case study strategy. Saunders, Lewis and Thornhill's (2009) research onion was used to summarise this research's philosophy, methodology or strategy, techniques for data collection and analysis. Accordingly, this research subscribes to the interpretivist philosophy and adopted an inductive research approach for its use of the case study strategy. The interpretivist philosophy argues that, human beings are not mechanistic and they have multiple realities which need to be understood within their context (Roux, 2005).

The use of case study is best for this research since this research is focused on the interaction between users and technology that is the hospitality SMMEs' adoption and use of extended e-Commerce in a real life context, something that is non-mechanic (Dube & Pare, 2003; Roux, 2005). In addition, the author has no control over the phenomenon under study and the phenomenon cannot be studied outside the context in which it occurs (Dube & Pare, 2003; Yin, 2003; Roux, 2005). The research question for this study: "*How can extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape Province be attained?*" is most appropriate for case study strategy because it deals with operational links needing to be traced over time, rather than mere frequencies of incidence as suggested by Yin (2003).

1.6.1 Case study research design

Unlike quantitative research with well-known standardised statistical analysis methods to attain rigor and methodology soundness, there is no one standard approach or dominant design for conducting and attaining rigor in a qualitative case study (Beverland & Lindgreen, 2010; Byrne & Sahay, 2007; Dube & Pare, 2003; Polit & Beck, 2010). As such, this study used propositions by Choi, Barratt and Li (2011) to identify basic attributes that defines a case study design for this research. Choi et al.'s (2011) proposed a summarized review of numerous guidelines for undertaking inductive-based case study research following an

extensive overview of qualitative case study studies between 1992 and 2007. Accordingly, this study's qualitative case study design constitutes attributes, namely the unit of analysis, number of cases, case selection criteria, data collection techniques and analysis. These attributes are discussed next within the context of this research.

1.6.1.1 Unit of analysis: The unit of analysis is simply the case to be studied (Yin, 2003). The research defines its unit of analysis as hospitality SMMEs in the Eastern Cape Province that have adopted e-Commerce. This includes hospitality SMMEs that have institutionalized e-Commerce with SEM activities and/or listed services on intermediary websites, and engaging through social media websites.

1.6.1.2 Number of cases: Even though single-case studies can richly describe the existence of a phenomenon (Siggelkow, 2007 in Eisenhardt & Graebner, 2007), multiple-case studies typically provide a stronger base for theory building (Yin, 1994 in Eisenhardt & Graebner, 2007). Thus, this research used multiple-cases. Four cases were used for this research. 4 to 10 cases "usually works well" and can help capture complexity of real world (Eisenhardt 1989 in Choi et al., 2011:331).

1.6.1.3 Case selection criteria: Just as laboratory experiments are not randomly sampled from a population of experiments, but rather are chosen for the likelihood that they will offer theoretical insight, so too cases for this study were sampled for the theoretical reason of revelation of replication of findings from other cases (Dube & Pare, 2003; Eisenhardt & Graebner, 2007). Snow balling sampling method was used to select cases for data collection. Collis and Hussey (2009) noted that snowball sampling is associated with interpretivist studies where cases with experience of the phenomenon are selected and studied.

1.6.1.4 Data collection: Triangulation was used for data collection to achieve transferability and dependability. This study used a questionnaire, document analysis, interviews and observation for its data collection (Choi et al., 2011; Beverland & Lindgreen, 2010; Dube & Pare, 2003). A questionnaire was used to collect data for evaluating the outcomes of extended e-Commerce use by hospitality SMMEs in the Eastern Cape. On the other hand, document analysis was used to gather data for evaluating hospitality SMMEs that qualifies as suitable cases for this study based on the extent of e-Commerce adoption as specified under the unit of analysis. Document analysis was also used to support findings from interviews. Interviews were used for collecting data to evaluate the impact of factors determining

extended e-Commerce adoption and use, while observation was used to collect data for enhancing the understanding of findings from interviews.

1.6.1.5 Data analysis: This research used within-case and cross-case data analysis for all investigated hospitality SMMEs.   Choi et al. (2011) suggest that within-case analysis involves writing a single case description indicating the emerging constructs and their relationships. Coding is used in this study for data reduction purposes during within-case analysis starting with open coding.   Within-case analysis used data collected through interviews, document analysis and observation. Within-case analysis saw the researcher writing reports on findings from each case. The reports were sent back to the respective hospitality SMMEs to allow them to review the draft case for within-case analysis and give feedback as suggested by Beverland and Lindgreen (2010).   Once the final draft for within-case analysis was done, data analysis proceeded into cross-case analysis which identified matching or different patterns from data on investigated hospitality SMMEs.   Direct quotes were used to present evidence for within and cross-case analysis as proposed by Yin (2003). The questionnaire was based on a Likert scale hence, data collected through the questionnaire was analysed using the view of majority tourism SMMEs considered to establish their extent of use.

1.7 Delimitation of the study

The research focuses on SMMEs or small businesses and/or SMMEs in the hospitality sector of the Eastern Cape Province.   This includes categories known as micro-enterprises, survivalist enterprises, informal sector enterprises, and formal SMMEs (DTI, 2005).   In addition, only hospitality SMMEs that meet this research's specifics of the unit of analysis were engaged in data collection.

1.8 Ethical considerations

This research complies with the policies and procedures stipulated by the University of Fort Hare's Research Ethics Committee before, during and after the commencement of data collection (Israel & Hay, 2006 in Wassernaar, 2006).   Accordingly, this research is guided by four basic ethical principles namely autonomy and respect for the dignity of persons, beneficence, non-maleficence and justice (Wassernaar, 2006). Chapter five articulates on the ethical considerations that were observed during and after data collection and analysis in detail.

1.9 Structure of the dissertation

1. **Chapter 1** gives an introduction to the research discussing the research context, the problem area, scope and methodology used.

2. **Chapter 2** discussed the e-Readiness of South African society, Eastern Cape and hospitality SMMEs. It goes on to discuss characteristics of hospitality products and explains the anticipated customer buying behaviour. The ICDT model is used to provide guidance in describing the characteristics of extended e-Commerce for hospitality SMMEs in the Eastern Cape. In addition, measures of extended e-Commerce use are also outlined.

3. **Chapter 3** discussed propositions in selected models and studies of IT or Innovation adoption to identify factors determining extended e-Commerce adoption and use.

4. **Chapter 4** proposed a model of extended e-Commerce adoption and use. The model is founded on the reviewed literature of chapter two and three.

5. **Chapter 5** articulated on the research methodology that is used for this research. The research methodology chapter describes the approach to collecting and analysing data to evaluate the proposed model.

6. **Chapter 6** displayed the empirical evidence from data collection. In particular, the chapter presented findings on extended e-Commerce uses and conducted a within-case analysis presenting findings from each case supported by quotes.

7. **Chapter 7** goes through a cross-case analysis and discussing findings from data collection. The chapter goes on to explain the implications of research findings on the proposed model of extended e-Commerce adoption and use. The chapter also evaluates the study findings against the models that were used to guide the study (ICDT, UTAUT, PERM) noting similarities and differences.

8. **Chapter 8** developed policy implications and concludes the research.

1.10 Summary

This chapter introduced the research and explained the research background in which hospitality SMMEs are seen as a panacea of economic growth for the Eastern Cape Province. However, hospitality SMMEs lacks adequate resources for them to efficiently compete with large hospitality entrepreneurs and meet their envisaged developmental goals. The chapter proposed extended e-Commerce adoption and use as an alternative to overcome the challenges faced by hospitality SMMEs. While hospitality SMMEs have shown an interest in adopting and using e-Commerce, research shows that the levels of adoption are not adequate to benefit most from e-Commerce. The majority of hospitality SMMEs struggle to institutionalize e-Commerce. Chong (2006) and Hameed et al. (2012) suggest that issues pertaining to extended e-Commerce be investigated that hospitality SMMEs can better plan and continuously use e-Commerce. Accordingly, this research aims to investigate issues centred on extended e-Commerce adoption and use. The research's primary aim is to propose a model that will show how extended e-Commerce can be attained. The proposed model is expected to show what constitutes extended e-Commerce adoption and its uses. In addition, the model shall identify the factors that determine the transition to extended e-Commerce adoption and use. The research argues that hospitality SMMEs can sufficiently compete with established hospitality entrepreneurs if they manage to adopt and successfully integrate their value adding activities with their e-Commerce platforms. Qualitative case studies shall be used to meet the research aims. Using propositions in this chapter, the next chapter investigates the first research's sub-question. It describes the characteristics of extended e-Commerce for hospitality SMMEs.

CHAPTER 2: CHARACTERISTICS OF EXTENDED E-COMMERCE ADOPTION AND USE

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2.0 Introduction

The previous chapter introduced the study outlining the research problem, main question and sub-questions. This chapter builds from the first chapter by addressing the study's first research sub-question:

"What are the characteristics of extended e-Commerce adoption and use?"

Accordingly, this chapter defines e-Commerce and goes on to assess the e-Readiness of South Africa, the Eastern Cape and hospitality SMMEs to ascertain the feasibility of Information and Communication Technologies (ICTs) adoption and use. A description of the characteristics of hospitality products is included to establish the suitability and requirements of e-Commerce platforms for the hospitality sector. The chapter goes on to describe characteristics of extended e-Commerce for hospitality. The ICDT model is used to provide a guideline on what constitutes extended e-Commerce. The chapter concludes with a proposition of measures that describe the use of extended e-Commerce in the hospitality sector.

2.1 The definition of e-Commerce

There are many working definitions of e-Commerce (Braga, 2005). Fellenstein and Wood (2000) define e-Commerce as the transaction, pre-transaction and post transaction activities that are performed by buyers and sellers via the Internet where there is a clear intent to buy or sell. Laudon and Traver (2004) define e-Commerce as the use of the Internet and Web to conduct business. More formally, e-Commerce relates to digitally enabled commercial transactions between organisations and individuals (Laudon & Traver, 2004). Digitally enabled transactions include all transactions mediated by digital technology, thus transactions that occur over the Internet and the Web involving the exchange of value (money) across organisation or individual boundaries in return for products and or services. Therefore a commercial transaction can be considered to have occurred if there is an exchange of value (Laudon & Traver, 2004).

According to these definitions, e-Commerce is confined to doing business using electronic technologies with the Internet and Web in particular (Nabi, 2004). This research identifies with suggestions by Fellenstein and Wood (2000) and Kartiwi (2006) that e-Commerce is not only limited to the buying and selling of products online. It can involve the transaction of data, transaction of payments or marketing information, and value addition to existing products or databases (Nabi, 2004).

2.2 E-Readiness

E-Readiness can be defined as "the degree to which an organisation (or community or country) is prepared and ready to engage in electronic communication via the Internet and thus participate in the global knowledge economy" (SITA GovTech, 2010 in Gumbo, Jere & Terzoli, 2012:1). In addition, Fathian, Hoorali and Akhavan (2008) define e-Readiness as the ability to successfully adopt, use, and benefit from information technologies such as e-Commerce.

According to these definitions, e-Readiness can be used to evaluate the extent to which a business organisation or society is ready to welcome ICTs or has harnessed ICTs to meet particular needs. As such, e-Readiness is used in this study to establish the preparedness to use ICTs for business purposes. This is done by gauging the extent of ICT appreciation at country, provincial and organisational level: hospitality SMMEs. While there are different assessment models and tools to measure e-Readiness, these assessment models and tools have overlaps between them, for example, most researchers consider physical infrastructure, levels of ICT use, human capacity and training, policy environment and local ICT economy (Van Belle & Vosloo, 2007). Some of these assessment models and tools for e-Readiness are used in this section to evaluate South Africa and the Eastern Cape Province's e-Readiness.

2.2.1 South Africa's e-Readiness and initiatives

The South African government is involved in a number of initiatives that promote e-Readiness within its provinces. Among them include:

- The promulgation of the Electronic and Communications Transaction (ECT) Act of 2002 which saw a significant removal of many existing barriers to e-Commerce (Kruger & Snell, 2004). The provision of the ECT Act of 2002 resulted in all electronic communication, including electronic mail (e-mail), Short Message Service (SMS), electronic orders and electronic invoices having, in certain circumstances, the same legal force and effect between paper-based and electronic transactions;

- Increased liberalisation and privatisation of the telecommunications sector since 2003;

- Joining as a signatory member of the World Summit on the Information Society (WSIS) Declaration of Principles whose aim is to attain an information society by 2015 through connecting villages with ICTs and establishing community access points; connecting scientific and research centres with ICTs; connect public libraries, cultural centres, museums, post offices and archives with ICTs; connect all local and central government departments, and establish websites and e-mail addresses and connecting health centres and hospitals with ICTs;

- Joining as a member of the seven African undersea Internet access cables with the aim of changing the access landscape thereby increasing the Internet access and broadband penetration, and

- Promoting ICT skills development in schools (Fuchs & Horak, 2008; Gumbo et al., 2012; Gordon, 2003 in Kruger & Snell, 2004; Mdlongwa, 2012; Ngcingwana, 2008).

Following various initiatives towards e-Readiness, South Africa has recorded an increase in Internet Service Providers (ISP), increased investment in ICT supporting infrastructure, and increased ownership of personal computers (PCs) by schools and individuals (Fuchs & Horak, 2008). According to the United Nations Statistics Division (2012), South Africa's availability of the core ICT indicators, which shows the development of ICT infrastructures during the years 2009 to 2010, is pegged at 60 percent. While there were one million and two hundred thousand South Africans using the Internet, six hundred thousand of these

engaged in e-Commerce (Benschop, 2002 in Kruger & Snell, 2004). By December 2012 this figure had increased sharply as the Internet World Stats (2012) indicate that out of a total population of forty eight million, South Africa has around eight million Internet users (17.4 percent of total population) and ranks 5th in Africa on Internet usage. About 26.8 percent of South African households have at least one member who has access to the Internet either at home, work, school or Internet cafes (ITWeb, 2013). Statistics South Africa says that most South Africans use the Internet at work (16.7 percent), at home (10.1 percent) and at school (5.5 percent) (ITWeb, 2013).

2.2.2 The Eastern Cape Province's e-Readiness and initiatives

The Eastern Cape provincial government has shown a commitment towards e-Readiness by the promulgation of the Eastern Cape ICT Strategy for the period 2009 to 2014 with a mission "to enable the Eastern Cape to become an ICT leader in the development and adaptation of ICTs, and in the application and diffusion of these technologies in order to achieve social development and sustainable and equitable economic growth" (Ngcingwana, 2008:19).

In addition, the Eastern Cape's provincial Department of Education (DoE) supports fragmented ICT efforts of schools and communities as required by the national e-Education White Paper and the provincial e-Education Business Plan that seeks to capacitate six thousand and three hundred schools with ICT resources and skills by 2013 (Gumbo et al., 2012). Of importance to e-Readiness in the e-Education Business Plan is its aim to ensure access to ICT infrastructure, connectivity to the Internet, shared ICT knowledge through literacy training and community ownership (Gumbo et al., 2012).

Similarly, the private sector and local universities are also contributing to the Eastern Cape's e-Readiness by promoting the development of ICT skills through research. For instance, the Siyakhula Living Lab (SLL) is currently engaged in extending ICT infrastructure and promoting the use of ICTs such as the Internet, e-Commerce, electronic government (e-Government) and electronic judiciary (e-Judiciary) systems in marginalised rural areas,

through the provision of points-of-presence (PoP) in eleven schools along the Wild Cost (Gumbo et al., 2012).

Despite all these e-Readiness efforts, in terms of Internet access, the Eastern Cape Province is among the lowest with 3.8 percent who have home Internet access compared to the Western Cape (18.7 percent) and Gauteng (17.1 percent) (ITWeb, 2013). Some of the challenges affecting the Eastern Cape's e-Readiness include the dominance of rural areas (60 percent) whose connectivity is still sparse as some rural areas have inadequate ICT supporting infrastructure, i.e., no electricity and ICT skills drain as students and graduates are more attracted to study and work opportunities in other provinces (Gumbo et al., 2012; Dlamini, 2009; Ngcingwana, 2008; Pade et al., 2009). In addition, the value of ICT as a strategic enabler of provincial activities has not been well articulated and is not well understood as a result the Eastern Cape Province allocates insufficient budget towards ICT development (Ngcingwana, 2008). Nevertheless, the Eastern Cape ICT Strategy for 2009 to 2014 acknowledges the gravity of some of the challenges faced in enhancing e-Readiness and proposed a road map to address these challenges (Ngcingwana, 2008).

2.2.3 The Eastern Cape hospitality SMMEs' e-Readiness

Research on SMMEs and e-Commerce shows that ICTs with e-Commerce in particular offer new opportunities for SMMEs to offset competitive disadvantage of being small in size with limited resources in terms of employees, skills, financial or capital, knowledge, lack of time and managerial skills, encapsulation or isolation from the outside environment and limited market scope (Al-Qirim, 2007a; Wymer & Regan, 2005). Accordingly, this section evaluates the e-Readiness of hospitality SMMEs in the Eastern Cape Province and goes on to do a comparison of hospitality SMMEs' e-Readiness against that of other hospitality SMMEs in different countries. The e-Readiness evaluation is focused on ascertaining the extent to which hospitality SMMEs are represented on the Internet. A Web analysis of hospitality SMMEs' value adding features on their respective websites was conducted. The aim of the Web analysis was to gauge progress in the adoption of platforms that enable e-Commerce amid e-Readiness initiatives by the Eastern Cape and the South African government. The

Web analysis is guided by features of e-Commerce platforms proposed by Maswera et al. (2008) which are specific for tourism and hospitality business, shown in Table 1.

The hospitality sector's keywords and SMMEs' names were used to identify SMMEs in the Eastern Cape online. Searching using keywords and hospitality SMMEs' names were motivated by the fact that an organisation's current customers probably search for the business by name, but prospective customers tend to search by keywords such as topic and location, which may result in some businesses not being visible online (Google AdWords, 2013).

Table 1: Features and elements associated with interactive and transactive websites of hospitality SMMEs. (Adapted from: Maswera et al., 2008: 191).

Feature	Associated elements or attributes
Product information	Brief description; Rates or fares; Photo gallery; Virtual tours; Interactivity-winnowing; FAQs; Privacy and security policy
Corporate information	Company overview; CEO message; Financial reports; News; Employment opportunities; Investor and community relations
Reservation	Checking availability; Making online reservations; Tracking reservations; Cancelling reservations; Cancellation policy; Amending reservations and Creating customer accounts
Payment facilities	Credit cards; Debit cards; Electronic cash; Virtual credit cards and Currency converter
Customer relationship management	Contact details including directions; E-mail address; Feedback; Reciprocal links; Promotions and special offers; E-newsletter; Loyalty systems; Call-back services; Mailing lists; Mail-to-friend button; Customer surveys; Customer profiling; Free downloads; Competition and games; Customised content
Non-product information	Weather or climate; How to get there (if organisation is not an airline); Local transport information; Other places to see or visit; Where to stay (if organisation is not a hotel or travel agent); Security; Immigration procedures; Customs; Other – any unique content

Keywords that define categories of hospitality SMMEs such as hotels, bread and breakfast, game reserves, other accommodation establishments, conference centres, restaurants and designated tourist amenities as identified by the Eastern Cape Tourism Act 2003 were used to search for respective hospitality SMMEs using Google search engine. The results show that most hospitality SMMEs based in urban settings (Port Elizabeth, East London, Port Alfred) featured through intermediaries such as booking.com or travelground.com. Very few and/or no hospitality SMMEs featured on the search results through the visibility of their own e-Commerce platforms.

In addition, hospitality SMMEs' company names were used to search for respective e-Commerce platforms using Google search engine. A listing of hospitality SMMEs in the Eastern Cape was sourced from the Eastern Cape Tourism Board. From a sample of 200 randomly selected hospitality SMMEs out of 1700 hospitality SMMEs registered with the Eastern Cape Tourism Board, 22 percent had no websites, 69 percent had static websites which were mainly information intensive, and only 9 percent had comprehensive e-Commerce platforms that allow for account creation, customer relationship management facilities, online payment and reservation. It should be noted that Google is the dominant search engine with a market share of 65 to 70 percent and its capability to show sponsored and unsponsored search results (Nielsen Wire, 2010 in Liang, Anderson, Scheufele, Brossard & Xenos, 2012; Sui, 2012) makes it a suitable search engine for searching websites of hospitality SMMEs in the Eastern Cape Province.

Some hospitality SMMEs are located in rural areas with poor ICT infrastructure and no electricity (Gumbo et al., 2012; Pade et al., 2009). In addition, hospitality SMMEs often lack adequate institutional support as reflected by the lack of awareness of the benefits e-Commerce adoption could offer their operations among other factors (World Bank, 2006b in Rogerson, 2007b; Warden & Williams, 2003 in Rogerson, 2007b). These are some of the challenges that could explain why some hospitality SMMEs are yet to adopt e-Commerce extensively.

The Eastern Cape hospitality SMMEs' level of e-Readiness with regards to Web presence conforms to the levels of e-Readiness of SMMEs in other developing countries. For instance,

Abou-Shouk et al. (2012) recently found that one hundred and fourteen (114) hospitality SMMEs out of two hundred and six (206) SMMEs are low-level adopters or initial adopters of e-Commerce while ninety two (92) have adopted advanced e-Commerce where their websites offer online booking with online payment, after sales services and online integration with other institutions. Additionally, Maswera et al. (2008) did a comprehensive Web analysis of African, USA and Western Europe hospitality entrepreneurs. They found that in terms of e-Readiness, websites for African hospitality entrepreneurs need to be evolved into an e-Commerce tool that can be tailored for global markets.

2.3 The nature of hospitality products and customer buying behaviour

Hospitality SMMEs need to successfully adopt e-Commerce platforms if they are to effectively use e-Commerce for business purposes (Maswera et al., 2008; Maswera et al., 2009; Abou-Shouk et al., 2012). The challenge is to define what constitutes e-Commerce platforms in the hospitality sector. Research by Abou-Shouk et al. (2012), Chong (2006) and Maswera et al. (2008) shows that it can be a challenge to define whether a business has adopted e-Commerce or not as the adoption of e-Commerce platforms goes through several levels depending on the extent of sophistication of the adopted e-Commerce platforms. Nevertheless, this research focuses on extended e-Commerce adoption and use or advanced e-Commerce adoption according to Abou-Shouk et al. (2012). To establish the requirements of extended e-Commerce for hospitality businesses, this section analyses the nature of hospitality products and activities of hospitality customers as they purchase products and services of the hospitality sector.

It is important to note that the tourism and/or hospitality sector is not formally classified under the International Standard Industrial Classifications (Smith, 1998 in Rogerson, 2005). As such, the scopes and ranges of hospitality service or products are vast (Gilmore, 2003). They can range from very tangible products such as geographical areas, unique sites and man-made facilities to more intangible specific attractions, destination facilities and amenities, accessibility, images and prices (Gilmore, 2003). In other words, a hospitality product is a complex set of complementary tourism services produced by different economic agents, with completely different functions, resources and a different knowledge base

(Wanhill, 2002; Werthner & Ricci, 2004). Research by Seabra, Abrantes and Lages (2007); Gilmore (2003) and Palmer (2005) went on to propose that services are distinguished from manufactured goods in the following ways:

1) **Intangibility** means that, unlike physical goods, services cannot be touched and therefore cannot be warehoused, stored or be displayed (Gilmore, 2003).

2) **Inseparability** relates to the fact that services are processes, deeds or acts, customers are involved in their production and consumption which usually happens simultaneously (Seabra et al., 2007; Gilmore, 2003; Palmer, 2005).

3) **Perishability** attribute implies that, given their intangibility, services cannot be stored, warehoused or reused (Gilmore, 2003).

4) Considering that services are intangible, they have an attribute of **heterogeneity** which means that standardization and quality are difficult to control (Gilmore, 2003).

These characteristics of hospitality services create uncertainty and perceived risk in customers' minds in such a way that before buying, consumers acquire a large amount of information and make procurement decisions based on the consequent images and expectations (Seabra at al., 2007). Palmer (2005) proposed a model of services purchase in which he argued that service customers recognise the need for a service first (through adverts or as their daily routine) then search for information on potential services that could meet their needs, evaluate available services, decide and purchase the services, and then evaluate the services after use.

In line with Palmer's (2005) proposition, research by Ho, Lin and Chen (2012) and Litvin, Pan and Goldsmith (2008) suggested that the major sources of information that influence hospitality customers' purchase behaviours include the Internet, adverts, movies, travel agents, word-of-mouth and interpersonal influence. In particular to the Internet, Huang and Benyoucef (2013) recently noted that the invention of Web 2.0 has transformed e-Commerce

from a product oriented environment to a social and customer oriented one. With Web 2.0, customers' perceptions, preferences and decisions are not only based on information presented on e-Commerce websites, but are also influenced by content generated by people on social networks and interactive e-Commerce websites (Constantinides & Fountain, 2008 in Huang & Benyoucef, 2013). A good example is that of consumers sharing their hospitality and tourism opinions is the social media website tripadvisor.com — touted (by the company) as ''the largest site for unbiased travel reviews (which) gives you the real story about hotels, attractions, and restaurants around the world'' (Litvin et al., 2008:458). It is therefore a primary task for hospitality businesses' marketing and promotional effects to ensure relevant information is made visible and accessible to potential customers (Xiang & Pan, 2011).

2.4 Characteristics of extended e-Commerce

This research uses the ICDT model to describe what constitutes extended e-Commerce platforms in the hospitality sector. The ICDT model is generic and applies to various industries (Karanasios, 2008). Even though O'brien (1998 in Halawani, Abdullah, Rahman & Halawani, 2013) and Karanasios (2008) have used the ICDT model to describe characteristics of e-Commerce adoption by hospitality businesses before, Halawani et al. (2013) is adamant that there is a dearth of research that uses the ICDT model to assess the characteristics of the use of Internet in travel and tourism enterprises. It is also important to reconsider the ICDT model for describing characteristics of extended e-Commerce due to the rapid growth of Internet use and Web technologies and its expansion to include many features (Halawani et al., 2013).

The ICDT model proposed that the Internet has extended the traditional market space by providing new spaces in which economic agents can interact by exchanging information, communicating, distributing different types of products and services and initiating formal business transactions (Angehrn, 1997). In light of the opportunities presented by the Internet, the model provides a basis for identifying how existing products and services could be extended and redesigned, as well as defining the characteristics of completely new services whose conception and development has been made possible by the Internet

(Angehrn, 1997). The model categorises the opportunities presented to economic agents through the Internet into four different virtual spaces namely: the information, communication, distribution and transaction space (Halawani et al., 2013), within which businesses are expected to reflect how they extend and redesign their products and services as shown in Figure 1.
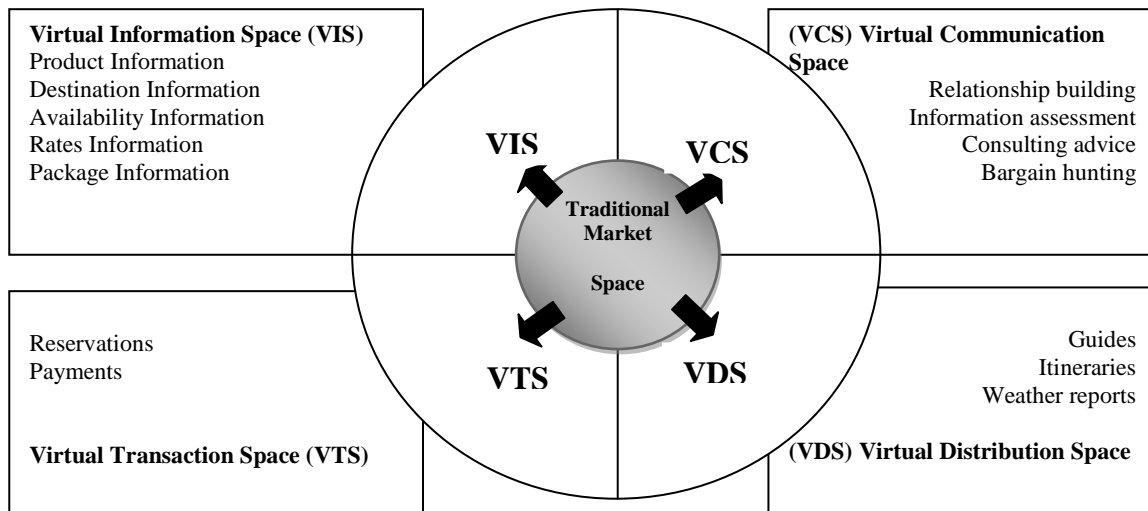
Figure 1: Hospitality and the ICDT Model. (Adapted from: O'brien, 1998:72 in Halawani et al., 2013: 263)

1) **Virtual information space -**This space refers to the Internet-based channels which businesses use to display information about themselves, their products and the services they offer (Angehrn, 1997). Company websites are among the most commonly used mechanisms of utilizing the virtual information space by a business (Karanasios, 2008).

2) **Virtual communication space-**This space refers to the exchange of information between various business stakeholders: suppliers, customers, and strategic allies (Karanasios, 2008). Unlike the information space, information in the communication space flows in more than one direction through virtual communities or Internet-based news groups where stakeholders exchange ideas, experiences and influence opinions (Angehrn, 1997; Karanasios, 2008).

3) **Virtual transaction space-**The virtual transaction space consists of the Internet-based channels through which buyers and sellers can exchange formal business transactions such as orders, invoices and payments (Angehrn, 1997).

4) **Virtual distribution space-**This space describes how organisations have taken advantage of the Internet to facilitate the distribution of their products and services. It has already been observed that certain products and services are more suited to the Internet than others, such as digitised and information intensive products (Karanasios, 2008).

2.4.1 Using the ICDT Model to describe extended e-Commerce adoption

The reviewed literature on hospitality products and customer buying behaviour highlighted the importance of availing information to customers through the Internet to influence their buying behaviour. In addition, research by Abou-Shouk et al. (2012), Molla and Licker (2005), Maswera et al. (2008), Maswera et al. (2009) put more emphasis on the institutionalization of e-Commerce if SMMEs are to survive in an intensely competitive hospitality sector. As such, this study concedes extended e-Commerce for hospitality SMMEs is characterised by the institutionalization of e-Commerce with SEM and/or listing services on intermediary websites, and engaging through social media websites. Institutionalizing e-Commerce, listing services on intermediary and engaging through social websites are discussed below to demonstrate how hospitality SMMEs can take advantage of business opportunities presented by the Internet through the virtual spaces and redesign the way they extend their services to customers.

1) **Institutionalization of e-Commerce**

Institutionalization of e-Commerce refers to organisations that have interactive, transactive or integrated e-Commerce capabilities (Molla & Licker, 2005). This level of e-Commerce adoption allows for the attainment of virtual information, distribution, transaction and to a certain extent, communication spaces as proposed by Angehrn's (1997) ICDT model. By owning a website, hospitality SMMEs can take advantage of the virtual information space

provided by the Internet and display corporate information, information on products and services and Frequently Asked Questions (FAQs). On the other hand, virtual distribution space can be met by making available information relating to destination weather or climate; how to get there; local transport information; other places to see or visit; where to stay; security; immigration procedures and customs (O'Brien, 1998 in Halawani et al., 2013; O'Brien, 1998 in Karanasios, 2008; Maswera et al., 2008).

In addition, owning a transactive website implies that the virtual transaction space is catered for and will cover Internet-based channels through which economic agents can exchange formal business transactions such as payments and reservation facilities (Halawani et al., 2013; Maswera et al., 2008). Lastly, interactive attributes of the website also allow for parts of the virtual communication space through the use of e-mails or comments on the website or instant chats (Maswera et al., 2008; Kshetri, 2007).

i. **SEM.** In addition to the institutionalization of e-Commerce, hospitality SMMEs needs to enhance their online visibility. Maswera et al. (2009) suggest that in order to generate meaningful business, hospitality organisations need to increase traffic to their website. Accordingly, online visibility allows for this by directing traffic towards the SMME's e-Commerce platform (Fiorini & Lipsky, 2012; Skiera & Nabout, 2012). Online visibility is very critical in an information intensive hospitality sector. Xiang and Pan (2011) note that information technology, particularly the Internet, has changed the way travel-related information is distributed and the way people search for and consume travel. As such, search engines can be seen as a powerful ''gateway'' for online consumers to access travel-related information, as well as an important distribution channel for tourism destinations and businesses (Xiang, Wo¨ber, & Fesenmaier, 2008 in Xiang & Pan, 2011). There is no doubt about the importance of search engines given that they supported 37 percent of purchase decisions of all the 85 percent Internet users that bought at least one product online (Global Nielsen Consumer Report, 2008 in Skiera et al., 2012).

Customers use different keywords and combinations of keywords to search for products through search engines (Skiera et al., 2012; Skiera & Nabout, 2012). When exposed to a list of search results, a number of factors influence the traveller's evaluation and selection

of search results, particularly the ranking of search results link along with its relevancy to the search query (Xiang & Pan, 2011). The primary task in hospitality businesses' marketing and promotional efforts is to ensure relevant information is made visible and accessible to potential visitors (Werthner & Klein, 1999 in Xiang & Pan, 2011). Search engine providers like Google and Yahoo own and manage keywords specific to particular business sectors (Skiera, Eckert & Hinz, 2010). As such, SEM through search engine optimisation, keyword advertising and paid or sponsored search are effective forms of Internet marketing that hospitality SMMEs can use to promote their visibility in Search Engine Result Pages (SERPs) (Moran & Hunt, 2005 in Xiang & Pan, 2011; Skiera et al., 2012; Skiera & Nabout, 2012).

2) Listing services on intermediary websites

Hospitality SMMEs often lack adequate resources that may hinder their ability to institutionalize e-Commerce (SEDA, 2012; Wanhill, 2002). In light of limited resources, some hospitality SMMEs can take advantage of the business opportunities presented to them by the Internet through listing their services on intermediary websites like booking.com and travelground.com. These intermediaries provide interactive online platforms and can enhance hospitality SMMEs' online visibility through inbuilt SEM. Previous studies show that SMMEs' reliance on ICT vendors for Web designing often result in them consulting vendors with unknown skills, or what Al-Qirim (2007a) refers to as "amateur" designers, who in turn design poorly structured websites that could negatively affect clients' trust as they contemplate on making online bookings. It is therefore assumed that by listing on intermediaries, hospitality SMMEs stand a chance to benefit from using established and trustworthy payment systems run by established organisations. The impact of intermediaries cannot be refuted. Today, it is claimed that thousands have conducted their bookings online through Travel Ground. Travel Ground has also been awarded winner of the Best Designed, Standards and Ease to use e-Commerce platform and was 2nd runner up in the Best e-Commerce Services Website in the 2012 South African e-Commerce Awards (TravelGround, 2013; e-Commerce Awards, 2013). Nevertheless, to engage an intermediary, hospitality SMMEs have to pay a commission for every booking. Furthermore, they have no direct access to customers, and all customers that come through the intermediaries remain the intermediaries' customers. It can therefore be concluded that, just like with institutionalizing

e-Commerce, hospitality SMMEs can list their services on intermediaries and take advantage of the business opportunities presented by the virtual spaces.

3) Engaging through social media websites

Through the virtual communication space, Angehrn (1997) proposes that economic agents (customers) meet to exchange ideas and experiences, influence opinions, negotiate potential collaborations, lobby, engage in relationships and create different types of virtual communities. Social media is expected to provide an alternative means of communication besides the one provided through interactive websites of hospitality SMMEs and intermediary websites on which hospitality SMMEs' services are listed on. As already noted by Xiang and Gretzel (2010), social media platforms represent various forms of consumer-generated content (CGC) such as blogs, virtual communities, social networks, and collaborative tagging have gained substantial popularity in online travellers' use of the Internet. They assist consumers in posting and sharing their travel-related comments, opinions and personal experiences, which then serve as information for others (Xiang & Gretzel, 2010). For instance, Sparks and Browning (2011) found that the intentions to book and trust in a target hotel were higher following exposure to positive reviews on social media website. In addition, research by Xiang and Gretzel (2010) found that certain types of social media sites are grouped together, along with certain types of keywords, such that travellers are more likely to be exposed to social media websites than other tourism websites when using a search engine to find relevant travel information. All these findings suggest that hospitality SMMEs need to engage through social media platforms and make use of customer generated information to promote their business establishments. Such social media websites include tripadvisor.com and expedia.com.

2.4.2 The use of extended e-Commerce

The use of extended e-Commerce can be seen as the degree to which a firm is successful in linking with customers and converting its transaction documents into electronic form (Chong, 2006). The customer or supplier use is an important measure of success of e-Commerce systems because customer use is more often voluntary (Petter, DeLone & McLean, 2008). In

addition, there is a belief that e-Commerce sites succeed when users purchase its products online (Chen, Rungruengsamrit, Rajkumar & Yen, 2013; Hong & Zhu, 2006). Research by Chong (2006), Hameed et al. (2012), Hong and Zhu (2006) proposed techniques for ascertaining e-Commerce use in an attempt to draw a line between adopting a technology and post adoption activities that defines the use of a technology for business purposes. For instance, Hong and Zhu (2006) used the proportion of revenue generated through the Web as an indicator of e-Commerce use. On the other hand, Chong (2006) used three techniques namely:

1) **Volume**-the proportion of business that the firm derives from Internet-based e-Commerce.

2) **Diversity**-the variety of documents exchanged via Internet-based e-Commerce with external partners.

3) **Breadth**-the extent to which a firm has developed e-Commerce connections with its trading partners.

Accordingly, this study adopts and extends propositions by Chong (2006) and Hong and Zhu (2006) that depict the use of e-Commerce. To our knowledge, these two are the only studies to date that propose techniques for evaluating the use of extended e-Commerce at organisation level. These techniques were adjusted to accommodate hospitality business activities of selling services, reserving services and communicating online with a clear intent to sell. As a result, the following were considered for this study as techniques for ascertaining extended e-Commerce use.

1) **Online sales-**relates to the revenue generated through the website namely, the institutionalized e-Commerce platform and/or intermediary websites on which a hospitality SMME's services are listed on. This technique is in accordance to previous studies (Chong, 2006; Hong & Zhu, 2006) and measures activities of the virtual transaction space.

2) **Reservations-** hospitality business involves customers booking for services such as reserving accommodation or any other particular service. Service reservations can be done manually and over the Internet through the institutionalized e-Commerce platforms and/or intermediary websites on which hospitality SMMEs' services are listed on. Reservation evaluates activities of the virtual transaction space and is used to describe what Chong (2006) see as the volume of business conducted over the Internet.

3) **Customer service-** relates to the variety of correspondence between hospitality SMMEs and customers through the Web (Chong, 2006). Such documents include e-mails on enquiries, cancellation of reservations, sending of quotes or invoices or electronic marketing activities, and customer relationship management that includes sending out of promotions and special offers messages, use of customer loyalty systems and instant messaging (Maswera et al., 2008).

2.5 Summary

This chapter defined e-Commerce and conducted an e-Readiness analysis of South Africa, the Eastern Cape and hospitality SMMEs. Even though the use of ICTs is yet to reach greater levels, this chapter identified various mechanisms and activities that reflect the South African government and the Eastern Cape local government's commitment towards e-Readiness. In addition, the chapter conducted an analysis of the nature of hospitality products and found that they assume characteristics of services namely, intangibility, inseparability, perishability and heterogeneity. These characteristics present uncertainty and perceived risk in customers' minds in such a way that they tend to gather a lot of information prior to the purchase and consumption of respective services. As a result, the chapter proposed extended e-Commerce with characteristics or attributes that are expected to meet the requirements of hospitality business. It was proposed that, extended e-Commerce is characterised by institutionalized e-Commerce adoption with SEM activities and/or listing services on intermediary websites, and engaging through social media websites. By institutionalizing e-Commerce and/or listing services on intermediary websites, hospitality SMMEs are expected to facilitate online sales, reservations and customer services. SEM is expected to make a hospitality SMME's website

visible to customers while social media websites is expected to provide supporting evidence on the services offered by hospitality SMMEs through customer generated information.

Given that this chapter has defined extended e-Commerce adoption and use, the next chapter goes through a literature review of current models and theories to identify factors that determines the adoption and use of extended e-Commerce.

CHAPTER 3: FACTORS DETERMINING EXTENDED E-COMMERCE ADOPTION AND USE

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3.0 Introduction

The previous chapter addressed the first research sub-question by describing characteristics of extended e-Commerce and use. Accordingly, this chapter identifies factors determining the adoption and use of extended e-Commerce. It addresses the second research sub-question:

> *What are the factors determining the transition to extended e-Commerce adoption and use?*

Several theoretical propositions on understanding IT adoption by individuals or organisations have been made. This has seen a number of dependent variables being employed in the literature to understand IT adoption, for instance intention to adopt, intention to use, usage, continued use and post adoption behaviour (Jeyraj & Sabherwal, 2008). Nevertheless, this chapter used the Unified Theory of Acceptance and Use of Technology proposed by Venkatesh et al. (2003) and a Perceived e-Readiness Model proposed by Molla and Licker (2005) as sources of factors determining extended e-Commerce adoption and use. The chapter justifies the use of the two models and goes on to apply propositions in these models to the context of hospitality SMMEs.

3.1 The Unified Theory of Acceptance and Use of Technology (UTAUT).

Venkatesh et al. (2003) proposed the UTAUT model which centred the individuals' acceptance of technology on the intention and/or usage. UTAUT can be useful in explaining intention and actual use of technology including extended e-Commerce. According to UTAUT, four constructs, namely performance expectancy, effort expectancy, social influence and facilitating conditions, are seen as direct determinants of user acceptance and usage behaviour (Venkatesh et al., 2003). Gender, age, voluntariness of use and experience are seen as key moderators of the determinants to the intention or use behaviour (Venkatesh et al., 2003) as shown in Figure 2.

In an attempt to bring together a range of theoretical frameworks and ideas, Venkatesh et al. (2003) developed and evaluated a unified theory of technology adoption through the consolidation of eight models (Casey & Wilson-Evered, 2012; Venkatesh et al., 2003). The eight models studied by these researchers include the Theory of Reasoned Action (TRA), Technology Acceptance Model (TAM), Motivational Model, Theory of Planned Behaviour (TPB), a hybrid model combining constructs from TAM and TPB (C-TAM-TPB), Model of PC Utilization (MPCU), Innovation Diffusion Theory (IDT), and Social Cognitive Theory (SCT) (Martins, Oliveira & Popovi, 2013). As such, the UTAUT is believed to be the most complete model with the ability to explain 70 percent of the variance in usage intention (Martins et al., 2013; Venkatesh et al., 2003). Scholars have since obtained empirical support for the UTAUT model across contexts including Internet banking adoption (Martins et al., 2013); 3G mobile telecommunication (Yang et al., 2008); uptake of technology innovations in online family dispute resolution services (Casey & Wilson-Evered, 2012), and the comparison of technologies (MP3 player and Internet banking) adopted across cultures (Im et al., 2011).
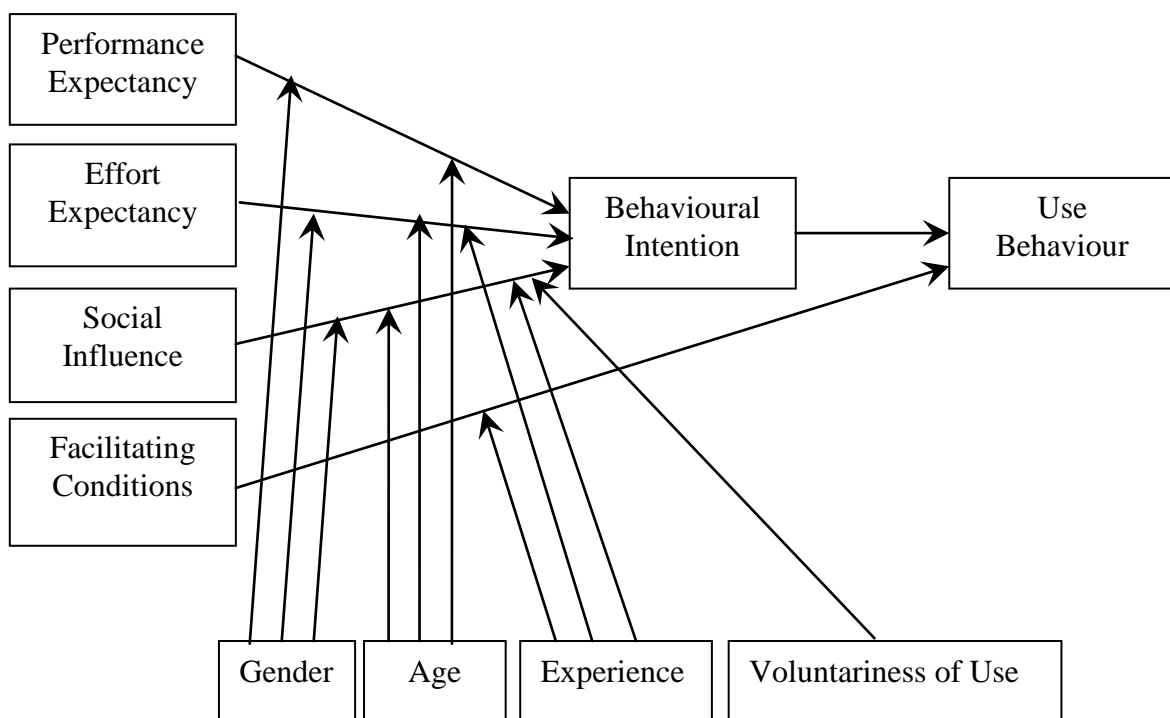
Figure 2: The Unified Theory of Acceptance and Use of Technology. (Adapted from: Venkatesh et al., 2003: 447)

UTAUT seems a suitable model to provide factors that determine extended e-Commerce adoption and use. In light of resource constraints faced by SMMEs, it is reasonable to expect that they would demand even more strategic value from their use of resources than larger firms (Saffu, Walker & Hinson, 2007). Therefore, performance expectancy of extended e-Commerce can be a major decider of the adoption and use of extended e-Commerce. In addition, effort expectancy as determined by the degree of complexity of extended e-Commerce is likely to influence hospitality SMMEs' decision to adopt and use the technology; given the limited technical skills they possess (SEDA, 2012). In addition, Ghobakhloo et al. (2011) state that SMMEs have a tendency of employing generalists rather than specialists, reliance on short-term planning, informal and dynamic strategies and decision-making process, and lack of standardization of operating procedures. Based on this premise, it is expected that unofficial channels through social influence could play a critical role in influencing hospitality SMMEs' decision to adopt and use extended e-Commerce. Lastly, facilitating conditions are also expected to influence hospitality SMMEs' decisions of extended e-Commerce adoption and use. Recent research by Ghobakhloo et al. (2011) found that SMMEs often rely on ICT vendors or supporting institutions, given their lack of internal IS experts, difficulty in recruiting and retaining IS professionals, as well as affording costs of providing IS training.

3.2 The Perceived e-Readiness Model (PERM).

Molla and Licker (2005) proposed the PERM with two constructs, namely Perceived Organisational e-Readiness (POER) and Perceived External e-Readiness (PEER), as instrumental constructs to e-Commerce adoption and institutionalization in the developing countries. E-Commerce adoption and institutionalization is seen as a result of the interaction between the PEER and POER forces in a dynamic framework (Molla & Licker, 2005). Molla and Licker (2005) define POER as the managers' evaluation of the degree to which they believe that their organisations are ready in terms of Awareness, Commitment, Resources and Governance to aid e-Commerce implementation. In addition, PEER is defined as the degree to which managers believe that the environment is ready to aid e-Commerce implementation as determined by Market Forces, Government and Supporting Industries e-Readiness. Figure 3 shows Molla and Licker's PERM.

Even though the study by Molla and Licker (2005) is not specific to any particular industry, the PERM has received wide use in previous studies on e-Commerce adoption as either a vehicle for providing factors of adoption and/or depicting the sophistication of e-Commerce adoption (Karanasios, 2008; Fathian et al., 2008; Ghobakhloo et al., 2011; Halawani et al., 2013). For instance, Karanasios' (2008) research on proposing an e-Commerce framework for hospitality SMMEs acknowledges that factors within the POER contextual area are consistent with the discussion of his research. Ghobakhloo et al. (2011) recently used PERM to define what constitutes e-Commerce adoption within the context of SMMEs. In addition, Tyler et al. (2007) adapt, extend, test and validate the PERM with an empirical study involving 134 Chinese SMMEs within the context of business-to-business e-Commerce adoption. The PERM was found useful in depicting e-Commerce adoption by Chinese SMMEs with PEER positively influencing e-Commerce adoption while POER inhibiting e-Commerce adoption (Tyler et al., 2007). Tyler et al. (2007) noted that in particular to POER, SMMEs in China suffer from the lack of business resources and human resources in terms of firm size and resources available for employees to pursue innovation.
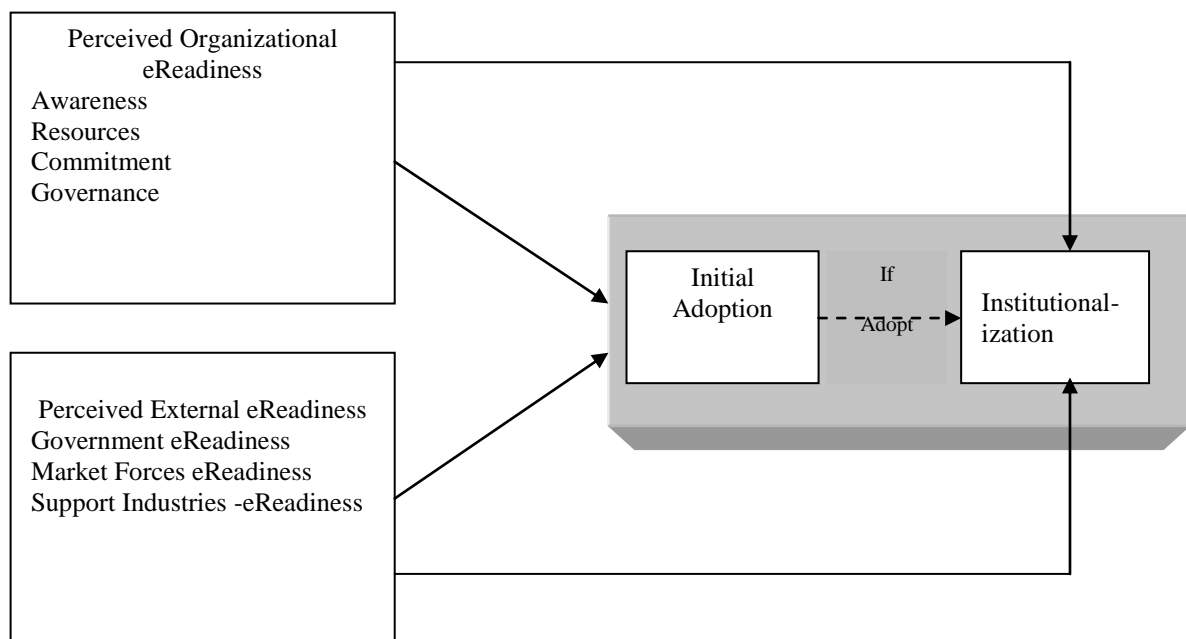
Figure 3: A conceptual representation of the PERM. (Adapted from: Molla & Licker, 2005:881)

This study used the PERM to identify factors that could influence extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape. The previous chapter's evaluation of the Eastern Cape Province's e-Readiness showed that the province faces a

number of challenges amongst them a low level of Internet access, the allocation of insufficient budget towards ICT development by the local Government, the lack of understanding the value of ICT at provincial level, the prevalence of rural areas (60 percent) whose connectivity is still sparse due to poor ICT supporting infrastructure, the shortage of ICT skills as students, and graduates are more attracted to work opportunities in other provinces (Gumbo et al., 2012; Dlamini, 2009; ITWeb, 2013; Ngcingwana, 2008; Pade et al., 2009).   In addition, SMMEs lack resources from starting up to running a successful business organisation (Elliot & Swery, 2006; Ghobakhloo et al., 2011; Tyler et al., 2007).   All these issues present environmental and organization challenges to hospitality SMMEs as they attempt to adopt and use extended e-Commerce – something that is represented in the PERM.

3.3 The identified factors determining extended e-Commerce adoption and use

To arrive at factors determining the adoption and use of extended e-Commerce by hospitality SMMEs from the reviewed models, this study adopted a systematic qualitative process of charting, matching and consolidating variables (Wymer & Regan, 2005). Content analysis on the reviewed models, UTAUT and PERM, is used to identify the factors determining extended e-Commerce adoption and use. The definition and attributes of variables and their context of use were used during the consolidation of variables. Factors that were seen as overlapping were either put together to make one factor or separated depending on the meaning of the factor (Wymer & Regan, 2005).   Table 2 summarises the identified factors determining extended e-Commerce adoption and use.

Table 2: The identified factors determining extended e-Commerce adoption and use

Factor name	Source models or studies	
	UTAUT	**PERM**
Government support		✓
Market e-Readiness		✓
ICT vendors	✓	✓
ICT infrastructure	✓	✓
Financial institutions	✓	✓
Social Influence	✓	
Awareness		✓
Relative advantage	✓	
Ease of use or adoption	✓	
ICT skills		✓
Cost		✓
Commitment		✓

3.3.1 Government support

Government support is seen as the availability and preparedness of the state and its various institutions to promote, support, facilitate and regulate e-Commerce and its various requirements (Molla & Licker, 2005). Research based in developing countries shows that governments play a critical role in facilitating the smooth adoption and use of extended e-Commerce by SMMEs. For instance, Tyler et al. (2007) found that the Chinese government's support through policy and extensive investment towards encouraging SMMEs to adopt and use e-Commerce has paid off extensively. On the other hand, the Chinese government's controls, censors and monitoring of all aspects of the Internet is believed to have created a source of considerable tension that may impede the use of e-Commerce. In addition, Ghobakhloo et al. (2011) recently claimed that e-Commerce friendly policy ought to be developed to compensate for the inherent lack of necessary financial, legal and physical infrastructures for the development of e-Commerce within SMMEs in developing countries. Ghobakhloo et al. (2011) go on to attribute e-Commerce institutionalization within Iranian SMMEs to the support, financial incentives and grants provided by the government since 2002.

Accordingly, government support is expected to play an instrumental role in influencing extended e-Commerce adoption and use by hospitality SMMEs. Already on the ground is

the Tourism Enterprise Partnership, an initiative of the Department of Environmental Affairs and Tourism (DEAT) in partnership with the Business Trust that provides hospitality SMMEs with financial and non-financial supportive packages including IT support as noted by SEDA (2012).

3.3.2 Market e-Readiness

Market e-Readiness relates to the availability of a viable market or customer base for extended e-Commerce (Wymer & Regan, 2005).   Market e-Readiness is expected to play a very important role considering that the hospitality business draws customers from across the world, including countries that experience high levels of Internet penetration and usage (Maswera et al., 2008).   The recently held Federation International de Football Association (FIFA) World Cup (2010) is believed to have opened market opportunities for the South African hospitality sector across the world.   As such, hospitality organisations, including SMMEs, are expected to identify e-Commerce as a way to improve customer service, thus making them more likely to adopt and use extended e-Commerce (Wang & Qualls, 2007). This is so because tourism is an information rich industry; it depends heavily on finding and developing new means to distribute travel and hospitality services, and providing comfort and convenience to travellers (Halawani et al., 2013).   Hence market e-Readiness is expected to play a critical role in influencing extended e-Commerce adoption and use by hospitality SMMEs.

3.3.3 ICT vendors

Due to the challenges faced by SMMEs with regards to limited resources, it is expected that they would outsource ICT services. These include services of website designer, web hosting service providers, Internet Services Providers, computer repairs and maintenance services (Molla & Licker, 2005).   Researchers noted that technology vendors and consultants persuade potential adopters about new innovations (Al-Qirim, 2007a) and even recently, the trend remains the same with ICT vendors positively influencing SMMEs' adoption of e-Commerce (Ghobakhloo et al., 2011).

Unfortunately, ICT vendors are seen to have a negative influence on the adoption and use of extended e-Commerce. Chong (2006) argues that when a firm reacts to pressure from external environment (ICT vendors), it is more likely that they are limiting their deployment in the direction from which the pressure is arising, instead of exploring the fuller extent of possibilities that e-Commerce offer. Under such circumstances, ICT vendors can negatively influence extended e-Commerce adoption and use especially when the support comes through informal networks such as family and friends with little knowledge about e-Commerce (Karanasios, 2008). Such a scenario is possible in the Eastern Cape given the high levels of brain drain due to the province's failure to provide better job opportunities and retain its professionals as highlighted in Chapter 2.

3.3.4 ICT infrastructure

ICT infrastructure relates to infrastructures that support the Web and the Internet technologies such as electricity supply and the availability bandwidth or Internet speed that can sufficiently support extended e-Commerce activities (Kshetri, 2007; Molla & Licker, 2005). ICT infrastructure plays a critical role to e-Commerce adoption and use. Quite often studies differentiate e-Commerce adoption between developing and developed countries based on the availability of telecommunications infrastructure. For example, Kshetri (2007) is of the view that the rapid growth of e-Commerce in the US can be attributed to the ICT infrastructure already in place and an easy availability of a physical delivery system.

In addition, research by Karanasios (2008) found that hospitality SMMEs used to have unreliable Internet connection prior to the Engineers Without Borders' intervention in Bario, Malaysia. Prior to the Engineers Without Borders' intervention, hospitality SMMEs were connecting to the Internet through a local telecenter via Virtual Satellite Aperture Terminals (VSATs) that were running on solar energy with a diesel-powered generator serving as backup. These findings conform to characteristics of the Eastern Cape rural areas where there is sparse electricity supply. In addition, some geological setups of the Eastern Cape are characterised by adulating mountains which makes the outlay of ICT infrastructure difficult, especially the VSATs that thrive on the line of site (Gumbo et al., 2012). Accordingly, a recent report by SEDA (2012) confirms that SMMEs are often located in regions with poor

quality and inconsistency of supporting ICT infrastructure resulting in network connectivity problems. As such, telecommunications infrastructure unavailability is expected to negatively affect the adoption and use of extended e-Commerce, while its availability is expected to promote e-Commerce activities in the Eastern Cape.

3.3.5 Financial institutions

Financial institutions relates to the availability of the financial systems that can facilitate electronic payment systems (Kshetri, 2007; Molla & Licker, 2005). Kshetri (2007) argues that the slow adoption and use of e-Commerce in developing countries is a result of the underdeveloped financial systems that do not support credit cards or other forms of electronic or online payment systems. As such, the availability of financial institutions that support online payments is expected to promote the adoption and use of online payments on extended e-Commerce platforms.

3.3.6 Social influence

Social influence is defined as the degree to which an individual perceives the importance of the opinion of others regarding the adoption and use the new system (Venkatesh et al., 2003). SEDA (2012) found that the management or owners of SMMEs often lack entrepreneurial skills and mind-set as well as business acumen. As a result, a number of informal or social influences are expected to influence the way hospitality SMMEs go about investing in technology. Social influence constructs include those identified by Venkatesh et al. (2003), namely subjective norm, social factors and image. In particular to subjective norm, hospitality SMMEs would be influenced by their perception of technology in light of the thoughts of important people around them. Accordingly, social factors would see hospitality SMMEs adopting and effectively using extended e-Commerce because other people within their society have done so. Lastly, hospitality SMMEs are expected to adopt and use extended e-Commerce because the innovation is perceived to enhance one's image or status in one's social system.

3.3.7 Awareness

Awareness represents the perception of e-Commerce elements in the environment; comprehension of their meaning through an understanding of e-Commerce technologies, business models, requirements, benefits and threats and projection of its future (Molla & Licker, 2005).   Arguably, awareness is what Ghobakhloo et al. (2011) refers to as the management's Information Systems knowledge, which relates to their ability to identify e-Commerce business models and define benefits and risks associated with e-Commerce.

Given that the decision to make investments within SMMEs is often centralised on the owner or manager due to the scarcity of resources (Saffu et al., 2007). Hence, management or owner's awareness of extended e-Commerce is expected to play an instrumental role in influencing its adoption and use.   This proposition is consistent with previous studies that show that awareness plays a critical role in extended e-Commerce adoption and use (Ghobakhloo et al., 2011; Karanasios, 2008; Molla & Licker, 2005).   The nature of influence depends on the extent of awareness that shapes the understanding of extended e-Commerce and the potential need to harness it as a strategic business tool (Wang & Qualls, 2007).

3.3.8 Relative advantage

Relative advantage relates to the adopter's subjective evaluation of the usefulness of a technology and the perception that its application would be beneficial to the well-being of the company (Venkatesh et al., 2003; Rogers, 1995).   Relative advantage can be categorized in this case as usefulness and benefits of extended e-Commerce for the organisation or its customers (Ghobakhloo et al., 2011).   These advantages include the provision of new opportunities, accomplishment of specific tasks; enhancement of productivity, saving time, marketing and provision of timely information (Ghobakhloo et al., 2011).   The more benefits the organisations can anticipate from using extended e-Commerce, the more likely they are to adopt the technology given sufficient support and facilitation (Wang & Qualls, 2007). Research by Ghobakhloo et al. (2011) shows that relative advantage can influence extended e-Commerce adoption and continued use.   In addition, El-Gohary (2012) found that relative advantage has a positive impact on e-Marketing adoption by hospitality SMMEs.   Of

particular interest, Karanasios (2008) discovered that due to the relative advantage, Malaysian hospitality SMMEs opt to find ways of dealing with environment challenges that they adopt and use extended e-Commerce.

On the other hand, Abou-Shouk et al. (2012) note that as often mentioned in the literature, most managers are not aware of the benefits extended e-Commerce bring to their business, nor do they seek advice and support on where or how to adopt the technologies.   As such, relative advantage is expected to play an important role on hospitality SMMEs in the Eastern Cape as they go about the adoption and use of extended e-Commerce.   The nature of influence rests on the ability to foresee the potential benefits of extended e-Commerce to a business organisation.

3.3.9 Ease of use or adoption

Ease of use or adoption can be explained as the extent to which the adopter perceives a technology to be smooth and free from error with limited efforts with regard to adoption and utilization (Venkatesh et al., 2003; Rogers, 1995).   Due to lack of technical skills, lack of innovativeness and creativity (SEDA, 2012), it is expected that hospitality SMMEs would opt for technologies that can easily be integrated into the organisation.   In addition, hospitality SMMEs owners or managers that are expected to fulfil a number of Web related often lack time (Karanasios, 2008) to do other things in such a way that they are more likely to resist technologies that are difficult to adopt and use.   As such, the perceived ease of use or adoption is expected to affect adoption behavior since an innovation that is easy to adopt and use can considerably reduce the time and effort required to invest in the project, and thus increase the likelihood of adopting the technology (Wang & Qualls, 2007).

3.3.10 ICT skills

The ICT skills relates to the technical understanding of ICTs by the owner or employees. This includes the availability or accessibility of employees with adequate experience and exposure to ICT and other skills such as marketing and business strategy that are needed to adequately staff extended e-Commerce initiatives and projects (Molla & Licker, 2005).

Research shows that SMMEs' adoption of extended e-Commerce and use is often hindered by the general lack of adequate skills or the inability to hire skilled personnel (Abou-Shouk et al., 2012; El-Gohary, 2012; Ghobakhloo et al., 2011; SEDA, 2012). This is compounded by the fact that small enterprises suffer from cultural obligations of hiring family and friends, which may lead to hiring low-skilled employees (Gartner, 2004 in Karanasios, 2008). Hence, the availability of ICT skills is expected to promote the adoption and use of extended e-Commerce by hospitality SMMEs.

3.3.11 Cost

Costs relate to the extent to which the adopter has adequate financial resources to meet costs associated with Web-based initiatives, including hardware, software, IT services, consulting, and employees training (Hong & Zhu, 2006). The cost factor is derived from Molla and Licker's (2005) business resources factor. Molla and Licker (2005) identify business resources as the openness of organisational communication, risk taking behaviour, existing business relationships, and funding to finance e-Commerce projects. This research's consideration of the cost factor separately from business resources is motivated by the fact that costs are the most investigated and significant factors of those attributes under business resources within the context of SMMEs (Abou-Shouk et al., 2012; El-Gohary, 2012; Ghobakhloo et al., 2011; SEDA, 2012). It should be noted that the study by Molla and Licker (2005) is not limited to SMMEs. With reference to hospitality SMMEs, the cost factor is compounded by SMMEs' inability to access financial support as they often lack collateral security to secure bank loans or lack skilled human resources to keep proper records that are necessary when securing a bank loan (SEDA, 2012). As such, costs associated with extended e-Commerce are expected to hinder its adoption and use. However, such costs may pose a lesser effect to extended e-Commerce adoption and use when participants view this factor in light of e-Commerce advantages or benefits as identified by Al-Qirim (2007a).

3.3.12 Commitment

Commitment refers to having a clear-cut vision and strategy championed by top management, leadership and organisation-wide support ideas and projects (Molla & Licker, 2005). Given that SMMEs do not always formalize their operations, the involvement of senior members of the organization (owner or management) can be considered as commitment towards extended e-Commerce. Wymer and Regan (2005) use management support within the context of SMMEs to reflect on commitment towards extended e-Commerce. Hence, within the context of this research, commitment is also seen as an evaluation of the willingness or support by management towards extended e-Commerce as suggested by Wymer and Regan (2005). Since top management plays an important role in the decision-making process for technology innovation, management support, attitude and their involvement will be crucial factors in extended e-Commerce adoption and use (Lefebvre et al., 1997 in Wang & Qualls, 2007).

3.4 Categorising factors determining extended e-Commerce adoption and use

Chong (2006) suggest that the defining factors of extended e-Commerce adoption and use be separated into internal and external influences to distinguish between organisation-derived factors and other motivations that may arise from the overall business environment. Accordingly, Wang and Qualls (2007) argue that extended e-Commerce adoption and use in hospitality organisations is centred on internal and external factors. As such, this research concedes that factors of extended e-Commerce adoption and use can be categorised into internal environmental factors namely organisational, technological and knowledge factors as identified by Wymer and Regan (2005) and external environmental factors (Chong, 2006). Categorisation of the identified factors in previous studies, namely Molla and Licker (2005) and Wymer and Regan (2005), were used to guide this research's factor categorisation into internal and external factors. Table 3 shows a summary of the categorised factors determining extended e-Commerce adoption and use.

Table 3: The categorised factors determining extended e-Commerce adoption and use

Internal Environmental Factors			External Environmental Factors
Organisational Factors	**Knowledge Factors**	**Technological Factors**	
• ICT skills • Awareness • Commitment	• Relative advantage • Ease of Use or Adoption	• Costs	• Government support • Market e-Readiness • ICT vendors • ICT infrastructure • Financial institutions • Social Influence

3.5 Summary

This chapter discussed propositions in the UTAUT and PERM and applied them in the context of hospitality SMMEs. The UTAUT was developed through the consolidation of eight models hence it is deemed the most complete model for predicting IT adoption and use (Martins et al., 2003; Venkatesh et al., 2003). On the other hand, the PERM was proposed in South Africa and has received extensive testing and validation in countries such as China, Iran and Tanzania (Ghobakhloo et al., 2011; Kabanda, 2011; Tan et al., 2007). Therefore, the two models are used in this research as a source of factors determining extended e-Commerce adoption and use. The targeted models contributed technical, organisational and environmental factors. To arrive at the factors determining extended e-Commerce adoption and use, the chapter went through a content analysis of the reviewed models. Depending on the definition of the factor or variable and its attributes, some factors were combined to form one factor while others were renamed to suite the context of this study. The process resulted in the identification of twelve factors determining extended e-Commerce adoption and use. These factors include: government support, market e-Readiness, ICT vendors, ICT infrastructure, financial institutions, social influence, awareness, relative advantage, ease of use or adoption, ICT skills, cost and commitment. The factors were further categorised into internal and external environmental factors.

By identifying factors determining extended e-Commerce adoption and use, this chapter met the requirements of the second sub-question. The next chapter uses findings from this chapter and those of the previous chapter to develop and propose a model of extended e-Commerce and use.

CHAPTER 4: THE PROPOSED MODEL OF EXTENDED E-COMMERCE ADOPTION AND USE

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│ Research overview and   │      │                              │
│ conclusion              │      │                              │
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4.0 Introduction

The previous chapter addressed the second research sub-question by identifying factors determining extended e-Commerce adoption and use. Prior to that, chapter two had addressed the first sub-question by describing the characteristics of extended e-Commerce adoption and use. Accordingly, this Chapter contributes to the research aims of this study by proposing a model of extended e-Commerce adoption and use. Findings from the literature review are used to construct and propose a model. The chapter start with a presentation of the rationale behind proposing a model of extended e-Commerce and use for hospitality SMMEs in the Eastern Cape Province. The rationale behind proposing a model is argued from two perspectives, namely; economically developed versus developing countries and characteristics of the adopter. The chapter goes on to argue the principles of the proposed model which centres its argument of extended e-Commerce adoption and use on the interactionism of internal and external environmental factors. The proposed model suggests two ways by which hospitality SMMEs move to the Internet, namely: extended e-Commerce adoption and use

4.1 The rationale behind the proposed model

This section justifies the need to propose a model of e-Commerce adoption and use. The rationale behind proposing a model for this study is argued from two perspectives, namely the level of economic development (developed versus developing world or countries) and characteristics of the adopter.

4.1.1 e-Commerce adoption in developing countries

The need to propose a research model for this study is motivated by the fact that most of the research on technology adoption has been focused on economically developed countries with little focus on the least economically developed countries (Molla & Licker, 2005; Tyler et al., 2007). Thus, businesses in developing countries face different challenges from those in developed countries which complicate the generalisability of such propositions or findings (Ghobakhloo et al, 2011; Kshetri, 2007; Molla & Licker, 2005; Tyler et al., 2007). For

instance, the rapid growth of e-Commerce in the US can be attributed to the infrastructure already in place and an easy availability of a physical delivery system as suggested by Kshetri, (2007), while in most developing countries e-Commerce adoption has been constrained by the quality, availability and cost of accessing such infrastructure (Humphrey, Mansell, Pare & Schmitz, 2003 in Molla & Licker, 2005).

In addition, the Internet is less attractive for traditional economic sectors (e.g., agriculture) that account for a significant proportion of developing countries' economies (Kshetri, 2007). This and the preference of face-to-face communications over e-mails and low credit card use among other factors have seen the Internet use and e-Commerce practices take long to reach a critical mass for the network externalities to take effect and encourage businesses to opt for e-Commerce innovations (Kshetri, 2007; Molla & Licker, 2005). Accordingly, this study agrees with Molla and Licker's (2005) argument that the low level of ICT diffusion in an economy can limit the level of e-Commerce awareness; a factor taken for granted in the developed countries. Issues which might seem trivial in developed countries may play an important role in e-Commerce adoption in developing countries (Tyler et al., 2007). Therefore, understanding e-Commerce in developing countries requires approaches and models that are flexible and robust enough to capture most, if not all, of the idiosyncrasies (Molla & Licker, 2005).

4.1.2 The characteristics of the adopter

Another reason for proposing a model is that, commonly used and popular models such as the PERM, UTAUT, TAM and frameworks like the Technological-Organisational-Environmental (TOE) framework were proposed without looking much into the adopter's contextual characteristics such as the business size (whether the business under investigation is an SMME or large) and the business sector or industry the researched adopter is in. This limits the generalisability of subsequent models given that such issues can play a critical role in determining concerns around e-Commerce adoption such as the characteristics of respective e-Commerce platforms or websites. For instance, the major difference between SMMEs and large organizations is reflected by the scarce or restricted resources owned and controlled by SMMEs, which is commonly referred to as resource poverty (Ghobakhloo et

al., 2011).   In light of resource constraints, the owners or managers of SMMEs are often entrusted with the allocation of scarce resources for their businesses, including investing in e-Commerce adoption (Al-Qirim, 2007a; Saffu et al., 2007).

In addition, it is generally accepted that e-Commerce has the capacity to transform not only internal practices but also the methods SMMEs use to interact with their trading partners, associates and customers (Chau, 2004 in Lin et al., 2005), hence the levels of sophistication of e-Commerce platforms can vary across SMMEs in different business sectors.   Research by Hong and Zhu (2006) note that businesses in the service sector tend to have a higher e-Commerce usage as they deal with intangible products whose value chain processes can be easily digitized.   Accordingly, recent research by Taherdoost, Sahibuddin and Jalaliyoo (2013) shows that services including those of the hospitality sector have a high degree of digitization and co-creation when compared to physical products.   Digitization is seen as "the degree to which the product or service can be digitized", while co-creation describes the possibility of interaction between the marketers and the customer in aspects of design, production and consumption of the product or service (Sheth & Sharma, 2007 in Taherdoost et al., 2013:13).   Consequently, this difference in business sector of the researched SMMEs lead Ghobakhloo et al. (2011) into concluding that the generalisability of their study on manufacturing SMMEs to other business sectors or context can become problematic.

In addition, the available models and frameworks on IT or innovation adoption are not adequate to evaluate extended e-Commerce adoption and use by tourism SMMEs for the following reasons:

1) The models only examine the processes and factors contributing to the adoption of e-Commerce until acquisition of innovation with no judgement on whether the innovation grows to be part of their regular practice (Hameed et al., 2012).

2) E-Commerce has been defined in several ways depending on the context and research objective of the author (Grandon and Pearson, 2004 in Ghobakhloo et al., 2011). Some of these definitions and guidelines of what constitute e-Commerce are not compatible with this research.   For example, Al-Qirim (2007a) uses Internal e-mail, External e-mail,

Intranet, Extranet or VPN, Internet-EDI and websites as technologies that reflect e-Commerce. Ghobakhloo et al. (2011) argue that e-Commerce adoption can take various forms and two levels of adoption are identified: initial e-Commerce adoption and e-Commerce adoption extent (or post-e-Commerce adoption). Hong and Zhu (2006) define e-Commerce as any application of the Web technologies that enable revenue generating business activities over the Internet.

3) Behavioural theories and models focuses on the independent variable: behavioural use instead of the actual use of the technology (Hameed et al., 2012; Venkatesh et al., 2003; Jeyaraj & Sabherwal, 2008).

All these arguments are in line with recommendations by Ghobakhloo et al. (2011) and Molla and Licker (2005) of proposing a distinct model that is robust enough to capture most, if not all, of the idiosyncrasies of hospitality SMMEs in the Eastern Cape Province.

4.2 The proposed model of extended e-Commerce adoption and use

This research's proposed model is made of three separate units: the first unit identifies factors collectively contributing (negatively and or positively) to extended e-Commerce adoption and use. The second unit identifies measurement tools to assess the sophisticated use of the Internet applications that describe a hospitality SMME's extended e-Commerce adoption as a result of the influence of the identified factors (Halawani et al., 2013). The final unit of the model provides a criterion for evaluating the impact of extended e-Commerce usefulness or the extent of e-Commerce use. The separation of extended e-Commerce sophistication and effective use is motivated by the desire to separate the setting up of a website and the actual practice or conduct of e-Commerce (Hassan, 2013; Hong & Zhu, 2006).

4.2.1 Factors determining extended e-Commerce adoption and use

Studies and subsequent models proposed in developing countries for example, the study by Molla and Licker (2005), Kshetri (2007), Ghobakhloo et al. (2011) and Li and Xie (2012)

suggest that technological, organisational and environmental factors may indeed provide an appropriate starting point for studying extended e-Commerce adoption by businesses. Internal and external environmental concerns influencing extended e-Commerce adoption and use in developing countries are well documented (Ghobakhloo et al., 2011; Kshetri, 2007, 2005; Molla & Licker, 2005; Tyler et al., 2007). In particular to this research, some of the organisational and environmental challenges were articulated in Chapter 2 through the evaluation of e-Readiness at organisational level (hospitality SMMEs), provincial level (the Eastern Cape) and at country level (South Africa). As such, the proposed model of extended e-Commerce adoption and use concedes that internal and external environmental factors play a critical role in the adoption and use of extended e-Commerce by hospitality SMMEs in the Eastern Cape. Internal environmental factors constitute organisational, knowledge and technological factors, namely awareness, relative advantage, ease of use or adoption, ICT skills, cost and commitment. External environmental factors include government support, market e-Readiness, ICT vendors, ICT infrastructure, financial institutions and social influence.

Research on SMMEs shows that due to the scarcity of resources, quite often decision making is centralized on the manager or owner who decides the distribution of scarce resources such as investing in extended e-Commerce (Molla & Licker, 2005; Saffu et al., 2007). It is therefore expected that extended e-Commerce adoption and use is centred on the interactionism of these forces (technological, organizational, environmental and managerial) in a dynamic framework as suggested by Molla and Licker (2005). In other words, extended e-Commerce adoption and use by tourism SMMEs is centred on the owner or management belief that the internal and external environmental factors are ready to warrant the allocation of scarce resources towards extended e-Commerce. Interactionism assumes a co-influence among the forces of the innovation, the external environment, and the internal organisation (including managers) such that the external environment determines the internal organisation, which, by articulating a problem or formulating a solution or unintentional actions, could trigger decisions to adopt and use extended e-Commerce by hospitality SMMEs. This argument is a better explanation of why the level of e-Commerce adoption differs among organisations in the same context (Molla & Licker, 2005) as established after a preliminary investigation on the level of e-Commerce adoption by hospitality SMMEs in the Eastern Cape Province of Chapter 2.

4.2.2 Extended e-Commerce adoption and use

This section describes attributes that make e-Commerce platforms and its actual use. Focus is on the technologies that describe extended e-Commerce adoption and use. These issues are articulated in the following sections.

4.2.2.1 Characteristics of extended e-Commerce platforms

This section discusses the measurement tools that describe the proposed sophistication or characteristics of extended e-Commerce for hospitality SMMEs (Halawani et al., 2013). The level of e-Commerce adoption can be illustrated by high-density adoption, which should result in a firm using multiple Internet-based tools such as website, SEM, intermediary and social media websites (Hassan, 2013; Wu, Zsidisin, & Ross, 2007), thereby complicating the identification of suitable Web-based applications for hospitality businesses. As such, this study used the ICDT model (Angehrn, 1997) as its theory grounding to explain how hospitality SMMEs can take business opportunities created by four different virtual spaces (Information, Communication, distribution, Transaction) courtesy of the Internet and redesign the way they extend their products and services. The ICDT model has received a fair use for depicting the level sophistication of extended e-Commerce for businesses in the hospitality sector (see Karanasios, 2008; Halawani et al., 2013). Chapter 2 discussed in detail how the ICDT was aligned to extended e-Commerce adoption for hospitality SMMEs with reference to the institutionalization of e-Commerce that includes SEM activities and/or listing services on intermediary websites, and engaging through social media websites as shown in Figure 4.

1) **Institutionalization of e-Commerce** – this attribute gives a qualitative description of the extent of e-Commerce adoption based on the level of sophistication of a hospitality SMME's website. Emphasis is on the organization's attainment of an interactive, transactive or integrated e-Commerce platform (Molla & Licker, 2005). These attributes are discussed in detail in Chapter 2. Figure 4 shows that arrows leading to e-Commerce outcomes or uses are solid for institutionalized e-Commerce platforms to emphasise the point that hospitality SMMEs own the platforms hence they have direct and full control of selling, managing reservations and providing customer services through their website.
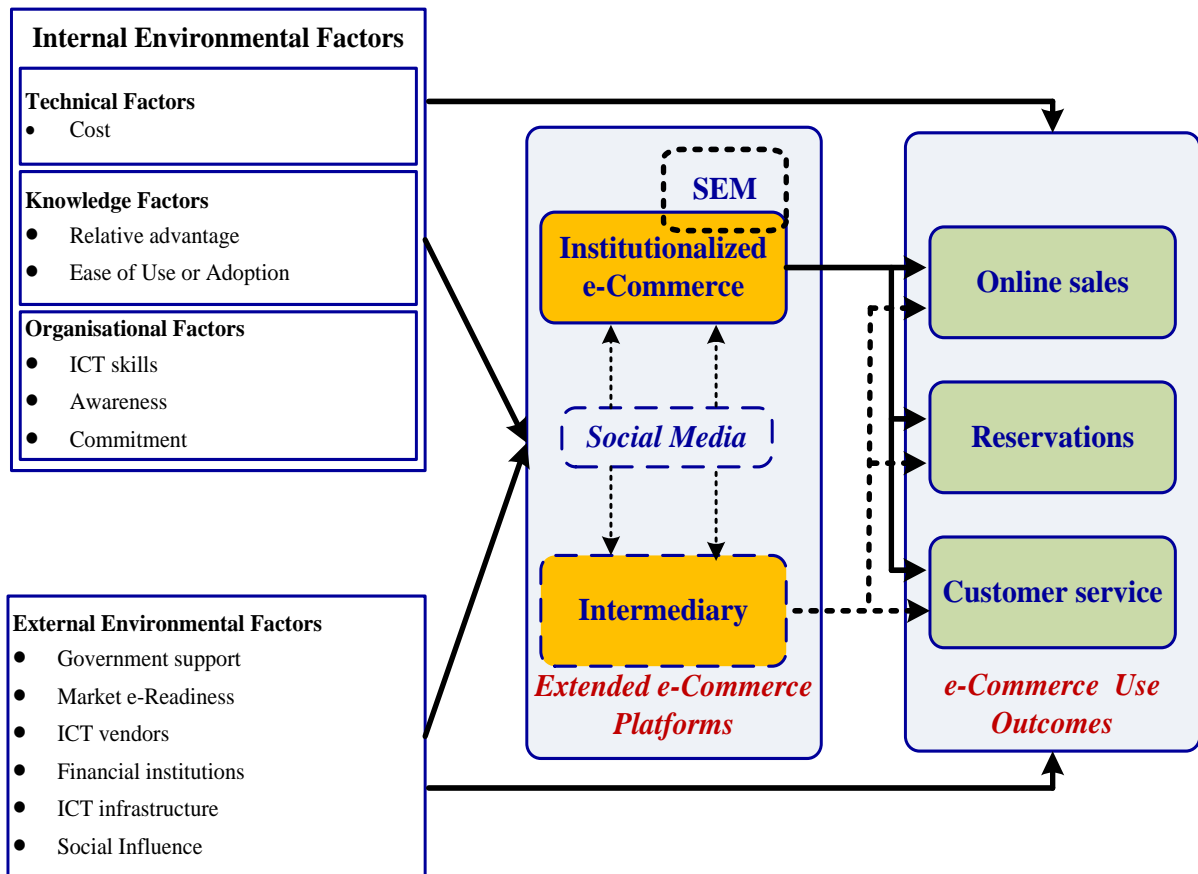
Figure 4: The proposed model of extended e-Commerce adoption and use

i. **SEM –** Chapter 2 outlined how SEM has become the flood gate for travellers seeking travel related information on search engines. SEM can be divided into two categories: Pay for Performance (PFP) where the website pays for visibility (using links, advertising banners, sponsored links or buying words), and Search Engine Optimization (SEO) where website visibility is optimized by making technical adjustments (using keywords, meta-tags) (Murphy and Kielgast, 2008 in Halawani et al., 2013). Given that tourism is information intensive (Halawani et al., 2013; Karanasios, 2008) and tourists pay attention to the first few search engine results pages, it is the responsibility of the adopter to make sure that their platform is visible among the first few pages that appear when related information is searched for on the Internet. As such, hospitality SMMEs that have institutionalized e-Commerce are expected to commit to various SEM activities to enhance their visibility over the Internet as shown in Figure 4.

2) **Listing on intermediary websites –** due to the scarcity of resources, namely limited business and technical skills, and limited financial resources (Ghobakhloo et al., 2011), it is expected that instead of institutionalizing e-Commerce, some hospitality SMMEs are likely to list their services on intermediaries like booking.com and travelground.com. Other SMMEs list services on intermediaries and adopt and institutionalize e-Commerce as shown in Figure 4. Intermediaries is shown in a dotted frame in Figure 4 to emphasise the point that listing services on intermediaries is a form of outsourcing Web services compared to institutionalized e-Commerce platforms that SMMEs will be owning. By listing their services on intermediaries, hospitality SMMEs benefit from online marketing which promote their visibility to customers for a fee hence SEM is not included under intermediary. E-Commerce uses that leads from intermediaries is shown in dotted arrows to emphasise the point that hospitality SMMEs will have an indirect control of sales, reservations and customer support services since they do not own the intermediaries they will be listed on. It should be noted that customers that come through the intermediary will remain customers of the intermediary and hospitality SMMEs are not allowed to market directly to such customers (Travel Ground, 2013).

3) **Engaging through social media websites –** research has shown that social media plays a critical role in the search, purchase and consumption of hospitality services (Sparks & Browning, 2011; Xiang & Gretzel, 2010). The invention of Web 2.0 has seen customers' perceptions, preferences and decisions not only based on information presented on e-Commerce websites, but are also influenced by content generated by people on social networks and interactive e-Commerce websites (Constantinides & Fountain 2008 in Huang & Benyoucef, 2013). As such, hospitality SMMEs are expected to list on social media websites like tripadvisor.com and make use of customer generated information to promote their business establishments visible online through the institutionalized e-Commerce platforms and intermediary websites they are listed on as shown in Figure 4.

4.2.2.2 Assessing e-Commerce use outcomes

E-Commerce use outcomes attempts to understand the extent to which the core business processes at the organisation relies on e-Commerce (Hassan, 2013). It captures the quantitative property that describes the amount of commercial activities conducted through

the Web.   Evaluating extended e-Commerce usage is important, given that many SMMEs with a Web presence do not actually conduct transactions online (Hong & Zhu, 2006). Ironically, hospitality SMMEs stand to benefit more if they engage their websites in their business activities.   Utilizing e-Commerce trading techniques enhance small businesses' visibility and reduce transaction costs by approximately 60 percent among other benefits (Fellenstein & Wood, 2000).   In addition, Ramanathan, Ramanathan and Hsiao (2012) found that e-Commerce can be used to improve operational aspects such as order processing, order fulfilment and delivery, and marketing aspects such as online advertising.   As a result, Chapter 2 proposed the following techniques for evaluating the use of extended e-Commerce:

1) **Online sales-**the amount of revenue generated through the institutionalized e-Commerce platforms and intermediaries on which hospitality SMMEs have listed their services.

2) **Reservations-**the amount of reservations conducted through the institutionalized e-Commerce platforms and intermediaries on which hospitality SMMEs have listed their services on.

3) **Customer service-**the extent of correspondence or communication between hospitality SMMEs and customers through e-Commerce platforms.

4.2.3 Overview of the proposed model

The proposed model identified internal and external environmental factors that determine the adoption and use of extended e-Commerce. The model concedes that, extended e-Commerce platforms are characterised by institutionalizing e-Commerce that includes SEM activities and/or listing services on intermediary websites and engaging through social media websites. As an indication of successful extended e-Commerce adoption and use, hospitality SMMEs are expected to experience e-Commerce outcomes namely online sales, reservations and customer services. These e-Commerce outcomes are the criteria against which the level of extended e-Commerce adoption is measured. In addition, the model concedes that if hospitality SMMEs institutionalises e-Commerce, they are expected to have direct control

over e-Commerce use outcomes since they own the platforms. However, listing on intermediary implies that hospitality SMMEs are outsourcing online services. As such, they are expected to have an indirect control over their e-Commerce use outcomes as shown by broken lines in Figure 4.

4.3 Summary

This chapter proposed a model of extended e-Commerce adoption and use for hospitality SMMEs in the Eastern Cape Province. It is argued that developing countries face different challenges from those faced by developed countries which affect the generalisability of models proposed in developed countries. In addition, SMMEs face different challenges when compared to large business organisations. The chapter also discussed how the levels of sophistication of extended e-Commerce platforms vary from one business sector to the next. All these arguments were used in this chapter to justify the proposition of a model of extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape Province.

The proposed model concedes that internal and external environmental factors such as technical, organisational, knowledge and environmental factors influence extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape Province. Nevertheless, due to the centralization of decision making in SMMEs, it is expected that extended e-Commerce adoption and use is centred on the management or business owner's belief that the internal and external organisational environment is ready to warrant investments towards extended e-Commerce. In addition, the proposed model illustrates two ways by which hospitality SMMEs move to the Internet: extended e-Commerce adoption and use. Extended e-Commerce adoption describes the sophistication of hospitality businesses' Internet-based applications, while e-Commerce use attempts to capture the practice of e-Commerce by the adopter: hospitality SMMEs. The model proposed that extended e-Commerce adoption is characterized by the institutionalization of e-Commerce that include SEM activities and/or listing services on intermediary websites, and listing on social media websites. In addition, online sales, reservations and customer service are seen as attributes that describe the practice or use of e-Commerce.

The next chapter proceeds with the aims to meet this research's objectives by developing a research methodology that is used to evaluate the proposed model in the Eastern Cape Province.

CHAPTER 5: THE RESEARCH METHODOLOGY

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                    │     CHAPTER 1:      │
                    │    Introduction     │
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    │            THEORETICAL FRAMEWORK                   │
    │  ┌──────────────────┐  ┌──────────────────────┐  │
    │  │   CHAPTER 2:      │  │     CHAPTER 3:        │  │
    │  │ Characteristics   │  │ Factors determining  │  │
    │  │ of extended e-    │  │ extended e-Commerce  │  │
    │  │ Commerce adoption │  │ adoption and use     │  │
    │  │ and use           │  │                      │  │
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CHAPTER 4: Proposed model	
CHAPTER 5: Research methodology	5.0 Introduction
CHAPTER 6: Empirical evidence	5.1 The research design
CHAPTER 7: Cross-case analysis and implications	5.1.1 Secondary research
CHAPTER 8: Research overview and conclusion	5.1.2 Primary research

5.0 Introduction

5.1 The research design

    5.1.1 Secondary research

    5.1.2 Primary research

5.1.2.1 Research paradigm and philosophy

    5.1.2.2 Research approach

    5.1.2.3 Case study strategy

    5.1.2.4 The case study design
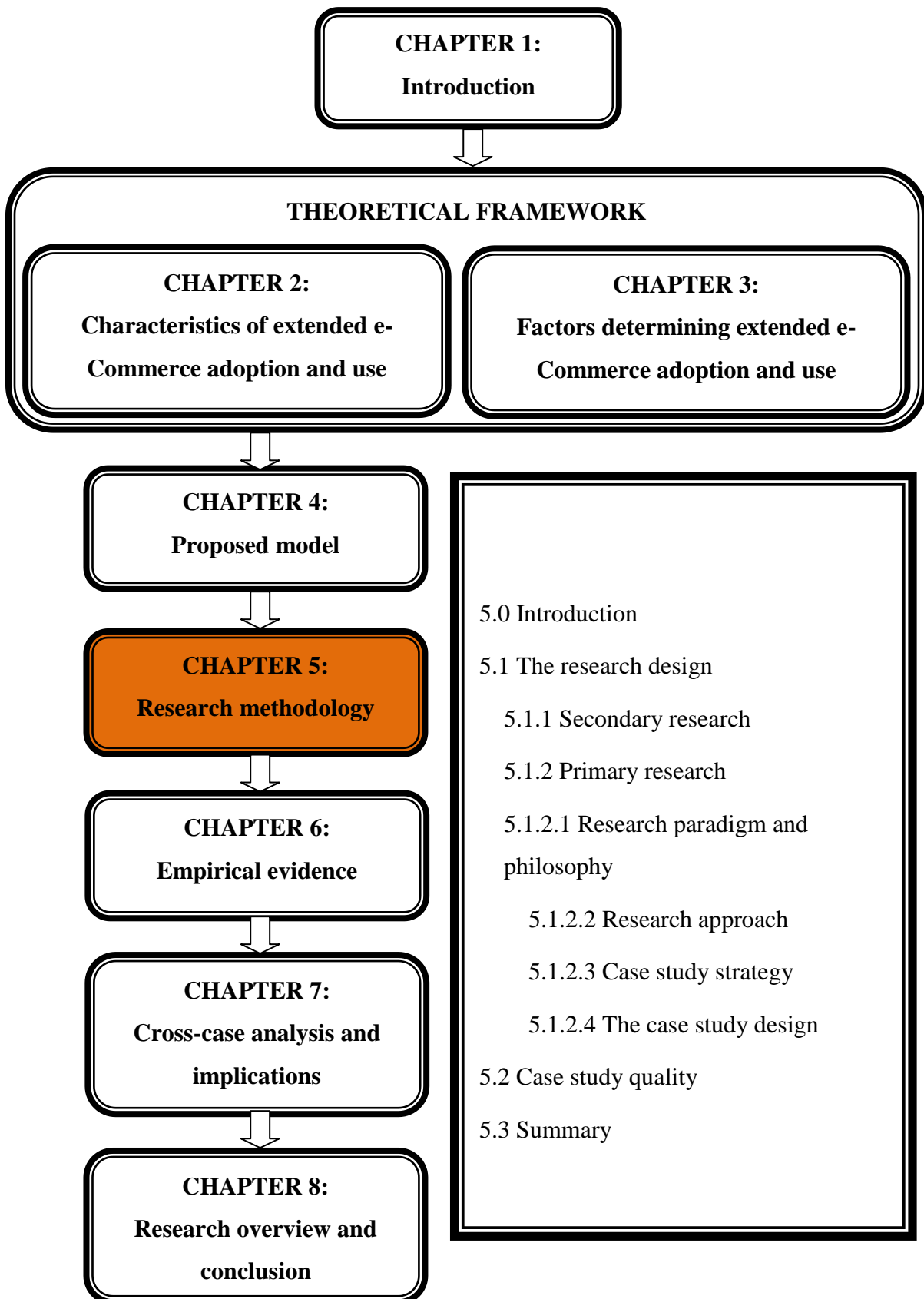
5.2 Case study quality

5.3 Summary

5.0 Introduction

The previous chapter proposed a model of extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape Province.   The research seeks to enhance extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape.   As such, this chapter is guided by priori constructs developed through literature reviewed in previous chapters to develop a research methodology that is adopted to answer the research questions and meet respective objectives.   The chapter articulates this study's research design and shows how the secondary and primary research contributed to meeting the research objectives. In particular to the primary research, considerations for the research methodology are outlined indicating how multiple-case studies are used within the confines of the interpretivism philosophy to suit the aims of this research.   The chapter concludes with a discussion of measures adopted for enhancing rigor in this research's use of qualitative case studies.

5.1 The research design

Yin (2003) proposes that a research design is a logical plan for getting from "here" to "there". Yin (2003) goes on to indicate that "here" is the initial set of questions to be answered and "there" is a set of conclusions about the questions. This argument is in line with Eisenhardt's (1989 in Iacono, Brown, & Holtham, 2011) view of a research process which starts with the definition of the research question, identification of constructs from available literature, and the comparison and contrasting of themes emerging from the fieldwork with literature. Accordingly, this research adapts and aligns these suggestions and develops its research design which is split into two sections: secondary and primary research.

5.1.1 Secondary research

The secondary research reviewed literature on e-Commerce and hospitality SMMEs to establish the research question.   Through secondary research, available theories in the literature were used to establish priori constructs that helped to shape the initial design of the proposed model (Choi et al., 2011; Eisenhardt, 1989 in Dube & Pare, 2003; Eisenhardt &

Graebner, 2007; Colquitt & Zapata-Phelan, 2007; Yin, 2012). By identifying the priori constructs, the secondary research established a basis for defining what needed to be analysed or evaluated using data collection techniques of the primary research in order to meet the research objectives.

5.1.2 Primary research

The primary research is used to define a research methodology that is used to gather data for evaluating priori constructs established through secondary research. Prior to developing a research methodology for this research, existing methodologies were considered. While there are numerous research methodologies for assessing extended e-Commerce adoption and use, none are appropriate for the purpose of this research as they focus mainly on the assessment of micro e-Commerce environments, while some have inherent tailor made assumptions about the level and sophistication of e-Commerce activities (Hartman et al., 2000 in Molla & Licker, 2005).
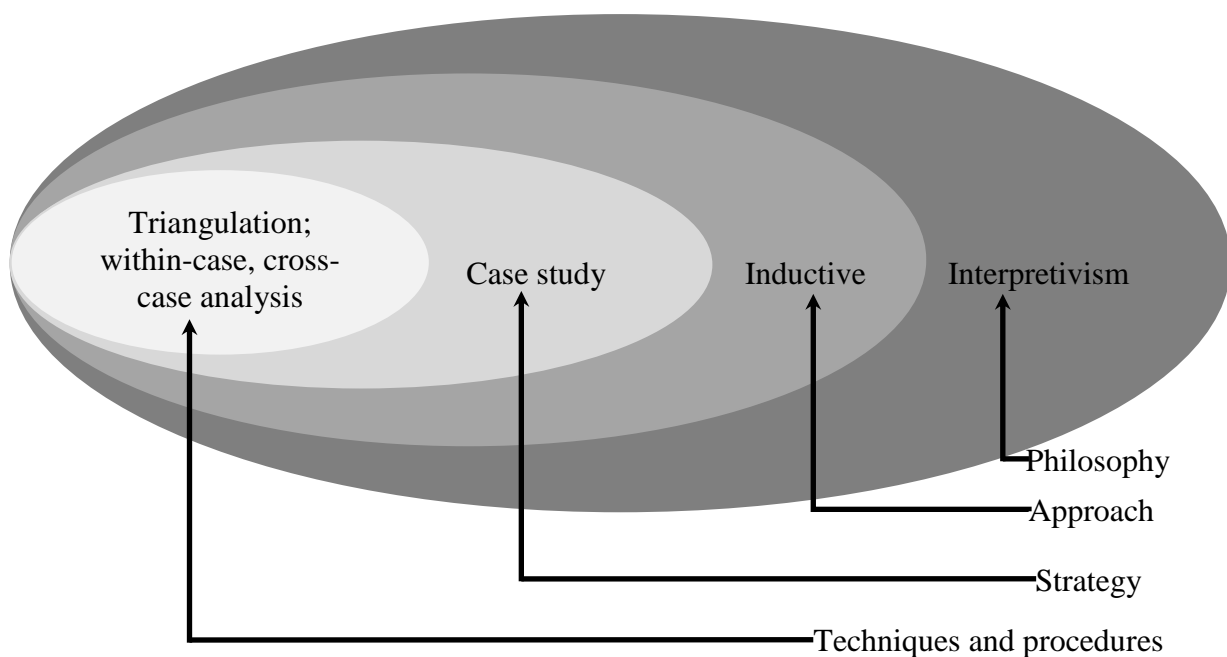

Figure 5: The research onion. (Adapted from: Saunders et al., 2009: 108)

As such, the primary research developed a research methodology for this research in which a questionnaire survey and qualitative case study strategy were used for data collection and

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analysis. The primary research is guided by previous research journals and publications on research methods to develop a precise research methodology for this study. Accordingly, the research onion proposed by Saunders, Lewis and Thornhill (2009) was adapted in this study to provide a guideline on the core elements of qualitative case studies considered in this research. Figure 5 summarises this research's philosophy, methodology, techniques for data collection and analysis. The application of these core elements of qualitative case studies to this research are discussed in detail in Sections 5.1.2.1, 5.1.2.2, 5.1.2.3 and 5.1.2.4 below.

5.1.2.1 Research paradigm and philosophy

As shown in Figure 5, this research subscribes to the interpretivist philosophy. Even though there are different research philosophies that can help understand the world, neither philosophy is inherently superior to the other (Saunders et al., 2009; Yegidis & Weinbach, 2006). Instead, they are better at understanding different things or phenomena (Saunders et al., 2009; Yegidis & Weinbach, 2006). As such, it is important to be aware of the philosophical commitments one makes through choices of research strategies since this has a significant impact on how the researcher understands what it is they are researching or investigating (Johnson & Clark, 2006 in Saunders et al., 2009).

Morgan and Smircich (1980 in Collis & Hussey, 2009) proposed that positivism and interpretivisim are extreme philosophies on a continuum, but as one moves along the continuum, the features and assumptions of one paradigm are gradually relaxed and replaced by those of the other paradigm. Figure 6 shows a continuum of these assumptions within six identifiable stages.

Positivist		*Approach to social sciences*			**Interpretivism**
Reality as concrete structure	Reality as a concrete process	**Reality as a contextual field of information**	Reality as a realm of symbolic discourse	Reality as a social construction	Reality as projection of human imagination

Figure 6: Continuum of core ontological assumptions. (Adapted from: Morgan and Smircich, 1980 in Collis & Hussey, 2009: 61)

On one end the positivist philosophy concedes that the truth exists that can serve as a benchmark for repeated results (Collis & Hussey, 2003; Oates, 2006). In addition, the positivist philosophy concedes that the truth (which can become knowledge when researched) is independent of the researcher (Collis & Hussey, 2003; Oates, 2006). On the other end, the interpretivism philosophy argues that human beings are not mechanistic and they have multiple realities which need to be understood within their context (Roux, 2005). As such, knowledge and meaning are acts of interpretation and there is no objective knowledge which is independent of thinking. If researchers are to understand the actions of the people, they have to understand those actions in the way that they do themselves (Yegidis & Weinbach, 2006; Roux, 2005). Accordingly, the paradigm positioning of this study is shown in bold in Figure 6 where reality is arrived at as a contextual field of information.

Research by Ghobakhloo et al. (2011) shows that SMMEs follow complicated procedures when doing business that involve the use of short-term planning, informal and dynamic strategies and decision-making process, and lack of standardization of operating procedures. Such attributes call for philosophical commitments that allow the understanding of the phenomena under study within its context. In this case, the adoption of the interpretivist philosophy allows the researcher to enter into the world of hospitality SMMEs (context) using different techniques to understand their perceptions, views on extended e-Commerce adoption and use. By so doing, the philosophy allowed the researcher to learn from experiences of tourism SMMEs with regards to their extended e-Commerce adoption and use.

5.1.2.2 Research approach

There are two notable research approaches, namely deductive and inductive (Saunders et al., 2009). Either inductive or deductive research approach can be adopted when doing a research based on empirical evidence or when generalising findings to a particular research area. This research aims to propose a model that shows important factors of extended e-Commerce adoption and use with reference to hospitality SMMEs in the Eastern Cape Province. The research also aims to establish various behavioural activities that hospitality SMMEs assume as they try to overcome challenges and barriers of extended e-Commerce adoption and use. Therefore according to Lee and Baskerville (2003) it can be argued that

the research corresponds to type ET Generalisability - generalising from Description to Theory.

Eisenhardt and Graebner (2007) suggest that inductive and deductive research approaches are mirrors of one another with the inductive research approach generalising findings from empirical evidence to produce new theories, while deductive approach completes the cycle by testing existing theories and associated hypotheses with observations from new cases. On the other hand, Saunders et al. (2009) argues that it is advantageous and perfectly possible to combine deduction and induction. Based on these arguments, this research subscribes to the inductive research approach; however, it also borrows concepts from the deductive approach as it seeks to evaluate the identified factors in the proposed model of Chapter 4. This is important for this research as the phenomenon of interest- extended e-Commerce adoption and use-enjoys an established theoretical base as suggested by Iacono et al. (2011) and Barki et al. (2007).

5.1.2.3 Case study strategy

This research uses a case study strategy to answer the research questions and meet the research objectives. Creswell (1998:61 in Beverland & Lindgreen, 2010: 57) defines a case study as "an exploration of a "bounded system" (bounded by time and place) or a case (or multiple cases) over time through detailed, in-depth data collection involving multiple sources of information rich in context". Based on this definition, it can be argued that a qualitative case study is an empirical research that primarily uses contextually rich data from a bounded real-world setting to investigate a focused phenomenon (Chio et al., 2011).

Case studies can be historical, short-term or contemporary and longitudinal study depending on the time taken to conduct the case study. Accordingly, this research uses a short-term or contemporary study as defined by Oates (2006) to examine what is currently occurring within hospitality SMMEs with respect to extended e-Commerce adoption and use. Historical elements are also encompassed in the conduct of case studies in this research in order to examine what happened in the past by reflecting on earlier events and documents produced at the time in connection to their adoption and use of extended e-Commerce.

As suggested by Dube and Pare (2003) and Roux (2005), the use of case studies is suitable for this study since the objective of the research is focused on the interaction between users and technology, i.e. hospitality SMMEs' use of technology as determined by their activities towards extended e-Commerce adoption and use in a real-life context – something that is non-mechanic. In addition, the research question suits the use of case study as it examines how and when phenomena occur and deals with operational links needing to be traced over time, rather than frequencies of incidence.

5.1.2.4 The case study design

This section discusses the case study design that was considered for this research. In particular, it looks at the precautions, practices, measures and activities that were considered through the use of the case study strategy as a research methodology for this research.

Unlike quantitative research with well-known standardised statistical analysis methods to attain rigor and methodology soundness, there is no single prescribed standard approach or dominant design for conducting and attaining rigor in a qualitative case study (Beverland & Lindgreen, 2010; Byrne & Sahay, 2007; Dube & Pare, 2003; Polit & Beck, 2010). As such, the research uses propositions by Choi et al. (2011) to identify basic attributes that define a case study design for this study's use of case study strategy. Among other outcomes, Choi et al. (2011) provides a summarized review of numerous guidelines for undertaking inductive-based case study research. This study's case study design constitutes the unit of analysis, number of cases, case selection criteria, data collection and data analysis. These attributes are discussed next within the context of this research.

1) **Unit of analysis**. The unit of analysis is simply the case to be studied (Yin, 2003) and its specification is necessary for one to understand how the case relates to a broader body of knowledge (Dube & Pare, 2003). A case can be an object or entity, an event, an activity or a process (Roux, 2005). This research uses Yin's (2003) general rule to identify its research case or unit of analysis. According to Yin (2003) the definition of the unit of analysis is related to the way one defines the initial research question. This study's research question is set as follows:

"How can the __adoption and use of extended e-Commerce__ by __hospitality SMMEs in the Eastern Cape Province__ be attained?"

Based on the research question, hospitality SMMEs in the Eastern Cape Province that have attained extended e-Commerce adoption are identified as the case or unit of analysis for this research. This includes hospitality SMMEs that reflect the institutionalization of e-Commerce that include SEM activities and/or listing services on intermediary websites, and engaging through social media websites as argued in the proposed model of chapter four.

2) **Number of cases.** Even though single-case studies can richly describe the existence of a phenomenon (Siggelkow, 2007 in Eisenhardt & Graebner, 2007), multiple-case studies typically provide strong evidence from multiple cases which are often considered more compelling and the overall study is therefore regarded as being more robust (Herroitt and Firetone, 1983 in Yin, 2003). Accordingly, the research uses multiple-case studies to identify issues surrounding extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape. Multiple-case studies allow the researcher to explore different concerns around extended e-Commerce adoption and use across the Eastern Cape, a Province that is characterised by different levels of social and economic development.

In addition Choi et al. (2011) suggest that it is also important to clarify the exact number of cases to be used. Different arguments and suggestions have been forwarded with regards to the number of cases for a multiple-case study. For instance, Yin (2003) argues that there is no clarity on the exact number of cases a research should consider and goes on to recommend bigger samples. Strauss and Corbin (2008 in Saunders et al., 2009) suggest that when using multiple-case studies, data collection should continue until it ceases to reveal new data that is relevant to a category where categories have become well developed and understood and relationships between categories have been verified. On the other hand, Eisenhardt (1989: 15 in Choi et al., 2011:331) motivates the notion that 4 to 10 cases "usually work well" and can help capture complexity of the real world. Based on these arguments, this research uses four cases for its data collection. The

research abides by Voss et al.'s (2002 in Choi et al., 2011) proposition that the fewer the number of cases, the greater the opportunity for in-depth observation, thereby increasing chances of better results. Similarly, Karanasios (2008:109) subscribes to the same principle: "because of the desire to generate 'thick' description and gain deep understanding samples are usually quite small".

3) **Case selection criteria.** This research uses the snowballing sampling method to select its cases for data collection. Collis and Hussey (2009) state that snowball sampling is associated with interpretivist studies where cases with experience of the phenomenon being studied are selected. Arguably, snowballing sampling is associated to Choi et al.'s (2011) theoretical sampling technique where cases are chosen for theoretical reasons. Theoretical sampling simply means that cases are selected because they are particularly suitable for illuminating and extending relationships and logic among constructs (Eisenhardt & Graebner, 2007). As such, just as laboratory experiments are not randomly sampled from a population of experiments, but rather are chosen for the likelihood that they will offer theoretical insight, so too were hospitality SMMEs sampled for theoretical reasons in this research (Dube & Pare, 2003; Eisenhardt & Graebner, 2007). Cases for this research were selected on the basis that they match the description of the unit of analysis which allows the assessment of issues centred on extended e-Commerce adoption and use. The case selection aimed to have case representatives from urban, semi-urban and rural areas that the proposed model would be a reflection of the whole Eastern Cape. Unfortunately, no cases from rural areas were found matching the description of the unit of analysis.

A list of hospitality SMMEs was obtained from the Eastern Cape Tourism Board and used as a source of potential participants. According to the Eastern Cape Tourism Act of 2003, all business operators in the tourism sector are required to register with the Eastern Cape Tourism Board. More than 1700 tourism SMMEs are registered with the Eastern Cape Tourism Board. The list on tourism and hospitality SMMEs includes the business names, physical address, phone or fax numbers, postal addresses, e-mail address, Web address (if any), category (Game Reserve or Hotel or Inn) and contact persons of the business. Details like the Web address or business name were used for locating respective websites (if any), while contact details were used for contacting the respective

businesses. It should be noted that based on the researcher's online document analysis (discussed below), fewer than ten hospitality SMMEs were found matching the description of this research's unit of analysis.

In addition, it was noted that the list on hospitality SMMEs have some inconsistence which presented challenges during data collection. The list is not consistently updated or some details are incorrectly captured. For instance, some establishments in the list have since closed or the website is no longer functional. In some cases the business had been renamed or sold. So, besides using the Web address in the provided list, the researcher searched online using the SMME's business name to establish its e-Commerce adoption status.

4) **Data collection.** The adopted philosophy for this research suggests that the researcher enters into the world of the researched and use different research techniques to understand the phenomenon under study (Collis & Hussey, 2009; Oates, 2006). In order to conform to the requirements of this research's philosophy, this study uses triangulation for collecting data on hospitality SMMEs something that is consistent with previous research. For instance, Hill and Wright (2001:436 in Karanasios, 2008: 110) argue that "when all of the SME factors and various competing orientations are taken into consideration, no one research approach is appropriate. What is needed, therefore, is an integrated approach to SME research." As such, a questionnaire together with interviews, document analysis and observation are used for data collection. Triangulation is used in this research to provide a basis for supporting thick descriptions and/or emerging themes, at the same time enhancing trustworthiness and dependability of research findings, among other factors (Choi et al., 2011; Dube & Pare, 2003; Iacono et al., 2011).

In order to minimise errors and bias during data collection, a case study protocol was used (Dube & Pare, 2003; Yin, 2003, 2012). A case study protocol contains the data collection instruments, procedures and general rules that were followed when using the data collection instruments (Dube & Pare, 2003). Oates (2006) and Yin (2012) suggest that procedures and general rules for a case study protocol include ethical considerations and the use of a set of questions to be addressed by the researcher during data collection.

The data collection instruments that were used by the researcher during data collection as an element of the case study protocol are explained below. The explanations show how each instrument was designed and used to contribute to the findings of the research. The data collection instruments discussed includes document analysis, questionnaire, observations and interviews.

a) *Document analysis* – Document analysis involves a review of existing and research generated documentation (Dube & Pare, 2003; Oates, 2006). Existing documents analysed include e-mails, chats, websites and social media content. Existing documents like websites were analysed through Web content analysis to establish hospitality SMMEs that match the description of this research's unit of analysis. Proposals by Maswera et al. (2008) on features of websites for hospitality businesses were used as a guideline for conducting Web content analysis. It should be noted that Maswera et al.'s (2008) proposals on features of websites for hospitality businesses is a result of a comprehensive evaluation of 553 websites of travel and hospitality organisations based in the USA and Africa, with South Africa included. Appendix B gives a list of features that were looked out for during Web content analysis.

Research generated documents are documents put together solely for the purpose of the research which include photographs, field notes on what was observed and thoughts (Oates, 2006). In particular, the researcher took field notes on what was observed and discussed in passing before or after the interviews. Such information was used for contributing to thick description and the trustworthiness of the research findings.

b) *Questionnaire* – The constructed questionnaire is divided into two parts. The first part has two questions for collecting hospitality SMMEs' biographical information. In addition to collecting biographical information, question one is used in this research as a control question for establishing if a hospitality SMME qualifies as an SMME based on the number of full-time employees according to the South African National Small Business Act of 1996 (see Appendix F).

The remaining questions are used to collect data for evaluating the use of extended e-Commerce by hospitality SMMEs in the Eastern Cape. Focus is on collecting data for evaluating online sales, online reservations and the extent of provisions for customer service through the Web. The questions are designed to use a five point Likert scale that hospitality SMMEs considered for data collection can rate their reliance on certain Web facilities that describe their use of the Web as they go about their normal business of selling, facilitating reservations and providing customer service.

In addition, the questionnaire collects information on each case's activities adopted for promoting the visibility of their website on the Internet. The questionnaire used in this research is attached in Appendix C.

c) **Observation** – Observation was used to enhance the understanding of the research context, in particular to the description of each case's geographical location. For instance, data collected through observation was used to identify whether a hospitality SMME is located in an urban or rural area. In addition, observation was used during the plant tour or office visits to create an understanding of ICT hardware used by participants such as the model or looks of PCs and Internet connection methods. This data was meant to enhance the understanding of the contextual environment of cases considered for data collection. Observation of the participant's gestures and facial expressions were other areas through which observation was used to observe the participant's comfort and discomfort when responding to certain questions. As such, observation was also used to guide the researcher throughout the conducting of interviews with regards to question selection and ordering and improvising ways to encourage the participant to carry on or conclude the interview.

d) **Interviews** – An interview is a powerful discussion between two or more people (Kahn & Cannell, 1957 in Saunders et al., 2009). It usually involves a researcher talking to someone who is a complete stranger. The researcher is essentially asking the participant to answer or create an answer under time pressure (Myers & Newman, 2007). This study uses interviews as its primary technique for collecting data used to evaluate the impact of factors determining extended e-Commerce adoption and use in

the proposed model on hospitality SMMEs in the Eastern Cape. Interview questions were designed to collect data for evaluating each factor in the proposed model. The research follows the propositions by Saunders et al. (2009) of designing open-ended interview questions. Figure 7 shows the organisation and relationship between the identified factors and interview questions designed for this research. A schedule of interview questions is shown in Appendix D.

In addition, the research adopts Saunders et al.'s (2009) suggestion of using semi-structured interviews where many open ended questions are asked. Semi-structured interviews provide the opportunity to probe for answers where the participant is to explain or build on their responses (Saunders et al., 2009). Hence, semi-structured interviews suit this research philosophy which seeks to establish an understanding of a phenomenon based on the way the interviewee understands it. In addition, semi-structured interviews allowed the researcher to change the order of questions depending on the flow of the conversation and gave room for additional questions should the participant bring up new issues that were not covered in the immediate interview questions (Oates, 2006). Figure 7 shows the use of follow-up and additional questions during data collection as reflected by the *nth* question. Follow-up questions were used for clarification purposes and confirming or disconfirming the researcher's views.

Lastly, the study's use of semi-structured interviews was done with the idea of reducing bias of the researcher towards relying on their own beliefs, values and prior assumptions, which may prevent adequate investigation and consideration of possible contradictory data, which unduly influence the analysis of the case study evidence (Broadbent, Darke & Shanks, 1998).
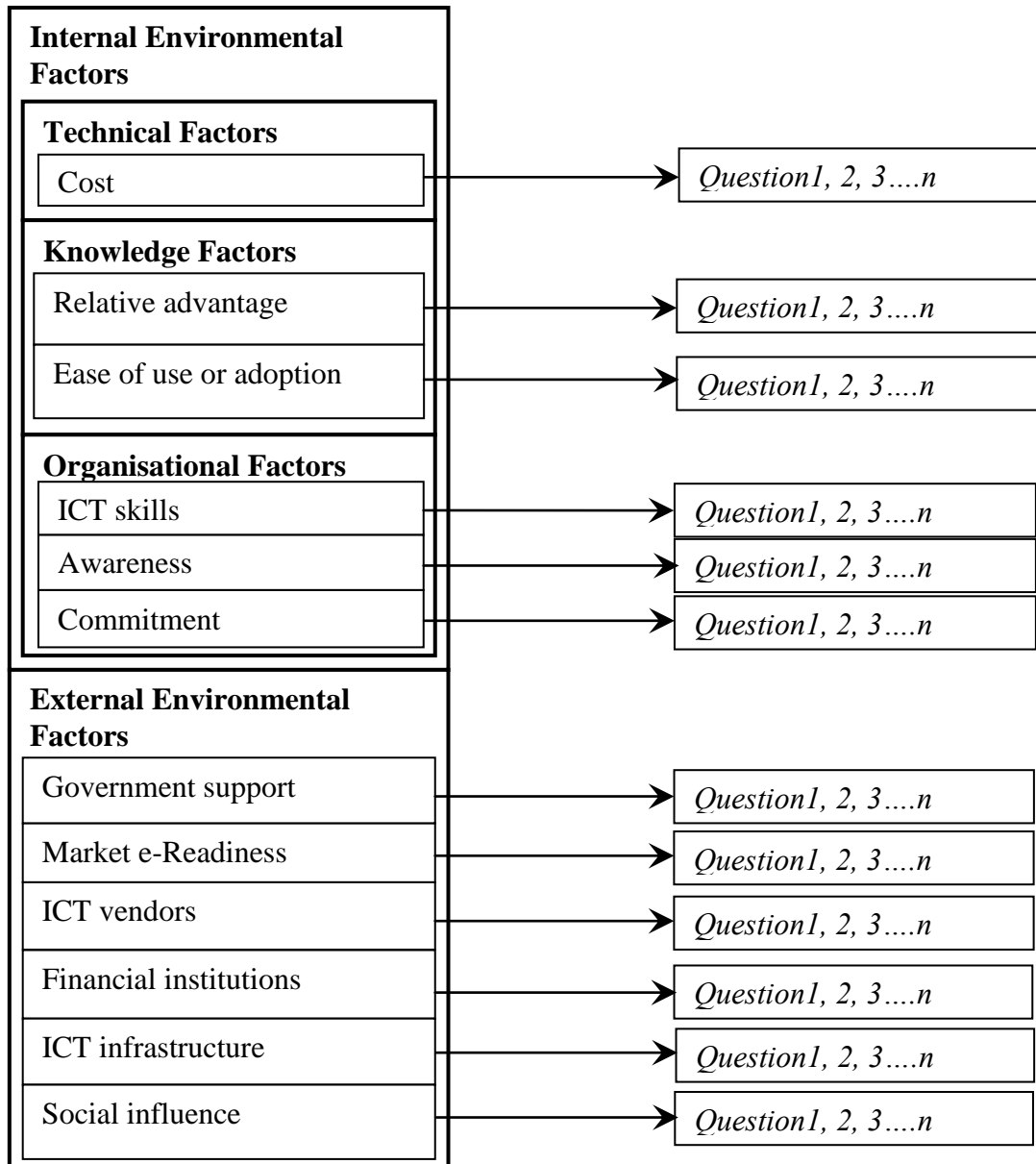
Figure 7: The relationship between factors of extended e-Commerce and interview questions for this research

It should be noted that the interviews were designed to be conducted with someone familiar with the organisation's e-Commerce platforms, preferably at a managerial or decision-making level as suggested by Irani, Alshawi and Missi, (2011). Accordingly, interviews were conducted with Web administrators, managers and/or business owners. The data collection was done as follows:

o   Firstly, potential participants were contacted via e-mail to make an interview appointment.

o   Commitment was elicited through follow up phone calls.

o   Interviews of all those who agreed to participate were conducted on the hospitality SMMEs' business sites.

o   On the site, the interviewer introduced himself, explained purpose of the interview, assured confidentiality and asked permission to record the interview. Tape recording allowed for the smooth flow of the conversations and the capture of a full record of the conversation.

o   The interviews were on a one-on-one basis and varied between 30 to 45 minutes - depending on the interviewees/case exact circumstances.

In addition, the researcher followed Yin's (2012) suggestion of using a similar mental framework that he wanted to explain or describe using the collected data. This includes the questions the researcher had to answer during data collection. As a result, the design of the mental framework was guided by the proposed model and this study's objectives. Questions the researcher had to answer during data collection on each case are as follows:

o   Which factors of extended e-Commerce adoption and use in the proposed model are valid to hospitality SMMEs of the Eastern Cape?

o   Are there any other factors influencing extended e-Commerce adoption and use besides those identified in the proposed model?

o   How are hospitality SMMEs overcoming some or all the barriers of extended e-Commerce adoption and use?

e) ***Ethical considerations-*** In particular to the case study protocol for this research; ethical clearance was sought from the University of Fort Hare's Research Ethics Committee (UREC) prior to data collection. Israel and Hay (2006 in Wassernaar, 2006) emphasises that research should comply with the policies and procedures stipulated by the UREC before data collection commences. As such, the data gathering instrument went through the UREC for ethical verification which saw the deliverance of an Ethical Clearance Certificate (reference number: ISA01 1SMAO01) and an automatic authorisation for the commencement of data collection. Consequently, this study is guided by four basic ethical principles, namely: autonomy and respect for the dignity of persons, beneficence, nonmaleficence and justice as suggested by Beauchamo and Childress (2001 in Wassernaar, 2006). These principles are discussed below:

o To meet the requirement for autonomy and respect for the dignity of persons, the study followed Wassernaar's (2006) recommendation of using a voluntary informed consent statement which informs participants that they have the right to decline participating in this research and assures that no negative consequences will be faced as a result of their decision. Appendix A shows the informed consent used for this study. In addition, the identity of SMMEs engaged in data collection is protected. Hospitality SMMEs that participated in this study's data collection were labelled as cases and no mention of their identity was made.

o The research conforms to the requirement of nonmaleficence to avoid harm or wrongdoing to the researcher and participants. The researcher provided identification documents (student identification card) and contact details of responsible authorities (University Ethics Committee) to all participants in advance of the interviews for verification purposes.

o In addition, the research's approval by the UREC suggests instruments of beneficence; anticipated risks against benefits to participants are within acceptable limits.

o With regards to justice, participants were selected with fairness, guided by descriptions of the unit of analysis. By so doing, issues pertaining to extended e-Commerce adoption and use were researched ensuring that, participants that match the description of the unit of analysis (used for this research) stand to benefit most from the research findings (Wassernaar, 2006).

5) **Data analysis-** Data analysis for this research is separated into two sections. The first section evaluates data collected through the questionnaire. In particular to question one of the questionnaire, specifics in the South African National Small Business Act of 1996 are used to ascertain whether a hospitality SMME is a Medium to Small or Very Small to Micro enterprises based on the total number of full-time employees. Questions based on a Likert scale for evaluating extended e-Commerce use are analysed using the view of majority hospitality SMMEs considered to establish their extent of use across cases considered.

Data collected through observations, interviews and document analysis was collectively analysed as these approaches were used together during data collection to support thick descriptions as suggested by Choi et al. (2011), Dube and Pare (2003) and Iacono et al. (2011). According to Miles and Huberman (1994 in Saunders et al., 2009), this research acknowledges data analysis for these instruments as a process of data reduction, displaying, drawing and verifying conclusions. Data reduction includes summarising and simplifying the data collected and or selectively focusing on some parts of data (Saunders et al., 2009). Accordingly, data analysis for this section is separated into two stages, namely: within and cross case analysis.

a) *Within-case analysis.* The research agrees with Choi et al.'s (2011) suggestion that the first step in data analysis is within-case analysis, where a single case description is offered and the emerging constructs and their relationships are delineated. At this stage, the writing-up of each case is done separately (Choi et al., 2011; Oates, 2006). The analysis started with the transcribing of tape-recorded interviews to obtain a full record of the conversations. Transcribing audio-recorded interviews was not only done to record exactly what was said and by whom, but also to try and establish the

tone in which responses were made to aid in data analysis, as suggested by Saunders et al. (2009).

Coding was used for data reduction purposes during within-case analysis starting with open coding. The process of open coding was done through content and descriptive analysis to verify factors identified from the literature as proposed by Miles and Huberman (1994 in Irani et al., 2011) and Roux (2005). Keywords and phrases or terms identified in the interview transcripts as describing a new factor or solution to identified factors were also analysed within the context and were given labels or categories to identify them as separate factors (Roux, 2005). This is in line with Strauss and Cobin's (2008 in Saunders et al., 2009) suggestion that the main sources to derive categories are terms emerging from the data or terms that come from existing theory and the literature. Open coding results in terms or phrases that seemingly describe a similar item or element being combined together under one category or label that forms a particular factor (Saunders et al., 2009).

Axial coding was also conducted to establish relationships between factors established through open coding. The essence of axial coding for this research was to explore and explain extended e-Commerce adoption and use by identifying what was happening and why, how it is being managed within the context, and what the outcomes are. Data obtained through triangulation was used to support the emerging relationships between factors. Findings from open and axial coding were used to write-up the case summaries for each case considered. In cases where further information or clarification was required, follow- ups telephone calls and e-mails were used, as suggested by Irani et al. (2011).

b) *Feedback to participants.* After conducting within case analysis and writing up the reports for each case, Beverland and Lindgreen (2010) suggest that researchers should allow participants to review the draft case report, check for accuracy of findings and give feedback. Sending feedback on findings is important for the trustworthiness and credibility of findings (Oates, 2006). As such, after writing the first draft reports on findings, copies were sent to participants via e-mail for them to verify if their views

were accurately represented. Only one of the four participants responded acknowledging that the report written on their account was a correct representation of what they said. It was assumed the silence of other participants indicated their satisfaction with the findings and data analysis. The researcher consequently proceeded to cross-case analysis.

c) ***Cross-case analysis.*** After conducting within-case analysis, the research followed Choi et al. (2011) and Oates's (2006) propositions and conducted cross-case analysis comparing and contrasting the patterns emerging from the detailed case summary. This research's use of cross-case analysis focused on identifying and distinguishing between findings that are relevant to all (or many) cases, in contrast to experiences that were unique to particular cases as suggested by Ayres et al. (2003 in Polit & Beck, 2010). This ensured that the resultant model and propositions were better grounded, more accurate, robust and more generalisable. The cross-case analysis was done indicating how the focal construct was "measured" thus increasing the "testability" of the proposed model and the creation of a particularly strong bridge from the qualitative evidence to theory-testing research as proposed by Eisenhardt and Graebner, (2007: 29).

5.2 Case study quality

For a research to be credible, it has to follow certain systematic procedures and avoid equivocal evidence and biased views from influencing the direction of the findings and conclusion. Yin (2003) proposed construct validity, internal validity, external validity and reliability as elements that make a complete criterion for judging the quality of a case study. However, Oates (2006) argued against the use of Yin's criterion on qualitative case studies. Oates (2006) centres his argument on the difference between positivist and interpretivist's philosophical views. As such, this research adopts Lincoln and Guba's (1985 in Oates, 2006) set of criteria for interpretivist research that are an alternative to, but parallel to, those of positivist research as shown in Table 4.

Table 4: Quality in positivist and interpretivist research. (Adapted from: Lincoln and Guba, 1985 in Oates, 2006: 294).

Positivism	Interpretivism
Validity	Trustworthiness
Objectivity	Confirmability
Reliability	Dependability
Internal validity	Credibility
External validity	Transferability

1) **Trustworthiness –** relates to how much trust can be placed in the research (Oates, 2006). This research uses feedback from participants once a report is written for every case to enhance the trustworthiness of the findings. In addition, triangulation is used to increase data sources and support for emerging themes. The research's adoption and use of semi-structured interviews and triangulation is expected to reduce a researcher's bias in a way to enhance the trustworthiness of the research findings.

2) **Confirmability –** relates to the extent to which the research has told enough about the study to judge whether the findings flow from the data and the experiences in the setting (Oates, 2006). To ensure confirmability, this research follows a systematic data analysis starting with within-case analysis and proceeds to cross-case analysis. In addition, emerging themes are supported by quotes from analysed case studies as suggested by prominent research on case studies (Beverland & Lindgreen, 2010; Dube & Pare, 2003; Yin, 2003).

3) **Dependability –** dependability ensures that the research process is well recorded and data is well documented (Oates, 2006). Attaining dependability is a challenge in qualitative case studies given that the researcher is the one who enters the world of the researched and the results are arrived at through his judgments and interpretations. Nevertheless, the research followed a thorough process for crafting its research methodology and implementation guided by available research on qualitative case studies to enhance dependability. In addition, a case study protocol is used on every case considered.

Lastly, the author maintained honesty and carefulness through the conducting of qualitative case studies – something that can enhance dependability.

4) **Credibility –** this examines whether the enquiry was carried out in a way that ensured that the subject of the inquiry was accurately identified and described so that the research findings are credible (Oates, 2006). To ensure research findings' credibility, the researcher uses numerous sources of data to support findings. In addition, the researcher engaged multiple participants where possible to eliminate bias and enhance the credibility of the phenomena and setting. Write-up reports for each case were sent back for review by participants to ensure objectivity of interpretation.

5) **Transferability –** this is also known as case-to-case transfer or generalisability, which involves the use of findings from an inquiry to a completely different group of people or setting (Polit & Beck, 2010). The conduct of this study ensured that the transferability of the research findings were transferable in a number of ways. Firstly, the research identified its unit of analysis which indicates to which cases the findings are applicable to. Thus, thorough descriptions of the sending context were articulated. Secondly, this research's use of multiple cases led to rich theoretical frameworks that can become vehicles of generalizing to new cases, as suggested by Yin, (2003).

5.3 Summary

This chapter discussed the research design and methodology adopted for collecting the data that was used for evaluating the proposed model of extended e-Commerce adoption and use. The research onion was used to summarise the research philosophy, approach, methodology or strategy, techniques for data collection and analysis. Table 5 below gives an outline of techniques and approaches adopted for this research's choices with regards to all attributes that define the research methodology.

Table 5: The research methodology

Attribute	Choice/method adopted
Philosophy	Interpretivist
Approach	Inductive
Strategy	Multiple-case study
Unit of analysis	Hospitality SMMEs in the Eastern Cape that have adopted e-Commerce
Case selection criteria	Snowballing sampling or theoretical sampling
Data collection	Questionnaire, semi-structured interviews, observations and document analysis guided by the case study protocol
Data analysis	Within and cross-case analysis (Open and axial coding)
Case study quality	Trustworthiness, confirmability, dependability, credibility and transferability

The next chapter presents empirical evidence or data collected using the research methodology of this chapter.

CHAPTER 6: EMPIRICAL EVIDENCE

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│        CHAPTER 1:           │
│       Introduction          │
└─────────────────────────────┘
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THEORETICAL FRAMEWORK

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┌──────────────────────┐  ┌──────────────────────┐
│     CHAPTER 2:       │  │     CHAPTER 3:       │
│ Characteristics of   │  │ Factors determining  │
│ extended e-Commerce  │  │ extended e-Commerce  │
│ adoption and use     │  │ adoption and use     │
└──────────────────────┘  └──────────────────────┘
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┌─────────────────────────────┐
│        CHAPTER 4:           │
│      Proposed model         │
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┌─────────────────────────────┐
│        CHAPTER 5:           │
│   Research methodology      │
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│        CHAPTER 6:           │
│     Empirical evidence      │
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│        CHAPTER 7:           │
│   Cross-case analysis and   │
│       implications          │
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│        CHAPTER 8:           │
│   Research overview and     │
│        conclusion           │
└─────────────────────────────┘
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6.0 Introduction

6.1 Sample profile

6.2 Findings on the uses of extended e-Commerce by tourism SMMEs

6.3 Within-case analysis

6.4 Summary

6.0 Introduction

This chapter presents empirical evidence collected using the research methodology explained in the previous chapter. The empirical evidence relates to defining the extent of e-Commerce adoption and use, and factors determining e-Commerce adoption and use. This data was collected using questionnaire, document analysis, observations and interviews.

The outlay of empirical evidence starts with an overview of the profile of hospitality SMMEs engaged for data collection. The chapter goes on to present results on the use of e-Commerce. Within-case analysis concludes the chapter, reporting empirical evidence on factors that were found influential to extended e-Commerce adoption and use by hospitality SMMEs.

6.1 Sample profile

This section presents demographic information on hospitality SMMEs engaged during data collection. It reports on the number of full-time and part-time employees of hospitality SMMEs considered for data collection. The number of full-time employees was used to establish if selected case match the requirements of an SMME as stipulated in the South African National Small Business Act of 1996. In addition, this section reports data collected through document analysis that is used to evaluate a particular hospitality SMME as a suitable case for this research guided by the description of the unit of analysis (specified in section 5.7.1 of chapter five). The number of years hospitality SMME has had a website is also reported.

6.1.1 The number of employees

According to the criteria defined by the South African National Small Business Act of 1996, hospitality SMMEs engaged for data collection qualifies as SMMEs. Based on the number of full-time employees, Case 1, Case 2 and Case 3 are classified as Micro enterprises, while Case 4 is classified as a Small business according to the South African National Small

Business Act of 1996.   Figure 8 illustrates the number of full-time and part-time employees for each case considered.
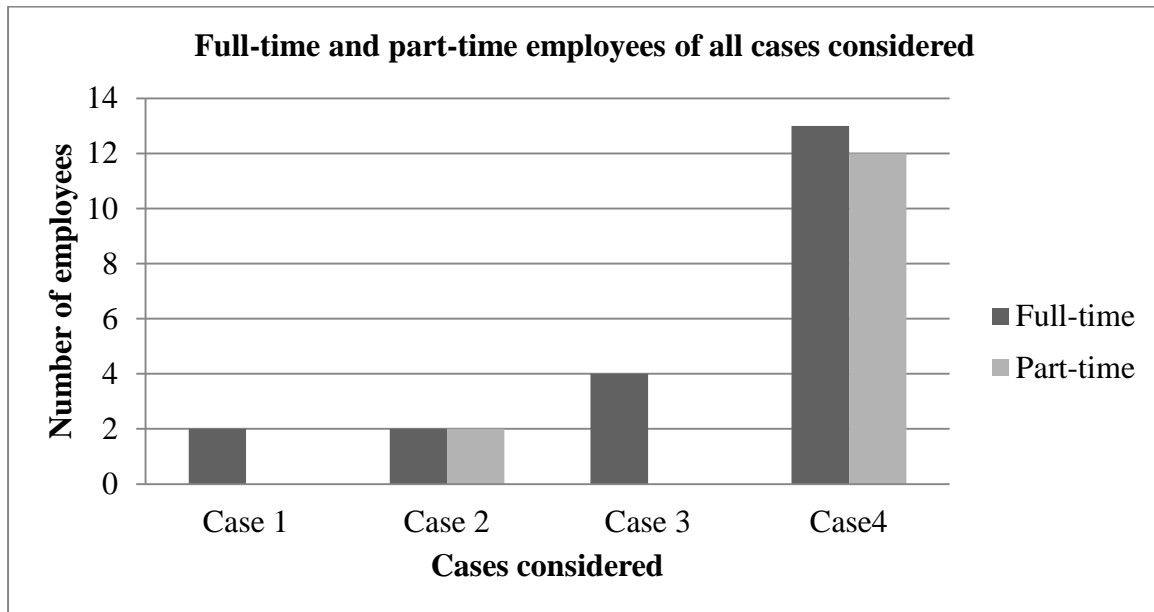

Figure 8: The number of employees

6.1.2 Extended e-Commerce adoption

The cases considered for data collection have adopted considerable Web-based platforms that describe extended e-Commerce as prescribed in this study's unit of analysis. However, there is a marked difference in levels and nature of technologies adopted by hospitality SMMEs engaged for data collection.   This difference is attributed to the factors determining e-Commerce adoption that were identified in chapter three and evaluated using data collection techniques of chapter five. Table 6 presents research findings from data collection in terms of extended e-Commerce adoption. The actual findings on document analysis for each case on the extent of e-Commerce adoption are shown in Appendix E.

Table 6: A description of cases studied

Case	Location and business description	Online presence	Interviewees engaged	Position of Participant
Case 1	Self-catering bed and breakfast and weddings venue. Located 20 kilometres away from East London off the N2 road to Butterworth in a location surrounded by farming plots.	• Interactive but not transactive website, • Not listed on any intermediary or social media website.	1	Business owner and manager
Case 2	Bed and breakfast provider. Located in the low density area of Port Elizabeth.	• Interactive, transactive and integrated website • Listed on intermediaries namely: www.roomsforafrica.com; www.safarinow.com and on social media www.tripadvisor.com. • Uses SEO, keyword purchasing and places links of their websites on other websites to enhance online visibility.	1	Business owner and manager
Case 3	Game reserve and safari lodge located between Grahamstown and Port Elizabeth road. Administration offices are located in Port Elizabeth.	• Transactive and interactive website, • Listed on intermediaries: www.safarinow.com; www.booking.com; www.nature-reserve.co.za and social media website: www.tripadvisor.com. • Uses SEO, meta tags and places links of their website on other websites to enhance online visibility.	2	Web administrator and Receptionist
Case 4	A B&B located 5 kms south of Queenstown surrounded by farming plots.	• Interactive website • Listed on intermediaries such as www.sa-venues.com; www.booking.com ; www.safarinow.com and social media www.tripadvisor.com	1	Business owner and manager

6.1.3 The number of years with the website

Figure 9 depicts the number of years each considered case has had using a website for business purposes. The majority of hospitality SMMEs considered have had a website for at

least three years.   Nevertheless, Case 2 has had its website for about a year while Case 3 has had a long period with a website, seven years.
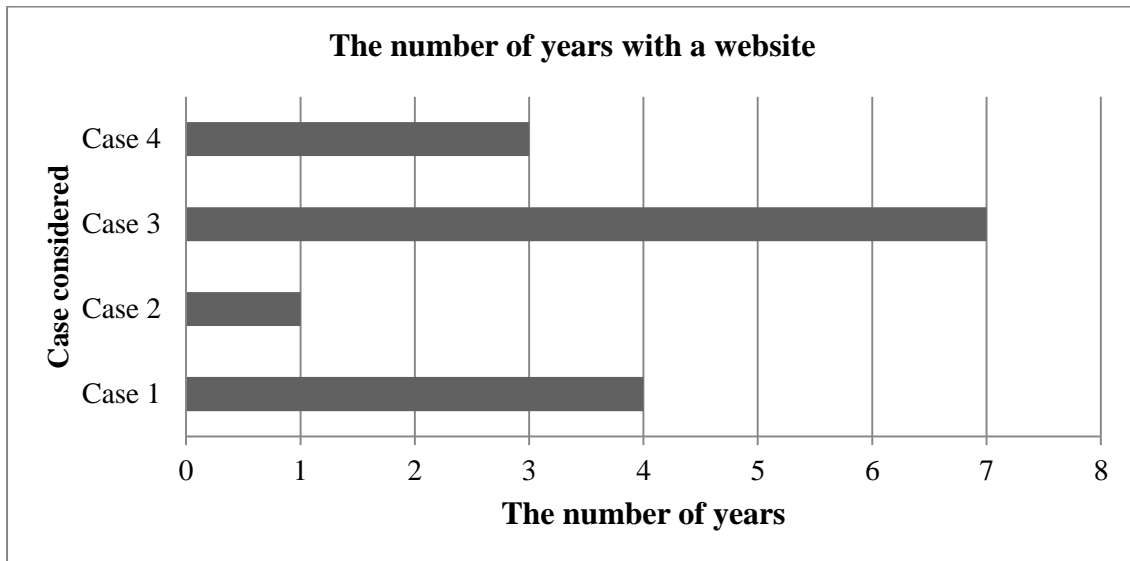
The number of years with a website

Figure 9: The number of years with a website

6.2 Findings on the uses of extended e-Commerce by hospitality SMMEs

This section displays and analyses findings on how the hospitality SMMEs utilise e-Commerce to secure their business. A five point based Likert questionnaire was used for collecting the data used to determine a hospitality SMME's extent of reliance or use of e-Commerce. Three usage categories were assessed, namely online sales, reservations and customer service.

6.2.1 Online sales

This category collected data for evaluating the extent to which hospitality SMME rely or receive payments through their e-Commerce platforms. Figure 10 shows findings on the extent of online payment use through the website and intermediaries a hospitality SMME is listed on.

6.2.1.1 Payments through the website

Two cases with no online payment systems on their website indicated that they do not rely on payments of bookings through their websites. Nevertheless, of the other two cases that have online payment systems on their website, one indicated that it sometimes relies on online payment, while the other case indicated that it relies on online payment most of the time. This indicates that hospitality SMMEs with transactive websites make use of their online payment systems to facilitate online sales.

6.2.1.2 Payments through intermediaries

Of all the cases considered, only one case indicated that they do not rely on online sales through intermediary websites. Two cases indicated that they rarely rely on online payments through intermediary websites, while one case indicated that it relies on online sales through intermediary websites most of the time. Based on this finding, it is concluded that there is a low usage of intermediaries to facilitate online sales by hospitality SMMEs.
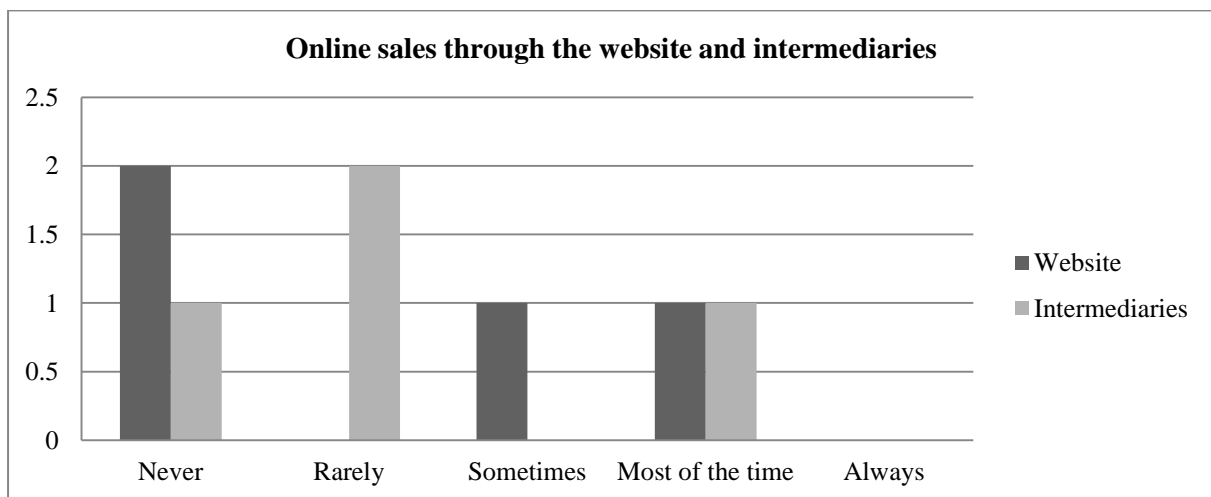

Figure 10: Hospitality SMMEs' use of online payments systems.

6.2.2 Reservations

This category collected data for assessing the use of e-Commerce platforms to facilitate reservations. Figure 11 displays hospitality SMMEs' extent of reliance on online reservations. The online reservations come through the website and intermediaries a hospitality SMME is listed on.

6.2.2.1 Reservations through the website

Two cases indicated that they sometimes rely on online reservations through their website, while the remaining two indicated that they rely on online reservations most of the time. It is therefore concluded that hospitality SMMEs use their interactive and transactive websites to facilitate reservations.

6.2.2.2 Reservations through intermediaries

Of all the cases considered during data collection, one case indicated that it does not rely on reservations through intermediary websites. Two cases indicated that they sometimes rely on online reservations, while one case rarely relies on online reservation through intermediaries. Hence it is concluded that hospitality SMMEs have a very low usage of intermediaries they are listed on to facilitate reservations.
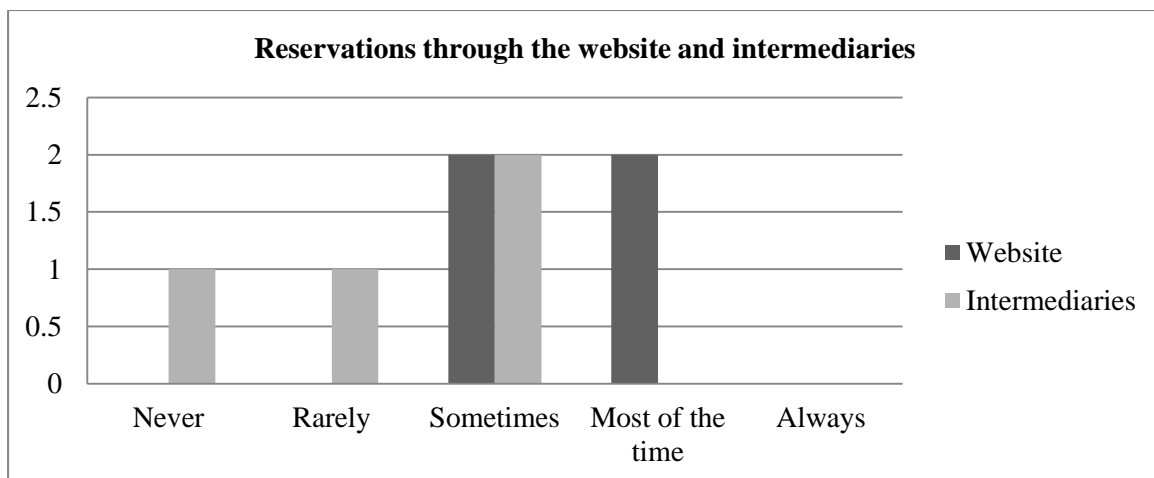

Figure 11: Hospitality SMMEs' use of online reservations.

6.2.3 Customer service

This category assesses hospitality SMMEs' use of e-mail for communicating, sending out promotions, use of instant messaging for customer support, update website and intermediary content and use online loyalty system.

6.2.3.1 Reliance on e-mail service

All cases considered for data collection showed extensive use or reliance on e-mail when communicating with customers. Two cases indicated that they use e-mail communication most of the time, while the other two indicated that they always use e-mail for communication. Figure 12 summarises these details.
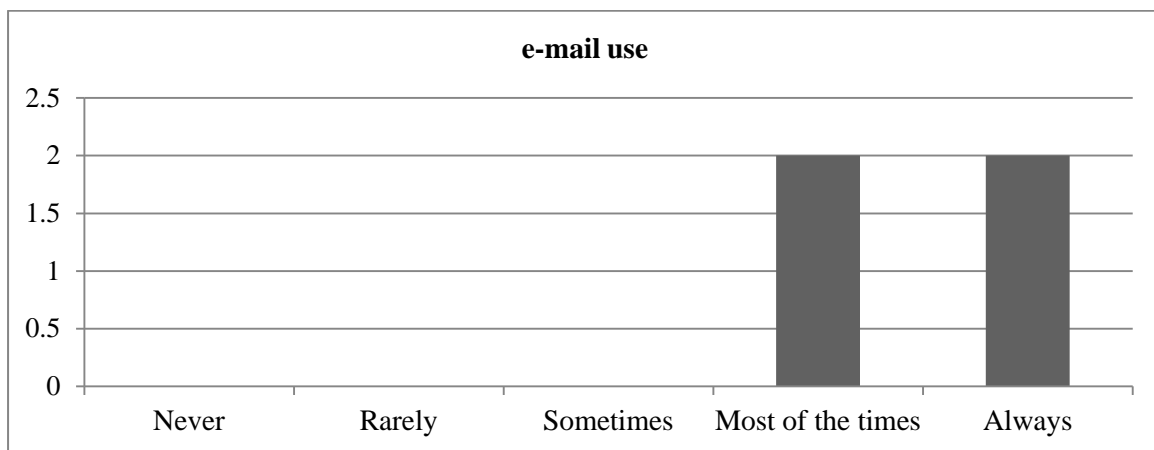
Figure 12: Hospitality SMMEs' use of e-mail for communicating.

6.2.3.2 Sending promotional messages through e-mail

Of all cases considered for data collection, three cases showed that they do not send out promotional and special offer messages to customers. Only one case said that it does send out promotional and special offer messages to customers most of the time. As such, this attribute is dropped from the list of attributes that define activities of customer service by hospitality SMMEs since the majority of hospitality SMMEs with access to e-mail do not use the facility to send promotional and special offer messages to customers. Figure 13 summaries response on hospitality SMMEs' use of e-mail to send out promotional messages.
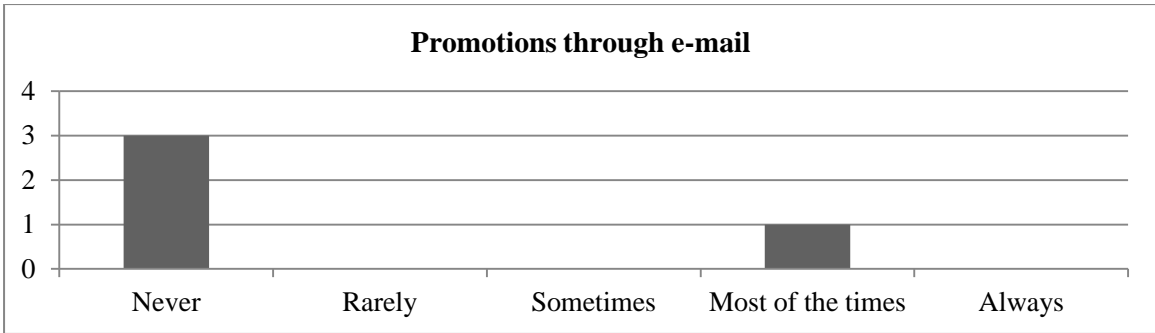
Figure 13: Use of e-mail for sending promotional messages.

6.2.3.3 Customer support using instant message/chat

Of all cases considered, only one case indicated that it always relies on instant messaging for supporting online customers. It was noted that, of all cases considered, only one case has an instant message or chat system on their website. Despite the low adoption of instant message or chats on websites across hospitality SMMEs, this attribute is maintained as one of the uses of e-Commerce platforms. This is so because, the failure to use the facility by other cases considered is a result of them not having the facility instead of them not utilizing what they have. Research by Ksheri (2007) has already shown that business organisations in developing countries can make use of real-time chats or instant messaging to attract and support customers on their e-Commerce platforms. Figure 14 shows findings on the use of instant message for supporting customers.

Figure 14: Hospitality SMMEs' use of instant message for customer support

6.2.3.4 Web-content updating

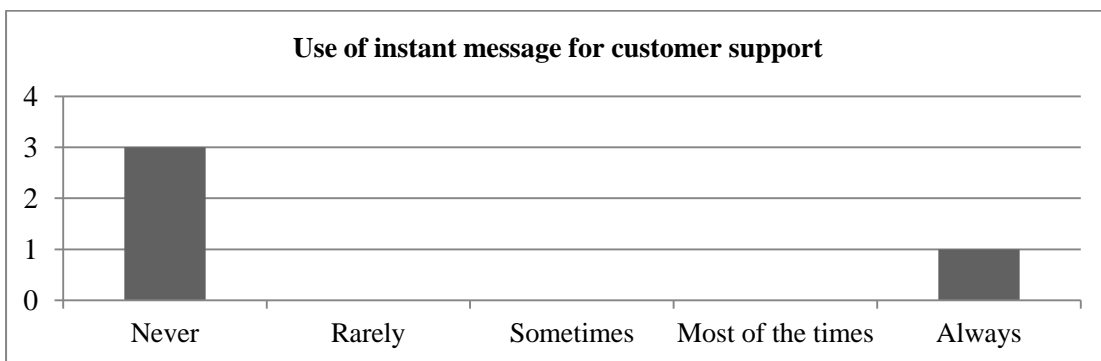Data for evaluating hospitality SMMEs' extent of updating the content of their websites and intermediaries they are listed on was also gathered. The aim was to evaluate if hospitality SMMEs update their websites and intermediaries with new rates, promotional messages and local events. The collected data shows that, two cases update their website on price rates and promotions while the other two do not. In addition, of the three cases listed on intermediaries, one indicated that it rarely make updates on price rates and promotions on the intermediaries they are listed on. Another case indicated that it sometimes updates information on the intermediaries it is listed on. These findings show a low usage of the Web by hospitality SMMEs as a means for communicating current price rates and promotional messages to customers. Figure 15 summarises the hospitality SMMEs' responses on updating Web-content
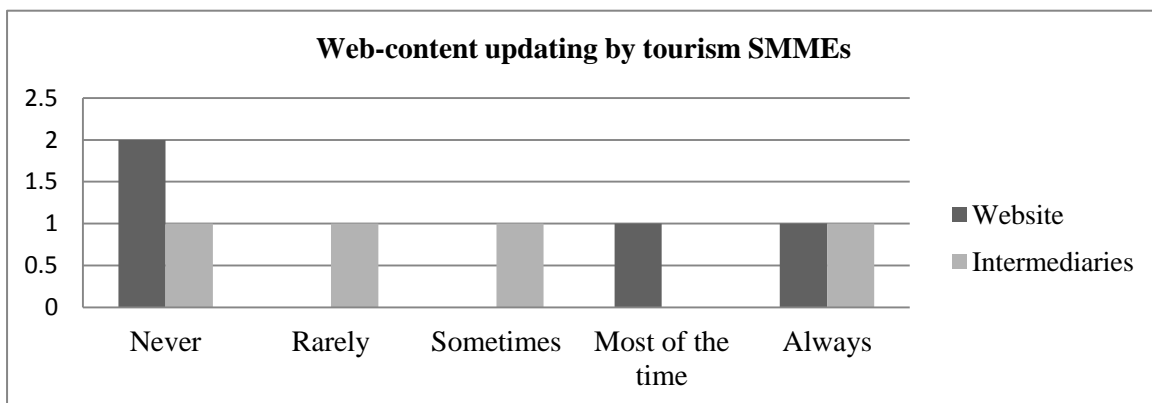
Figure 15: Web-content updating by hospitality SMMEs

6.2.3.5 Use a loyalty system

Only one case considered indicated that it sometimes uses a loyalty system on their website to promote repeat sales. Irrespective of the propositions by Jere, Mamello and Terzoli's (2010) that loyalty systems can enhance the competitiveness of businesses in marginal areas, the majority of investigated hospitality SMMEs indicated that they do not use such facilities on their website. The failure to use loyalty systems could be down to hospitality SMMEs' failure to align the service with their e-Commerce platforms. Accordingly, this attribute is

dropped as a measure of customer service provided by hospitality SMMEs. Figure 16 shows the hospitality SMMEs' response on their use of a loyalty system.
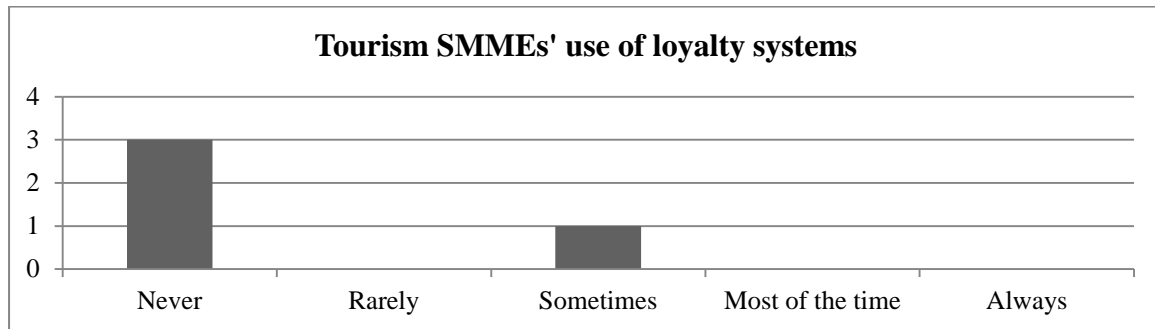
Figure 16: Hospitality SMMEs' use of a loyalty system.

6.3 Within-case analysis

This section presents findings on the impact of factors determining extended e-Commerce adoption and use for each case considered. The study's approach to within-case analysis of doing write-ups for each case separately is consistent with recommendations by prominent case studies researchers (Choi et al., 2011; Yin, 2003; Oates, 2006). Qualitative data gathered on each case through document analysis, observations and interviews were used to evaluate the impact of factors of extended e-Commerce adoption and use. Open coding was used to disaggregate the collected data into conceptual units and labels or names-factor names. Given that the data collection instrument is designed from the priori construct obtained from existing theories and literature, the labels or names for categorising data came from terms used in the existing theory and literature as suggested by Straus and Cobin (2008 in Saunders et al., 2009).

6.3.1 Findings on factors of extended e-Commerce adoption and use for Case 1

Data collected from Case 1 shows that factors found to influence extended e-Commerce adoption and use include government support, ICT infrastructure, awareness, relative advantage and security. These factors are outlined below showing the nature and extent of impact they have had on Case 1.

1) Government support

Empirical evidence shows that government support through the Department of Environmental Affairs and Tourism (DEAT) workshops contributed to Case 1's business and technical skills with regards to the use of the Internet for business purposes. Case 1 interviewee explains: *"We have the tourism board that have different things. They had one* (workshop) *about three months ago – they had something to do with computers or to do with your e-marketing; they gave us a class and they offer that to all the B&Bs. It's nice, we got together at those workshops and get to share our ideas around, frustrations, whatever and their e-marketing one was pretty interesting."*

2) ICT infrastructure

In particular to ICT infrastructure, Case 1 shows concern over the unavailability of a reliable Internet connection. *"We have infrastructural issues big time, we are offline* (Internet connection going offline) *very often. That is so because of the weather, once the wind blows you can be guaranteed we are going to be offline and yes it's an inconvenience."* It was observed that Case 1 is located on the outskirts of East London in an area with poor or unreliable Internet connection.

3) Awareness

The decision to adopt and use extended e-Commerce is more to do with the ability of the manager (also the business owner) to keep abreast with the changes in time. The interviewee stated that: *"None inspired us* (to own a website); *this is the way to go. Everyone uses the Internet, years ago we didn't have cell phones but now that's how we communicate so you ought to move forward with time."*

In addition, the desire of Case 1 to move with time in terms of technology adoption is also reflected by their office set up which is equipped with modern desktops with flat screens. Nevertheless, Case 1 cites the lack of time to know e-Commerce better as one of the concerns that affect their awareness. The interviewee explains: *"We have had a lot of challenges but then again time, because to be able to know what you are talking about on*

this thing you can make wonders." With a complement of two employees, time to commit to other activities can be a challenge for Case 1. During follow-up phone calls, it was noted that the manager of Case 1 was usually busy playing the leading role by facilitating weddings hosted on their premises.

4) Relative advantage

Empirical evidence shows that the relative advantage associated with e-Commerce influenced Case 1's decision to adopt and use e-Commerce for business purposes. While Case 1 acknowledged that they rely much on word of mouth for advertising; *"We don't advertise very much at all except word of mouth advertising"*, they, however, acknowledge that their website goes a step further in advertising their business: *"Word of mouth works fine but at the end of the day they* (customers) *want to go nearer and see pictures and see what's available* (on the website)*"; "A lot of people who want accommodation and they want to go to xxx* (company name and location provided) *they have a look* (on the website) *and see us there."* As such, advertising is seen as a perceived relative advantage that pushed Case 1 into adopting extended and use.

In addition, the interviewee indicates that their extended e-Commerce platforms facilitate enquiries and bookings from across the world: *"We have overseas visits, bookings and enquiries. A lot of advertising, a lot of booking with them is being done from our website. They are not for the local ones alone; some are from Johannesburg, Cape town."*

5) Security

Case 1 cite security concerns with regards to unsolicited e-mails as one of the issues that need to be constantly looked out for as one uses e-Commerce for business purposes: *"Yes we get some funny e-mails; we get to know the economic value not to answer. We receive some e-mails with credit card details when we don't do credit booking on a computer, so yes there is always these security things you have to lookout for"*

6.3.2 Findings on factors of extended e-Commerce adoption and use for Case 2

Based on the collected data, factors found to influence extended e-Commerce adoption and use for Case 2 include market e-Readiness, ICT vendors, ICT infrastructure, financial institutions, awareness, relative advantage, ease of use or adoption, ICT skills, cost, commitment, security and competitors' pressure.   These factors are outlined below showing the nature and extent of impact they have had on Case 2.

1) **Market e-Readiness**

   Empirical evidence shows that market e-Readiness influences Case 2 into adopting and using extended e-Commerce for business purposes.   For instance, Case 2 interviewee stated: *"Generally I think people are using technology more and more but probably not enough trust in technology, I think the personal touch is still very important. I still find most people go on the website and still prefer to call, they would even state to me I see you have available accommodation.   Most people still want a person to speak to. I find very few, starting to become more, but still very very few, I say no more than 5 to 10 percent book directly on the website.   They would either e-mail me or phone me and say I notice you have got* (rooms available through your website)*...but I just wanted you to know. Whether it's the case they don't trust that it will be done, they still don't trust the machines, and they want personal interaction."*

   In addition, Case 2 interviewee explains the reason why they feel few of their customers book directly on the website: *"I find the younger generations do that* (book directly on the website)*, the guests that have started have generally been the younger generation that trust that technology will work.   I find the older generation may go on the website but they still prefer to phone."*

2) **ICT vendors**

   The script of Case 2's interview shows that they rely on ICT vendors for specialist services.   For instance, Case 2 had to hire a professional to have their website designed: *"So I went to a professional person because I, unfortunately I am from a generation that don't have nothing there in the media and I explained to him that I want an interactive*

website, I wanted to be able to change things myself (do updates on the website) *I didn't want to have to go to a professional person in order to do that."*   It was also noted through document analysis that Case 2's website has details of the company that designed the website, further affirming the use of an ICT vendor in web designing.

While Case 2 appreciate the availability of ICT vendors, Case 2 raised concern over the lack of support from time to time during odd hours and weekends – given their business operates 24 hours and 7 days a week.   *"Certainly for me I find it quite easy to get all the necessary support.   Do I necessarily feel that everyone gets a great service? Not really, there are times when it's very frustrating; I mean my business is a 24 hour service business 7 days a week so it is sometimes frustrating when it is a weekend and your Internet goes down or something happens that you can't be attended to immediately when you need that. It's an issue from time to time."*

3) ICT infrastructure

With regards to ICT infrastructure, Case 2 feels the Internet speed is still slow. Interviewee for Case 2 explains: *"I think it's also quite slow. I think South Africa is one of the slowest Internet rates* (speed).*"*

In addition, the researcher noted through document analysis that Case 2's website is composed of a number of motional graphical images that take time to load once one visits the website, which is something that could contribute to the interviewee's opinion that the Internet is slow.

4) Financial institutions

In particular to the availability of financial institutions to support online transactions, Case 2 raised concern over the delay in clearing payments or transfers.   Interviewee from Case 2 explains: *"One of the other things in terms of technology which is frustrating if you just, it might sound like a small thing, but if I have a customer who pays on credit card its often four days before it actually appears in my bank and even if they pay using our online payment system it goes and the banking system from that point of view, the support from that point of view, is too long a delay before I actually see it in my bank.*

That for me as a small business it's still for me better when I either take a credit card payment myself here or I actually get cash."

Still on the facilitation of payments, Case 2 is concerned about the lack of financial institutions that could facilitate direct Electronic Funds Transfer (EFT) from European banks into their local bank. The issue of EFT is critical given Case 2's payment model in which clients are required to make a deposit of 50 percent of the total fee into Case 2's bank account for security purposes. *"I have complaints from overseas people who want to book from overseas that it's still very difficult for them to be able to make payments in South Africa. For them to do an EFT from their bank to my bank seems to be totally impossible, so the only way they can actually do it is via a credit card. At the same time, I want a deposit, especially if they are making a big booking like a week or two weeks whatever it is, so I want a security that they are going to come."* This challenge is exacerbated by Case 2's overseas customers who do not want to use their Web-based payment system. The interviewee explained: *"If they book for example online if they went through on Nites Bridge then they can process the credit card through Nites Bridge no problem, but they don't necessarily want to do that. They want to send you an e-mail, they want to communicate with you or speak to you and* (make a direct transfer).*"* There seems to be a lack of trust from the customer's side that their online payment system is reliable in facilitating payments.

5) Relative advantage

In particular to the relative advantage of having adopted and using e-Commerce, it was noted that Case 2 expects to benefit from marketing its business and reaching clients. *"Certainly for me the website was a very important tool to display my business and reach my business. Absolutely, I mean for me it was unthinkable not to have a website – how else do you reach, how else do you display what you have got."*

In addition, through e-Commerce, Case 2 want to give alternative payment options to customers who intend to do business with them as it was stressed that *"the other thing which was very important for us was that we wanted an online booking system, the previous owner you could only manually book."*

Case 2 interviewee goes on to explain how their business is expected to benefit from immediacy and the communication of relevant information as and when needed through the use of an interactive website that is linked with a booking system and available services (rooms). *"The problem with this industry is that you have to be able to respond quickly and that's why I think the website does come to its own because people generally want to know immediately. If they are looking for accommodation, is it available or isn't it available. If you don't respond quickly enough on an e-mail or e-mail enquiry they will go elsewhere, so immediacy is very very important and that's where I think we have got a website that is linked with the booking system people can go on the website and immediately book and be assured."* In addition, document analysis conducted on their website and intermediaries affirm that Case 2's extended e-Commerce platforms are linked to the available rooms and a customer can actually check online for rates and availability of rooms.

6) **Awareness**

Through the interviews, Case 2 interviewee shows the owner or manager's awareness of e-Commerce. For instance, it was the manager who approached the website designer and explained what they wanted: *"So I went to a professional person, I explained to him that I want an interactive website, I wanted to be able to change things myself."*

In addition, Case 2 interviewee's explanation on how the organisation is benefiting from extended e-Commerce clearly shows the interviewee's (manager and owner) awareness of their online business model and how they expect to benefit from immediacy, the facilitation of online bookings and advertising as indicated under relative advantage.

Lastly, Case 2 interviewee acknowledges that they are not yet fully aware of how to engage social media for business purposes – something that shows their awareness and appreciation that social media could be used for business purposes. *"I don't think I am using social media enough like Facebook. I don't actually know how to use that for my B&B."*

7) Ease of use or adoption

Based on the collected data, one of the reasons why Case 2 adopted e-Commerce is ease of use or adoption.   For instance, it was noted that after acquiring the B&B, the new owners found it difficult to use a static website for business purposes, especially changing the website content.   The interviewee for Case 2 explains: *"The previous owner had a static one-page website and when we even tried to access the website and to change anything on it was impossible to do.   It was being hosted by a company but in order to change anything you had to get a professional person to be able to change it.   So we literally said "scrap that we are not going to do that". We started a new website."*   In addition, the following comment was noted: *"I wanted to be able to change things myself. I didn't want to have to go to a professional person in order to do that."*

Judging by the interviewee's comments, they are now satisfied with their ability to easily integrate their website with their business activities.   *"We are now able to put comments on our self; if we want to change anything I can change it.   If I didn't like something I could change it, if I change anything here I could communicate it, if there are any events I could publish it."*   Through a longitudinal analysis of the website, the researcher noted change of content on the e-Commerce platforms of Case 2, for example price adjustments on their website for November 2013 following periodic promotions.

8) ICT Skills

Empirical evidence shows that the availability of ICT skills within Case 2 is a concern on its decision to adopt and effectively use extended e-Commerce adoption.   For Case 2, ICT skills to operate a website for business purposes do not seem to be a very serious concern due to their passion to research their way to understanding certain ICT applications. *"So we were then researching that* (online booking system) *and decided that the best one for us was going to be the Nites Bridge that people could book themselves."*

However, of particular concern are the ICT skills and the know-how to engage social media for business purposes.   The importance and deemed lack of skills by Case 2 to use social media was brought to the attention of the interviewer twice, emphasizing the extent

to which Case 2 felt the necessary knowledge or skills in this area is lacking. With reference to the use of social media, interviewee for Case 2 pointed out: *"Certainly for me from the older generation, it would be wonderful, certainly I can't take the time to go to college to learn, but it would be wonderful if there were short courses that actually offered that kind of training such that I can have a better understanding of how I can utilize social media in my business. I don't think I am using social media enough like Facebook, I don't actually know how to use that for my B&B."*

9) Cost

When asked about the impact of costs associated with the adoption and use of e-Commerce, Case 2 interviewee indicates that the initial cost of designing the website was high but when compared to the anticipated benefits, it's worth the cost.

Other costs in relation to webhosting and online payment system providers are seen as fairly inexpensive. *"I haven't found the cost I repaid the hosting company and their costs are fairly inexpensive, it's over a R100 a month. I pay additional costs to have the Nites Bridge booking service and once again it was provided fairly inexpensive – depends on the number of rooms that you put on and it's a fixed cost, something I can budget for which is good."*

Nevertheless, Case 2 expresses concern over exorbitant costs charged by some tour operators (intermediary websites). This has effectively influenced Case 2's choice of intermediaries to deal with as explained: *"The costs I find exorbitantly expensive is the fees that you pay to tour operators who actually use your rake rate and then they see that it's deducted from that. Generally, they are anywhere between 15 percent and 25 percent only that I don't work with the ones that offer 25 percent. Even that offer 15 percent, when I look at the fact that all they are doing....they have a greater market they are reaching, but the 15 percent they are charging is actually crippling and now there is a new one that charge 25 percent. So am thinking how I am going to make money if you are taking 25 percent and those are expensive."* Subsequent document analysis on intermediaries affirms this finding as it was noted that some intermediaries charge 15 percent commission - travelground.com or 25 percent commission - *expedia.com* for every booking they facilitate.

In addition, the costs of connecting to the Internet are considered costly when compared to the Internet speed they are getting. *"Internet costs obviously are high; I think it's also quite slow. And yes, I think those are expensive and it is an ongoing expense that is way out of line."*

10) Commitment

Management or owner's commitment towards extended e-Commerce adoption is revealed through their involvement in researching on the best alternative online payment system as stated under awareness.

In addition, even though Case 2 does not have a formal policy that clearly state the website should be used within the organisation, *"It's just something that I encourage, I don't say you have to use."* The management or owner's desires to learn how to use social media for business purposes clearly show how committed they are towards adopting and using extended e-Commerce. Interviewee for Case 2 goes on to indicate that they are engaging a local university in order to learn how they can use social media within the hospitality sector: *"I am talking to the University of Port Elizabeth at the moment. They have a hospitality industry course and there are quite some students doing practical training so I am going to have a look at their program."*

Lastly, Case 2 interviewee shows how they are committed to increasing their interactivity with customers through their extended e-Commerce facilities: *"I haven't been as yet and I certainly would like to become more active about putting news on* (the website), *but it's early days for us. We have been thrown here into the deep end and we have been trying and now we start to find our fit and now I am at a stage where I feel I can spend a bit more time to actually be able to be a bit more interactive with my website."*

11) Security

In particular to security, Case 2 brought to the attention of the interviewer security concerns that come through the intermediaries they are listed on. These security concerns arise through the use of intermediaries when facilitating bookings. The interviewee explains: *"I do actually find quite a lot of bogus enquiries online, I get bogus*

booking I think they use it for the purpose of getting a visa to come to this country, but they have no intention of actually staying here and when they give credit card information to the company (intermediary)*, its often bogus information but they get confirmation back from the agent* (intermediary) *to say we have booked and for me they have booked my site and when I try go on to check the credit card I have to go back and reject it saying 'sorry it's an incorrect'.*"

12) Competitors' pressure

Empirical evidence on Case 2's decision to adopt and use extended e-Commerce reflects the influence of rival competitors.   For instance, the interviewee indicated that: *"I think its worthy trying to bear in mind what your competitor is doing and how are you presenting your business that makes it unique versus your competitors, why should they come to you.   So in designing my website I was looking at trying to persuade people why they should come here."*

In addition, Case 2 interviewee's explanation of anticipated benefits associated with e-Commerce explains the importance of their interactive and transactive website to the organization as a business tool for fighting competitive pressure.   In regards to the anticipated benefits, Case 2 interviewee reveals how the use of their interactive website is expected to lock customers from rivals by making sure that the right information is communicated to interested customers and avoid the risk of losing customers to rivals.

6.3.3 Findings on factors of extended e-Commerce adoption and use for Case 3

The data collected on Case 3 shows that factors influencing extended e-Commerce adoption and use include government support, market e-Readiness, ICT infrastructure, relative advantage, ease of use or adoption, ICT skills, cost and commitment.   These factors are outlined below showing the nature and extent of impact they have had on Case 3.

1) Government support

Interviewee for Case 3 revealed that they receive regular support from the government through the auspices of the DEAT.   To some extent, this support is seen as exposing

Case 3 to various business and ICT skills on online marketing and booking as it was stated that: *"Through the tourism office, we get quite a lot of support from them. They are always pushing products in the area and also online support and any courses or any sort of classes that we can find out more about online booking and online marketing. We get to hear about it via the local government. For what they have got* (the government's limited resources to support)*, we get quite a bit amount of support and very good exposure."*

2) Market e-Readiness

Based on data obtained on Case 3, market e-Readiness has played a part in influencing Case3 into adopting and using extended e-Commerce for business purposes. Case 3's interviewee explains: *"Most of our clients are working on the Internet daily, we looked at that before we looked at spending money and doing those online things. It has been really successful and that's the reason why we went that way, it's because most of our clients or potential clients work with the Internet every day, even at home."*

In addition, Case 3 acknowledges that the access and use of the Internet has spread rapidly with the invention of smart phones. This, according to Case 3, avails other options through which their clients access their online booking services. *"That's the way for people to book accommodation and you know they all use websites, even on their phones, on their iPad, everywhere."*

Case3 goes on to give a detailed evaluation of their market e-Readiness based on the use of their extended e-Commerce facilities: *"We have done a lot of transactions with overseas people but we find South African older people are not as happy to pay on the Internet. They would rather go into a bank and make a payment, they don't like to do it online"*. Cementing this statement are Case 3's customer comments on www.tripadvisor.com dominated by European based customers which suggest their extent of involvement in Case 3's extended e-Commerce facilities.

3) ICT infrastructure

In particular to the provision or availability of ICT infrastructure for the provision of a reliable internet connection, Case 3 indicates that they are actually lucky they are based in Port Elizabeth. Else, they were going to face serious Internet availability challenges had it been that their offices were located at the game reserve (outside the City). *"We are quite lucky, I tell you why. Our main office is actually in Port Elizabeth, even though the game reserve is between Port Elizabeth and Grahamstown. The main offices where we receive e-mails, bookings and payments it's all in Port Elizabeth, so we don't have any problems luckily. If we had to base it at the game reserve, we would have a lot more problems because the Internet there does go down. It can get affected. For instance we have got Internet there, we have Wi-Fi for the guests, but it goes down more than it does in Port Elizabeth so that's why we have it* (the main office) *in the City."*

Despite the presence of a reliable Internet connection, Case 3 interviewee states their concern over a slow Internet speed: *"The rest of the world gets unlimited fast Internet access whereas we don't."*

4) Relative advantage

Relative advantage is seen as influencing the adoption and use of extended e-Commerce. Interviewee for Case 3 explains: "*Definitely, we looked at the benefits of the online. In the last 5 to 6 years even longer and especially now, we find a website is an incredible, very good way of getting business.*"

In addition, Case 3 shows that they also benefit from online booking as confirmed by the interviewee: *"We do a lot of online booking."* Accordingly the receptionist for Case 3 affirms their reliance on online booking: *"We mainly rely on online bookings."*

It was also noted that Case 3 expects to benefit from using an instant messaging to support their older aged customers – a move that makes it easy to use the website from customers' side. *"What we do with our website is we make sure that it's very easy to use, very simple that anybody can use it because a lot of our clients are very old, maybe they are new to the Internet."* Through document analysis of Case 3's website, it was

noted that an instant messaging system automatically pops up pledging to offer support once one visits the website.

5) Ease of use or adoption

According to Case 3, ease of use or adoption is a very critical factor for adopting and using extended e-Commerce for business purposes. Ease of use is not only important from Case 3's perspective on extended e-Commerce usage, instead, Case 3 find it important to be sure that their extended e-Commerce platforms are easy to use for their customers, given their old age. In particular to Case 3's interactive and transactive website, the interviewee explained: *"One thing we have done with our website we made it very easy for other people to use it. What we do with our website is we make sure that it's very easy to use, very simple that anybody can use it because a lot of our clients are very old ,maybe they are new to the Internet because they are older people. So we get to make sure that it's an easy website to use."* Arguably, the instant messaging system on the website is one of the tools used to support Web use making it easy to use for customers.

6) ICT skills

Case 3 find ICT skills needed to make sure that their website is consistently visible online as one of the critical and ongoing challenges faced. *"Currently it's a bit of a challenge, but it's an ongoing process, it's not something that I can just set up and stay* (website). *It's more of the actual website; it's more the content and the constant changing of marketing online. When people look for places they Google and it's the constant challenge of making sure that your website is going to appear on the first few pages of Google. That is a challenge".*

7) Costs

Case 3 cite the cost of connecting to the Internet as a major cause for concern in relation to the adoption and use of extended e-Commerce. Even though cost is an issue, Case 3 reveals that the benefits of doing business online outweigh the cost of connecting to the Internet. *"I think in South Africa we are kind of used to it being expensive and it's probably expensive compared to the rest of the world. We will pay for it." "It is*

expensive but it's a necessary expense if you want to deal with the rest of the world. It's probably more expensive than Europe or America will be paying and maybe Asia, I don't think they pay as much but for us is expensive for what we get."

8) Commitment

When asked if there are any polices in place to formalize the adoption and use of extended e-Commerce, interviewee for Case 3 responded: *"Yes it was brought in as a policy. It's* (our website) *a very big part of the business."* Cementing Case 3's commitment towards extended e-Commerce adoption and use is the recruitment of a full-time Web Administrator responsible for Web related issues like updating Web content and online customer support through instant messaging system. In addition, it was noted through document analysis of exchanged e-mails that the Web Administrator works extended hours Monday to Friday: 08h00 to 22h00 and Saturday and Sunday: 08h00 to 18h00 as indicated in the Web Administrator's e-mail signature. Arguably, working extended hours can be aimed at giving support to customers (on Web related issues through instant messaging system) who are located in countries with different time zones. Lastly, it was noted through document analysis that Case 3 frequently responds to customer complaints on its social media page (www.tripadvisor.com) further indicating Case 3's level of commitment towards extended e-Commerce use.

6.3.4 Findings on factors of extended e-Commerce adoption and use for Case 4

Empirical evidence collected on Case 4 shows that ICT vendors, ICT infrastructure, awareness, relative advantage, cost, and commitment are influential to extended e-Commerce adoption and use. These factors are outlined below showing the nature and extent of impact they have had on Case 4.

1) ICT vendors

In the interview, Case 4 interviewee indicated their reliance on ICT vendors. The interviewee went as far as acknowledging that it would not have been possible for them to own a website had it not been the support from ICT vendors: *"I feel without the ICT vendors I wouldn't have a website."* It was also noted through document analysis that

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Case 4's website has a Web link of the company that designed their website, a finding that affirms that Case 4 outsourced Web designing services.

Interestingly, management of Case 4 feel they do not need any ICT skills as they believe having ICT supporting skills is out of their line of business and that they could simply outsource such services. Case 4 interviewee explains: *"I don't particularly think my wanting to know how to maintain my website* (is important)*, that's not my line of business so I am happy to assign that to someone else. I don't want to keep myself busy with working on the Internet* (network troubleshooting) *and doing website. I mean that's not my business, it's a tool* (extended e-Commerce) *that I use and it's for professionals to repair it, we outsource, we don't need that kind of expertise on a daily basis."*

2) ICT infrastructure

In particular to ICT infrastructure, interviewee from Case 4 cites the lack of adequate alternatives for connecting to the Internet as a major concern: *"I don't think we have enough options to connect to the internet, there is nothing from Telkom. There is no ADSL from Telkom available, we had to make use of Vodamail."* The interviewee goes on to explain: *"We don't have* (option for) *the landline connection, we have the mobile one, for Vodamail."* Vodamail is a division of Vodacom that provides wireless Internet connection and e-mail services through mobile network. Telkom is a partly owned government telecommunications company that offers wireless and wired Internet connection services.

In addition, interviewee for Case 4 indicated that they are not totally happy with the current Internet speed as it was revealed that *"the Internet speed is ok, not great, just ok."*

3) Awareness

Based on data obtained from Case 4, management or owner's awareness arguably contributed to the decision to adopt extended e-Commerce. When asked how the whole idea to adopt extended e-Commerce came about, the participant who is also the business owner indicated that he initiated the idea: *"I thought it myself, it was my idea to have a website."*

4) Relative advantage

The participant for Case 4 cited the relative advantage associated with extended e-Commerce adoption as one of the reason why they adopted the technology for business purposes. When asked why they adopted and use extended e-Commerce, interviewee for Case 4 responded: *"To generate new business, that's the major reason for getting website and for advertising."*

In addition, interviewee for Case 4 shows their desire to benefit from advertising over the Internet as it was mentioned that *"We have also advertised on other specific travelling website."* In support of this finding, document analysis conducted by the researcher shows that Case 4 is listed on www.booking.com.

5) Cost

Costs associated with owning a website and maintenance of it are seen as too expensive by Case 4. However, when cost is compared against anticipated benefits, benefits associated with the adoption of extended e-Commerce are seen as outweighing the costs. Interviewee for Case 4 was cited as saying *"it's expensive but it's worth it."*

When asked if it is cost for connecting to the Internet that is of concern, the interviewee responded: *"that coupled with the regular maintenance to the website."* There can be no doubt on the impact of cost of maintenance given Case 4's reliance on ICT vendors discussed above.

6) Commitment

The management or owner's involvement in inventing the idea clearly shows their commitment to adopting extended e-Commerce. When asked how the whole idea to adopt and use a website for business purposes came about, the interviewee who was also the business owner responded: *"I thought it myself, it was my idea to have a website"*. In addition, the manager or owner further reflects their commitment and involvement in the use of extended e-Commerce effective by stating that: *"I am the only one that works on the website."*

Even though Case 4's location has sparse Internet connection options, management or ownership has shown great commitment towards extended e-Commerce adoption and use by investing in wireless and relatively expensive Internet connection through Vodamail.

6.4 Summary

The chapter displayed empirical evidence from the four cases. The evidence for each case considered was collected using different techniques namely questionnaire, document analysis, observations and interviews. The chapter outlaid data on the number of employees and extent of e-Commerce adoption. While the level of website sophistication remains low in some cases, other cases considered have interactive and transactive websites linked to the services on offer. Despite the levels of sophistication of e-Commerce platforms, hospitality SMMEs are yet to fully utilise the capabilities of their website and benefit most from such investments. For instance, most hospitality SMMEs do not use loyalty systems and hardly send out promotional messages to customers. Of particular, e-Commerce is mainly used for online reservations and the facilitation of online sales.

Data displayed for within-case shows that factors influencing Case 1 into adopting and using extended e-Commerce adoption include Government support, ICT infrastructure, Awareness, Relative advantage and Security. In addition, market e-Readiness, ICT vendors, ICT infrastructure, financial institutions, awareness, relative advantage, ease of use or adoption, ICT skills, cost, commitment, security and competitors' pressure were found influencing Case 2. On the other hand, government support, market e-Readiness, ICT infrastructure, relative advantage, ease of use or adoption, ICT skills, cost and commitment are factors influencing Case 3 into adopting and using extended e-Commerce. Lastly, empirical evidence on Case 4 shows that ICT vendors, ICT infrastructure, awareness, relative advantage, cost and commitment are instrumental to their decision of extended e-Commerce adoption and use.

Of the twelve factors in the proposed model of extended e-Commerce adoption and use, only one factor, social influence, did not have any supporting evidence as a factor of extended e-Commerce adoption and use in all cases analysed. Two factors emerged from the data as being instrumental to extended e-Commerce adoption and use namely security and competitors' pressure.

The next chapter uses these findings to explain their implications on the proposed model of extended e-Commerce adoption and use. Cross-case analysis on findings from each case is used to discuss, compare and contrast, and draw conclusions for each factor of extended e-Commerce adoption evaluated.

CHAPTER 7: CROSS-CASE ANALYSIS AND IMPLICATIONS ON THE PROPOSED MODEL

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7.0 Introduction

7.1 Cross-case analysis

7.2 Evaluation of theories and models used

    7.2.1 The ICDT model

    7.2.3 The UTAUT and PERM model

7.3 The proposed model of extended e-Commerce adoption and use (modified)

7.4 Summary

7.0 Introduction

The chapter conducts a cross-case analysis on factors determining extended e-Commerce adoption and use. Within-case analysis is done to discuss and interpret findings on factors determining extended e-Commerce adoption and use. The chapter goes on to compare components in the proposed model against those of the models that were used to construct the model. Similarities and differences between the original and proposed model are noted. In addition, the chapter modifies the proposed model of extended e-Commerce adoption and use to accommodate findings from data collection.

7.1 Cross-case analysis

Chapter six indicated that the use of multiple-case studies provides a stronger base for theory building or more compelling empirical evidence for the study (Yin, 1994 in Eisenhardt & Graebner, 2007; Herroitt & Firetone, 1983 in Yin, 2003). It is therefore important to bring together evidence from all sources considered and identify the most common and rare issues found in the field. Accordingly, this study uses cross-case analysis to consolidate findings on factors determining extended e-Commerce adoption and use.

1) Government support

Empirical evidence shows that government support through the auspices of the DEAT has contributed to hospitality SMMEs' knowledge on e-Commerce such as e-Marketing and online booking. Two cases engaged in data collection indicated that they regularly attend informative workshops organised by the local tourism board. In reference to the government's support through the Tourism Board's workshops, Case 1 and Case 3 stated: *"The e-Marketing workshop was interesting"*; *"Through the tourism office, we get quite a lot of support from them…sort of classes that we can find out more about online booking and online marketing."*

However, the other case considered for this research shows a lack of knowledge of the government's supportive initiatives and does not expect the government to assist them

with issues pertaining to e-Commerce. Case 2 explains that: *"I have never thought of the government helping me* (laughs), *it has never crossed my mind, and I must be brutally honest and say that."*

Nevertheless, studies in developing countries show that good government policy and support can help e-Commerce growth (Li & Xie, 2012). Li and Xie (2012) and Tyler et al. (2007) note that on one hand; the Chinese government have some related policies that have encouraged e-Commerce adoption. But on the other hand, government control and restrictions, as well as the lack of legal regulation, is a source of considerable tension and may impede e-Commerce's further development within SMMEs (Li & Xie, 2012; Tyler et al., 2007). Similarly, Kabanda (2011) found that SMMEs in Tanzania lament lack of government support and low e-Readiness on their failure to institutionalize e-Commerce. All these findings affirms the finding that government support is playing an instrumental role in enhancing extended e-Commerce adoption and use by hospitality SMMEs that have received the support.

2) Market e-Readiness

The previous chapter shows that Market e-Readiness has contributed to extended e-Commerce adoption and use. The hospitality market is seen as using the Internet for searching information and making bookings. All cases agree that their customers use their extended e-Commerce platforms for bookings – something that certainly push the hospitality SMMEs into using their e-Commerce platforms.

These findings are in line with recent research findings by Abou-Shouk et al. (2012) on travel agents in Egypt, that the new generations as well as some current customers are more interested in using technology and the Internet. Customer pressure is thus perceived by the managers as one of the drivers of e-Commerce adoption (Abou-Shouk et al., 2012). Similarly, Al-Qirim (2007b) notes that extended e-Commerce adopters cite market scope (local versus international) and pressure from buyers among factors most likely to influence adoption. On the other hand, research by Kabanda (2011) found that most Tanzanian SMMEs indicated that they would not be interested in institutionalizing e-Commerce because there was a lack of customer readiness. Accordingly, this finding

implies that Market e-Readiness is pushing hospitality SMMEs in the Eastern Cape into adopting and using extended e-Commerce.

3) ICT vendors

The majority of cases considered in this research indicate they rely on ICT vendors' in Web designing, PC repairs and maintenance and Web hosting.   The extent of reliance on ICT vendors suggest their availability something that can be explained by the fact that all cases considered are located in or near urban settings.

The importance and reliance on ICT vendors by hospitality SMMEs is in agreement with previous research.   For instance, Karanasios (2008) notes that hospitality SMMEs in metropolitan and semi-rural areas of Ecuador suggest that there is easy access to all the necessary supporting services.   Where the general support is not available locally, hospitality SMMEs are forced to outsource the service from other towns.   Accordingly, within the context of Tanzanian SMMEs, Kabanda (2011:8) noted that one hospitality SMME lamented: "*We need a great website for our tourism site; the problem is we can't trust the market to provide us with the right person who has the right technological skills to do the job. So what we do is outsource outside the country*."   These findings affirm the finding that the availability of ICT vendors is very critical for hospitality SMMEs in the Eastern Cape Province if they are to adopt and use extended e-Commerce.

4) ICT infrastructure

Data collected through observations, document analysis and interviews suggest hospitality SMMEs located in urban setting have reliable options for connecting to the Internet as their only concern was that of slow Internet speed.   However, the unavailability of ADSL in the outskirts of towns or urban settings (Case 1 and Case 4) suggests that the availability of Internet connection options suitable for business purposes remains scarce within the Eastern Cape Province.   This could explain the reason why Case 1, located just outside East London, is still using an unreliable Internet connection – something that certainly affects their use of extended e-Commerce.

In support of this finding, a full base line study by Pade et al. (2009) on the SLL in rural parts of the Wild Cost in the Eastern Cape found that teachers, students and the general public rely on mobile phones to access the Internet – a finding that points to the unavailability of alternative Internet connection in rural areas. This affirms the finding that ICT infrastructure is a limiting factor of extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape.

5) Financial institutions

Research findings from Chapter 2 show that Case 2 and Case 3 acknowledge the availability of financial support-giving institutions that facilitate online payments. In addition, intermediaries also provide an alternative platform that could facilitate online payments. However, of particular concern to one of the cases is the time it takes for a financial transfer to be cleared and reflect in another account. Case 2 laments: "*If I have a customer who pays on credit card its often four days before it actually appears in my bank…from that point of view is too long a delay before I actually see it in my bank. That for me as a small business it's still for me better when I either take a credit card payment myself here or I actually get cash.*" In addition, Case 2 cites challenges of EFT at international level given that hospitality market spans across different countries.

Accordingly, such concerns are likely to negatively affect the adoption and use of online payments by hospitality SMMEs. For instance, Kabanda (2011) state that SMMEs in Tanzania has not adopted transactive e-Commerce, instead they have adopted and use mobile payment systems like MPESA and Z-PESA that offer instant funds transfers without delay. MPESA and ZPESA are mobile phone based money transfer services designed to enable users to complete basic banking transactions without the need to visit a bank branch (Kabanda, 2011). While mobile payment systems can be of use to hospitality SMMEs, their use in the hospitality sector could be complicated by the fact that mobile payment use is currently limited to a particular country, whereas the hospitality market span across different countries requires that people abroad use different currencies to conduct commercial transactions. As such, the availability of financial institutions supporting instant online payments at local and international level is important for extended e-Commerce adoption and use.

6) Awareness

Empirical evidence shows that management or owner's awareness of changes in technological trends plays a critical role in the adoption and use of extended e-Commerce. It all depends on the absorptive capacity of the potential adopter, which refers to the knowledge and ability of an organisation to judge and process certain information in order to make as efficient as possible use of the information towards the adoption and use of technology within the organisation (Wang & Qualls, 2007). For instance, Case 1 stresses that: *"It's just the way to go, everyone use the Internet, years ago we didn't have cell phones* (but now) *that's how we communicate, we have to move with time, that's what everybody is doing."* In addition, Case 2's management and owner explain the specifics of their extended e-Commerce platforms clearly indicating how they expect to benefit from their investment which shows their awareness.

The importance of management or owner's awareness aligns with recent research findings by Abou-Shouk et al. (2012) in Egypt who noted that interviewed managers used words like 'revolution', 'trend' and 'fashion' to describe the age of Internet technologies. Some of the managers perceived e-Commerce as the fashion saying 'this is the trend in the world now' as they describe the need to adopt e-Commerce (Abou-Shouk et al., 2012). All these findings affirms the finding that management's awareness of extended e-Commerce can create an anticipation of its role and potential impact on the organisation, thereby enhancing chances of adoption and use.

7) Relative advantage

The collected data shows relative advantage is an important factor that is common in all cases considered for this research. Participants cited similar and different e-Commerce advantages as the reason behind its adoption and use. For instance, Case 1 seeks to benefit from advertising, communication and online bookings. Case 2 uses e-Commerce to market or publicise their business, display services, facilitate online bookings and offer immediacy in a highly competitive sector. Case 3 expects to get business around the world, while Case 4 seeks to generate new business and advertise.

This finding on relative advantage is constant with previous research findings. For instance, Chong (2006) found that e-Commerce adoption and use by Australian SMMEs is down to the anticipated relative advantage among other factors. Similarly, Abou-Shouk et al. (2012) found that relative advantage is a driver of e-Commerce adoption by travel agents. However, very often the lack of knowledge of the advantages that e-Commerce offer can cause impatient SMMEs to give up and discontinue the adoption and use of e-Commerce as noted by Chong (2006). As such, the knowledge of perceived benefits is seen as pushing hospitality SMMEs into adopting and using extended e-Commerce in their business.

8) Ease of use or adoption

Collected data suggest two cases see ease of use or adoption as an important factor to extended e-Commerce adoption and use. For instance, Case 2 indicated that they can change website content and communicate changes to their clients with ease. Accordingly, Case 3 cements the relevance of ease of use or adoption by explaining how they have made their website easy to use for them and their customers who mainly consist of an older age group. The presence of an instant message system on Case 3's website suggests their desire to make their website easy to use through the provision of instant customer support.

Arguably, research by Kabanda (2011) on the popularity of mobile payment systems among SMMEs in Tanzania can be attributed to the technology's ease of use as it is less complicated requiring very limited technical assistance. In addition, research a finding by El-Gohary (2012) show that e-Marketing's perceived ease of use is among the most important factors influencing its adoption by hospitality SMMEs in Egypt. Martins et al.'s (2013) research shows that effort expectancy (ease of use or adoption) plays a critical role in influencing the behaviour intention to use technology. All these findings cement the relevance of ease of use or adoption of extended e-Commerce to hospitality SMMEs in the Eastern Cape. Extended e-Commerce's degree of ease to use or adopt is particularly important for hospitality SMMEs considering their limited skills. On the other side, friendly and easy to use extended e-Commerce platforms mean that customers become more willing to use hospitality SMMEs' online platforms for commercial purposes.

9) ICT skills

Empirical evidence shows that hospitality SMMEs rely on ICT vendors for technical issues like PC repairs and maintenance, and Web designing. Of all cases considered, none of them have hired an expert in IT or ICTs to provide in-house support except Case 3. This affirms Case 4's argument that ICT skills are not necessary in their organisation as they are not in line with their business. In addition, ICT skills are seen as not required on a daily basis, hence the decision to outsource. However, the major concern aligned to ICT skills lies on the availability of skills needed to effectively use extended e-Commerce. For instance Case 2 feels that they are not effectively using social media for their B&B. Case 3 see Web marketing skills as necessary to keep their website visible on the Internet (to feature among the first search results on search engine) as an ongoing challenge.

In support of this finding, Abou-Shouk et al. (2012) found that many travel agents in Egypt do not have IT departments and most hire part-time technicians to solve their technical problems. In addition, Kabanda (2011) proposes that having a website requires SMMEs to acquire expertise which is difficult to acquire and retain given limited resources. Based on these arguments, this research concludes that hiring an IT specialist on a full-time basis within the context of hospitality SMMEs can be a farfetched reality given SMMEs' limited resources. Whilst ICT skills remain a challenge, hospitality SMMEs have shown that government support, researching and out-sourcing services of specialists could be effective measures that contribute to the alleviation of the magnitude of challenges resulting through ICT skills. As such, it is therefore concluded that the availability of ICT skills (through government support, research and out-sourcing services of specialists) within hospitality SMMEs promote extended e-Commerce adoption and use, while their unavailability discourages its adoption and use.

10) Cost

The majority of cases considered show that costs associated with extended e-Commerce adoption and use are a major stumbling block. However, when viewed in light of the anticipated benefits, these costs are seen as having less impact on extended e-Commerce adoption and use. For instance Case 2 and Case 4 concede that Web designing costs are high, but worth it.

In addition, Case 2, Case 3 and Case 4 all cite the cost for connecting to the Internet as very expensive. Furthermore, Case 2 laments the cost of commission charged by some intermediaries which is seen as crippling the industry.

Accordingly, previous research by Al-Qirim (2007b) found that cost is not an impending factor to both e-Commerce adopters and extended e-Commerce adopters due to the adoption of simple technologies and anticipated benefits respectively. In addition, Mapeshoane and Pather (2012) recently found that 45.2 percent of the respondents agree that the cost of computer equipment is too high, therefore e-Commerce is not an option in their business. However, the remaining 54.8 percent suggest cost in not an inhibiting factor among the hospitality SMMEs that were considered (Mapeshoane & Pather, 2012). These findings suggest that without a clear understanding of extended e-Commerce to have a better anticipation of the benefits, Web and Internet related costs can impede extended e-Commerce adoption and use.

11) **Commitment**

Data collected shows that management or owner commitment positively influences extended e-Commerce adoption and use. Even though hospitality SMMEs do not have policies directly supporting extended e-Commerce activities, commitment is reflecting through the amount of effort and extent of the management or owner's involvement. For instance, management of Case 2 was directly involved in the identification and selection of a suitable online payment system through research. In addition, the management for Case 2 is also committed to enrol for short courses where they learn how to use social media for their business. Case 3 management hired a Web Administrator who works extended hours dealing with issues that concerns their extended e-Commerce platforms. Accordingly, management or owners for Case 1 and Case 4 have shown their commitment towards extended e-Commerce adoption and use despite ICT infrastructural challenges within their locations.

These findings are constant with previous studies. For instance, Abou-Shouk et al. (2012) note the manager or owner's commitment to adopt technology as another driver of adoption. Similarly, Molla and Licker (2005) found management commitment as one of

the important factors of e-Commerce adoption and institutionalization. On the other hand, Al-Qirim (2007b) identified that e-Commerce adoption in New Zealand SMMEs was hindered by a paucity of Chief Executive Officers' (CEOs) involvement. These proposals cement the research finding that management commitment push hospitality SMMEs in the Eastern Cape into adopting and using extended e-Commerce.

12) Security

Empirical evidence shows two cases citing security concerns with regards to extended e-Commerce use. Case 1 and Case 2 often receive 'bogus' enquiries through their extended e-Commerce platforms. In addition, Case 2 indicated that they also get 'bogus' or fraudulent bookings through the intermediaries they are listed on, which they have to reject or reverse with their intermediaries to avoid being charged commission for a non-existing booking. On the other hand, Case 3 indicates that they have anti-virus hence security threats due to viruses is not seen as a concern: *"We have no* (security) *concerns. We just make sure we have got the good security online; you have to have a good anti-virus and other security measures on the website and internet."* Accordingly, Case 4 concede that "*I don't allow people to use a memory stick on my computer*" as one of the measures to cab the spread of security threats through viruses. In addition, Case 4's manager and owner is the only one who uses the company computer – something they see as improving security – as such, security is not seen as a threat. Thus, it is concluded that security issues present a threat to the use of extended e-Commerce platforms for business purposes.

13) Competitors' pressure

Empirical evidence shows that only Case 2 see competitors' pressure as one of the factors driving them into adopting and using extended e-Commerce. It should be noted that Case 2 is a new entrant in the hospitality business with only a year of existence, while other cases considered have been in business for over five years – a factor that can explain their view on competitors. In particular, Case 2 indicated that they designed their extended e-Commerce platforms looking at the reasons why customers should come to their B&B at the expense of competitors. In addition, the extended e-Commerce facilities that are linked to available rooms, prices, booking system and other services are used to improve

immediacy or customer response that they instantly know what is and is not available, as Case 2 attempt to improve customer service in a competitive sector.

In line with these findings, Al-Qirim (2007b) notes that few SMMEs' owners indicated that they adopted different e-Commerce technologies to compete in the marketplace and that it was very important for them to adopt these technologies to maintain that market lead.   On the other hand, Abou-Shouk et al. (2012) found competitive pressure as one of the strongest drivers behind e-Commerce adoption as hospitality SMMEs compare themselves and fight for competitive positions, not wishing to be left behind by fellow competitors.   These findings cement this research's argument that competitors' pressure can act as a driving force behind extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape.

7.2 Evaluation of theories and models used

This section compares research findings from data collection against findings from the literature review.   The aim is to evaluate differences and/or similarities between findings from data collection and propositions in the theories and models used in this research's literature review.   Focus is on evaluating the ICDT model as a qualitative measure for describing characteristics of extended e-Commerce platforms for hospitality SMMEs in the Eastern Cape.   In addition, the UTAUT and PERM model are evaluated to establish which of their factors were found to be instrumental to extended e-Commerce adoption and use.

7.2.1 The ICDT model

The ICDT model proposed by Angehrn (1997) provides a basis for identifying how existing products and services could be extended and redesigned to taking advantage of opportunities presented by the Internet.   As such, the ICDT model was used in section 2.4.1 of chapter two to provide a guideline in describing characteristics of extended e-Commerce platforms for hospitality based business organisations.   Institutionalizing e-Commerce that includes SEM activities and/or listing services on intermediary websites, and engaging through social media websites were used to quantify and describe extended e-Commerce platforms for hospitality

SMMEs. These attributes describing extended e-Commerce adoption were aligned to the Internet spaces proposed in the ICDT model.

Data collected through a questionnaire survey and document analysis was used to evaluate the nature and degree of sophistication of hospitality SMMEs' extended e-Commerce platforms. Findings from data collection affirms that institutionalization of e-Commerce that includes SEM activities and/or listing services on intermediary website, and engaging through social media websites can effectively describe extended e-Commerce platforms for hospitality SMMEs. However, there are cases where hospitality SMMEs have an interactive but not transactive website, commit to SEM activities, engaging through social media and use intermediaries to facilitate online payments. These findings validate the ICDT model as an accurate depicter of characteristics of extended e-Commerce platforms for hospitality SMMEs.

In addition, this research evaluated the use of extended e-Commerce by hospitality SMMEs in the Eastern Cape. Focus was on evaluating the usage of interactive and transactive facilities on the extended e-Commerce platforms to establish their extent of use by hospitality SMMEs for business purposes. By so doing, the research attempts to evaluate the voluntary use of extended e-Commerce platforms by hospitality SMMEs and customers. This was motivated by Petter, et al.'s (2008) suggestion that a customer or supplier's use is an important measure of success for e-Commerce platforms because customer use is more often voluntary. Accordingly, the research evaluated the use of interactive and transactive Web-based applications of hospitality SMMEs that contribute to online sales (online payments), reservations (paid and unpaid booking of services) and customer service (e-mail use, updating Web content, instant messaging, sending out promotional messages, using loyalty systems).

Empirical evidence on extended e-Commerce use shows that hospitality SMMEs that have institutionalized e-Commerce use the platforms to facilitate online payments and reservations. In addition, hospitality SMMEs use their e-Commerce platforms to facilitate customer service such as communicating through e-mail, customer support through instant messaging and updating Web-content (rates and promotional information). However, it was

also noted that the use of extended e-Commerce platforms to promote repeat purchases through loyalty systems and sending out promotional messages list remains limited among hospitality SMMEs.

7.2.3 The UTAUT and PERM model

The research uses two models: the UTAUT and PERM to identify factors determining extended e-Commerce adoption and use. According to the UTAUT, four constructs, namely performance expectancy, effort expectancy, social influence and facilitating conditions, are seen as direct determinants of user acceptance and usage behaviour (Venkatesh et al., 2003). In addition, Molla and Licker (2005) proposed the PERM with two constructs, namely POER and PEER, as instrumental constructs to e-Commerce adoption in the developing world. Molla and Licker (2005) define POER as the managers' evaluation of the degree to which they believe that their organisation is ready in terms of Awareness, Commitment, Resources and Governance to aid e-Commerce implementation. PEER is defined as the degree to which managers believe that the environment is ready to aid e-Commerce implementation as determined by Market Forces, Government and Supporting Industries e-Readiness (general support services, telecommunications infrastructure and financial institutions).

To arrive at factors that influence extended e-Commerce adoption and use by hospitality SMMEs from the reviewed models, this research went through a content analysis of the reviewed two models charting, matching and renaming factors. Accordingly, some of the variables and or factors proposed in Venkatesh et al.'s (2003) UTAUT and Molla and Licker's (2005) PERM were renamed to suit the context of this study which is focused on hospitality SMMEs. The process resulted in the identification of factors namely, government support, market e-Readiness, ICT vendors, ICT infrastructure, financial institutions, awareness, relative advantage, ease of use or adoption, ICT skills, cost, social influence and commitment as determinants of extended e-Commerce adoption and use.

Results from data collection show that the majority of factors identified in the literature play an instrumental role to extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape. Only one factor, social influence, did not have sufficient evidence to support

its relevance as a determinant of extended e-Commerce adoption and use. In addition, two more factors of extended e-Commerce adoption and use were identified through data collection namely: security and competitors' pressure.

In summary, it can be concluded that the findings of this research are consistent with propositions in the reviewed models. Findings from data collection are used in the next section to modify the proposed model of extended e-Commerce adoption and use.

7.3 The proposed model of extended e-Commerce adoption and use (modified)

The proposed model of extended e-Commerce adoption and use was designed using components in the above models. These components were evaluated using data collected on hospitality SMMEs in the Eastern Cape Province. The collected data shows that the ICDT model can be used to define the characteristics of hospitality SMMEs' extended e-Commerce platforms. As shown in Figure 17 (see page 127), hospitality SMMEs that have institutionalized e-Commerce need to adopt SEM activities for them to be visible online. SEM activities are not indicated separately under intermediaries (see Figure 17) because intermediaries offer SEM activities as part of the package of listing services with them. On the other hand, social media websites that provide for hospitality customers' comments is supposed to provide useful information to customers and potential customers who identify hospitality SMMEs through the institutionalized e-Commerce and/or listings on intermediary websites. Such information can include comments on hospitality SMMEs' quality of services and overall facilities that may influence a customer's buying decision.

Nevertheless, research on e-Commerce adoption and migration by Hong and Zhu (2006) suggests that quite often businesses with e-Commerce platforms do not conduct transactions online. Hence the need to capture the quantitative property that describes the amount of commercial activities conducted through extended e-Commerce platforms. Accordingly, research findings on hospitality SMMEs in the Eastern Cape show that even though hospitality SMMEs have shown a desire to adopt extended e-Commerce, the use of such platforms for business purposes remains low. For instance, there are cases where only a few customers are paying through online payment facilities provided by hospitality SMMEs,

instead they prefer to do direct transfer. Hospitality SMMEs cite the lack of trust by customers (especially South Africa based customers) and the technology is still new to them as some of the reasons why online sales are low. On the other hand, hospitality SMMEs investigated have shown a low use of their extended e-Commerce platforms to promote online sales. For instance, hospitality SMMEs do not regularly send out periodic promotional e-mails and use loyalty systems to promote repeat purchase.

Empirical evidence shows that internal and external environmental factors play a pivotal role to the adoption and use of extended e-Commerce. Internal environmental factors found to be instrumental to extended e-Commerce adoption and use includes technical factors, namely cost and security. Costs of connecting to the Internet and Web designing costs are seen as high. Additionally, costs for subscribing to some intermediaries are also considered expensive. Nevertheless, quite often hospitality SMMEs cite cost as a minor concern when compared to the anticipated relative advantage of adopting and using extended e-Commerce. On the other hand, unsolicited e-mails and fraudulent bookings through intermediaries are seen as major security concerns.

In addition, knowledge factors, namely relative advantage and ease of use or adoption, were seen as influencing extended e-Commerce adoption. Relative advantage shows to be the most influential factor pushing hospitality SMMEs into adopting and using extended e-Commerce. Ease of use or adoption is seen as an important factor to the adoption and use of extended e-Commerce.

Organisational factors, namely ICT skills, awareness and commitment, show to have an influence on extended e-Commerce adoption and use. Due to hospitality SMMEs' reliance on ICT vendors, only ICT skills to effectively use extended e-Commerce platforms are seen as a major concern, for example, the use of social media like Facebook for business purposes. Management awareness and commitment were also found to be beneficial in promoting extended e-Commerce adoption and use.

Within external environmental factors, government support, market e-Readiness, ICT vendors, financial institutions, ICT infrastructure and competitors' pressure were found to be influential to extended e-Commerce adoption and use. Government support is seen as contributing to hospitality SMMEs' ICT and business skills, while market e-Readiness is seen as pushing hospitality SMMEs into adopting and using extended e-Commerce platforms as most customers are seen as using the Internet on a daily basis. In addition, hospitality SMMEs rely on ICT vendors for specialist services like Web designing and PC repairs and maintenance. One of the hospitality SMMEs engaged through data collection argued that ICT skills are not their line of business and they do not need ICT skills on a daily basis, hence the reason behind outsourcing the service.
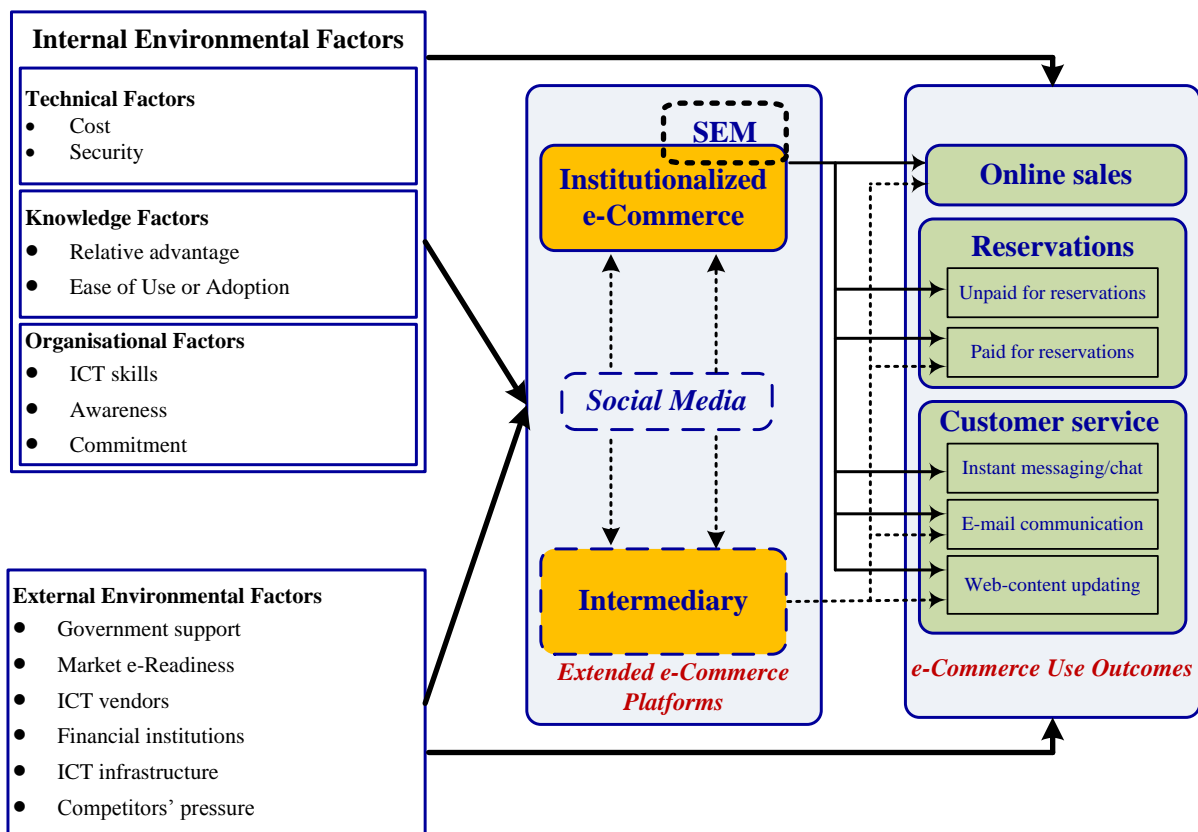
Figure 17: The model of extended e-Commerce adoption and use

While hospitality SMMEs acknowledge the availability of financial institutions, delay in clearing funds transfer is seen as a major concern to the use of extended e-Commerce platforms for business purposes. In addition, ICT infrastructure with regards to the availability of alternative Internet connection is seen as scarce. The Internet speed is also

considered to be very low considering the Internet subscription costs. Lastly, competitors' pressure is seen as pushing hospitality SMMEs into adopting and using extended e-Commerce. It should be noted that competitors' pressure was not in the initial proposed model; instead it emerged through data collection. Figure 17 shows the revised model of extended e-Commerce adoption and use.

7.4 Summary

Cross-case analysis on factors of extended e-Commerce adoption and use is used to consolidate findings from all cases considered. Findings on hospitality SMMEs' adopted extended e-Commerce platforms, extended e-Commerce uses and factors of extended e-Commerce adoption and use are compared against original models that were used to construct the original model. Empirical evidence shows that the ICDT model can be used to depict sophistications of extended e-Commerce adoption by hospitality SMMEs. Nevertheless, research findings from data collection show a slow usage of these extended e-Commerce platforms for business purposes. In addition, research findings from data collection confirm that the combined propositions by the UTAUT and PERM influence extended e-Commerce adoption and use by hospitality SMMEs. Only one factor, social influence, was found not influential to extended e-Commerce adoption and use. In addition, empirical evidence shows that two more factors play an instrumental role to extended e-Commerce adoption and use, namely security and competitors' pressures. These findings were incorporated in the proposed model and a refined model is presented in this chapter.

Based on these findings, the next chapter concludes the research. It revisits the research sub-questions of Chapter 1, indicating how each sub-question and objectives were met.

CHAPTER 8: RESEARCH OVERVIEW AND CONCLUSION

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                    │    CHAPTER 1:       │
                    │    Introduction     │
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                              ▼
┌──────────────────────────────────────────────────────────┐
│              THEORETICAL FRAMEWORK                         │
│  ┌──────────────────────┐  ┌──────────────────────────┐   │
│  │   CHAPTER 2:         │  │   CHAPTER 3:             │   │
│  │ Characteristics of   │  │ Factors determining      │   │
│  │ extended e-Commerce  │  │ extended e-Commerce      │   │
│  │ adoption and use     │  │ adoption and use         │   │
│  └──────────────────────┘  └──────────────────────────┘   │
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┌──────────────────────┐
│   CHAPTER 4:         │
│   Proposed model     │
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┌──────────────────────┐          ┌──────────────────────────┐
│   CHAPTER 5          │          │                          │
│ Research methodology │          │  8.0 Introduction        │
└──────────────────────┘          │                          │
         │                        │  8.1 The theoretical     │
         ▼                        │      framework           │
┌──────────────────────┐          │                          │
│   CHAPTER 6:         │          │  8.2 Research questions  │
│ Empirical evidence   │          │      and findings        │
└──────────────────────┘          │                          │
         │                        │  8.3 Research            │
         ▼                        │      contributions and   │
┌──────────────────────┐          │      overall             │
│   CHAPTER 7:         │          │      implications        │
│ Cross-case analysis  │          │                          │
│ and implications     │          │  8.4 Direction for       │
└──────────────────────┘          │      future research     │
         │                        │                          │
         ▼                        │  8.5 Overall conclusion  │
┌──────────────────────┐          │                          │
│   CHAPTER 8:         │          └──────────────────────────┘
│ Research overview    │
│ and conclusion       │
└──────────────────────┘
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8.0 Introduction

This study developed and proposed a model that shows how hospitality SMMEs in the Eastern Cape Province can attain extended e-Commerce adoption and use. The proposed model outlined factors determining extended e-Commerce adoption and use. It also gave a description of characteristics of extended e-Commerce platforms. In addition, the model identified e-Commerce adoption outcomes that describe a hospitality SMME's accurate adoption and use of e-Commerce.

Through Chapter 2, the research explored current literature to establish characteristics of extended e-Commerce and its uses by business organisations in the hospitality sector. In addition, Chapter 3 analysed selected models and studies on IT and or e-Commerce adoption to identify factors of extended e-Commerce adoption and use. Based on the literature review of Chapter 2 and 3, Chapter 4 of this research proposed a model of extended e-Commerce adoption and use. The proposed model is separated into three sections, namely, the section with factors determining extended e-Commerce adoption and use; extended e-Commerce platforms and the e-Commerce adoption outcomes section.

A research methodology articulated in Chapter 5 collected data through a questionnaire, document analysis, interviews and observations that were used to evaluate the proposed model of extended e-Commerce adoption and use. Findings from data collection are displayed in Chapter 6 and 7 discussed the results and outlined their implications on the proposed model. Chapter 8 concludes the research. It revisits all the proposed research sub-questions of Chapter 1 and discusses what was done to meet each sub-question. The research contributions are also included. A proposition for future research areas concludes the chapter.

8.1 The theoretical framework

The research identifies a slow adoption and use of e-Commerce as its research problem. Even if hospitality SMMEs in the Eastern Cape have shown an interest in adopting e-Commerce, the adoption and use of e-Commerce by hospitality SMMEs remains low. Few hospitality SMMEs manage to attain comprehensive e-Commerce adoption that is integrated with business activities. Instead, the majority of hospitality SMMEs have simple e-Commerce platforms that are non-strategic in nature – something that may limit the potential benefits and their overall competitiveness in a highly competitive hospitality sector.

As part of this research, a full paper was written and presented at the proceedings of the Annual Conference on World Wide Web Applications, 2013. The paper proposed a model which, among other factors, argued that e-Commerce adoption by hospitality SMMEs in the Eastern Cape follows three the following stages: e-Commerce non-adopters, initial adoption and extended adoption. Accordingly, this research focused on investigating issues centred on extended e-Commerce adoption. The research argues that hospitality SMMEs stand a better chance to benefit most from e-Commerce if they attain extended e-Commerce adoption. In addition, the popularity of low e-Commerce adoption among hospitality SMMEs can be attributed to challenges faced when trying to attain extended e-Commerce adoption. Hence, the research investigated issues pertaining to extended e-Commerce adoption and use.

The research proposed a model of extended e-Commerce adoption and use. The proposed model was developed following previous studies and proposed models in the literature, namely the ICTD, UTAUT and PERM. The ICDT model was used to guide the research in defining the characteristics of extended e-Commerce platforms. This research differentiates owning a website from the actual conduct of e-Commerce by investigating technologies that describe the sophistication of extended e-Commerce and various uses of e-Commerce that define the practice or conduct of e-Commerce. In addition, the UTAUT and PERM were used in this research as a source of factors of extended e-Commerce adoption and use. The model and its propositions were evaluated using data collected on hospitality SMMEs in the Eastern Cape.

8.2 Research questions and findings

This research focused on the proposition of a model of extended e-Commerce adoption and use. The slow adoption and use of e-Commerce by hospitality SMMEs motivated the researcher into investigating issues centred on extended e-Commerce within the context of hospitality SMMEs in the Eastern Cape. Based on the research problem, Chapter 1 contains the following definition of the main research question for this research:

"*How can extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape Province be attained?*"

Sub-questions were developed from the research's problem statement and main research question. This section revisits the sub-questions of chapter one and explains what was done to meet each sub-question.

The first research sub-question: *"What are the characteristics of extended e-Commerce adoption and use?"* is dealt with in Chapter 2. The aim of the sub-question was to investigate the feasibility and describe characteristics of extended e-Commerce. Accordingly, Chapter 2 did a literature review on the e-Readiness of South Africa, the Eastern Cape and hospitality SMMEs to ascertain their readiness for extended e-Commerce. It was noted that the Eastern Cape Province is still facing numerous challenges that hinder the use of ICTs with e-Commerce in particular. Nevertheless, the local government and private sector have shown interest in addressing some of the challenges faced through various programs, such as the promulgation of the ICT policy, extending of ICT infrastructure and promotion of ICT skills in selected areas by local university projects, for example, the SLL in the Wild Coast.

Even though the progress of addressing ICT challenges is moving at a slow pace, such efforts have, however, given a lease of life to ICTs thereby giving a platform to start contemplating on extended e-Commerce. As such, Chapter 2 went on to investigate and define characteristics of extended e-Commerce in the hospitality sector. To arrive at the characteristics that describe extended e-Commerce platforms, Chapter 2 evaluated the nature

of hospitality products to anticipate customers' buying behaviour. It was found that hospitality products assume characteristics of services namely, intangibility, inseparability, perishability and heterogeneity. The characteristics of hospitality services create a great deal of risk in such a way that customers tend to gather a lot of information first when they want to purchase and consume hospitality services. Accordingly, the study proposed that extended e-Commerce platforms that would suit the demands of the hospitality sector is characterised by institutionalizing e-Commerce that may have SEM activities and/or listing services on intermediaries, and listing on social websites. Propositions in the ICDT model were used to explain how hospitality SMMEs can take advantage of opportunities presented through the Internet and redesign and extend their services to customers. Chapter two went on to identify online sales, reservations and customer service as uses that define the effective use of extended e-Commerce. Attributes that describes the characteristics of extended e-Commerce platforms were evaluated in the Eastern Cape through data collection and subsequent analysis. Accordingly, hospitality SMMEs' uses of extended e-Commerce were also evaluated through data collection. It was found that hospitality SMMEs use extended e-Commerce to facilitate online sales or payments. Hospitality SMMEs also use extended e-Commerce (interactive and transactive websites) to facilitate paid for and unpaid reservations. In particular to reservations, intermediary websites are used to facilitate paid for reservations alone. In addition, hospitality SMMEs uses their extended e-Commerce for communication through e-mail and Web-content updating. Nevertheless, instant messaging/chat was found as another technology that hospitality SMMEs are using to facilitate customer service/support through institutionalized e-Commerce.

Chapter 3 shows the exploration of the second sub-problem: *"What are the factors determining the transition to extended e-Commerce adoption and use?"* Chapter 3 analysed the UTAUT and PERM and identified twelve factors of extended e-Commerce adoption and use. The identified factors include: government support, market e-Readiness, ICT vendors, ICT infrastructure, financial institutions, social influence, awareness, relative advantage, ease of use or adoption, ICT skills, cost and commitment.

Based on the literature review, a proposed model of extended e-Commerce adoption and use was proposed in chapter four. The proposed model was evaluated in the Eastern Cape using data collected through document analysis, interviews and observations. Chapter 5 articulated

on the research methodology used to collect data for evaluating the proposed model of extended e-Commerce adoption and use. Chapter 6 presented the empirical evidence from data collection and Chapter 7 discussed and interpreted findings from data collection through cross-case analysis. It highlighted the implications of the research findings to the proposed model of extended e-Commerce adoption and use of Chapter 4 and outlined the changes necessary. A current model was constructed acknowledging findings from data collection. Based on the empirical evidence, the following factors were found influencing extended e-Commerce adoption and use: government support, market e-Readiness, ICT vendors, ICT infrastructure, financial institutions, awareness, relative advantage, ease of use or adoption, ICT skills, cost, security, competitors' pressure and commitment. Social influence was found not influencing extended e-Commerce adoption and use. Nevertheless, two factors: namely security and competitors' pressure, were found influencing extended e-Commerce adoption and use from the collected data.

8.3 Research contributions and overall implications

The research found that irrespective of adopting extended e-Commerce, hospitality SMMEs are yet to fully utilise services offered through e-Commerce usage. For instance, hospitality SMMEs rarely send out promotional and special offer messages to clients via e-mail, rarely use online loyalty systems, and some hospitality SMMEs are yet to adopt and use instant messaging on their institutionalized e-Commerce platforms. In addition, no sufficient evidence was found to support social influence as a significant factor of extended e-Commerce adoption and use. There was no empirical evidence to support the influence of the thoughts of important people around hospitality SMMEs towards extended e-Commerce adoption and use. On the other hand, none of the participants indicated that they adopted e-Commerce to enhance their social standing which are the most commonly evaluated social influence attributes (Venkatesh et al., 2003). Due to hospitality SMMEs' reliance on informal networks in their conducting of business, social influence was expected to play a critical role in influencing extended e-Commerce adoption and use. Nevertheless, the research findings still have important contributions and implications to various stakeholders as outlined below:

- Firstly, the research established attributes that define characteristics of extended e-Commerce adoption within the context of the hospitality sector. It surveyed relevant research papers and found that extended e-Commerce can be attained through institutionalizing e-Commerce that may include SEM activities and/or listing services on intermediary websites, and engaging through social media. In addition, the research uses a comprehensive analysis of available literature to explain and justify the attributes that describe extended e-Commerce adoption. The research went on to indicate how extended e-Commerce can enhance the business operations of hospitality SMMEs while reducing the impact of some of the challenges faced.

- Secondly, the research established attributes that measure the use of extended e-Commerce. By articulating on uses of extended e-Commerce, the research makes information available that could be useful in guiding hospitality SMMEs through their use of extended e-Commerce. The paucity of research on evaluating the effective use of extended e-Commerce present complications to SMMEs as they attempt to evaluate their success in effectively using e-Commerce within their business organisations.

- The research found actual factors that hospitality SMMEs believe are influential to the adoption and use of extended e-Commerce. Accordingly, the Non-Governmental Organisations and government departments that support hospitality SMMEs can take note and contemplate on supportive measures that could assist hospitality SMMEs to overcome the barriers faced when adopting and using extended e-Commerce.

- The research proposed a model of extended e-Commerce adoption and use that indicate important factors and uses of extended e-Commerce. As such, this model can be used by hospitality SMMEs' owners and managers as a roadmap to gauge what issues hospitality SMMEs need to concentrate on as they go about adopting and using extended e-Commerce.

- By establishing important factors of extended e-Commerce adoption and use by hospitality SMMEs, the research acts in part as an audit to the supportive measures

directed at hospitality SMMEs towards extended e-Commerce. Accordingly, the research outlines some of the remaining issues that may need further attention in addressing concerns on extended e-Commerce adoption and use.

8.4 Direction for future research

The previous section discussed contributions of this research to the field of e-Commerce adoption. This section proposes future research areas in the field of e-Commerce adoption:

- Firstly, there is a need for an audit on the currently available supportive measures directed at hospitality SMMEs and extended e-Commerce adoption in the Eastern Cape Province. The audit should be conducted to establish the role played by such supportive measures in relation to the factors that were found important to extended e-Commerce adoption and use by hospitality SMMEs. For instance, TEP's supportive role of promoting e-Commerce adoption by hospitality SMMEs could be evaluated to see if its initiatives cover all the important factors.

- Secondly, researchers could consider investigating the applicability of the proposed model of extended e-Commerce adoption and use to hospitality sectors of other provinces in South Africa or other countries to validate the model.

- The proposed model of extended e-Commerce adoption and use could be used for studying the adoption of e-Commerce in other service sectors. It may be worth examining whether the model of extended e-Commerce adoption could be applied to the context of the service sector in general. Such empirical attempts may enable researchers to extend the generalisability of the proposed model and develop a more incisive perspective on the relationship between business strategic orientations and extended e-Commerce adoption and use in other service sectors.

8.5 Overall conclusion

This study researched and proposed a model that shows how hospitality SMMEs in the Eastern Cape Province can attain extended e-Commerce adoption and use. The slow adoption and use of e-Commerce by hospitality SMMEs motivated the researcher to investigate issues, factors and uses of extended e-Commerce adoption by hospitality SMMEs in the Eastern Cape Province. Hospitality SMMEs are seen as a panacea of economic growth and their success would positively affect the development of the Eastern Cape Province. However, the research found that hospitality SMMEs have limited resources for them to compete with large entrepreneurs in the hospitality sector. Therefore, the research proposes extended e-Commerce adoption as one of the strategic assets hospitality SMMEs could consider to overcome some of these challenges.

The study investigated characteristics of extended e-Commerce adoption and its uses. It also evaluated roles extended e-Commerce platforms could play in performing critical business processes of hospitality business entrepreneurs. In addition, a literature review on selected models of IT and/or e-Commerce was conducted to establish factors determining extended e-Commerce adoption and use. The research uses attributes that define the qualitative attributes of extended e-Commerce and its uses together with respective factors to develop a proposed model. The proposed model of extended e-Commerce adoption and use was evaluated in the Eastern Cape through data collected by a questionnaire, document analysis, interviews and observation.

Empirical evidence found that thirteen factors play a role in influencing extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape Province. In addition, the research found that hospitality SMMEs use their extended e-Commerce to facilitate online payments, reservations and customer service though e-mail communication, Web-content updating with regards to new prices and or promotions and using instant messaging/chat for customer support. These findings were applied to the proposed model. The study concludes by proposing a model of extended e-Commerce adoption and use. The thesis goes on to suggest possible courses of action stakeholders could pursue to promote extended e-Commerce adoption and use by hospitality SMMEs in the Eastern Cape Province.

APPENDIX

Appendix A: The informed consent form

University of Fort Hare
Together in Excellence

Ethics Research Confidentiality and Informed Consent Form

Please note: This form is to be completed by the by the interviewee before the commencement of the research. Copies of the signed form must be filed and kept on record.

I am writing kindly requesting for participant/participants (preferably at managerial level) from your business organisation to answer a short questionnaire and participate in a brief interview, which we hope will benefit your business organisation and possibly other business organisations in the future.

I am studying towards a masters degree at the University of Fort Hare (Department of Information Systems) and I am conducting research regarding factors determining the successful use of electronic commerce (e-Commerce) by small businesses based in the hospitality sector. I am interested in finding out more about the factors (barriers/challenges and incentives) of e-Commerce adoption and use and how small businesses are addressing these factors. The uses of e-Commerce for business purposes shall be investigated too through the questionnaire and interviews. The aim of this research is to develop a comprehensive model that shows how hospitality based small businesses can successfully adopt and use e-Commerce.

Please understand that you are not being forced to take part in this study and the choice whether to participate or not is yours alone. However, I would really appreciate it if you do share your thoughts with me. If you choose not take part in this study, you will not be affected in any way. If you agree to participate, you may stop me at any time and tell me that you do not wish to go on with the interview. If you do this there will be no penalties and you will NOT be prejudiced in ANY way. Confidentiality will be observed professionally.

I will not be recording your name anywhere on the questionnaire, interview and no one will be able to link you to the answers you give. Only the researchers will have access to the unlinked information. The information will remain confidential and there will be no "come-backs" from the answers you give.

The interview will last around 30 to 45 minutes. I will be asking you a questions and ask that you are as open and honest as possible in answering these questions. I will be asking some questions that you may not have thought about before, and which also involve thinking about the past or the future. We

know that you cannot be absolutely certain about the answers to these questions, but we ask that you try to think about these questions. When it comes to answering questions there are no right and wrong answers. I may request that you show me certain documents to support your answers where necessary. Again, these documents will be obtained or analyzed with your approval.

If possible, our organisation would like to come back to this area once we have completed our study to inform you of what the results are and discuss our findings and proposals around the research and what this means to your current e-Commerce adoption and use.

For verification of this research (reference number: ISA01 1SMAO01), please contact the University of Fort Hare's Research Ethics Committee on the following contact details:

Administrator: Research Ethics & Intellectual Property
Govan Mbeki Research and Development Centre (GMRDC)
University of Fort Hare
Private Bag X1314
Alice 5700
South Africa
Tel: +27 40602 2766
Fax: +27 40602 2319

INFORMED CONSENT

I hereby agree to participate in research regarding ……………………….. I understand that I am participating freely and without being forced in any way to do so. I also understand that I can stop this interview at any point should I not want to continue and that this decision will not in any way affect me negatively.

I understand that this is a research project whose purpose is not necessarily to benefit me personally.

I have received the telephone number of a person to contact should I need to speak about any issues which may arise in this interview.

I understand that this consent form will not be linked to the questionnaire, and that my answers will remain confidential.

I understand that if at all possible, feedback will be given to my community on the results of the completed research.

……………………………..
Signature of participant   **Date**:…………………..

I hereby agree to the tape recording of my participation in the study.

……………………………..
Signature of participant   **Date**:…………………..

Appendix B: Schedule for website content analysis

Document analysis checklist for extended e-Commerce

Name	Features	Yes	No
Corporate information	Company overview		
	CEO message		
	Financial reports		
	News		
	Employment		
	Investor and community relations		
Product information	Product description		
	Rates/fares		
	Photo gallery		
	Virtual tours		
	Interactivity-winnowing FAQs		
	Privacy and security policy		
Non-product information	Weather/climate		
	How to get there		
	Local transport information		
	Other places to see		
	Accommodation		
	Security/safety		
	Immigration		
	Customers		
	Others		
Customer Relationship Management (CRM)	Contact details		
	e-mail address		
	Feedback		
	Reciprocal links		
	Promotions and special offers		
	Electronic newsletter		
	Loyalty systems		
	Call-back services		
	Mailing lists		
	Mail-to-friend button		
	Customer profiling		
	Free downloads		
	Competitions and games		
	Customised content		
Reservation	Check availability		
	Making online reservations		
	Tracking reservations		
	Cancelling reservations		
	Cancellation policy		
	Amending reservations		
	Creating customer accounts		
Payment	Credit cards		

	Debit cards		
	Electronic cash		
	Virtual credit cards		
	Currency converter		

Social media used:

Intermediaries used:

Appendix C: The questionnaire for evaluating extended e-Commerce platforms use

The University of Fort Hare
Department of Information Systems

University of Fort Hare
Together in Excellence

Dear Participant

The following questionnaire is part of masters' research on e-Commerce adoption by small businesses in the hospitality sector of the Eastern Cape Province. It would be appreciated if the owner-manager of the business can complete and answer the questions as thoroughly as possible.

All information will be treated as ***Strictly Anonymity*** and will only be used for academic purposes. If you have any queries concerning the questionnaire, please contact the researcher whose contact details are set out below.

> Researcher: Pardon Blessings Maoneke
> Cell: 0848523052
> Fax: +27(0) 43 704-7070
> Email: 201301198@ufh.ac.za

Instructions for completion:

1. Please answer the questions as objectively and honestly as possible according to the instructions contained in the body of the questionnaire.
2. Please answer all the questions to allow an accurate analysis and interpretation of the data.

Question 1: How many employees does your firm have?   Part Time _____

                                                          Full Time _____

[Please indicate your choice by ticking or writing an '**x**' in the corresponding box]

Question 2: For how long have you had a website for your organisation?

< 1 year		1-3 years		3-5 years		5-7 years		>7 years	

Question 3: For each of the following Web facilities or services, please indicate the extent of your reliance or use of each the facilities or services when performing your regular business activities.

Web or Internet based facilities or services	Extent of use				
	Never	**Rarely**	**Sometimes**	**Most of the time**	**Always**
Payments for bookings come through our website					
Payments for bookings come through the intermediaries we are listed on e.g. safarinow.com or booking.com					
Our reservations come through our website					
Our reservations come through the intermediaries we are listed on e.g. safarinow.com or booking.com					
We use e-mail when communicating with customers					
We send promotional and special offer messages to our clients via e-mail					
We support our clients using instant messaging or online chat system on our website					
We update our website on price changes, promotions or local events					
We make updates on price changes, promotions or local events on the intermediaries we are listed on					
We use a loyalty system on our website to promote repeat sales					

NB: For each application (above) your business does not have or does not use, please select Never.

Question 4: How do you make your website known to new clients? [*select all choices applicable*]

Search engine optimisation		Word of mouth		Meta tags	
Placing links to our website on other websites		Key word purchasing		None of these	

Other...
....

Appendix D: A schedule of interview questions

<u>Semi-structured interview questions for evaluating factors of extended e-Commerce adoption and use</u>

The interviewer followed a protocol of introducing himself, explains the purpose of the interview and research, assures privacy and confidentiality and requests for permission to record the interview.

Introduction question:

    I.   *What is your overall opinion on your e-Commerce adoption and use?*

Awareness

    I.   *Who brought the idea of e-Commerce within your organisation?*

    II.   *Would you say the adoption and use e-Commerce for business purposes is down to you, your staff's expertise, and the knowhow of strategizing its effective use? Why?*

Relative advantage

    I.   *Are there any benefits of e-Commerce you are realising or anticipating? Explain*

    II.   *Do you feel these benefits influence your decision to adopt and use your e-Commerce facilities?*

Ease of Use or Adoption

    I.   *What is your perception on how smooth, easy and free from effort it is to set up your own e-Commerce facilities?*

    II.   *Did this perception have any effect on your decision to adopt and use e-Commerce for your business?[yes or no]*

    III.   *If yes, in what ways has this perception been important to you in adopting and using your e-Commerce felicities?*

ICT Skills

    I.   *Do you feel you have staff with the necessary skills to adopt and operate your e-Commerce facilities e.g. responding to e-mails, updating prices on the website?*

    II.   *To what extent do you feel the availability of skills to adopt and operate your website has been a concern within your organisation?*

Costs

I. *May you please explain the costs associated with investing in e-Commerce that have been of concern to you e.g the Internet costs, staff training costs, web hosting costs, website designing, regular computer and web maintenance, network troubleshooting and support, subscription to intermediaries?*

Commitment

I. *Does your organisation have a clear cut policy for supporting e-Commerce adoption and use? If yes, please explain.*

II. *How has the management been involved in e-Commerce initiatives for your organisation?*

III. *Do you feel management support has been important to your organisation's e-Commerce activities? Why?*

Government support

I. *Do you feel the government has done enough to encourage the adoption and use of e-Commerce for business activities? Explain*

II. *Did this have any effect on your decision to adopt and use e-Commerce?*

Market e-Readiness

I. *How would you describe your customers' use of the Internet?*

II. *Did this have any influence on your decision to adopt and use e-Commerce facilities?*

ICT vendors

I. *What is your view on the availability of ICT support giving institutions e.g. web designers, PC repairs, internet connectors?*

II. *Do you feel the availability of these institutions had any influence on your decision to adopt and use e-Commerce facilities? Explain*

Social Influence

I. *What is the view of important people around you (friends, relatives, particular clients) on adopting and using e-Commerce?*

II. *Do you feel adopting and using e-Commerce elevates your status in the society? And is that important to you?*

ICT infrastructure

I. *What is your view on the availability of ICT infrastructures that support the web and Internet technologies in your location?*

Financial institutions

I.   *Do you feel there are available financial institutions to facilitate payments over the Internet or your website? Explain*

Appendix E: Findings from website content analysis

I.   Case 1's extended e-Commerce adoption

Name	Features	Yes	No
Corporate information	Company overview	✓	
	CEO message		✓
	Financial reports		✓
	News		✓
	Employment		✓
	Investor and community relations	✓	
Product information	Product description	✓	
	Rates/fares		✓
	Photo gallery	✓	
	Virtual tours		✓
	Interactivity-winnowing FAQs	✓	
	Privacy and security policy		✓
Non-product information	Weather/climate	✓	
	How to get there	✓	
	Local transport information	✓	
	Other places to see		✓
	Accommodation	✓	
	Security/safety		✓
	Immigration		✓
	Customers		✓
	Others	✓	
Customer Relationship Management (CRM)	Contact details	✓	
	e-mail address	✓	
	Feedback		✓
	Reciprocal links		✓
	Promotions and special offers		✓
	Electronic newsletter	✓	
	Loyalty systems		✓
	Call-back services		✓
	Mailing lists	✓	
	Mail-to-friend button		✓
	Customer profiling		✓
	Free downloads		✓
	Competitions and games		✓
	Customised content	✓	
Reservation	Check availability		✓
	Making online reservations	✓	
	Tracking reservations		✓
	Cancelling reservations	✓	
	Cancellation policy	✓	
	Amending reservations	✓	
	Creating customer accounts		✓
Payment	Credit cards		✓

	Debit cards		✓
	Electronic cash		✓
	Virtual credit cards		✓
	Currency converter		✓

Social media used: none

Intermediaries used: none

II. Case 2's extended e-Commerce adoption

Name	Features	Yes	No
Corporate information	Company overview	✓	
	CEO message	✓	
	Financial reports		✓
	News	✓	
	Employment		✓
	Investor and community relations		✓
Product information	Product description	✓	
	Rates/fares	✓	
	Photo gallery	✓	
	Virtual tours	✓	
	Interactivity-winnowing FAQs	✓	
	Privacy and security policy	✓	
Non-product information	Weather/climate	✓	
	How to get there	✓	
	Local transport information	✓	
	Other places to see	✓	
	Accommodation	✓	
	Security/safety	✓	
	Immigration		✓
	Customers	✓	
	Others	✓	
Customer Relationship Management (CRM)	Contact details	✓	
	e-mail address	✓	
	Feedback	✓	
	Reciprocal links	✓	
	Promotions and special offers	✓	
	Electronic newsletter	✓	
	Loyalty systems		✓
	Call-back services		✓
	Mailing lists		✓
	Mail-to-friend button	✓	
	Customer profiling	✓	
	Free downloads	✓	
	Competitions and games		✓
	Customised content	✓	
Reservation	Check availability	✓	
	Making online reservations	✓	
	Tracking reservations	✓	
	Cancelling reservations	✓	
	Cancellation policy	✓	
	Amending reservations	✓	
	Creating customer accounts		✓
Payment	Credit cards	✓	
	Debit cards		✓

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	Electronic cash	✓	
	Virtual credit cards		✓
	Currency converter		✓

Social media used
1. Tripadvisor.com

Intermediaries used:
1. Safarinow.com
2. Roomsforafrica.com
3. Sa-venues.com

III.   Case 3's extended e-Commerce adoption

Name	Features	Yes	No
Corporate information	Company overview	✓	
	CEO message	✓	
	Financial reports		✓
	News		✓
	Employment		✓
	Investor and community relations	✓	
Product information	Product description	✓	
	Rates/fares	✓	
	Photo gallery	✓	
	Virtual tours	✓	
	Interactivity-winnowing FAQs	✓	
	Privacy and security policy		✓
Non-product information	Weather/climate		✓
	How to get there	✓	
	Local transport information	✓	
	Other places to see	✓	
	Accommodation	✓	
	Security/safety	✓	
	Immigration		✓
	Customers	✓	
	Others		✓
Customer Relationship Management (CRM)	Contact details	✓	
	e-mail address	✓	
	Feedback	✓	
	Reciprocal links	✓	
	Promotions and special offers	✓	
	Electronic newsletter		✓
	Loyalty systems		✓
	Call-back services	✓	
	Mailing lists		✓
	Mail-to-friend button		✓
	Customer profiling		✓
	Free downloads	✓	
	Competitions and games		✓
	Customised content		✓
Reservation	Check availability	✓	
	Making online reservations	✓	
	Tracking reservations	✓	
	Cancelling reservations	✓	
	Cancellation policy	✓	
	Amending reservations	✓	
	Creating customer accounts		✓
Payment	Credit cards	✓	
	Debit cards		✓

			✓
	Electronic cash		✓
	Virtual credit cards		✓
	Currency converter		✓

Social media used
1. Facebook
2. Twitter
3. Youtube
4. Tripadvisor

Intermediaries used:
1. Booking.com
2. Safarinow.com

IV.   Case 4's extended e-Commerce adoption

Name	Features	Yes	No
Corporate information	Company overview	✓	
	CEO message	✓	
	Financial reports		✓
	News		✓
	Employment		✓
	Investor and community relations	✓	
Product information	Product description	✓	
	Rates/fares	✓	
	Photo gallery	✓	
	Virtual tours	✓	
	Interactivity-winnowing FAQs	✓	
	Privacy and security policy		✓
Non-product information	Weather/climate		✓
	How to get there	✓	
	Local transport information	✓	
	Other places to see		✓
	Accommodation	✓	
	Security/safety	✓	
	Immigration		✓
	Customers		✓
	Others	✓	
Customer Relationship Management (CRM)	Contact details	✓	
	e-mail address	✓	
	Feedback	✓	
	Reciprocal links		✓
	Promotions and special offers		✓
	Electronic newsletter		✓
	Loyalty systems		✓
	Call-back services		✓
	Mailing lists		✓
	Mail-to-friend button		✓
	Customer profiling		✓
	Free downloads		✓
	Competitions and games		✓
	Customised content	✓	
Reservation	Check availability		✓
	Making online reservations	✓	
	Tracking reservations		✓
	Cancelling reservations	✓	
	Cancellation policy	✓	
	Amending reservations	✓	
	Creating customer accounts		✓
Payment	Credit cards		✓
	Debit cards		✓

	Electronic cash		✓
	Virtual credit cards		✓
	Currency converter		✓

Social media used
1. Tripadvisor.com

Intermediaries used:
1. Sa-venues.com
2. Booking.com
3. Safarinow.com

Appendix F: Schedule of definitions of Small Businesses

Sector or sub-sectors in accordance with the Standard Industrial Classification	Size or Class	Total full-time equivalent of paid employees	Total annual turnover	Total gross asset Value (fixed property excluded)
		Less than:	Less than:	Less than:
Agriculture	Medium	100	R4.00m	R4.00m
	Small	50	R2.00m	R2.00m
	Very small	10	R0.40m	R0.40m
	Micro	5	R0.15m	R0.10m
Mining and Quarrying	Medium	200	R30.00m	R18.00m
	Small	50	R7.50m	R4.50m
	Very small	20	R3.00m	R1.80m
	Micro	5	R0.15m	R0.10m
Manufacturing	Medium	200	R40.00m	R15.00m
	Small	50	R10.00m	R3.75m
	Very small	20	R4.00m	R1.50m
	Micro	5	R0.15m	R0.10m
Electricity, Gas and Water	Medium	200	R40.00m	R15.00m
	Small	50	R10.00m	R3.75m
	Very small	20	R4.00m	R1.50m
	Micro	5	R0.15m	R0.10m
Construction	Medium	200	R20.00m	R4.00m
	Small	50	R5.00m	R1.00m
	Very small	20	R2.00m	R0.40m
	Micro	5	R0.15m	R0.10m
Retail and Motor Trade and Repair Services	Medium	100	R30.00m	R5.00m
	Small	50	R15.00m	R2.50m
	Very small	10	R3.00m	R0.50m
	Micro	5	R0.15m	R0.10m
Wholesale Trade, Commercial Agents and Allied Services	Medium	100	R50.00m	R8.00m
	Small	50	R25.00m	R4.00m
	Very small	10	R5.00m	R0.50m
	Micro	5	R0.15m	R0.10m
Catering, Accommodation and other Trade	Medium	100	R10.00m	R2.00m
	Small	50	R5.00m	R1.00m
	Very small	10	R1.00m	R0.20m
	Micro	5	R0.15m	R0.10m
Transport, Storage and Communications	Medium	100	R20.00m	R5.00m
	Small	50	R10.00m	R2.50m
	Very small	10	R2.00m	R0.50m
	Micro	5	R0.15m	R0.10m
Finance and Business Services	Medium	100	R20.00m	R4.00m
	Small	50	R10.00m	R2.00m
	Very small	10	R2.00m	R0.40m
	Micro	5	R0.15m	R0.10m
Community, Social and Personal Services	Medium	100	R10.00m	R5.00m
	Small	50	R5.00m	R2.50m
	Very small	10	R1.00m	R0.50m
	Micro	5	R0.15m	R0.10m

Act No. 102 of 1996: National Small Business Act. (Adapted from: Elliott, 2006:280)

LIST OF ABBREVIATIONS

ADSL:	Asynchronous Digital Subscriber's Line
B&B:	Bread and Breakfast
CEO:	Chief Executive Officer
CGC:	Consumer-Generated Content
CRM:	Customer Relations Management
C-TAM-TPB:	Constructs from TAM and TPB
DEAT:	Department of Environmental Affairs and Tourism.
DoE:	Department of Education
DTI:	Department of Trade and Industry.
e-Commerce:	Electronic Commerce.
ECSECC:	Eastern Cape Socio-Economic Consultative Council
ECT:	Electronic Communications and Transactions.
EDI:	Electronic Data Interchange.
EFT:	Electronic Funds Transfer
e-mail:	Electronic Mail.
e-Readiness:	Electronic Readiness
FAQs:	Frequently Asked Questions
FIFA:	Federation International de Football Association
ICDT:	Information, Communication, Distribution and Transaction
ICT:	Information and Communication Technologies.
IDT:	Innovation Diffusion Theory
IS:	Information Systems.
ISP:	Internet Service Providers
IT:	Information and Technology.
MPCU:	Model of PC Utilization
PCs:	Personal Computers
PEER:	Perceived External e-Readiness
PERM:	Perceived e-Readiness Model
PFP:	Pay for Performance
POER:	Perceived Organisational e-Readiness
PoP:	Points-of-Presence
REC:	Research Ethics Committee

SCT:	Social Cognitive Theory
SEDA:	Small Enterprise Development Agency.
SEM:	Search Engine Marketing
SEO:	Search Engine Optimisation
SERP:	Search Engine Result Pages
SLL:	Siyakhula Living Lab
SMMEs:	Small, Medium and Micro-enterprises
TAM:	Technology Acceptance Model
TPB:	Theory of Planned Behaviour
TRA:	Spatial Development Initiative.
UREC:	University of Fort Hare's Research Ethics Committee
US:	United States
USA:	United States of America
UTAUT:	Unified Theory of Acceptance and Use of Technology
VPN:	Virtual Private Network
VSATs:	Virtual Satellite Aperture Terminals
WSIS:	World Summit on the Information Society

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