FREE STATE TOURISM SMMEs' UTILISATION OF SOCIAL MEDIA TECHNOLOGIES FOR BUSINESS COMPETITIVENESS: A STAKEHOLDERS' PERSPECTIVE

By

LENTSWE DONALD MOSWEUNYANE

D.Tech: Business Administration

In the
Faculty of Management Sciences

CENTRAL UNIVERSITY OF TECHNOLOGY, FREE STATE

SUPERVISOR: Dr Patient Rambe

CO-SUPERVISOR: Professor Dennis Y. Dzansi

2016

i

DECLARATION

I Lentswe Donald Mosweunyane, student number ████████, do hereby declare that this research paper submitted to the Central University of Technology, Free State for the DTECH: Business Administration is my own independent work and has not previously been submitted by me at another university. I furthermore cede copyright of the thesis in favour of the Central University of Technology, Free state.

……   ……………   ………

SIGNATURE OF STUDENT   **DATE**

ACKNOWLEDGEMENTS

I wish to express my heartfelt gratitude to the following people for their direct or indirect contribution towards the completion of this study:

Great African God, for providing my every needs throughout my study, and guiding me to this day I am enormously blessed.

My supervisor and mentor, Dr Patient Rambe, for providing excellent guidance to ensure that I became successful at the end of a stressful academic journey. I will forever be indebted to him.

Professor D.Y. Dzansi, my co-supervisor for his guidance and encouragement.
To Matshidiso and Resegohetse this is for you! My family for their love and patience, colleagues and friends for their support.

May God bless you all enormously!!!
Lentswe Donald Mosweunyane

ABSTRACT

This study examines Free State tourism SMMEs' utilisation of social media technologies to market and brand their products/services to gain business competitiveness. There is a growing concern about South African tourism SMMEs' inability to successfully compete with large tourist corporations and create robust stakeholder relations due to their incapacity and reluctance to use emerging technologies with a global reach such as social media technologies (SMTs). Despite the general public's popular usage of SMTs, South African SMMEs' utilisation of these technologies by remains speculative. Moreover, despite the recognised strategic importance of SMMEs to the developing countries' economies, their level of competitiveness remains undermined by their failure to reach a broader customer base due to their utilisation of traditional technologies such as television and newspapers for marketing their activities. Unfortunately, these traditional communication tools do not promote interactive engagement between tourism SMMEs and their broad spectrum of stakeholders as they promote one-way, monologue communication. Drawing on a positivist epistemology and quantitative approach, a survey was conducted on 234 tourism SMMEs' owner/managers in the Free State province. Only 123 questionnaires were correctly completed, representing a response rate of 53%. Subsequently, data was analysed using descriptive and inferential analysis; mainly correlation and regression analysis. The findings revealed that although tourism SMMEs in the Free State Province employ SMTs to market and brand their products/services for their customers and suppliers, other stakeholders such as government regulators, competitors and investors were least interacted via such platforms. The findings further highlighted that there is a statistically significant relationship between competitiveness and marketing elements (i.e. branding and marketing), competitiveness and networking (i.e. external and internal networking), and competitiveness and stakeholders (i.e. competitors, investors and regulators). The study recommends tourism SMMEs to develop more comprehensive and robust stakeholder engagement to identify all relevant stakeholders critical to their marketing and branding activities, and manage stakeholder needs and expectations in an equitable, transparent and more balanced manner.

TABLE OF CONTENTS

vi

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE: ORIENTATION TO THE STUDY

1.1. INTRODUCTION

This introduction to the study draws on Stakeholder Theory to explore Free State tourism small, micro and medium enterprises' (SMMEs) utilisation of social media technologies (SMTs) for marketing and branding of their products and services for their stakeholders. Aggressive competition between large, well-established hotels and tourism SMMEs for local and international visitors (Rogerson, 2008), continual changes in world tourism (United Nations World Tourism Organisation (UNWTO), 2015) and the increasing convergence (or homogeneity) of services provided by these business entities undermine the SMMEs' use of conventional marketing strategies to attract local and international tourists in South Africa. To further compound the problem, the shifting national and international demographics and the rise of a "new middle class" globally with complex travel and tourism tastes and preferences (Heath, 2001) present resource-constrained tourism SMMEs with profound opportunities to exploit social media technologies for branding and marketing their products and services as alternatives to the less effective print and electronic media. In the same vein, the use of one-way conventional media such as newspapers, radio, and tourism news channels as marketing tools for local and world tourism is increasing being challenged by the advent of highly interactive, rich text and communicative social media platforms. Social media platforms such as Facebook, Twitter and YouTube are credited with creating opportunities for SMMEs to interact with their stakeholders such as customers, suppliers, local communities, regulators and financiers.

The need to exploit the powerful and transactive possibilities presented by social media technologies should be conceived in light of the employment crisis in South Africa and the increasing prominence of SMMEs as employment generation entities. In view of South Africa's high rate of unemployment situated at 26.7% of the labour force (Statistic South Africa, 2016), the South African government, policy makers and academics are currently looking up to tourism as an important source of employment and catalyst for economic growth (Taskov et al., 2011). While South African SMMEs are envisaged to generate jobs and trigger rapid economic growth in the second quarter of 2016 (Statistic South Africa, 2016), the nation's economic climate remains

great cause for concern. The slow economic growth, growing discomfort about the disinvestment from South Africa and fears that the South African economy could be downgraded to "junk status" by international credit rating agencies (Sunday Times, 2016) further cast doubt on whether SMMEs may still depend on conventional marketing strategies such as newspaper and radio to remain competitive and viable. In this complex national environment, there is need for more unorthodox marketing strategies and techniques to attract the attention and financial support of cash-strapped, reluctant-to-travel citizens.

Tourism SMMEs' need for more effective and competitive, technology-dependent marketing strategies should also be conceived in light of the growing acknowledgement of their contribution to reducing poverty in South Africa. In general, the National Development Plan acknowledges the role of business entities such as SMMEs in eradicating poverty and reducing inequality by 2030 (National Planning Commission, 2010). In particular, the South African Department of Tourism (2011) recognises the potential of the tourism sector to alleviate poverty through the generation of employment opportunities and the promotion of economic growth. In spite of the National Development Plan (NDP)'s aggressive poverty reduction approach aimed at harnessing SMMEs to reduce unemployment to 6% by 2030 (National Development Plan, 2010), the continued high unemployment figures cast aspersions on the realisation of the poverty reduction dream. Since SMMEs are envisaged to employ far more employees per unit of capital invested compared to large businesses (Amra, Hlatshwayo & McMillan, 2013; Industrial Development Corporation (IDC), 2014; Small Enterprise Development Agency (SEDA), 2016), they are conceived to be more amenable to creativity and innovation due to their size and a lack of bureaucracy. Therefore, there is reasonable grounds to expect that SMMEs' effective exploitation of social media technologies could turn around the South African employment landscape and poverty scenario.

The current chapter renders a background to the study, an overview of the tourism sector in the Free State, the theoretical overview, research questions and objectives formulated for the study, a summary of the research methodology employed, ethical guidelines considered and adhered to, limitations of the study and the structure of the study.

2

1.1.1. Definitions of Terms

In view of the increasing academic contestations around the use of terms, the operational definitions of terms will be provided to reduce the risk of the critical reader misinterpreting them. As such, the following terms will be defined in this study.

Tourism SMMEs

Tourism SMMEs are defined as those small businesses who employ less than 200 employees and provide tourism products/services to the consumers (Pierce, 2011).

SMME competitiveness

SMME competitiveness is defined as the ability of a business to perform better than other competing business in the same sector. Manole, Nisipeanu and Decuseară (2014) define SMMEs competitiveness as referring to the ability of a business to raise its earnings through strategies that helps it to adapt to the business environment in which its operates by improving quality standards, developing new products and adopting modern technologies.

Social Media Technologies (SMTs)

Skarauskiene, Tamosiunaite and Zaleniene (2013:2) define SMT "as any technologies used for the goals of social interaction including social software (computer mediated media e.g. email, instant messaging and others) and social media (social networking tools e.g. Facebook, LinkedIn, Myspace, YouTube and others)".

Branding

Brands are as a result of the strategy of market segmentation and product differentiation (Maurya & Mishra, 2012). The process involving creating a distinctive name and image for a product in the consumers' mind.

Customer orientation

Mei (2012:6) defines customer orientation as "continuous generation and utilization of market intelligence pertaining to current and future needs of present and potential customers". Therefore, customer orientation is the process where business is focused on helping customers to meet their long-term needs and wants.

1.2 BACKGROUND OF THE STUDY

Tourism SMMEs' exploitation of social media technologies to increase their profitability, competitiveness and sustainability should be conceived in view of their contribution to the economy, large tourism businesses' domination of the market, SMMEs' lack of a competitive strategy to improve the viability of their business operations and the increasing prominence of SMTs as interaction and communication tools. These three issues are elaborated in subsequent sections of this study.

1.2.1. Tourism SMMEs' economic contribution

Tourism SMMEs play an important role in the economy of every country. Apulu (2012) highlights that Tourism SMMEs such as resorts and guesthouses remain the backbone of the South Africa economy as they contribute directly to employment creation. Apulu (2012) affirms that SMMEs in the tourism sector are drivers of economic growth as they are increasingly recognised as a major means for achieving a viable industrial diversification in many countries. In fact, the tourism sector is conceived to be capable of generating economic growth in South Africa due to its strong inter-linkages and independencies with the productive sectors of the economy such as agriculture (crop farming, horticulture, and animal husbandry), game ranching, manufacturing and commerce. In view of this, Mpumalanga Department of Finance (2010) posits that tourism broadens the creation of opportunities for the small entrepreneur and breed a unique productive sector with multiple investment and economic growth possibilities. Lombard (2016) also posits that the tourism sector is one of the most easily accessible industries for entrepreneurs.

1.2.2. Advancement of the tourism market

SMMEs' exploitation of social media technologies should be conceived in light of such businesses' opportunities to grow the tourism market. There is growing consensus in literature about the differentiation of the marketing strategies of large tourism businesses (e.g. hotels, game ranches, sanctuaries and heritage sites) from those of small businesses (Rendón, Martínez & Flores, 2014). Unlike SMMEs, big tourism businesses tend to harness their financial, human and material resources and endowments to exploit social media technologies' interactive and transactive possibilities such as the use of online brand ambassadors, social media based crowdsourcing and social media analytics to gain market dominance and an edge over

4

their competitors. Chui, et al. (2012) affirm that while large companies have found Social Media Technologies (SMTs) to be instrumental in generating new rich consumer market insights, preferences and tastes, SMMEs' exploitation of SMTs is considerably lower than that of large corporations. While the scale of their business operations and a lack of financial and human resources to employ SMT specialists are often cited as barriers to SMMEs' exploitation of SMTs (see Smit & Watkins, 2012), SMMEs' size and organisational hierarchy seem amenable to the exploitation of new technology and the introduction of innovative business solutions for increasing market dominance. Since cost effectiveness of internet-based services and economies of scale influence SMME competitiveness, SMMEs' exploitation of low cost, ubiquitous, communicative and interactive affordance of SMTs (Rambe, 2009; Rambe & Bere, 2016) present opportunities for their effective completion with established firms.

1.2.3. SMMEs' lack of a competitive strategy

SMMEs' limited exploitation of social media can be conceived as a consequence of the lack of a competitive strategy. The continued preoccupation of SMMEs with survival and their necessity driven innovations, complicates their focus on developing a clear, logical and sustainable competitive strategy to deal with new entrants, new products, and substitution of products and services. According to Porter's competitive forces model, the nature of competitiveness in a given industry can be viewed as a composite of the five forces (Uchino, 2010) such as rivalry among competitors, threats of new entrants, threats of substitute commodities, customers and suppliers bargaining power (Hellrigiel et al., 2008; Makhalemele, 2016). While the exploitation of SMTs may not constitute a comprehensive market strategy exclusively, there is logic in arguing that the inability and reluctance of tourism SMMEs to exploit SMTs, which have been widely adopted by local and global tourists as interaction and communication tools, borders on lack of a competitive strategy.

Rambe, Mosweunyane and Dzansi (2015) bemoan that the SMMEs' underutilisation of SMTs is ironic and suggest a weak competitive position as in view of the growing trends in SMTs utilisation by customers and its perceived capacity to foster business-customer relations. Although SMTs have changed the overall complexion of the conduct of big business as it continues to shape and define the internal and external environment of business operations (Rambe et al., 2015), social media usage remains

5

an appendage of SMME activities despite customers' deployment of these platforms to articulate their tastes and preferences for brands (Rambe et al., 2015).

1.2.4. Prominence of SMTs as interactive and communicative tools

There is a growing trend of using social media technologies by individuals and organisations. Treem and Leonardi (2012) posit that the use of social media technologies is proliferating at an incredible speed. Given this global reach of SMTs, there is scope for their inclusion in the business strategy development of SMMEs to broaden their reach of customers and to improve the competitive advantage of these firms. As Rambe (2013) postulates that there is convergence of opinion on the increasing connectivity, and interactivity of customers and business products on social media, which SMMEs can tap into to maximise their profitability and competitiveness. Failure to do so will result in SMMEs lagging behind their large business counterparts and therefore, becoming disconnected from their market in this ever-changing techno-driven business world.

While there has been a "perfect social media storm" in large tourism firms which are exploiting social media to market their business, SMMEs have failed to tap into this business-to-customer communicative and interactive tools, thereby complicating their ability to reach a wider customer base due to their inclination to the use of traditional technologies. Meske and Stieglitz (2013) concur that SMMEs are behind larger companies regarding the adoption of social media technologies. Large tourism corporations' preferred use of social media platforms include advertising and marketing tourist attractions on their company website, use of crowd sourcing to attract, aggregate and re-purpose clients' comments and views, social commentary, use of celebrity personalities and conservationists as brand ambassadors (Singh, 2010).

Since tourism SMMEs may not afford being located in the Central Business District for various reasons (e.g. the high rentals on property, their informal structure which lend themselves lack of formal registration and to tax evasion) (Moeti, 2016; Rambe & Mpiti, in Press), their location in inaccessible peripheries present marketing and communication challenges to their clients, suppliers and customers. While the use of inexpensive available technologies (Gachago et al., 2013; Ng'ambi & Bozalek, 2015)

present numerous business opportunities for SMMEs, Agbobli (2013) bemoans that the competitive capabilities of SMMEs are often undermined by their inability to deploy the internal resources such as available technologies. It can be inferred from Agbobli's reasoning that one internal resource that is being under-utilised by SMMEs for the advancement of their competitive advantage is social media technology (SMT). SMMEs tend to rely heavily on traditional tools such as newspaper and Television to stay competitive (Modimogale, 2008). These traditional tools are, however, one-way communication in that they do not promote interactive engagement between SMMEs and their stakeholders.

1.3. OVERVIEW OF TOURISM IN THE PROVINCE

Free State is one of the nine (9) provinces in South Africa, situated at the centre of the country. The Free State is a landlocked province of South Africa, bordered on all sides by 6 provinces (namely KwaZulu-Natal, the Eastern Cape, the Northern Cape, the North West Province, Mpumalanga and Gauteng) and the kingdom of Lesotho. Although Free State province is one South Africa's smaller tourism provinces, yet the province offers several fascinating and diverse tourist destinations and experiences (Tourism Enterprise Partnership, 2008). The Free State is divided into one metropolitan municipality and four district municipalities (illustrated on a map below), which are further subdivided into 18 local municipalities presented below. The Free State district municipalities are: Fezile Dabi District Municipality, Lejweleputswa District Municipality, Mangaung Metropolitan Municipality, Thabo Mofutsanyana District Municipality and Xhariep District Municipality.

7

Figure 1.1: Free State district municipality map

Source: Local Government Handbook, 2016)

The Free State Province provides some scenic and breath-taking attractions scattered throughout this region. According to the Government of South Africa (2016) the key attractions in the Free State province are as follows:

✓ King's Park Rose Garden containing more than 4 000 rose bushes. Bloemfontein has rightfully earned the nickname "City of Roses" and the city also hosts an annual rose festival.

✓ Bloemfontein has a busy cultural and social-events calendar. One of the most popular annual events celebrated in September every year is the Mangaung African Cultural Festival, popularly known as the Macufe Arts Festival.

✓ The National Women's Memorial commemorates the women and children who died in concentration camps during the Anglo-Boer/South African War.

✓ The Gariep Dam is part of the Orange River Water Scheme, the largest inland expanse of water in South Africa.

8

- ✓ Between the Gariep Dam and Bethulie is the Gariep Dam Nature Reserve.
- ✓ Clocolan is known for the beauty of its cherry trees when they are in full bloom in spring. San rock paintings and engravings are also found in the area.
- ✓ The Llandaff Oratory in the nearby village of Van Reenen is believed to be the smallest Roman Catholic Church in the world.
- ✓ At Harrismith, there are various memorials in honour of those who fought in the Anglo-Boer/South African War and World War I. Of particular interest is a memorial for the Scots Guards and Grenadier Guards.
- ✓ The Golden Gate Highlands National Park outside Clarens has beautiful sandstone rock formations.
- ✓ The Vredefort Dome, a World Heritage Site, is the oldest and largest meteorite impact site in the world. It was formed about two billion years ago when a giant meteorite hit Earth (Government of South Africa, 2016).

1.4. STAKEHOLDER THEORY: AN OVERVIEW

Stakeholders' theory forms the foundation - for this research. Freeman (1984:41), Wilburn and Wilburn (2011) and Sciarelli and Tani (2013) define stakeholders broadly as "all the various actors that can influence, or be influenced by the achievement of the objectives of an organisation." Stakeholders comprise customers, suppliers, and partners as well as social, political and government entities (Wilburn & Wilburn, 2011). They can also involve investors, financiers, local communities and the environment which are affected as well as affect the operations of businesses irrespective of their size and scale of operations. Stakeholders are therefore a group whose support is necessary for SMMEs' existence, viability and sustainability. Stakeholder management, therefore, focuses on creating positive relationships with stakeholders through the appropriate management of their expectations and agreed objectives (Sedereviciute, 2010).

Stakeholder theory has been developed to map the organisational terrain and to help organisation identify and balance the different needs around them (Freeman, 1984). According to Sedereviciute (2010:16), Stakeholder theory introduces a unique way of how businesses could categorise their relevant stakeholders into particular groups,

9

thus enabling them to manage communication with them in a structured way. It can be integrated that without a logical understanding of who their primary, secondary and tertiary stakeholders are, businesses may not be able to rationalise their resources accordingly in view of their priorities, needs and long-term demands. As such, businesses subsequently deny themselves developing and promoting strong ties based on business-to-business and business-to-customer relations based on the use of available resources such as social media technologies. Hence, an interdependent relationship exists between business and stakeholders as they both rely on each other. Sciarelli and Tani (2013:117) state that the creation of on-going relations between enterprises are the consequences of several actors' activities, the actors of which are identified as stakeholders.

For Sedereviciute (2010:7), the need to analyse stakeholders beyond dyadic ties is vital since stakeholders do interact with each other in similar ways offline, online and on social media platforms. Furthermore, SMMEs' engagement and monitoring of stakeholders on social media technologies would enable businesses to have a closer contact with their stakeholders and increase their awareness of the potential threats or opportunities presented to them (Sedereviciute, 2010). Choi and Wang (2009 cited in Parmar et al., 2010:21) discovered that good stakeholder relations empower a firm to enjoy superior financial performance over a longer period of time and help poorly performing firms to improve their performance quickly. Furthermore, Parmar et al. (2010) posit that Stakeholder theory provides a reasoned perspective on how firms should manage their relationships with stakeholders to facilitate the development of competitive resources, and attain the larger idea of sustainable success.

From the aforementioned discussion, it becomes very evident that the stakeholder perspective explains how a firm's stakeholder network can be a source of sustainable competitive advantage. Based on this theory, it therefore makes sense to suggest that SMMEs can gain competitiveness by managing their stakeholders through social media technologies.

1.5. PROBLEM BACKGROUND

Large firms in the tourism sector such as hotels, game reserves and sanctuaries tend to have substantial competitive advantage over SMMEs due to their capacity to explore their internal resources such as the latest technologies. In spite of their dynamism and compressed hierarchical structure, SMMEs still fail to reap the benefits of such flexibility manifested in adopting quick innovations and agility due to a lack of innovation and creativity. One possible explanation for such a lack of innovation is their inability to exploit emerging SMTs such as Facebook. Small Enterprise Development Agency (SEDA) (2012) highlights that some of the challenges facing SMMEs in SA are the difficulty of accessing the market, lack of demand/market opportunities and lack of innovation, creativity and lack of marketing skills and tools. SMMEs in the tourism sector are not excluded from this assertion. SEDA (2012) noted that while six companies control between 60 and 70% of the tourism sector in SA, the majority of enterprises operating within the sector are SMMEs. This assertion points to challenges facing these SMMEs in the sector.

Since South Africa has an estimated 2 million SMMEs (Ponelis & Britz, 2011) which are in constant competition with established businesses, the development of non-conventional marketing strategies such as the exploitation of SMTs for marketing and branding of products is envisaged to improve their competitiveness. Ponelis and Britz (2011) assert that South African SMMEs are challenged in ways they never expected as the technology landscape has become more complex than ever. Yet the global reach and dynamic networks bestowed by SMTs provide a great and ideal platform for SMMEs flexible application of new marketing strategies and branding. It is for this reason that literature highlights that the utilisation of technology has a key influence upon the competitiveness of SMMEs (Ponelis & Britz, 2011).

1.6. PROBLEM STATEMENT

While there is an increasing usage of social media technologies (SMTs) by customers (Neti, 2011; Perrin, 2015), the usage of these technologies by tourism SMMEs remains speculative. Yet the profound local and global visibility, competitiveness and success of tourism SMMEs depend on their strategic connections with their distinct customers in existing niche markets. While developing strategic networks and connectivity with

11

the customers' base demands the use of low cost, ubiquitous technologies such as SMTs (Porter & Heppelmann, 2014), SMMEs' use of SMTs remains an under-researched area (Jagongo & Kinyua, 2013; Hassan, Nadzim & Shiratuddin, 2014; Rambe et al., 2015). The lack of research into the impact of SMTs on SMMEs is surprising as social media has become one of the prime mechanisms for businesses irrespective of their size to attain increased customer base, increase growth potential and improve sustainable competitive advantage (Bulankulama, Khatibi & Shokri, 2014; Singla & Durga, 2015). Jagongo and Kinyua (2013:217) concur that the power of social networking cannot be ignored and that there is a need to research how businesses especially SMMEs are impacted by it.

The research problem, therefore, is the inability of SMMEs to successfully compete with large corporations as well as their inability to create durable stakeholder relations due to their reluctance to use emerging technologies with a global or continental reach such as SMTs. The challenge is how to encourage the use of social media technologies by SMMEs in the tourism sector to improve their local and global competitiveness.

1.7. AIM OF THE STUDY

The overall aim is to assist tourism SMMEs to leverage emerging technologies to gain competitive advantage in the market place so that they can grow and contribute more to socio-economic development. Rambe, Mosweunyane and Dzansi (2015) support this view, by stating that tourism SMMEs can use the power of SMTs to compete efficiently with their competitors and increase their market share. Furthermore, affirm that emerging technologies gives SMMEs the opportunity to gain competitiveness through the timely delivery of granting the opportunities to gain strategic competitive advantage through timely delivery of services to its customers.

1.8. MAIN OBJECTIVE

To determine the status/level of utilisation of social media technologies and its impact thereof on Free State tourism SMMEs' competitiveness.

Subsidiary objectives

1. To examine the extent to which tourism SMMEs utilise SMTs in the positioning and marketing of particular brands and services (i.e. branding).

2. To establish the extent to which tourism SMMEs utilise SMTs in extending their market share of customers (i.e. customer orientation).

3. To determine how tourism SMMEs utilise social media to broaden their business networks (i.e. supply chain networks).

4. To investigate ways in which tourism SMMEs utilise social media in dealing with regulating authorities.

5. To explore the impact of SMMEs' utilisation of SMTs on business competitiveness.

1.9. RESEARCH QUESTIONS

The main research question is:

What is the Free State tourism SMMEs' level of utilisation of social media technologies and the impact of such use on competitiveness of their businesses?

Subsidiary research questions.

1. To what extent do tourism SMMEs utilise SMTs in the positioning and marketing of particular brands and services (i.e. branding)?

2. To what extent do tourism SMMEs utilise SMTs in extending the market share of their customers (i.e. customer orientation)?

3. To what extent do tourism SMMEs utilise social media to broaden their business networks (i.e. supply chain networks)?

4. In what ways do tourism SMMEs utilise social media in dealing with regulating authorities?

5. What impact does SMMEs utilisation of SMTs have on competitiveness?

1.10. RESEARCH PARADIGM/PHILOSOPHY

Philosophically, there are two broad approaches to research, namely positivism and interpretivism. Positivism regards human behaviour as passive, controlled and determined by the external environment (Scotland, 2012). Furthermore, De Vos, Strydom, Fouche and Delport (2011) state that positivism maintains that it is possible and essential for the researcher to adapt a distant, detached, neutral and non-interactive position to research elements to ensure that scientific knowledge is arrived at through the accumulation of verifiable, scientific facts. Additionally, Bryman and Bell (2011) assert that science must be conducted in a way that is objective. Fundamentally, this research is conducted drawing on the positivist foundation to explore the relationship between the utilisation of social media technologies utilisation by the Free State tourism SMMEs and the competitiveness of such businesses.

On the contrary, interpretivists believe that reality consists of people's subjective experience of the external world, thus reality is socially constructed (Scotland, 2012). In addition, Bryman and Bell (2011) posit that interpretivism is of the view that strategy is required that respect the differences between people and the objects of the natural science, and therefore requires the social scientist to grasp the subjective meaning of social action. Agbobli (2013) contends that interpretative approach is more appropriate for exploratory research which requires short decision time. In contrast, the author posits that with positivist approach, objective decision making and generalisation are more important.

1.11. RESEARCH DESIGN

Research design is a plan which emphasises the underlying philosophical assumptions, specification of the selection of respondents, the data collection techniques to be used and the data analysis to be done (Maree, 2013). Since a positivist epistemology is adopted, the study adopts a quantitative research design. Quantitative research design involves the implementation of quantitative research methods. Creswell (2003) conceives quantitative research to be framed around testing objective theories by examining the relationship among variables. The author further states that these variables can be measured, typically on instruments, so that numbered data can be analysed using statistical procedures. Since the study sought

14

to examine the status of utilisation of social media technologies including the impact of such utilisation on the competitiveness of businesses, a survey instrument was developed to collect quantitative data about these issues under investigation.

1.11.1. Population

A population "is an entire organisational unit with which the research problem is concerned" (De Vos, Strydom, Fouche & Delport, 2011:223). It is a group of potential participants to whom the results of the study are generalised (Salkind, 2009). The target population for this study consists of 600 registered tourism SMMEs in the in the Free State province. The Free State Department of Economic Development, Tourism, Environmental Affairs and Small Business provided the researcher with this estimate of tourism SMMEs on their provincial database, who would constitute the study population.

1.11.2. Sampling and sample

Empirically supported generalisations are usually based on partial information because it is impossible, impractical or expensive to collect data from all the units of analysis covered by the research problem (Frankfort-Nachmias & Nachmias, 2008:163). These authors further assert that a researcher can draw precise inferences on all those units based on a relatively small number of units when it represents the relevant attributes of the entire population. In accordance with the quantitative methods approach, the study will be conducted by using simple probability sampling. According to Maree (2013:172) probability samples satisfy the requirements for the use of probability theory to accurately generalise to the population. In agreement, Terre Blanche, Durrheim and Painter (2006) and Singh and Nath (2010) state that this sampling ensures that the elements selected for a sample accurately resemble the parameters of the population they were selected from. Emanating from the above, a simple random sample was used to select participants of the study. Bryman and Bell (2011) assert that with a simple random sample, each unit of the population has an equal probability of inclusion. Hence, Salkind (2009) posits that a simple random sample can be used to avoid bias of the results. To calculate the sample size, an internet sample size calculator was used. The calculator is available freely from http://www.macorr.com/sample-size-calculator.htm. The calculated sample size amounted to a minimum 234 research elements with a confidence level set at 95%.

1.11.3. Data collection

In the absence of an existing data collection instrument covering the issues under investigation, the researcher had to develop the instrument. A Likert scale based questionnaire was then used to collect quantitative data with a large number of sample units. The dimensions and items on the questionnaire are provided in greater detail in the Methodology chapter (see Chapter 5). The researcher and one trained research assistant administered the questionnaire to the research respondents. The detailed process of data collection, access to participants and data sorting and cleaning is elaborated in the Methodology Chapter (Chapter 5). This will be evaluated and tested by the experts before being administered to respondents by the researcher and trained assistants.

1.11.4. Data analysis

According to De Vos, Strydom, Fouche, and Delport (2011) the reason for data analysis is to reduce data to a logical and interpretable form and to draw conclusions from the data. As this study was quantitative in nature, the researcher first collected the quantitative data, entered into excel spreadsheets, cleaned the data to eliminate incomplete entries and exported to Statistical Package for the Social Sciences (SPSS) version 21 for detailed statistical analysis. An experienced statistician conducted detailed statistical analysis to develop descriptive statistics (central tendencies, frequency tables, pie charts) and inferential statistics such as correlation and regression analysis.

1.11.5. Ensuring validity and reliability

De Vos, Strydom, Fouche, and Delport, (2011) posit that for data to be regarded as valid and reliable, the researcher must be certain that the measuring instrument to be used is acceptable. Validity and reliability are briefly summarised below.

Content validity – the study employed mainstream literature on SMTs utilisation by SMMEs to develop questionnaire dimensions and items.

Construct validity – the study used statistician and supervisor's advice and support to ensure the construct validity.

Reliability – the Cronbach's Alpha was employed as a tool for ensuring the reliability of the instrument.

1.12. ETHICAL CONSIDERATIONS

Research ethics is defined as a set of moral principles which offer rules and behavioural expectations towards subjects being researched (De Vos et al., 2011). The researcher ensured that ethical guidelines are strictly followed. For instance, his research secured ethical clearance from the Faculty of Management Sciences' research ethics committee before the data collection proceeded. Thereafter, informed consent was sought from research respondents by virtue of explaining to them the rationale for the study, the intended benefits of the study, expected duration to complete the questionnaire and the confidentiality of the information generated from the data. Privacy and anonymity of the respondents were ensured through planning such that the survey was administered at times convenient to respondents and findings were reported in aggregate form to protect the individual identities of respondents.

1.13. LIMITATIONS

The limitation of the study is that the study focused specifically on owner/managers of tourism SMMEs and did not cover other stakeholders such as their employees, suppliers, government authorities and the surrounding communities. As such, the views expressed in this study are exclusively those of these entrepreneurs and not these other stakeholders. However, the research instrument attempted to fathom the SMME's use of social media technologies by interrogating how they managed their various stakeholders drawing on the potentialities of social media technologies. Furthermore, since the sample was relatively small, the findings of the study cannot be generalised beyond the population from which the sample was drawn.

1.14. DELIMITATION OF THE STUDY

The study was conducted in the Free State province only. As such, the extent of generalisation to the entire population of South Africa is limited to the province.

1.15. STRUCTURE OF THE STUDY

Chapter 1: This chapter provides an introduction of the research. It includes a description of the research area, the problem statement, research questions, and the objectives of the research questions.

Chapter 2: Renders a review of the literature on tourism and entrepreneurship.

Chapter 3: This chapter reviews literature on social media technologies.

Chapter 4: This chapter reviews the theory adopted by this study. The theory reviewed is Stakeholder theory and the conceptual framework is also developed in this chapter.

Chapter 5: This chapter outlines the research methodology adopted in the study.

Chapter 6 presents and discusses the results.

Chapter 7: This chapter provides conclusions and recommendations based on the study undertaken.

CHAPTER 2: TOURISM ENTREPRENEURSHIP IN SOUTH AFRICA

Introduction

Tourism

| Definition of Tourism |
| Composition of tourism |
| Theorisation of tourism |
| Trends in tourism |
| The impact of tourism in the economy |
| Challenges of tourism sector in SA |

Entrepreneurship

| Entrepreneurship defined |
| Historical overview of entrepreneurship |
| Dimensions of Entrepreneurship |
| Types of entrepreneurship |
| Theory of Entrepreneurship |
| Entrepreneurship in tourism |
| Benefits of entrepreneurship |
| Challenges of entrepreneurship |

Summary

19

2.1. INTRODUCTION

In the last decade, the growth of tourism has become a global economic phenomenon attracting tourists across various destinations around the world (Gauteng Finance Department, 2012:5). For the African continent in particular, the steady growth in the tourism sector and its associated attractions can be associated with the economic rejuvenation of the African economies due to the improved economic growth. The United Nations Conference on Trade and Development (UNCTD) (2014) highlights that that Africa is experiencing high and continuous economic growth. Othman and Rosli (2011) further affirm that tourism is the most attractive and the fastest growing industry. This view is demonstrated by the UNWTO World Tourism Barometer (2015) showing that International tourist arrivals reached 1,138 million in 2014; a 4.7% increase in the year 2014. The same barometer highlights that Americas, Asia and the Pacific registered the strongest growth of +7% and +5% respectively, while Europe, the Middle East and Africa grew at a slightly more modest pace at +4%, +4% and +2% respectively. The burgeoning tourism should be interpreted in view of the transforming of a distinct tourism sector over the last 10 years. This might be because of the rise in per capita incomes globally, which represents increasing disposable income for spending on leisure and tourism.

The direct economic influence of tourism has resulted in the metamorphosis of a distinct segment, namely a tourism industry comprising key sub-sectors such as accommodation, tourist transport, entertainment, tourist attractions and services, and tourist guiding (Vivian, 2011). The existence and sustenance of these critical sub-sectors present multiple socio-economic opportunities for the labour intensive African economies such as that of South Africa. For instance, Nieman, Visser and van Wyk (2008) posit that the development of a growth-oriented strategy for tourism in South Africa could potentially boost the economy, create jobs, generate foreign exchange, and alleviate poverty. As Taskov et al. (2011) concur, tourism enterprises have been recognised as necessary players for generating jobs and generally growing the economy.

Despite the profound interest in the socio-economic value of the tourism industry (Chang, 2011; Taskov et al., 2011; Jaafar, Rasoolimanesh & Lonik, 2015), there is

20

paucity of literature that examines the intersection between tourism activities and new venture creation possibilities or at best the impact of the tourism industry on entrepreneurial activities. For instance, Lopéz, Buhalis and Fyall (2009) observe that academic research on entrepreneurship in tourism is hard to come by and when found, it tends to be located in the grey area. Thus a research gap on entrepreneurship in tourism persists notwithstanding the tremendous potential of the tourism industry to render opportunities for existing entrepreneurs to create new ventures. Nieman et al. (2008) assert that the tourism industry present tremendous opportunities for existing entrepreneurs to create SMMEs in the tourism sector. It stands to reason that the expansion of tourism provides a fertile ground for the growth of a generation of entrepreneurs to create their own small businesses and become tourism entrepreneurs. Chang (2011:468) posits that many tourism businesses are small enterprises that need a great deal of entrepreneurship. It can be inferred from this understanding that entrepreneurship may play an essential role in the creation and growth of tourism. In support of this view, Taskov et al. (2011:3) highlight that entrepreneurship is considered to have a positive influence on the performance of tourism enterprises. Furthermore, Chang (2011:467) asserts that entrepreneurship also plays a very important role in earlier stages of tourism development. For this reason, one of this chapter's sections will be devoted to entrepreneurship to illuminate understanding of the influence of entrepreneurship on the expansion of the tourism industry.

Since this chapter explores the intersection of tourism and entrepreneurship, this chapter will provide a review of tourism, entrepreneurship and entrepreneurship in tourism. The role of tourism enterprises in the economic development of the country and the challenges of tourism will also be discussed.

2.1.1. Definition of Tourism

Candela and Figini (2012) and Vencovska (2014) affirm that tourism is a highly multifaceted phenomenon and can be fully understood only by adopting a multidisciplinary approach. In view of this complexity, the current study explores the economic side of tourism to understand how it affects employment creation and income generation. Oruonye (2013:2) defines tourism as "involving activities of

persons traveling to and staying in places outside their usual environment for leisure, business and other purposes". Concurring with this definition, the South African Department of Tourism (2012) elaborates that tourism activities are not related to the exercise of an activity remunerated from within the place visited. These definitions seem to consider the individuals in transit, the temporal activities such individuals engage in, as much as they consider the motivation of such movement such as travelling for leisure.

Candela and Figini (2012) contends that tourism is the total sum of operators, mainly of an economic nature, which directly relate to the entry, stay and movement of foreigners inside and outside a certain country, city or a region. This definition seems to emphasise economic consideration to the exclusion of other social and environment related engagements tourists participate in, such as eco-tourism. In addition, Ifeyinwa (2014:649) posits "tourism deals with a time of pleasurable experience of life outside one's place of abode." Ifeyinwa's (2014) definition undergirds personal enjoyment and comfort as differentiating tourist travel from other forms of travel such as internal displacement, cross border travels by economic migrants or international refugees. According to Ifeyinwa (2014), the latter cannot qualify as tourism because these are motivated by economic lack, physical and emotional pain rather than leisure. The other qualifying distinction is that these movements of individuals to destinations are temporal in nature (Mathieson & Wall, 1982). The temporal nature of tourism is shared by Manzuma-Ndaaba, Harada and Islam (2014:282) who define it as a "displacement activity, involves being away from home on a temporary short-term visit to and stay at places of interest outside one's domicile and work."

Bonarou (2011) define tourism differently from the above definitions emphasising that it is a collection of activities, services and industries that delivers a travel experience, including transportation, accommodations, eating and drinking establishments, provided for individuals travelling away from home. The author further states that the activities undertaken during their stay in those destinations and the facilities created to satisfy their needs. It is clear from the definition that although tourism involves individual travelling across space, it is broader than just personal leisure and enjoyment as it covers a wide range of sectors of the economy. The construction of tourism as an inter-sector engagement is also shared by Manzuma-Ndaaba et al.

22

(2014:282) who posit that "tourism encompasses the industry that package, facilitate, promote and delivered such travel and care for those on the move as well as the impact the visitors and host communities have on each other before, during and after the experience." Reference to an industry that facilitates and promotes particular activities in particular communities therefore, suggest that tourism cannot be a lone activity conducted by one particular sector, but rather a cluster of sectors. Statistic SA (2014) states that the tourism sector is not measured as a sector in national accounts, because tourism is not a clearly defined industry, but rather an amalgamation of industries such as those discussed below.

These definitions present certain distinct characteristics, which are: a persons' travelling for leisure; on a temporary basis; in a location which is not his/her place of abode. This study's interpretation is that traveling alone does not necessarily qualify the traveller as a "tourist". In support of this interpretation, Candela and Figini (2012:18) posit that this definition pivots around three main dimensions on which tourism has to be defined and distinguished from other forms of travel: the movement; the time; the motivation. Emanating from the above definition, this study defines tourists as individuals/persons travelling from other countries, provinces or places to a temporary destination for the purpose of leisure or any other business which may potentially benefit the host country economically. The United Nation World Tourism Organization (UNWTO) (2015) however put a 12 months' time limit of stay outside the environment other than one's home.

Having created a working definition of tourism, this chapter proceeds to unravel the constitutive elements of the tourism industry. For this reason, the section below explores the different components of the tourism industry.

2.2. COMPONENTS OF TOURISM

A successful tourism destination is not only influenced by elements of activities or products which are considered to have primary effects, but also by other factors like accommodation and transport (Anuar, Ahmad, Jusoh & Hussain, 2012). Despite the fusion of the various sectors that constitute the tourism sector, other literature seems to have established a nomenclature for defining the industry. For instance, the South

23

African Department of Tourism (2012:10) states that South Africa's travel and tourism sector is divided into three sub-sectors, each offering business opportunities for entrepreneurs. The sub-sectors, which are accommodation, hotel and related services and travel distribution services, are discussed below.

2.2.1. Accommodation

This subsector's holiday and business guest's domestic and foreign travel to their destinations. The subsector includes services such as: Hotels, resort properties and timeshare, bed-and-breakfasts, game lodges, backpackers and hostels. Ahliya (2010) highlights that accommodation is the fundamental point for the hosting of guests and visitors, where a guest may pay a fee in return for a grade of accommodation, and associated services such as food and beverages.

Poudel (2013:1) states that tourists in their travel require location where they can rest and revive during their travel. In view of this, accommodation provides an indispensable place of abode, a habitat to regroup after excursions and private space for securing memorabilia and keeping personal treasures. Accommodation, therefore, provides the temporary home for the tourist. From an economic perspective, however, accommodation constitutes one of the largest industries in the tourism sector and plays a vital role in the tourism industry especially in providing tourist with the needed comfort in any tourist destination (Manzuma-Ndaaba et al., 2014). Though as it may, it is undoubtable that the success or failure of any tourism destination will considerably depend on the accessibility, affordability, quality and sufficiency of accommodation, itself a vital component of tourism capability. It is important to underscore that although accommodation is a vital point of departure for a successful tourist venture, it is insufficient for generating an unforgettable ecstatic tourism experience.

For Nieman and Nieuwenhuizen (2014), the enthusiasm of the accommodation sector hangs on the development and operation of an extensive variety of services such as game parks, camping grounds, caravan parks, holiday camps, hotels, motels, chalets, bed-and-breakfast establishments and guesthouses. While these that broad range of services are potentially available to tourists, it seems that the guesthouse sector has grown considerably over the past five years in the Free State region in South Africa. This growth can be attributed to the South African government prioritising tourism for

24

job creation and economic growth. To support this view, the Tourism department (2011) assert that the government of South African has acknowledged the sector as a potential to bringing economic growth and employment creation.

2.2.2. Hospitality and related services

This tourism subsector includes services such as: restaurants, conferences venues, professional catering, attractions, consulting and professional services companies. Taal (2012:3) posits that the hospitality subsector has grown increasingly over the last decade and is now one of the fastest growing subsector in the economy of South Africa. The fast growth of this sector can be associated with the promotion of tourism by the SA government through the ministry of tourism. Hospitality services also include the food and beverage sector, which covers many different types of national cuisines and styles of services (Melia, 2011; Education Bureau, 2013; Viljoen, Kruger & Saayman, 2014). Collectively, the hotel and related services influence the tourism destination through quality service and ambience, which leave a lasting impression in tourists' minds (Anuar et al., 2012:67).

2.2.3. Travel distribution services

This tourism subsector includes services such as tour wholesalers, tour operators, travel agents, tourist guides, car rental companies and coach Operators. This subsector, therefore, enables, facilitates and promotes the free and expedient movement of tourists within and across different tourist attractions. According to Vivian (2011:3) these services represent the central connection between tourists and providers of tourism services and thus have the power to influence the demand and supply side of tourism. As tourists are travellers, transport is one of the important elements in any tourism development (Mammadov, 2012) even though other services that are logistically oriented such as travel agents are equally important to tourist movements. Therefore, collectively, travel distribution services provide benefits to tourists, tourism enterprises and the entire economy. This subsector provides the essential link between tourism origin and destination areas as much as it facilitates the movement of travellers either for leisure or business (Education Bureau, 2013).

2.3. THE THEORISATION OF TOURISM

The concept of sustainable tourism development ascended out of recognition of both the economic importance of tourism, and the realised and potential impacts (Berno & Bricker, 2001). In response to the drive toward conservation in relation to social justice concerns, tourism academics and practitioners have furnished a variety of propositions on the prevailing challenges to sustainable development (Chen, 2015). The need to advance economic benefits without accelerating environmental degradation is at the core of sustainable tourism because the current generation needs to be sustained economically, socially, ethically and environmentally without compromising the chances of future generations to meet their needs. Chen (2015) further argues that sustainability has become a practical concept that is thought favourable to the progress of tourism development.

One of the underlying principles for sustainable tourism is to use natural (sidewalks, game, flora, inorganic nature such as rocks, geologic formations, rivers, lakes, mountains), social (indigenous games, indigenous knowledge, conventional wisdom) and cultural (indigenous knowledge, conventional wisdom, historical monuments, movable historical monuments, verbal and customs culture) resources in a sustainable manner. In view of the diverse stock of resources that are brought to bear on the industry, Berno and Bricker (2001:12) argues that tourism does not encompass a single type of business, nor does it lend itself to the grouping together of similar business. In view of the increasing complexity of this industry, the sustainability challenge is to encourage the development and management of tourism products that will provide economic and social benefits to host countries while enriching customer appeal, protecting and enhancing their natural and cultural qualities (Dibra, 2015).

According to Hatipoglu, Alvarez and Ertuna (2014) a sustainable approach to planning has a wider perspective, as it takes into consideration the balance between development and sustainability in all three sustainability dimensions – economic, environmental and socio-cultural. From an economic perspective, sustainable tourism should generate economic returns. Thus, sustainable tourism is about sustaining both the industry as a whole through provision of quality service and maintaining the qualities of the social, cultural, environmental and economic products on which the

26

industry is based (Berno & Bricker, 2001). For the purpose of this study, sustainable tourism serves as a useful concept for understanding the importance of tourism in the economy because of its potential to create employment and economic growth. Sustainable tourism denotes a condition of tourism based on the principles of sustainable development, taking full account of its current and future economic, social and environmental impacts (Waligo, Clarke & Hawkins, 2013). In view of this, utilising this approach will assist tourism SMMEs to be sustainable and thus grow the Free State economy.

2.4. TRENDS IN TOURISM

This section reviews literature of tourism on the global context to provide a global picture of developments in the tourism sector. The section examines the trends of tourism in the African context to a broader background against which the dynamics of tourism in the South African context can be understood. Biodun (2014) posits that with rapid developments in the tourism industry, both the governments and private entrepreneurs have started to maximize the opportunities of attracting tourists to their countries. As already argued, tourism acts as an engine for development in many countries through foreign exchange earnings and the creation of direct and indirect employment.

According to United Nation World Tourism Organisation (UNWTO) (2014), over one billion international tourists travelled the world in 2013, supporting jobs, generating income and boosting development. International tourism currently accounts for 9% of global GDP; 30% of services exports and 1 in every 11 jobs. Hence, International tourism has progressively grown above expectations over recent years, it accounts for 30% of the world's exports of services and 6% of total exports globally.

2.4.1. Global context
2.4.1.1. Global earnings from tourism
According to Bethapudi (2013:68) demand for global tourism maintained momentum in 2011 due to globalisation. This is illustrated by the apparent growth of tourism globally. According to United Nation World Tourism Organisation (UNWTO, 2011) international tourist arrivals grew by 4.5% in the first four months of 2011,

notwithstanding world recession at that time. In fact, global tourism has grown from 983 million 2011 to 1133 million in 2014 (UNWTO, 2014). Similarly, the global earning from global tourism have also grown phenomenally to US$7.6 trillion in 2014. In support, Vladimír (2014) International tourism create annual revenues and tourism ranks as one of the leading export industries of the world. The tourism wage's vast economic impact on all sphere of the society has contributed to the sector becoming one of the fastest growing industries globally (Aliyu, Abdul & Aliyu, 2013). Biodun (2014) asserts that tourism is currently recognised as the second largest income-generating industry in the global economy, particularly as a driver for economic development and poverty reduction. Najda-Janoszka (2013) further affirms that tourism is generally and officially recognised as one of the fastest growing economic sectors in the world and a key driver for socio-economic progress.

2.4.1.2. Tourism exportation globally

An export industry generates a substantial portion of its goods/services outside of the country, thus bringing new money into the local economy (Tarlow, 2010). Hence, with the revolution in tourism sector, both the government and private entrepreneurs have started to optimise the opportunities of attracting tourists to their countries (Manzuma-Ndaaba et al., 2014). Bell, Tyrvainen, Sievanen, Probst and Simpson (2007) posit that the impacts of tourism are felt in a nation socially, environmentally and economically as well as across class, gender and race. Bell et al. (2007) further state that tourism is a rapidly expanding economic activity throughout the world which includes many different activities. For example, according to World Tourism Organisation UNWTO (2016), global tourism earnings in destinations around the world grew by 3.6% in 2015, consistent with the 4.4% increase in international arrivals. For the fourth consecutive year, international tourism grew faster than world merchandise trade, raising tourism's share in world's exports to 7% in 2015. The total export value from international tourism amounted to US$ 1.4 trillion in the year 2015. Moreover, Pulido-Fernández and López-Sánchez (2011:268) posit that beside this overall growth, the other striking aspect is its steady expansion as a global phenomenon, progressively spreading into all regions of the world and most countries.

2.4.2. Tourism trends in Europe

Vladimír (2014:112) affirm that Europe is considered as mature destination with very high intensity tourism growth and is unlike other destinations like Asia and Africa where growth is possible.

2.4.2.1. European tourist arrivals

According to the European Travel Commission (2016), an outstanding tourism performance in Europe in 2015 predicts a continued growth into 2016 following the 5% increase in international tourist arrivals recorded in 2014. Europe accounts for 41% of international tourism receipts. There was a recorded increase in tourism earnings in Europe in absolute terms from US$ 17 billion to US$ 509 billion (euro 383 billion) (UNWTO, 2015). On the other hand, Europe continues to maintain a far from negligible market share of 50.4 per 100 in the volume of tourist flows worldwide, although in relative terms it has declined from 66.4 per 100 in the 1950s.

2.4.3. American context

According to Statistia (2015) the travel and tourism industry is one of the largest industries in the United States contributing a total of 1.47 trillion U.S. dollars to GDP in 2014. There was relative downward trend in the Americas' tourism statistics which went from a market share of 29.64 per 100 in 1950 to 16.2 per 100 in 2010 (Pulido-Fernández & López-Sánchez, 2011). However, since this time (i.e. 2010) UNWTO (2015) states that the Americas was the best performing region in relative terms with growth of 7% in 2015, increasing international tourists to 13 million and raising the total tourist figures to 181 million. Furthermore, the growth was driven by North America's tourists increasing by 8%, whilst Mexico received a double-digit increase, and the Caribbean increasing by 7% in 2014 (UNWTO, 2014).

Platzer (2014) further posits that tourism exports are the currencies that international tourists spend in the United States on passenger fares and travel-related goods and services. In view of this, U.S. tourism exports totalled $180.7 billion in 2013, making tourism the United States' single largest services sector export and accounted for 8% of all U.S. goods and services exports in 2012. Tirone (2012) posits that America's biggest service export is the travel and tourism industry, hence, it is the ultimate place for foreign tourists.

29

2.4.4. Asian context

Asia has been leading tourism development in recent years (UNWTO, 2015). The region is regarded as a major generator and receiver of tourism (Singh, 2006). Asia and the Pacific attracted some 249 million international arrivals in 2013; 23% of the world total (UNWTO, 2015). UNWTO (2014) highlights that international tourist arrivals in Asia and the Pacific increased by 13 million to 263 million in 2015. Similarly, North-East and South Asia performed better than other regions. UNWTO further highlights that arrivals in Oceania grew by 6%, while growth slowed down in South-East Asia (+2%) as compared to previous years.

2.4.5. African context

2.4.5.1. African tourist attractions: an overview

Magombo (2011) affirms that tourism has been acknowledged as a pro-poor development strategy that can contribute to solving poverty in Africa as compared to other economic sectors. North African and West African countries are privilege in terms of natural and cultural attraction. For instance, Nigerian attractions include: the mountains, hills, highlands; caves and valleys (with waterfalls and water tributaries); spectacular vegetation (dense high forest, savannah and Sahel); varieties of species of wildlife, flora and fauna (Manzuma-Ndaaba et al., 2014). Richardson (2010) adds that the cultural uniqueness of Mali provides the basis for a comparative advantage for tourism development in the region. Richardson (2010) further posits that tourism comprises a significant part of the world's growing service sector, for example, in sub-Saharan Africa, tourism accounts for approximately 55% of service sector exports. Roussot (2005) concurs by adding that the attractiveness of Tunisia and Egypt around the 2000s was, among others, attributable to their relative political stability and their ability to offer the sun, sand and sea in addition to their closeness to European markets. Furthermore, Roussot (2005) posits that an interesting feature of the tourist activities in Kenya and Zimbabwe is their ability to offer safari holidays, or the "true African experience".

According to the Africa Development Bank Group (2016), Africa boasts of a rich variety of attractions that draw in tourists from around the world. The continent has a wealth of archaeological sites and historic monuments, such as pyramids (Egypt), cave churches (Ethiopia), Robben Island (South Africa), Gorée Island (Senegal) and cave

paintings (Tassili N'Ajjer in Algeria and Tsodilo in Botswana). It is also a place of stunning landscapes and scenery, boasting of attractions such as Victoria Falls in Zimbabwe, the Sahara, Namib and Kalahari deserts, picturesque coastlines, mountains, plains, tropical rainforests and bush ecosystems – home to exceptional plants and wildlife and flourishing small businesses (Africa Development Bank Group (2016).

2.4.5.2. International tourist receipts

Magombo (2011) posits that tourism offers an alternative source of income as most of the income in Africa is generated from subsistence farming. However, Magombo states that Africa is the least visited continent as it only represents 4% of the total number of international visitors and 3.7% of the total global receipts. Africa Development Bank Group (2016) posits that in 2014, a total of 65.3 million international tourists visited the continent – around 200,000 more than in 2013. In comparison with 1990, which recorded only 17.4 million visitors, there have been significant growth (Africa Development Bank Group, 2016). This makes Africa's strong performance in 2014 (up 4%) one of the world's fastest-growing tourist destinations, second only to Southeast Asia (up 6%) (UNWTO, 2014).

2.4.5.3. Export earnings

This shows how Africa's tourism sector can be used to develop and grow the economies of the continent. UNWTO (2014) states that for emerging economies in Africa, tourism is their first export earner. Thus, by encouraging entrepreneurship within tourism, Africa will develop and grow its economy. Hence Manzuma-Ndaaba et al. (2014) assert that tourism creates opportunities for local communities to benefit from their culture and natural assets through employment in tourism activities and the supply of services and goods such as food, excursions or handicrafts, to tourism businesses or directly to visitors.

However, one of the challenges facing African countries is tourism infrastructure development. This can affect the tourism sector in this continent and limit its growth. Thus, improvements can be done in relation to these challenges to enhance the economic returns from the tourism industry (Jaafar et al., 2011:834).

31

2.4.6. South African context

South African tourism is considered as one of the key economic drivers (Vivian, 2011:2), hence The Department of Tourism, a new ministry dedicated to tourism, has been introduced in 2009 to further the aims of tourism marketing and development. Vivian (2011); posits that the tourism sector in South Africa is identified as a key growth sector for the future, thus, legislation and programmes were put in place to achieve black economic empowerment in tourism. Ramukumba et al. (2012:39) add that tourism is perceived as an adopted strategy for creating more equitable economic growth in South Africa. This is also illustrated by data released by Statistics SA (2016); there were 1012 641 tourist arrivals recorded for the first month of 2016, representing a 15% growth compared to January 2015. In May 2015, there were 1 202 795 foreign arrivals to South Africa (Statistic SA, 2016). This shows the high-pace increase in South African tourism. This illustrates the remarkable state of tourism resources and cultural diversity which improves the nation's tourism attractiveness. The next section will discuss the impact of tourism on the economy.

2.5. THE IMPACT OF TOURISM ON THE SOUTH AFRICAN ECONOMY

2.5.1. The impact on economic growth

The tourism industry has become an important sector and have been promoted by governments in both developed and developing countries including South Africa (Othman & Rosli, 2011:11). The promotion of tourism has been identified as a key plan that can lead to economic growth, community development and poverty alleviation in South Africa. Furthermore, Vivian (2011:2) posits that the economic value of tourism is reflected in the tourism industry as well as the tourism economy of a country. Tourism SA (2012:6) affirms that tourism has received more attention than before given the challenging economic climate in SA; the sector has been heralded as the new gold. The creation of new firms shows lively entrepreneurial activities, which means if those business are sustained, they will play an enormous role in the country's economy.

Moreover, SEDA (2012:23) asserts that businesses can play a prominent role in the process of advancing the tourism sector in SA if provided with necessary support. This can be done through training and funding entrepreneurs especially in the tourism

sector. SEDA further states that at the local level, many individuals respond to a growing tourism market by creating new firms. Therefore, this sector in many developing and least developed countries is the most viable and sustainable economic development option, and in some countries, the main source of foreign exchange earnings (UNWTO, 2015). The sector, thus, has an impact for the economy, for the local population at the places visited, and for the visitors themselves. However, tourism depends mainly on the quality of a destination's resources and its political stability.

2.5.2. Employment creation and poverty reduction

Furthermore, tourism businesses make a vital contribution to the economy as well as to the tourism industry. As a result, tourism businesses have been identified as essential actors for creating jobs and generally growing the economy (Taskov et al., (2011:1). Hence, tourism businesses play a role in providing employment to the unemployed be it direct or indirect. In support of this assertion, the literature (Briedenhann & Wickens, 2004:73, Rambe, Mosweunyane & Dzansi, 2015) posit that in a country of expanding population, increasing unemployment, a declining currency, and a steady drop in the value of its mineral wealth, tourism, which is now most profitable national commodity, presents one chance to turn the tide of unemployment through the generation of jobs and the creation of entrepreneurial opportunities.

Othman and Rosli (2011:11) further posit that tourism is seen as the most attractive and the fastest growing industry in the world. In many developing countries, the number of entrepreneurs in the tourism sector are increasing with the help from the government that strengthen and build the strength of small and medium industries (SMIs) which indirectly reduce the unemployment rate among local communities and contribute to the alleviation of poverty (Sharif & Lonik, 2014). UNWTO (2015) asserts that if tourism is managed with a strong focus on poverty alleviation, it can directly benefit the poorer groups through employment of local people in tourism enterprises; this will have positive impacts on reducing poverty levels. Therefore, the tourism industry is seen as capable of being an agent of change in the landscape of economic, social and environment of tourist destination (Sharif & Lonik, 2014). According to SEDA (2012:23), if tourism is to contribute to sustainable regional development, it must be producing entrepreneurs who stay around for the long-term and who create some employment locally.

2.5.3. Interlinkages of tourism sector to other sectors

Tourism entrepreneurship is one of the fastest growing industries in South Africa. According to Monakhisi (2008:18), this sector is important as it links easily with other sectors of the economy such as agriculture, transport and entertainment. Vanriel (2013) posits that the establishment of linkages with other sectors of the economy is a key task, and this usually requires investment in building productive capacity e.g. of agricultural, manufacturing and service sectors so that they may meet the sophisticated demand of the tourism sector. This plays out by tourism SMMEs using locally produced products. For example, hotels seek out the cost advantage of local labour and supplies such as food, and encourage guests to enjoy local activities.

2.6. CHALLENGES OF TOURISM SECTOR IN SA

Although tourism sector in South Africa has a growth potential and plays an important role in the economy of South Africa, the sector is not without challenges that impact on its growth potential. These challenges are briefly discussed below.

2.6.1. Seasonality of the sector

There has been a lack of research into seasonality, which is a traditional tourism and hospitality issue (Tolkach, Chon & Xiao, 2015). Seasonality affects the number of tourists to a region and therefore can threaten the viability of businesses in a region (Lee, Bergin-Seers, Galloway, O'Mahony & McMurray, 2008). Furthermore, Cannas (2012) posits that seasonality presents business challenges to a destination in that it affects them financially.

The South African Department of Tourism (2011) states that although the sector has continuously recorded significant growth since the dawn of democracy in South Africa, it has been exposed to challenges such as seasonality. For instance, foreign tourists normally visit when their home countries are in winter and return when summer departs in the southern hemisphere.

2.6.2. The geographical dispersion of tourist attractions and resorts

The geographical dispersion of tourist attractions and resorts may mean that some of these attractions will be more accessible to tourists than others resulting in the

34

skewedness of resources availed to these resorts in comparison to others. This irregular distribution of resources may trigger skewed regional development as some provinces or regions benefit more than others in terms of resources. Given that tourism business operations are resource-intensive engagements, operators with strong financial, knowledge and material resource bases may have positioned to perform better than their counterparts. The apartheid legacy continues to configure and contour resource distribution in the country, notwithstanding the numerous government interventions aimed at democratising participation in the sector. Byamukama (2014) laments the unequal distributions of wealth between white and black entrepreneurs across the different sectors and the tourism sector is no exception.

2.6.3. Financial constraints

Moreover, the bulk of government support to SMMEs does not do enough to support tourism enterprises. According to Davids (2008:38) most government programmes that support SMMEs such as Department of Trade and Industry (DTI) and Khula do not recognise the importance of tourism as a growth sector that has specific needs.

2.6.4. Criminality and negative publicity

The South African crime rate does not help as it sends negative signals to tourists internationally. The Institute of Security Studies (2016) Report estimates that 50 people are murdered every day in South Africa. These alarming statistics set a bad precedence for tourists who are interested to visit South Africa. Foreign tourists, therefore, may feel sceptical and reluctant to visit as they feel insecure and vulnerable in a foreign land. Further Nieman, Visser and van Wyk (2008) found in their study that perceptions of HIV/AIDS and the lack of safety and security in South Africa could have a negative influence on tourism in South Africa. The next section review entrepreneurship as it plays a role in the tourism industry.

2.7. ENTREPRENEURSHIP

Ryan, Mottiar and Quinn (2012) posit that entrepreneurship development plays a significant role in tourism for economic development. This section will review literature on entrepreneurship, its benefits and the role it plays on the economy. The section will first review entrepreneurship definitions.

35

2.7.1. Entrepreneurship defined

The complexity of defining entrepreneurship with precision arises from the explosion of definitions that characterise the use of this term (Mokaya, Namusonge & Sikalieh, 2012). Acknowledging the multidimensionality of the concept, Bula, Tiagha and Waiguchu (2014) posit that the potpourri of definitions of this concept foreground the process of creating, engaging in and sustaining new ventures. For instance, Agbobli (2013) conceives entrepreneurship as a process whereby individuals create new business entities based on a recognition of opportunities, the desire to fulfil market needs and in the process generate private profit. At the heart of entrepreneurship, therefore, is the creative act of initiating and running an enterprise (Havinal, 2009), usually to create surplus value. Other characterisation of entrepreneurship tend to foreground value addition and creativity in fulfilment of corporate obligations. For instance, Bula and Tiagha (2012) assert that entrepreneurship encapsulates building a business venture involved in value addition through the production and sale of goods and providing of services. As such, a distinct focus on value addition.

Other conceptual definitions of entrepreneurship seem to be anchored in innovation, risk taking behaviour and navigating uncertainties. For Dzansi (2004) entrepreneurship is the process through which creative and innovative people use their skills to start profitable organisations while bearing the inherent risks. This characterisation raises critical questions about whether businesses founded on replicative entrepreneurship such as the accommodation business, could also be positioned within the ranks of entrepreneurial activity. In fact, the perceived dearth of "authentic" entrepreneurship in Africa is often attributed to this touchy issue of vague creativity or unproven innovativeness (Agbenyegah, 2013; Kiggundu, 2002; Tshikuku, 2001). In view of this lingering complexity, Bula (2012) avoids a precise definition and prefers a descriptive characterisation of entrepreneurship, which entails innovation, calculation of risk, patience and commitment. While these traits could be building blocks of entrepreneurship, defining the concept in qualitative terms is misleading to the extent it creates the erroneous assumption that a combination of these four traits constitutes entrepreneurship.

From the above assertion, this study defines entrepreneurship as process of establishing an enterprise from available opportunities through creativity and

36

innovative ideas. Equally, Entrepreneurship is the process of creating something new with a value by devoting a necessary time and effort, accompanied by risks involved and receiving the resulting rewards of financial and personal satisfaction as well as business growth. Now that the concept entrepreneurship has been reviewed, the following section presents the historical overview of entrepreneurship.

2.8. HISTORICAL OVERVIEW OF ENTREPRENEURSHIP

During the eighteen century, the physiocrats (A group who called themselves economists in the 18th century) introduced the entrepreneurship concept in economic literature. Cantillon (1680 – 1734) in his 1755 work Essai sur la nature du commerce en general, used the term meaning a risk bearer, that is, someone who buys means of production, creates a new product and tries to sell it (Andrieu, 2010). According to Price (2011) Joseph Schumpeter, an Austrian-American economist, was one of the first to study entrepreneurs and the impact of entrepreneurial capitalism on civilisation. As he wrote in *The Theory of Economic Development*, Schumpeter believed that innovation and creativeness distinguished entrepreneurs from other businesspeople. He argued that the entrepreneur was at the very heart of all business activity. Furthermore, Price (2011) posits that Schumpeter observed that entrepreneurs form clusters of innovations that are the bases of business cycles as their actions create disruptive dislocations and arrive in huge waves. Schumpeter believed that entrepreneurs deserve the recognition for the industrial revolution (Price, 2011). He further introduced the phrase "creative destruction", maintaining that the entrepreneur does not only invent things, but also exploits in unusual ways what has already been invented. He observed that innovation and entrepreneurship are closely linked (Price, 2011).

In contrast, Jones and Wadhwani (2006:3) posit that "the past research on entrepreneurship started much earlier, and traces its origins to different motivations and theoretical concerns". For example, Allis (2013) posit that early entrepreneurs who were then called merchants and explorers, started to increase capital, take risks, and stimulate economic development. The historical study of entrepreneurship has been mostly concerned with understanding the process of structural change and development within economies (Jones & Wadhwani, 2006). For instance, business

historians have focused on understanding the underlying character and causes of the historical transformation of businesses, industries and economies (Jones & Wadhwani, 2006). Consequently, Richard Cantillon introduced the concept of entrepreneur (Price, 2011). He developed these early theories of the entrepreneur after observing the merchants, farmers, and craftsmen of his time (Price, 2011). According to Bula (2012), Cantillon saw the entrepreneur as responsible for all exchange and circulation in the economy. However, this growing attention to entrepreneurs as agents of historical change was bolstered by the theoretical work of Joseph Schumpeter. Jones and Wadhwani posit that Schumpeter's ideas assisted to establish entrepreneurship as a substantive area of historical research and deepened the significance of the business historians' endeavours by linking entrepreneurship to a theory of economic change.

Jones and Wadhwani (2006) state that during the 1940 is and 1950 is business historians pioneered the study of entrepreneurship. The concept of entrepreneurship played a formative role in the emergence of business history as a distinct academic field (Jones & Wadhwani (2006). Although the introduction of the term "entrepreneur" was originally attributed to Jean-Baptiste Say, it is now known that Cantillon was the "first significant writer to make frequent and prominent use of the term in a semblance of its modern form" (Brown & Thornton, 2013:402).

2.9. DIMENSIONS OF ENTREPRENEURSHIP

Neculăesei, Prodan and Manolescu (2012) state that the entrepreneurial culture is about recognising opportunities and exploiting them and organising resources consistent with the intended goal. In other words, the ability to see the gap in the market and taking a chance by using resources available to reach a specific goal. According to Thompson (2006), the important activity of entrepreneurship is new venture creation and growth characterised by innovations. Regarding the dimensions of entrepreneurism, Miller (1983) suggests that an entrepreneurial business is one that engages in innovation, embark on risky ventures and is first to come up with proactive innovations. In this context, it means optimally making use of the available opportunities that may attract tourists. Agbobli (2013) further states that entrepreneurship has to do with entrepreneurs' innovative ability to identify societal

needs and harness resources at their own risk to fulfil the needs for monetary gain. The dimensions of entrepreneurship are discussed below.

2.9.1. Innovation

It can be argued that entrepreneurship cannot be complete without innovation as it is the most important dimension in entrepreneurship (Venter, Urban & Rwigema, 2008; Gulruh & Aykol, 2009). Taskov et al. (2011) affirm that one of the distinguishing characteristics of entrepreneurs is the fact that they are innovative. Through their innovations, entrepreneurs are able to create new products and/ services and employ people to fulfil their vision for creative expression. Gulruh and Aykol (2009) posit that the innovation dimension is the propensity of a firm to engage in and support new ideas, novelty, experimentation and creative developments that may result in new products, services or technological developments. In this dynamic setting of today where customer needs, product-service technologies and competitive weapons often change unpredictably, innovation has become a key necessity to deal with the constant change and uncertainty (Kropp, Lindsay & Shoham, 2008; Muley, 2012). Sefalafala (2012) affirms that innovations may be incremental or radical, meaning that they may either build off of existing skills to create incremental improvements, or otherwise require brand new skills to develop new ideas and in the process destroy existing skills and competencies. For the tourism industry, this finds expression in the proliferation of SMTs which managers/owners exploit to acquire new technological skills and competencies for them to continuously attract customers.

An entrepreneur as an initiator of entrepreneurship is an individual who is naturally innovative. This may take the form of creation of a new product or improvement of an existing one. According to Muley (2012), Schumpeter has regarded innovation as a main function of the entrepreneur. Bula (2012) affirms that Schumpeter did not care much about economic profits, but only being an innovator and serving society. Sefalafala (2012) posits that innovativeness may be an internal response of a firm seeking opportunities to innovate as an activity to complement their product/service. Though much of the pressure to innovate is due to external forces, including the emergence of new and improved technologies, the globalisation of markets, and the fragmentation of markets, government deregulation, and dramatic social change (Sefalafala, 2012), innovation can also be internally generated through demands for a

particular product/service. However, innovativeness is aimed at developing new products, services, and processes, and firms that are successful in their innovation efforts are said to profit more than their competitors (Reguia, 2014). It follows therefore, that entrepreneurship cannot be complete without the element of innovation.

2.9.2. Risk taking

Risk is the other dimension of entrepreneurship that is equally important. Neculăesei, Prodan and Manolescu (2012) state that the flair for innovation is coupled with the demonstrative behaviour and with the inclination to embrace risk. Allah and Nakhaie (2011) concur that risk–taking and entrepreneurship have a clear positive association. Hence, 'risk' serves as a natural expectation for any entrepreneur preoccupied with entrepreneurship as the latter demands an economic investment whose dividends cannot be conclusively determined in advance due to contingencies and uncertainties. Muley (2012:14) maintains that the entrepreneur has to bear all the risks and uncertainties in business. Thus, risk-taking refers to a firm's propensity to engage in high-risk projects in order to attain firm objectives (Sefalafala, 2012). Lotz (2009) posits that risk has always been seen as essential to capture profits from creating new combinations of productive resources. It is believed that entrepreneurs take a greater degree of risk especially in areas where they have control or competencies in realising the profit (Rose, Kumar & Yen, 2006). Landqvist and Stålhandsk (2011) argue that without a risk factor, entrepreneurship would not be an object of fascination to the same extent as it is today.

2.9.3. Proactiveness

Proactiveness reflects an action orientation and refers to a firm's response to promising market opportunities (Lumpkin & Dess, 1996). For instance, SMMEs may be proactive by hiring technological specialists to assist them deal with new technological trends and challenges. Lumpkin and Dess (1996) further state that proactive enterprises shape their environments by vigorously looking for and exploiting opportunities. A proactive firm enterprise seizes new opportunities and takes pre-emptive action in response to perceived opportunity (Lumpkin & Dess 1996). Gulruh and Aykol (2009:323) concur by stating that proactiveness is acting opportunistically in order to shape the environment by influencing trends, creating demand and becoming a first mover in a competitive market. Proactive enterprises, therefore, take

40

initiative and become leaders in the marketplace by exploiting opportunities. They have the determination and the foresight to seize new opportunities, even if they are not always the first ones to do so (Gulruh & Aykol, 2009). Sefalafala (2012:28) asserts that proactiveness is concerned with execution, with taking responsibility for business actions and undertaking all the essential to bring an entrepreneurial concept to realisation. However, proactiveness works with other dimensions for an entrepreneurship to be successful.

From the above discussion, it is clear that the innovation, risk-taking and proactiveness are the main fundamentals of entrepreneurship. The next section will review types of entrepreneurship.

2.10. TYPES OF ENTREPRENEURSHIP

There are diverse types of entrepreneurial organisations. These are: Survivalist entrepreneurship especially small businesses; corporate entrepreneurship and social entrepreneurship. The characteristics such as size of the firm determine the type of entrepreneurship the business falls in. These entrepreneurial types are discussed in greater detail in subsequent sections.

2.10.1. Survivalist entrepreneurship

Survivalist enterprises are micro-enterprises that depend solely on their daily income due to the lack of external support. Survivalist entrepreneurs are usually compelled by socio-economic circumstances such as failure to find an employment and growing poverty levels, to enter into business. As such, survival often constitutes the main reasons for operating a business. Choto, Tengeh and Iwu (2014) further posit that survivalist entrepreneur operates on a small scale, largely for the purpose of sustaining family needs and creating self-employment. Survivalist entrepreneurs rely on their income for the basic survival of their families (Ranyane, 2014) and to cushion entrepreneurs from poverty-linked issues. Therefore, survivalist entrepreneurs tend to be unconscious of their potential as they do not comprehend the broader ideas that are essential for enterprise sustainability, and they have a narrow and short-term view of business development (Choto et al., 2014). Furthermore, they are unable to

41

compete for resources due to their informality and this complicates their ability to compete with profit-orientated opportunity-driven enterprises (Ranyane, 2014).

Gamora (2012) asserts that survival entrepreneurship seems to conform to a different form of logic, preferring to minimise any risk that would threaten their household's survival. Because survivalist entrepreneurship plays safe, their capital accumulation efforts are undermined by mutual obligations resulting in insurmountable barriers to growth and graduation of these entrepreneurs out of poverty (Gamora, 2012). In sum, Rolfe, Woodward, Ligthelm and Guimarães, (2010) posit that survival in the informal sector is a fact of life in Africa, given a lack of formal sector employment creation. Based on the assertion above, these type of enterprises only get into business not for growth, but only to survive.

2.10.2. Social entrepreneurship

Social entrepreneurship is a swiftly emerging area within both the academic and practitioner communities (Smith & Stevens, 2010). Smith and Stevens (2010) posit that one of the distinctive elements of the area of social entrepreneurship is a primary emphasis on social value creation. According to Mair and Mart (2005), social entrepreneurship is a process that catalyses societal change and addresses important social needs in a way that is not dominated by direct financial benefits for the entrepreneurs. Therefore, Türker, Özerim and Yildiz (2014) assert that social entrepreneurs can contribute not only to the economic wellbeing of a society, but also the social cohesion among its members. For instance, creation of recreational parks by social entrepreneurs may not be intended for generating economic gains but rather rendering recreation for members of community. Though social entrepreneurship is seen as different from other forms of entrepreneurship in view of the comparatively higher priority given to promoting social value and development as compared to capturing economic value, remains a form of entrepreneurship as some creativity and innovation are employed to tackle social problems head on. However, other literature conceives social entrepreneurship as broader than just creating social value. For instance, Santos (2009) posits that social entrepreneurship has been called the concurrent pursuit of economic, social and environmental goals by enterprising ventures. Our inference from this understanding is that this concept integrates both economic and social value for the betterment of society. What differentiates social

entrepreneurship from corporate social responsibility (CSR) is that CSR is managed in a way that creates economic benefits for the entrepreneurs while considering the triple bottom line (i.e. the ethical, philanthropic and the legal) for the other stakeholders whereas social entrepreneurship uses economic, material and human resources to create benefits for the broader society in general rather than benefit the entrepreneur. Hence, social entrepreneurship has been recognised as a new kind of entrepreneurship emerging around the world (Braunerhjelm & Hamilton, 2012).

2.10.3. Corporate entrepreneurship

Corporate entrepreneurship refers to an individual or group of individuals undertaking anticipated activity to initiate change within the organisation, adapt, innovate and facilitate risk, with personal goals and objectives being less important than the generation of results for the organisation (Kearney, Hisrich & Antoncic, 2013). This means an existing firm introduces entrepreneurial activities to develop and grow to meet its broader organisational objectives. For tourism businesses such as hotels entrepreneurial activities may involve developing innovative tourist product/services to increase their market share. Examples including world class meals from organic products, providing tele-conference facilities in addition to providing free Wi-Fi within the premises of the hotel.

Nkosi (2011) asserts that the aforementioned efforts offer an important means of vitalising and renewing established businesses and improving their performance. Furthermore, Scheepers, Hough and Bloom (2008) maintain that corporate entrepreneurship describes the total process whereby established enterprises act in innovative, risk-taking and proactive ways. Nkosi (2011) suggests that corporate entrepreneurship may be viewed broadly as consisting of the birth of new business within existing organisations whether through internal innovation or joint ventures/alliances. This definition seems to differ from the simple practice of entrepreneurship through risk taking and innovation through its focus on the incubation of new businesses and the formation of alliances. Regardless of the inherent risks associated with the quest of corporate entrepreneurship, it is generally emphasised that organisations can adapt and change to meet the strains of new market imperatives by pursuing corporate entrepreneurship (Kearney et al., 2013). From the above literature, it is clear that corporate entrepreneurship involves the employment

of entrepreneurial activities in organisations aimed at breaking away from stagnancy and stunted growth.

Having defined entrepreneurship, the constitution and types of entrepreneurship, it is important to understand how the concept has been theorised in mainstream business management literature.

2.11. THEORY OF ENTREPRENEURSHIP

2.11.1. Cantillon's theory

According to Bula (2012), this theory does not view the entrepreneur as a production factor, but an agent that takes on risk and thus equilibrates supply and demand in the economy. Richard Cantillon is credited with the discovery of economic theory and was the first to fully consider the critical role of entrepreneurship in the economy (Brown & Thornton, 2013). Brown and Thornton (2013) further explain that Cantillon described entrepreneurship as pervasive and he casted the entrepreneur with a pivotal role in the economy. Entrepreneurship improves the growth of the economy. This discovery both highlights the importance of entrepreneurship and contributes to our understanding of the nature of economic theory (Brown & Thornton, 2013). Brown and Thornton further maintain that Cantillon is credited for developing an important and wholly modern theory of entrepreneurship.

Brown & Thornton (2013) believe that understanding the indispensable role of the entrepreneur in Cantillon's economic treatise provides a "new" way to approach economic problems. Economic challenges such as undeveloped economy can be addressed through the mobilisation of resources to create economic value. Therefore, a closer analysis of Cantillon work reveals the entrepreneur as the fundamental economic actor (Hebert & Link, 2006). In view of this, entrepreneurs in the tourism sector provide products and services that will allow them to maximise profits by diversifying their mixture of local, regional and global visitors. Brown and Thornton (2013) state that in the absence of the entrepreneur, none of Cantillon's theoretical constructions would work. Therefore, theory of the entrepreneur should not be viewed simply as one aspect among many, but rather as the foundation for understanding economic phenomena such as employment generation.

44

Cantillon's theory of entrepreneurship argues that entrepreneurs function by bearing risk under uncertainty (Brown & Thornton, 2013). Cantillon broke with convention in emphasising the economic function of the entrepreneur over his social status and social standing is therefore practically irrelevant to Cantillon's notion of entrepreneurship. Hence, the ranks of entrepreneurs are filled with people from all social strata (Hebert & Link, 2006).

2.11.2. Schumpeterian view of entrepreneurship

Cantwell (2001) states that Schumpeter's (1934) original theory of innovative profits emphasised the role of entrepreneurship and the pursuing of opportunities for novel value-generating activities which would expand the circular flow of income. Schumpeter looks at entrepreneurship as innovation and not imitation (Bula, 2012). Bula further posit that in this Schumpeterian theory, the entrepreneur moves the economy out of the static equilibrium. De Jong and Marsili (2010) posit that in the Schumpeterian view, the entrepreneur is seen as instigating change through innovation and creating new opportunities. Bula (2012) affirms that this process Schumpeter saw as the driving force behind economic development. Furthermore, Schumpeter contended that changes in technology, political forces, regulation, macro-economic factors and social trends create new information that entrepreneurs can use to figure out how to recombine resources into more valuable forms (De Jong & Marsili, 2010).

2.12. ENTREPRENEURSHIP IN TOURISM

2.12.1. The importance of entrepreneurship in tourism

Entrepreneurship is the key element for the support and development of tourism (Surugiu, 2009). Surugiu (2009) further concurs that entrepreneurship drives tourism development as it brings sustainable solutions to various problems in the sector such as job creation and poverty reduction in the surrounding communities. Moreover, Taskov et al. (2011) concur that new tourism businesses contribute to the flourishing of entrepreneurship as important catalyst in technological improvement. The success of each tourism destination development is highly dependent on the crucial role played by the entrepreneurs (Jaafar, Abdul-Aziz, Maideen & Mohd, 2011). The providers,

promoters and developers of tourism destinations and attractions need entrepreneurial traits such as innovation, risk taking and creativity to provide and develop unique and breath-taking sceneries and habitats which give tourists memorable experience in the tourist destination. Similarly, the socio-economic and cultural success of a tourist destinations also generates wealth and economic opportunities that trigger more drive for more entrepreneurial activity.

Surugiu (2009) further posits that tourism also develop a sense of entrepreneurship that has not existed through the formulation of sustainable strategies being the initiators of the tourism business and engine of local development. Tourism in general is dominated by small enterprises where the spirit of initiative, desire to achieve and the ability to identify market opportunities are essential (Surugiu, 2009). This study infer that entrepreneurship contributes to the generation and optimal use of physical, socio-economic infrastructure that need to meet new demands and economic growth in opportunities. Therefore, entrepreneurship and tourism can be seen as complementing each other in striving towards the mutual goal of generating employment opportunities and growth in the economy (Nieman & Nieuwenhuizen, 2014). Li (2008:1013) concurs that the tourism industry has been a fertile field for entrepreneurial business. This means more opportunities for entrepreneurs in the tourism industry. Furthermore, Sharif and Lonik (2014) and Seraphin (2013) state that entrepreneurship is one of the strategies in the development of tourism through the creation of opportunities and alternatives for generating income, promoting economic growth, reducing poverty, and improving rural livelihoods and local economies.

2.12.2. Improving tourist-oriented business performance

Entrepreneurship quality have been identified with positive influence on the business performance of tourism enterprises (Taskov et al., 2011). Additionally, Jurdana, Milohnić and Dadić (2015) posit that the combination of entrepreneurship and tourism shows great potential in the promotion of economic development. The elements of entrepreneurs, such as innovation, positively influence performance of tourism enterprises. Furthermore, Jurdana et al. (2015) affirm that what makes entrepreneurship to improve tourist business performance is diversifying and learning about new technologies that assist in acquiring new markets and create competitiveness. Taskov et al. (2011) assert that entrepreneurship quality have been

identified with positive influence on the performance of tourism enterprises. In view of this assertion, the characteristics of an entrepreneur will have a profound impact on the management and improvement of tourist-oriented business to perform at higher levels. Chang (2011) contend that tourism enterprises are usually started by entrepreneurs who play a fundamental role in transforming the supply of leisure and recreational opportunities.

2.12.3. Promoting business competition

Tourism business, although highly dynamic, is also characterised by an exceptionally intense competitive pressures (Seraphin, 2013). The competition ranges from price competition, service competition, competition for customers, competition to dominate the market and competition to establish an international presence (see Şentürk, 2010). Examples of price competition in the accommodation sector are the admission of an additional tourist guest for free, and big discounts for guests who stay in hotels or lodges for an extended period of time. Examples of service competition are the provision of free WiFi services for guests, and provision of hotel credit/debit cards offering access to a range of services (e.g. swimming, gyms, short, dinners and other services). Competition for market dominance manifest in a regular discount and a good quality service. Hence, there is a need for entrepreneurship in tourism. Lopéz et al. (2009) maintain that entrepreneurship is a critical factor in tourism and central to the continued success and development of the sector. This is because entrepreneurship brings the elements of creativity within the sector. SEDA (2012) concurs that entrepreneurship is an important force behind success in any sector. This is even more so in a dynamic and fast-growing tourism sector. Taskov et al. (2011) posit that research investigating the competitive advantage of small tourism business has consistently emphasised the importance of high quality entrepreneurship as key in business survival and growth. Thus, an entrepreneurial approach is just as relevant and important in tourism as in other sectors. Entrepreneurs within the tourism sector will therefore be instrumental in this regard.

2.12.4. SMME development in the tourism sector

Aghapour, Hojabri, Manafi and Hosseini (2012) posit that tourism is a unique industry whose success depends on the development of SMMEs as well as large corporations. For example, the Mangaung Cultural festival which attracts not only tourist around the

47

country, but international tourists as well. This festival creates a demand for other tourism SMMEs in the Free State, such as accommodation such as bed and breakfast and guesthouses etc. Hence, Carmichael and Ainley (2014) assert that tourism SMMEs entrepreneurs create and deliver tourism experiences resulting in new local income, increased tax revenues and stimuli for other sectors of the local economy. Moreover, Sharif and Lonik (2014) affirm that entrepreneurship is used as a strategy in the development of tourism.

It, therefore, can be argued that tourism enterprises that are entrepreneurially orientated can be more competitive. The study, further, argues that entrepreneurship in tourism could be of great benefit to the tourism sector as the South African economy and society stands to benefit from economic growth brought by foreign exchange and job creation. Therefore, it is argued that entrepreneurship should be embedded into the tourism sectors to improve its contribution on the country's GDP. The next section will review tourism trends in different countries.

2.13. BENEFITS OF ENTREPRENEURSHIP IN DEVELOPING ECONOMIES

The nature, constitution and dynamics operational of a developing economy are quite different from a developed economy. Entrepreneurial development is often viewed as a vehicle to help developing countries to improve their struggling economies burdened by poverty, unemployment, squalor and social deprivation. Developing countries are beginning to focus on their business environments and creating an economic space which is conducive to entrepreneurship (Acs & Virgill, 2009) as an important development remedy in recent years, which in the tourism industry, is often expressed in the increased funding for tourism and hospitality oriented SMMEs, the creation of transfrontier parks among nations (e.g. Kgalagadi Transfrontier Park), the creation of websites with national tourist attractions, voting for key national attractions such as Table Mountains to earn the status of one of the seven natural wonders of the world, or giving national heritage status to institutions and natural phenomena. Brück, Naudé and Verwimp (2012) concur that there has been a surge of interest in entrepreneurship in developing and emerging economies. This has been partly motivated by remarkable private sector driven growth in emerging countries such as China and India.

48

The next section will discuss how entrepreneurship can benefit developing economies to reduce poverty, create employment opportunities for its citizens as well as increasing export revenue. This will be discussed in a South African context as a developing economy.

2.13.1. Poverty reduction

Poverty has remained topical in global development policy endeavours, especially in developing economies such as South Africa due to its history. Poverty is a multifaceted and dynamic phenomenon (National Development Agency, 2014). In South Africa, the poverty levels dropped in between 2006 and 2011, reaching a low of 20.2% for extreme poverty and 45.5% for moderate poverty (Statistics SA Poverty Trends in South Africa report, 2014). However, a report on research on Socio-economic policy by South African Human Rights Commission (SAHRC) reported that many people still remain outside the mainstream economy and society, and what they are most likely to have in common is a poor education.

Ali and Ali (2013) posit that entrepreneurship creates new business ideas that contribute to social wealth by creating new markets, new industries, new technology, new institutional forms, and net increases in real productivity. The provision creates new job opportunities, income generation and empowerment opportunities that contribute to the reduction of poverty in developing economies. In view of the fact that entrepreneurship helps to reduce poverty and contribute to the economic regeneration of developing countries, Nemaenzhe (2010) argues that it is important that the necessary support be given to the tourism sector to maximize its contribution to the development of these countries. Identifying with this claim, Turton and Herrington (2012) assert that the economy's wealth depends on an active entrepreneurship sector. This means good entrepreneurial activities will lead to the economic prosperity of any country.

Simrie, Herrington, Kew and Turton (2011) further state that the contribution entrepreneurship makes to the developing economies can be enhanced by creating a conducive environment for the development of high growth enterprises. The target of supporting entrepreneurship should be supporting emerging SMMEs in the tourism and hospitality sector located in rural areas where poverty is evident. Ali and Ali (2013)

49

state that if the number of entrepreneurs of any given country increases, the poverty indicators will decrease and vice-versa. This study extends their argument by arguing that the concentration of SMMEs especially those that engage in tourism businesses should be diffused from an urban to a rural setting where the challenges of poverty and unemployment are felt most.

2.13.2. Employment creation

South Africa has a high unemployment rate compared to other African countries such as Botswana. The Quarterly Labour Force Survey conducted in 2015 reports that from the first quarter of 2015, unemployment increased from 24.3% to 26.4% in the country (Statistics South Africa). Jobs are not being created in the South African labour market at a fast rate (Luiz & Mariotti, 2011) compared to the numbers of university graduates, school leavers and dropouts. Notwithstanding this, there is an expectation from school-leavers that they must find work with slight attention given to creating their own businesses (Luiz & Mariotti, 2011). Based on the unemployment rate in South Africa, one would expect people to naturally start businesses to cater for the high levels of unemployment. Regardless of this expectations, Statistics SA (2015) shows that the rate of unemployment is high and increasing.

Governments being unable to employ every person try to resolve the unemployment problem by motivating people to start their own businesses (Sindhu et al., 2011). This means if more people are creating businesses, fewer people will look for a job; thus, more employment is created. Additional, Rozyn (2007) explains that the growth of small businesses which are entrepreneurially orientated has been presented as a solution to a high rate of unemployment and in search of economic growth. Ferreira (2007) similarly states that the South African government has committed itself to the promotion and growth of small businesses; the rationale being that the cost of creating jobs in small business sector is lower and its entrepreneurial role is vital for the challenges facing South Africa (Ferreira, 2007). Government support for entrepreneurship is crucial to promote entrepreneurial development in order to guarantee small businesses' future success (Yusof, 2011). It follows, therefore, that in the provision of small business support, the focus should lie in stimulating entrepreneurship, which would in turn lead to higher, and more employment creation and concentration and knowledge-driven, economic growth. In agreement, Tengeh

50

(2011) affirms that entrepreneurship has been argued to form the basis for job creation and poverty eradication, which happens to be one of the fundamental indicators of development (Tengeh, 2011). In this way, Taskov et al. (2011) maintain that entrepreneurship quality is connected to job creation in small entrepreneurial businesses, especially tourism business and in economic growth generally.

According to Onugu (2005), there is a high correlation between the degree of poverty, unemployment, economic wellbeing of the citizens of the countries and the degree of vibrancy of the respective country's small businesses. Onugu (2005) adds that countries that have focused on the small business sector have ended up succeeding in the significant reduction in crime rate, increase in per capita income as well as rapid growth in GDP among other valuable effects. In view of the above, it is clear that entrepreneurship in the tourism industry can help South Africa's problem of unemployment. The support for entrepreneurship can increase employment opportunities, which in turn will increase the export revenue of developing economies. For the tourism sector, this means an increase in support of entrepreneurship within tourism SMMEs will increase tourists across the world. The next section will discuss this further.

2.13.3. Impact of exports on economic growth

In a global era, export performance continuously becomes a more important contributor to the overall firm's performance, and growth of developing countries (Kaleka, 2012). A World Bank study of South Africa examined the poor growth of its exports from 1992 to 2010 and found out that low export growth contributed to poor overall economic growth (Keeton, 2014). The economic capacity of a country determines the trends that its exports follow (Ahmed, Julian & Mahajar, 2006). Hessels and van Stel (2011) posit that by doing business abroad, firms are exposed to new processes and technology, which may contribute to increased productivity, and therefore, increase the revenue of the country. However, Gonzalez-Pernia and Peña-Legazkue, (2010) reveal that this kind of entrepreneurial activity is a relevant driver of economic growth in developed countries and developing countries like South Africa can use this to also grow their economy. These authors further state that entrepreneurs who decide to grow through exports are expected to enhance economic growth by serving both domestic and foreign markets. Hessels and van Stel (2011)

51

concur that they also increase productivity by bringing new innovation and speed up structural changes by forcing existing business to reform and increase competition. Gonzalez-Pernia and Peña-Legazkue (2010) add that exporting-oriented new ventures have a greater impact on economic growth.

2.13.4. Impact on job creation

Dizaji and Badri (2014:81) posit that an increase in exports would increase demand, and this would lead to an increase in wage levels and employment. Dizaji and Badri (2014) further affirm that encouraging export would also allow national products/services to enter global competition while increased trade through static and dynamic interests would lead to an increase in production and improved wellbeing of the economy. In the context of this study, the quality of the products/services the tourism sector produce will increase the demand from international customers and therefore the increase in employment opportunities within the sector.

In the context of this study, tourism SMMEs should be export-driven through extending their target local market to international markets. In support of this assertion, Richardson (2010) posits that tourism is a major export for 83% of developing countries and it is the most significant source of foreign exchange. Tourism is the only export sector where the consumer travels to the exporting country, which provides opportunities for the poor to become exporters through the sale of goods and services to foreign tourists (Roussot, 2005, Ivanovic, 2008). Against this background, it is clear that entrepreneurship can also increase export the revenue of developing economies. It is clear from the above literature that entrepreneurship in the economies of the developing countries is fundamental. Most importantly, entrepreneurship development is a key tool for poverty reduction; stimulating employment; and promoting export (Song, Wang & Parry, 2010; Hussain, Bhuiyan & Bakar, 2014).

2.14. CHALLENGES OF ENTREPRENEURSHIP

Baba (2013) posits that most developing nations of the world are faced with problems and harsh truths which include poverty, unemployment, conflicts and disease. In fact, conflicts and disease can have a negative influence on the competitiveness of tourism SMMEs, a potential tourist might be reluctant to visit conflict-and disease-bound

countries. Despite the fact that small businesses are the engines that drive economic growth in most economies, emerging enterprises in Africa are at a great disadvantage in this race for growth and profitability (Ekeledo & Bewayo, 2009) due to capital constraints, unsteady income streams and lack of infrastructure development. A number of developments and enduring issues have combined to jeopardise the ability of entrepreneurship in Africa to survive in today's global economic system (Ekeledo & Bewayo, 2009) and these include the depreciation of the local currency, and volatility of export prices internationally. More so, the outcome is that globalisation presents new threats for emerging enterprises in Africa in the form of increased competition from foreign entrants, inexpensive imports which are rapidly substituting locally made goods and closing down small-scale manufacturers. This leads to entrepreneurship in Africa struggling to survive in this global economy and, therefore, failure becomes unavoidable.

The challenges facing entrepreneurs and SMMEs in Africa are diverse and many (Kazimoto, 2014). Ekeledo and Bewayo (2009) observed that basic physical infrastructure necessary for economic development, such as good roads, ample power supply, and good rail and river transportation facilities, are in a poor shape in most African countries. As a result, deplorable roads, deteriorating rail lines, inadequate power supply, and unusable waterways have combined to make the sustenance of tourism SMMEs. Kazimoto (2014) posits that lack of financial support, weak economic infrastructure, and lack of policy coherence, and lack business support are among these challenges.

Choto, Tengeh and Iwu (2014) is of the view that South Africa is faced with some of the challenges, including lack of training and support, funding challenges, lack of skills, and lack of entrepreneurial mind-set. Herrington, Kew and Kew (2010) further posit that challenges faced by entrepreneurship in South Africa include education and training, government policies and market openness. Developing countries like South Africa need to tackle these challenges in order to improve the entrepreneurial impact in their economies.

2.14.1. Education and training

A sound basic education system is one of the fundamental requirements for a competitive country (Herrington et al., 2010). Entrepreneurship education is the purposeful intervention by the educator to impart entrepreneurial qualities and skills in the life of a learner in order to empower the learner to endure in the business world (Shaibu & Nwaiwu, 2012). People without a national senior certificate, according to Herrington, Kew and Kew (2010), are also less likely to start their own business. Choto et al. (2014) assert that there is a gap in entrepreneurial training, suggesting that the education systems in South Africa do not encourage entrepreneurship as a career. In the context of tourism sector, tertiary education is needed to be able to successful manager in a tourism SMME. In the same accord, Herrington et al. (2010) posit that lack of education and training will inhibit entrepreneurial growth in South Africa. Baba (2013) asserts that the educational sector needs to be overhauled with emphasis on entrepreneurship, science and technology and the mind-set of young people need to be changed especially in developing countries to embrace self-employment instead of waiting for non-existing government jobs. For tourism, entrepreneurship need to be infused in the travel and tourism courses at university in order to encourage tourism graduates to become entrepreneurs in the tourism sector.

2.14.2. Government policies

According to Herrington et al. (2010) the progress made with regards to improving the tax regime for entrepreneurship is not enough to encourage SMMEs to play a greater role in the economy. Inefficient government administration, red tape relating to starting up and managing a business and restrictive labour regulations continue to be cited as areas of concern (Herrington et al., 2010). Choto et al. (2014) note that the regulations implemented by the South African government create huge administrative burdens and high costs when starting a business. These have an effect in discouraging entrepreneurship in South Africa. Baba (2013) states that the governments in developing countries need to create an investor-friendly environment covering stable macro-economic policies.

2.14.3. Market openness

South Africa is characterised by monopolies and a lack of competition in key areas such as banks, steel, energy, telecommunications, and retail; and that the power of

54

these large enterprises constrains competition from start-up businesses (Herrington et al., 2010). Herrington et al. (2010) further posit that larger enterprises prevent competition from promising enterprises, and are unwilling to open their supply chain to procuring from emerging, unproven businesses. This, therefore, it is a challenge to the growth of entrepreneurship and constrains new entrepreneurs to enter the market.

2.15. SUMMARY

It is clear from the literature review that tourism entrepreneurship is important in South Africa and it plays a significant role in the development of national economy. The objective was to get an idea of how tourism enterprises can influence job creation, and poverty reduction and to further understand their impact in the development of the economy of the country.

The literature created a vibrant picture of the great potential of tourism as an employment creator and developer of the economy (Monakhisi, 2008). Though there is this potential of tourism to be an engine of the economy, it has not yet fully developed to its potential. For the tourism industry in South Africa to get to its potential, it should be managed entrepreneurially to ensure its growth and development. As tourism carries the potential to create opportunities for the entrepreneur and raise a unique informal sector (Finance Department, 2010), this sector demands a good education system that will encourage entrepreneurship as well as infrastructure development for the sector to flourish.

55

CHAPTER 3: SOCIAL MEDIA TECHNOLOGIES IN ENTREPRENEURSHIP

```
┌─────────────────────────────────────┐
│            Introduction              │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│        Social media technologies     │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│        Classification of SMTs        │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│           History of SMTs            │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│            Theory of SMTs            │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│    Benefits of SMTs in entrepreneurship │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│    Impact of SMTs on Entrepreneurship │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│             SMTs Trends              │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│      SMMEs and SMTs Adoption         │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│      Challenges of SMT Adoption      │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│              Summary                 │
└─────────────────────────────────────┘
```
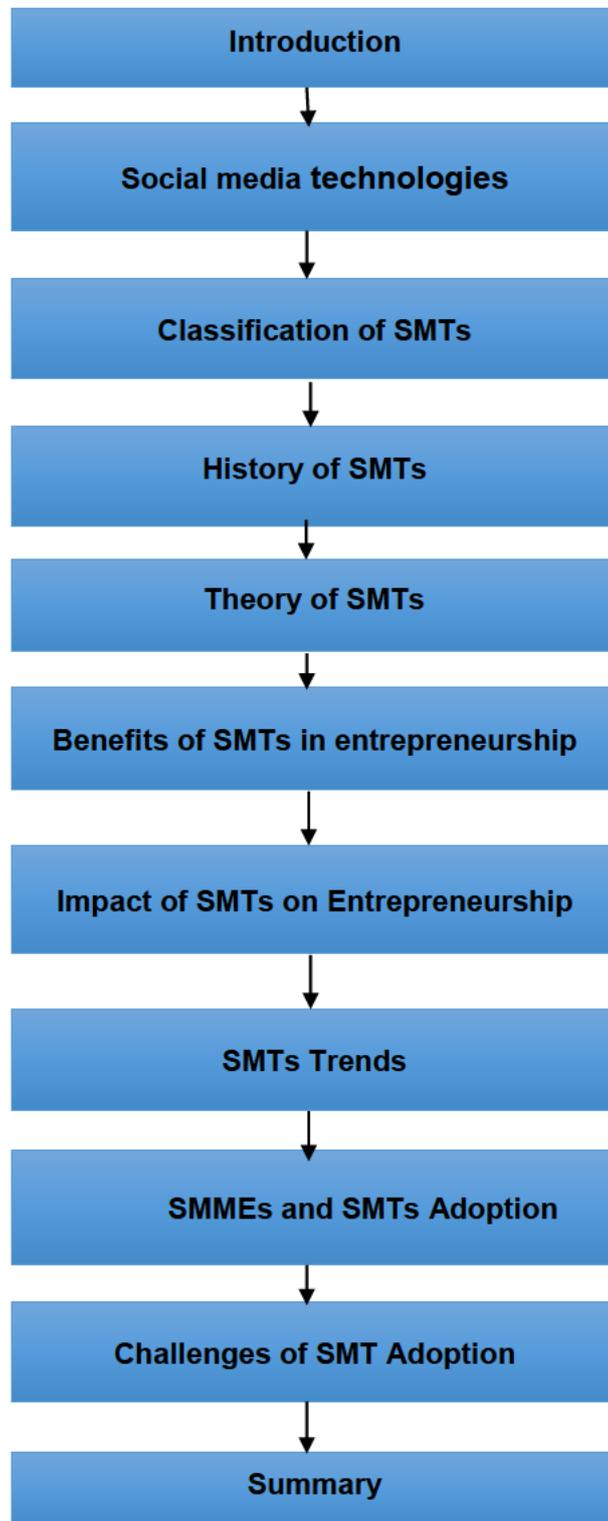
3.1. INTRODUCTION

In today's world, where the time cost is substantial and competition for customers among tourism SMMEs is fierce, the importance of new technologies is increasing. Social media has changed the overall complexion of the conduct of big business in the developing economies such as SA as it continues to shape and define the internal and external environment of business operations (Jagongo & Kunyua, 2013). The interest in social media is not entirely a business concern alone, but is also widespread among customers who continue to deploy these platforms to articulate their tastes and preferences for brands. Literature suggests that 80% of the total number of online users interact with social media networks regularly (Chui et al., 2012), mostly as customers, as well as suppliers, distributers and in some cases as brand representatives (e.g. celebrities). Statista (2016) elaborate that by September 2016 there were more than 2.34 billion people worldwide having an account on social media technologies. In spite of increasing online presence and online purchasing by customers, most SMMEs in the African developing economies tend to underutilise the networked and interactive affordances of SMTs.

The predominant exploitation of traditional tools such as newspaper by South African SMMEs to stay competitive (Modimogale, 2008) in a highly competitive and social network dependent business environment is not only surprising, but indefensible. The illogicality of over-depending on traditional technologies in a digital world where customers have converged on SMT platforms derives from the fact that traditional tools tend to be one-way communication and are often devoid of authentic interactivity. As such, one of the effective ways of optimising the competitiveness of South African SMMEs in relation to established corporate businesses is for them (SMMEs) to adopt SMTs skilfully in their business operations to leverage their relations with their customers, suppliers, competitors, regulators and other stakeholders.

3.1.1. Growth in SM use

There is a growing trend of using social media technologies by individuals and organisations. Treem and Leonardi (2012) posit that the use of social media technologies is proliferating at an incredible speed. In support of this assertion Jagongo and Kunyua (2013) add that social media is a new phenomenon that has

changed how the business environment operates. There is 80% proportion of total online users who interact with social media networks regularly (Chui et al., 2012). Statista (2016) assessed that by September 2016 there were already more than 2.34 billion people worldwide having an account on a social networking site. The above assertion can be fundamental to SMMEs which are serious about market growth.

3.1.2. Contrast in use between traditional and new technologies

In contrast, SMMEs are mainly using traditional tools such as newspaper to stay competitive (Modimogale, 2008). These traditional tools are one-way communication; therefore, not interactive. Thus, one of the solutions for uplifting the development of SMMEs might be the utilisation of emerging social technologies. It is therefore, imperative for SMMEs to adopt SMTs in their business operations. Hence, it is vital that they use every resource that can help them to remain in business and be competitive. This chapter discusses social media technologies and their impact on SMMEs.

3.1.3. Social media technologies explained

3.1.3.1. Social network

The best ways to understand social media technologies is to investigate social networks. Social networking is a subset of social media, though the two terms are often confused and used synonymously. A social network is defined as "a connected group of individual agents who make production and consumption decisions based on the actions of other agents on the social network" (Potts, Cunningham, Hartley & Ormerod, 2008:170). In other words, these are individuals who influence each other within their connection network. For example, SMMEs may ask for feedback on the services they render to customers through their Facebook page thus creating an interaction network. Suppliers of hotel and catering enterprises can also employ social media platforms to establish the accessibility of their service to these tourism oriented businesses.

3.1.3.2. Social technology

Social technology is defined by Skaržauskienė, Tamošiūnaitė and Žalėnienė (2013:234) as "any technologies used for goals of social interaction including social software (computer mediated media e.g. email, instant messaging, etc.) and social

media (social networking tools e.g. Facebook, YouTube)." Chui et al. (2012) further define social technology as a computer code and the services that enable online social interaction. Social technologies unleash creative forces among users and enable new relationships and group dynamics (Skaržauskienė et al., 2013). Alberghini, Cricelli and Grimaldi (2010) posit that social technology could be useful for several purposes such as knowledge sharing, decision making, etc. Alberghini et al. (2010) therefore define social technologies as any technology used for goals of any social basis, including social hardware (traditional communication media), social software (computer mediated media) and social media (social networking tools). In a simple form, Chui et al. (2012) define social technologies as digital technologies used by people to interact socially and together to create, enrich and exchange content.

3.1.3.3. Social media

The term social media is often used interchangeably with the term social networks even through these terms do not mean the same thing. Social media is an umbrella term that includes social networking sites, creativity work sharing sites, blogs, and forums (Ahlqvist et al., 2008; Margiotta, 2012). Social media refer to social communication technologies most commonly used for networking such as Facebook and twitter etc. Jooste et al., (2012, in Lekhanya 2013:1) describe social media as "customer-generated media that have changed the tools and strategies with customers significantly by allowing customers interacting on a brand page of SMMEs on platforms such as Facebook." Within a business context, it describes sources of online information that customers create, initiate, and use, with the intention of telling each other about products, brands, services, and issues.

Ahlqvist, Back, Halonen and Heinonen (2008:13) posit that social media refer to "content platforms people create to share, exchange and comment on contents in virtual communities and networks." Kaplan and Haenlein (2010:62), for example, refer to social media as "Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content". The ideological foundations of Web 2.0 relate to the democratisation and equalisation of participation through allowing both users and content generators to exchange and diversify roles as content producers, aggregators

59

and content users. Still, Dewing (2012) define social media as a wide range of internet based and mobile services that allow users to participate in an online exchange, contribute user-created content, or join online communities.

3.1.3.4. Social media technologies

Gaál, Szabó, Obermayer-Kovács and Csepregi (2015) define social media technologies as a collaborative online applications and technologies which allow and encourage participation, conversation, openness, creation and socialisation amongst a community of users. In the tourism context, this means stakeholders in this sector being able collaborate using this tool. Furthermore, Kaplan and Heinlein (2010) define social media technologies as a group of Internet-based applications that build on the ideological and technological grounds of Web 2.0, which allows the creation and exchange of user-generated content.

A key feature of social media technologies is the build-in functionality that enables users to represent themselves and articulate links to other users like business Facebook page (Derksen & Beaulieu, 2010). This means customers using these technologies can invite or tag other users and comment about the products/service or engage SMMEs. Mandal (2011) posits that the common theme running behind these definitions is user-generated content, which has been enabled by Web 2.0 technologies. Social media such as blogs, message boards, micro-blogging services and social networking sites have grown significantly in popularity in recent years. Sajithra and Rajindra (2013) describe social media technologies as including: Social Networking, Micro blogs, Blogs, RSS Feeds, Widgets, Linking and posting, Content Rating, Bookmarking sites, Audio podcasting and Video podcasting.

Based on the above definitions, this study defines social media technology as Web 2.0 based technological tools (hardware and software) that can be used by individuals and businesses to communicate, and share information and articulate their interests with other users.

60

3.2. SOCIAL MEDIA TECHNOLOGIES

3.2.1. User online participation

Social media, which are sometimes referred to as Web 2.0, refer to collaboratively produced and shared media content which is often deliberated in network communities (Jagongo & Kinyua, 2013). Social media are online applications that enable their users to interact, create and share content (text, images and video) with each other, as well as networking and bookmarking. As compared with traditional media which only deliver content; social media promote active user participation (Allen & Overy 2012). The interactive component of social media possibly manifests in tourism sector SMMEs employing it to solicit product experts and customers' opinions when developing products/services. Therefore, consumers may also collaborate among themselves during the idea generation phase of product or service development of tourism SMMEs. Similarly, tourism SMMEs can provide information needed by the consumers and suppliers online.

3.2.2. New dynamics of communication

Although social media is a phenomenon that has transformed the interaction and communication of individuals throughout the world, it is not a new concept as it has been evolving since the dawn of human interaction. Traditional media (which is referred to as Web 1.0) evolved into what is now called Web 2.0. The most significant differences between Web 2.0 and Web 1.0 is the interaction, discussion and collaboration among Internet users, content providers and businesses which Web 2.0 renders so expeditiously.

The popularity of social technologies continues to grow in the society (Skarauskiene, Tamosiunaite & Zaleniene, 2013). According to Derksen and Beaulieu (2010: 703) the term 'social technology' has little currency in reflections on society and the social sciences. Nowadays, the concept of social technologies has several aspects which destabilize the dominant status of technology. It emphasises social sciences and the humanities as society shapers, and reconsiders the strength of social dimension in technological sciences (Skarauskiene et al., 2013). Despite all the physical demands, social media technologies also actively mediate in the communication of people, making it easier, more affordable and accessible (Skarauskiene et al., 2013).

61

3.2.3. Social networked communication

In recent times, social media has impacted many aspects of human communication (Edosomwan et al., 2011) by aiding conversations to reach a broader audience leveraging the "long tail" idea, which means conversations conveyed to different forums (Edosomwan et al., 2011). Thus, the users of social media have the ability of sharing their views and encounters (Jagongo & Kinyua, 2013). Therefore, it is unquestionably playing an essential part in the social and professional life of billions of people globally, modifying new communication practices and altering social relations (Kilyeni, 2015). In view of this, tourism SMMEs customers, stakeholders and regulators are able to communicate and share information in inexpensive ways from anywhere around the world as well allow consumers to compare and judge informally products/services provided by different businesses.

3.3. CLASSIFICATIONS OF SOCIAL MEDIA TECHNOLOGIES

The range of social media sites on the Internet is vast and growing (Smith, Fischer & Chen Yongjian, 2012). However, this study will classify and discuss this study according to Kaplan and Heinlein's classification of social media. These authors classify social media technologies comprising the following: Blogs, Social Networking sites, Collaborative projects, Content communities and virtual game world. These types are discussed below.

3.3.1. Blogs

The first form of social media, blogs, grew from personal web pages (Kaplan & Heinlein, 2010). Dewing (2012:1) posits that a blog is "an online journal in which pages are showed in reverse sequential order, which can be presented for free on websites such as WordPress." Blogs represent the social media equivalent of personal web pages and can come in a multitude of variations, from personal memoirs recounting the author's life to summaries of all relevant information in one specific content area. Blogs are usually managed by one person only, but provide the possibility of interaction with others through the addition of comments (Kaplan & Heinlein, 2010). For instance, a social media owner/manager may write a blog on his/her tourism business and customers may comment and ask questions and be provided with answers.

3.3.2. Social Networking Sites

Social networking sites are a web-based service that allows individuals to construct a public profile and articulate a list of other users they are connected with. These networking sites allow users to connect by creating personal information profiles and inviting friends and colleagues to have access to the profile and to send emails and instant messages (Kaplan & Heinlein, 2010). Profiles usually include photographs, videos, audio files, and blogs etc. Social networking sites have gained high popularity, specifically among tourists both internationally and locally. The most popular examples of this category are Facebook, Myspace and LinkedIn. Tourists may share their international travel experiences on Facebook and this can inform their peer networks' future tourist destinations and travel itinerary. According to Radcliffe (2015), Facebook is the largest social network with 1.44 billion monthly active users and 936 million daily active users. Assuming that these active users also travel locally and internationally, it is logical to envisage tourism SMMEs to draw on such important global networks to increase their market share and customer base locally and globally.

3.3.3. Collaborative projects

Kaplan and Heinlein (2010) assert that collaborative projects permit the joint and concurrent creation of content by many end-users and are the most democratic manifestation of user-generated content. Some of these sites allow users to add, remove and change content; others are a form of 'social bookmarking' such as Del.icio.us in that they allow the group-based aggregation and rating of internet links or media content such as content aggregators. Exemplary applications within this category include the online encyclopaedia Wikipedia, a wiki currently available in more than 230 different languages, and the social bookmarking web service such as del.icio.us, which allows the storage and sharing of web bookmarks (Kaplan & Heinlein, 2010). Social Media Bookmarking is a fast method to convey your message, to promote your business on the Internet. Thus, an easy and simple instrument to promote tourism businesses.

3.3.4. Content communities

The main objective of content communities is the sharing of media content among users (Kaplan & Heinlein, 2010; Rambe & Bere, 2014). Users on content communities are not required to create a personal profile page; if they do, these pages usually only

contain basic information, such as the date they joined the community and the number of videos shared. Minazzi (2014) posits that in tourist based content communities tourists can ask for other people's experiences of various tourist destinations with a view to inform their choices of local and international tourism destinations. Tourists may also post videos and photos on content communities which reflect their tourist attractions, breath-taking events and unforgettable experiences. Hence White (2010) cited in Minazzi (2014) posits that travel related photos and videos can generate an interest about tourist destinations in friends. The risk of these content communities is the sharing of copyright-protected materials (Carinus, 2012).

3.3.5. Virtual world

According to Jacobius (2016), Virtual world is a simulation of the real or imaginary world. Similarly, Dewing (2012) points out that virtual world offers a game-like simulated setting in which users interact. Virtual worlds are platforms that replicate a three-dimensional environment in which users appear in the form of personalised avatars and interact according to the rules of the game (Kaplan & Jagongo, 2010). An example is World of Warcraft. Virtual social worlds allow characters to select conduct more freely and to live in a virtual world similar to their real life. An example of virtual world is Second Life. In the tourism context, tourists can virtually experience a destination before travelling. Thus, from a tourism perspective, Virtual world has the potential to revolutionise the promotion and marketing of tourism (Jacobius, 2016).

3.3.6. Micro-blogging

Micro-blogging services such as Twitter and Jaiku permit users to publish short messages openly or within contact groups. They are intended to work as mobile services, but are commonly used and read on the Web as well. Many services offer status updates. As one type of social media, microblogging is a form of blogging allowing short pieces of digital content to be uploaded in the form of text (up to two hundred characters) or pictures or links. A popular example of microblogging is tweets sent out via Twitter (Carinus, 2012). Readers can subscribe to a blog, link to it and share links to it. Moreover, micro-blogging seems to be preferred by businesses more than Facebook like applications. This might be primarily due to the starting point of each of the social media applications (Mandal, 2011). The next section will discuss theory of social media technologies.

3.4. THE HISTORY OF SOCIAL MEDIA

According to Sajithra and Rajindra (2013), it is important to understand the history of a phenomenon in order to use it optimally. Social media can be said to be an evolution traced back to the Internet roots since it transforms the World Wide Web to what it was initially created for, a platform to aid information exchange between users (Kaplan & Haenlin, 2010). The concept of social technology was born in the light of development of communication and collaboration processes in society in dimensions of business, government and community, as well as in the process of interaction between them (Skarauskiene et al., 2013). According to Edosomwan et al. (2011), many social networking sites were created in the 1990s. Kaplan and Heinlein (2010:60) posit that the late 1990s saw a popularity surge in homepages, whereby the ordinary person could share information about his experiences; today's equivalent would be the weblog, or blog. Dewing (2012) further posits that the internet became popular website that allowed users to create and upload content in the late 90s. Social media has developed from the late 1990s as simple text blogs to current technologies providing rich multimedia based content along with a plethora of add-on features (Mandal, 2011).

In 2000, social media received a great boost with the advent of many social networking sites springing up (Edosomwan et al., 2011) such as LunarStorm, six degrees, cyworld, ryze, and Wikipedia. After the creation of blogs in 1994, social media began to explode in popularity (Hendricks, 2013). According to Dewing (2012) around 2002 onward a large number of social network sites were launched and by late 2000s as social media had gained widespread acceptance and some services gained a huge number of users. Gharibpoor, Allameh and Abrishamkar (2012) posit that 2006 saw the popular early application like Wikipedia and MySpace becoming popular, while Facebook was being introduced to the public in 2005; therefore, that year was considered as the discovery year of social media. Furthermore, Ahlqvist et al. (2008) assert that social media applications were gaining popularity in an unseen speed, YouTube since early 2006 and Facebook since early 2007 after it opened its doors to the public to register after its creation in 2004. Kaplan and Heinlein (2010) posit that the term, which attained broad popularity in 2005, is usually applied to describe the various forms of media content that are publicly available and created by end-users.

However, Kaplan and Heinlein (2010) state that the age of social media possibly started about 20 years earlier, when Bruce and Susan Abelson founded Open Diary, an initial social networking site that brought together online diary writers into one community. The authors further state that the growing availability of high-speed Internet access further added to the popularity of the concept, leading to the creation of social networking site such as MySpace (in 2003) and Facebook (in 2004).

3.5. THEORY OF SOCIAL MEDIA TECHNOLOGIES

3.5.1. Actor Network Theory (ANT)

Actor Network Theory (ANT) is a highly powerful account within the sociology of science that explains social order not through an essentialised notion of 'the social' but through the networks of connections between human agents, technologies and objects (Couldry, 2008). Perceived from a tourism SMMEs' perspective, ANT would attempt to describe the significance of networks and interactions among various SMME stakeholders (i.e. customers, suppliers, regulators, competitors, investors and community), SMTs and social objects generated through such interactions. ANT seeks to explain social order through the networks of connections between human agents, technologies and objects (Couldry, 2008). In this context, social media are an integral part of ANT, allowing us to better understand human behaviour in the use of technology-mediated social settings which impact groups, communities, institutions and organisations (Shirazi, 2014). The SMMEs' exploitation of social media platforms such as Facebook, Twitter, etc. could provide a panoramic view of transactive behaviours (e.g., buying, selling, bargaining and social exchanges) of various stakeholders they interact with in the fulfilment of their commercial activities. This view offers an insight into how a technological artefact is deployed through the complex processes of interactions among the parties involved (Lee, Harindranath, Oh & Kim, 2015). ANT helps describe how actors form alliances, enrol other actors, and use non-human actors to strengthen such alliances and to secure their own interests. The theory can, therefore, serve as useful interpretive tool for understanding SMMEs' collusive behaviour, the formation of strategic alliances, other offensive and defensive mechanisms they employ when dealing with their rivals including large established tourism enterprises.

66

The actors in the context of this study are individuals (potential customers, tourism SMMEs, their suppliers, investors, financiers etc.), groups, organisations (competitors and suppliers) and government and regulators. Fundamentally, social groups have power if they are able to control the acts and minds of other groups (Shirazi, 2014). It goes without saying that SMMEs can shape the opinions and mould the dispositions of their various stakeholders through SMTs acts such as online advertising, promotions, crowd sourcing and social commentary about products via social media platforms. Shirazi (2014) further states that the actor as an obligatory passing point in a network has power, and thus the more networks the actor has, the more power that actor has over time. In other words, the actor gains more power when she effectively uses the network resources on a large scale. The Actor-Network Theory, therefore, provides a lens through which to view and understand how technology shapes social processes (Cresswell, Worth & Sheikh, 2010).

Pollack, Costello and Sankaran (2013) however, posit that a central quality of an actor is that it acts, resulting in some transformation of something into something else, which may at some point also take action. However, ANT predominantly focuses on tracing networks of associations between actors, building understanding of interaction and organisation without imposing predetermined structure (Pollack, Costello & Sankaran, 2013). Given the highly competitive nature of small tourism businesses in resource constrained contexts and the temptation to devise defensive tactics when confronted with competition from rivals, the pressure to conceal information about tactics may compel SMMEs not to use social media platforms due to fear of rivals emulating their business strategies. Shirazi (2014) further states that all actors in a community (individuals, groups, private and public institutes) interact through the use of social media to share information and develop knowledge in a quest to generate meanings that may result in some sort of socio-cultural, political or economic actions. What Shirazi does recognise is that the social media mediated relationships are not always complementary but can also be competitive and repulsive to collaboration and mutual exchange. From an ANT perspective, the world is full of actors, both human and non-human, any of which could be intermediaries or mediators (Pollack, Costello & Sankaran, 2013). The authors further state that ANT is used to trace the network of connections between actors, who both influence and are influenced by other actors in

an ongoing network of mediation. Action is not seen as independent choice, but rather the result of a diffuse network of influence (Pollack, Costello & Sankaran, 2013). Ghazinoorya and Hajishirzi (2012) concur that these actors can be an authority that either influence and use others or have no motivation and will be under the control of other actors. Ghazinoorya and Hajishirzi (2012) posit that, generally, ANT conceptualizes social interactions in networks.

3.5.2. Theory of SMTs in relation to entrepreneurship
3.5.2.1. Unified Theory of Acceptance and Use of Technology model (UTAUT)

This model was developed based on social cognitive theory and a combination of eight prominent information technology acceptance research models (Taiwo & Downe, 2013). According to Wu, Tao and Yang (2008) the UTAUT, integrates the issues that are mentioned in the relevant documents into four main core determinants: Performance Expectancy (PE), Effort Expectancy (EE), Social Influence (SI), Facilitating Conditions (FC), and four variables, which are gender, age, experience and voluntariness of use. Equally, UTAUT claims that three main core determinants (performance expectancy, effort expectancy, and social influence) determine the intention toward using a new technology while facilitating conditions and the behavioural intention toward using relate to the user behaviour (Armida, 2008). Venkatesh, Thong, and Xu (2012) assert that UTAUT has distilled the critical factors and likelihoods related to the prediction of behaviour intention to use a technology primarily in organisational contexts. Furthermore, the authors state that this model has served as a point of departure and has been applied in both organisational and non-organisational settings.

According to Venkatesh et al, (2012) most studies using UTAUT employ only a subset of the concepts, particularly by dropping the moderators. Venkatesh et al, (2003) posit that the core determinants play a significant role as a direct determinants of user acceptance of and behaviour in technology contexts. They have an influence on the behavioural intention and therefore actual system use.

Mandal (2012) posits that UTAUT is the most dominant adoption theory that explains nearly seventy per cent of variance in adoption behaviour. In accord, Moghavvemi et al. (2012) add that this model was developed to measure individual business

characteristics toward the intention to use new technology in an existing business. Therefore, this model can be used by entrepreneurs to adopt social media technologies in their businesses. Furthermore, the theory can be used to explain and predict tourism SMMEs' utilisations and intentions to use SMTs. For example, in 2012 Mandal used this model to explain social media adoption by microbusinesses and Moghavvemi, Salleh, Zhao and Mattila (2012) used the model in their study to test IT innovation and adoption by entrepreneurs. According to Benbasat (2007), the most important streams of social technologies research is the understanding of individual business' acceptance and use.

3.6. BENEFITS OF SMTS IN ENTREPRENEURSHIP

Owing to the flexibility of social networking tools, businesses can realise different benefits. According to Simon (2012) there are greater access to different audiences, enhanced customer service, enhanced products and services and adoption of favourable pricing. Lekhanya (2013) asserts that social media delivers plentiful opportunities to interact with and encounter with client's needs on platforms they are using and embracing in their everyday lives. The author further posits that the rules for engaging with communities have changed radically since the inception of the web. Hence, Edosomwan et al. (2011) argue that the fastest way to grow a business entity is through social media. The authors further state that use of social media web sites has increased the channels of communication between businesses and its stakeholders as well as its effectiveness engagement in the organisation. Therefore, engaging in social media will help reinforce the brand experience, which will support brand building (Edosomwan et al., 2011). Thus, a company becomes more attractive to the customers, and to existing and prospective employees, if it has a well-built brand name. Consequently, social media will help in building a good image for a business organisation.

The much higher level of effectiveness of social media in interaction as compared to other traditional communication networks encouraged industry leaders to participate in Facebook, Twitter, Myspace, and others, in order to succeed in online environments (Kaplan & Haenlein, 2010). This is an attractive prospect for businesses from developing countries such as South Africa that may not have any realistic alternative

to promote their goods and service in global markets, other than online (Hillary & Hess, 2014). Apart from reaching international markets, businesses can attract potential customers by using social media, as consumers have the power to influence other buyers through reviews of products or services used (Ioanăs & Stoica, 2014). Whereas effective use of social media can be as normal as understanding where the audience is online and what they are interested in communicating about, obtaining banner or search term advertising is technical and expensive (Hillary & Hess, 2014).

Social media offer emerging businesses some great opportunities. The business establishes relationships with consumers on social media and encourages the public to share ideas and add value to the community (Nakara, Benmoussa & Jaouen, 2012). Thus, social media help businesses to keep their marketing efforts to a minimum with fewer resources. In addition, the social media let emerging business draw closer to their consumers with a more intimate and interactive relationship (Nakara et al., 2012). Moreover, social media technologies are also valuable marketing tools for interacting with current customers, improving communication, exploring new markets, strengthening and enhancing image and reputation, and exchanging knowledge (Nakara et al., 2012).

3.6.1. The benefits of social media in positioning and marketing of brands

Positioning is one of the basic marketing principles that leads to success (Beever, 2015). Therefore, businesses need to understand the value they provide to their customers and leverage it. Beever (2015) further state that by understanding competitors, business can position itself by adding value to create a competitive advantage. Hence, without a strong position, your marketing will not be prominent among the competition. Beever (2015) postulates that a strong and consistent position of brand and reinforcing it on social media technologies will makes a difference. Therefore, the presence of businesses on social media present an opportunity to position themselves and increase their market share.

Kaplan and Haenlein (2010) point out that social media create a platform for creating brand communities. Brand engagement, brand development, brand awareness, new product development and product innovation become easy as businesses can interact

with their consumers on social media technologies (Kaplan & Haenlein, 2010). This will result in brand intelligence and trusting relationships with customers (Bolotaeva & Cata, 2010; Chikandiwa, 2013). Chikandiwa (2013) points out that the widespread use of Social Media for communication is changing the way marketers reach out to prospective customers. Hence Chikandiwa, Contogiannis and Jembere (2013) posit that social media technologies allow marketers to engage, collaborate, interact and harness intelligence crowd sourcing for marketing purposes. However, Chikandiwa et al. (2013) are quick to warn that not well managed social media technologies with no strategies and policies can have a colossal effect on brand image. Therefore, a mere presence on social media technologies will not serve any good to the business but a commitment to interact and build the brand of the business. Kaplan and Haenlein (2010) add that social media technologies also presents challenges like negative comments and their effect on the image, control of brand and content in the hands of the customers. However, these challenges can be well handled by business.

Figure 1 below illustrates activities of customers in the social media technologies and what should be the reaction of business that are present online. The result is informed purchasing decisions, which lead to customer satisfaction and brand loyalty (Kaplan & Haenlein, 2010).
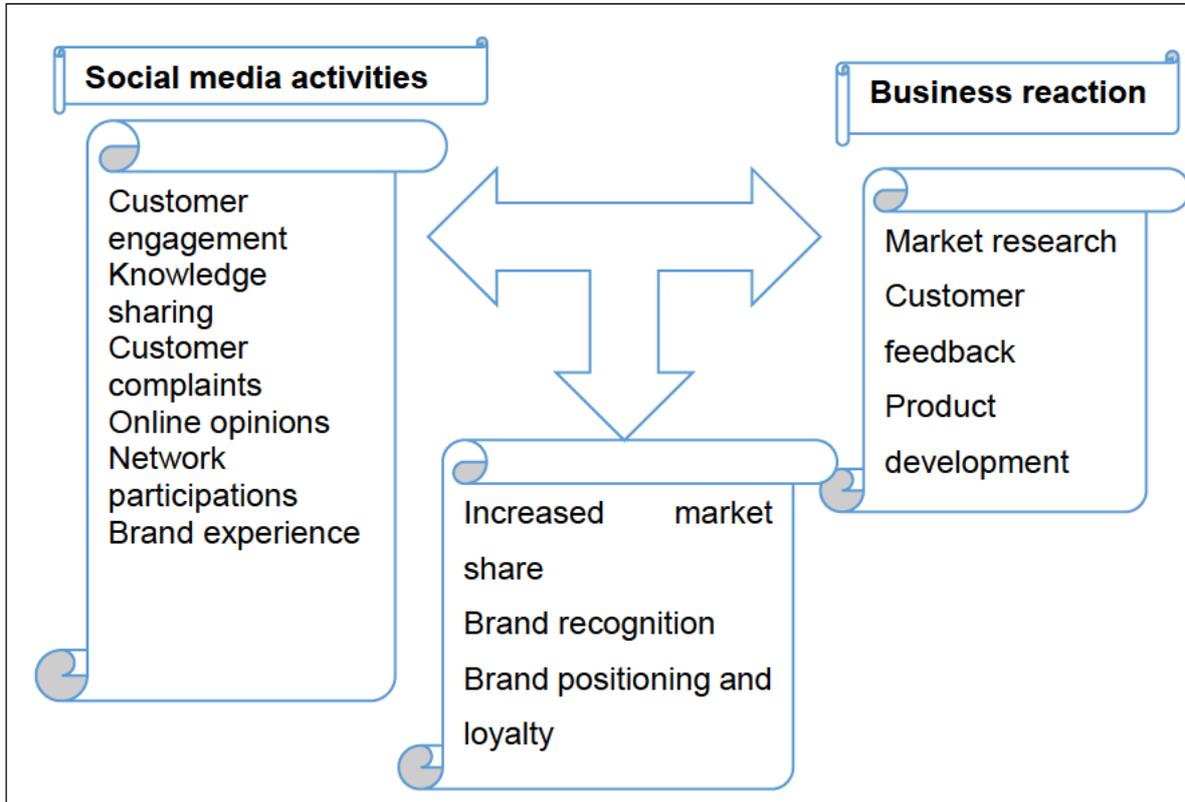
Figure 3.1: Social media activities and business reaction
(Source: adapted from Chikandiwa, 2013)

Bughin, Chui and Manyika, (2012) estimate that using social technologies to improve collaboration and communication within and across businesses could raise the productivity of interaction. This productivity of interaction ultimately will lead to brand position of that particular business being improved. Moreover, these productivity opportunities from improved collaboration based on social technologies offer a wide range of business benefits in additional areas, including consumer marketing (Bughin, Chui & Manyika, 2012).

3.7. THE IMPACT OF SMTS ON ENTREPRENEURSHIP

The internet and social media technologies are giving rise to a new breed of entrepreneurs and also augmenting current businesses to develop, interact and service their customers as never imagined before (Mandal, 2011) through interaction regularly. Jagongo and Kinyua (2013) concur that social media is a new phenomenon that has changed how the business environment operates. Thus, businesses using these technologies are able to gain access to resources that were not available to

them before. This means now they can use technologies such as Facebook to access customers. As a result, Bughin, Chui and Manyika (2012) predict that social technologies are destined to play a much larger role not only in individual interactions, but also in how businesses are organised and managed. Consumers can also become 'fans' of a business and endorse its products or services (Nakara et al., 2012) and in the process reinforce the reputation and online presence of brands. Equally, SMTs are used by enterprises to track down information about customers' behaviours and preferences (Nakara et al., 2012) through social media analytics.

3.7.1. Entrepreneurial marketing

Kurgun, Bagiran, Ozeren & Maral (2011) explain that entrepreneurial marketing, lies in the intersection between marketing and entrepreneurship and aims at making proactive use of opportunities through innovative perspectives. Thus, entrepreneurial marketing is innovative marketing of the business. For example, the innovative use of the latest technology for the marketing and branding of tourism can be conceived as an expression of entrepreneurial marketing.

3.7.1.1. Brand presence and reputation

According to Wallsten and Rhyan (2014) social media, particularly Twitter and Facebook, are among the most popular uses of the SMTs and, increasingly, an instrument for businesses to connect with customers. Social media sites are attractive to small businesses because of their large networks and the low cost of using the platforms. Moreover, compared to traditional media such as television and other expensive forms of marketing, social media presence is a cheap and effective means to enhance brand image and popularity. For example, posting information on Facebook will be much cheaper than putting an advert on television. Moreover, with Facebook posting you may target a specific a group of people, unlike on television where the audience is universal. As Social media also allow customers and prospects to communicate directly to brand representatives or about your brand with their friends (Vinerean, Cetina, Dumitrescu & Tichindelean, 2013) through social commentary, status updates, and blogs. These emerging technologies therefore give consumers the power to inspect products and brands and criticise them. Thus, many businesses nowadays have pages on social media technologies to supplement information believed about products (Ioanăs & Stoica, 2014).

3.7.1.2. Relationship marketing

Kaplan and Haenlein (2010) argue that social media help link businesses to consumers, develop relationships and foster those relationships in a timely way and at a low cost. With the growing significance of social media in business, organisations are now using social media tools strategically in order to meet their various customers' needs (Go & You, 2015) such as their preference for brands. The growing number of capabilities afforded by social media technologies empower organisations to deliver many new services to their customers. Moreover, the growth of social media technologies has also empowered consumers, and they are now demanding to have conversations and interactions with the brand (Fullerton, 2011). Social media websites provide a chance for businesses to engage and interact with potential consumers, inspire an increased sense of closeness with consumers, and build all important relationships with prospective consumers (Ioanăs & Stoica, 2014). The relationship becomes easier with the use of SMTs because the interaction with customer can be regularly.

3.8. SMTs TRENDS

The current trend toward Social Media can therefore be seen as an evolution back to the Internet's roots, since it transforms the World Wide Web to what it was initially created for: a platform to facilitate information exchange between users (Kaplan and Heinlein, 2010). The rise in social media advertising also marks a continued trend by marketers to create more close relationships with their customers (Wright, Khanfar, Harrington & Kizer, 2010). The sections below review global, African and South African trends.

3.8.1. Global trends

There has been a remarkable rise in the growth of online social networks all over the world over the years (See Yu, Asur & Huberman, 2011; Perrin, 2015; Reddy, Deepika & Madhavi, 2016). Asur, Huberman, Szabo and Wang (2012) further state that social media is growing at an explosive rate, with millions of people all over the world generating and sharing content on a scale hardly thinkable a few years ago. According to Hajli (2013) the market share of different social media websites have been grown. For instance, 16 percent increase year over year (Zephoria Digital Marketing, 2016).

74

YouTube has the solidest growth among online social networking sites with a 0.67 percent from November 2011 to October 2011. Hence, Ahmad (2011:127) posits that everyday people are joining social media and the growth and uses of social media are increasing, all over the world. Statista (2016) states that the estimates shows the number of worldwide social media users reached 1.96 billion. Hence, currently mobile social media is trending globally. In accord, Kaplan (2012) posits that social media applications have lost their chains by migrating from desktop computers to mobile devices. Therefore, users can access SMTs wherever they are. Figure 3.1 below illustrates growth of active social media users globally.

The ongoing technological advances in social media, the increasing number of publications on social media, the university courses or degrees in social media as well as the professional organisations providing training and certification in social media, national and international social media awards are just a few examples that illustrate the expanding scope of social media in recent years and attest its growth into both a professional and an academic field, which is inextricably linked to a variety of other fields (Kilyeni, 2015). This illustrates the continuous growth and development of social media technologies globally. Below a diagram illustrate the continuous growth of social media technologies globally.

75

Figure 3.1: The continuous growth of SMTs
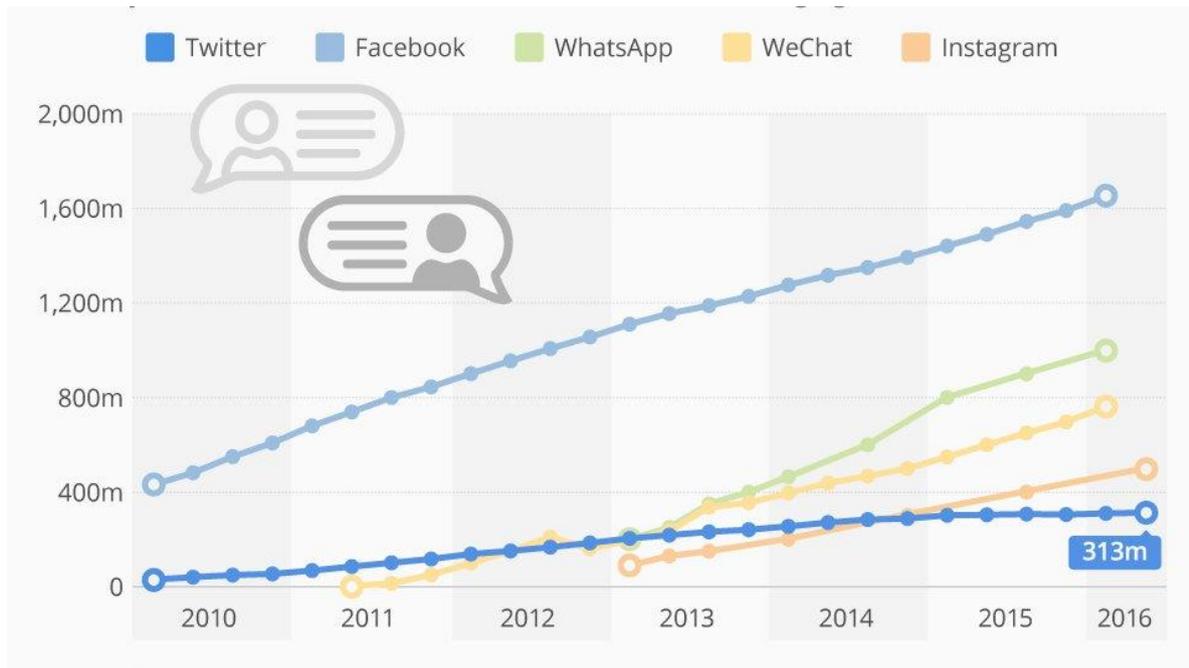
(Source: Global social media research summary, 2016)

3.8.2. African trends

Essoungou (2010) posits that Africans are linking their already extensive use of mobile phones with a more recent interest in social media to interact with each other much more than in the past. Essoungou (2010) further asserts that Africans are leading what may be the next global trend: a major move to mobile Internet use, with social media as its main drivers. Mobile Internet and social media are the fastest-growing areas of the technology industry worldwide.

Essoungou (2010) states that when Africans go online, mainly with their mobile phones, they spend much of their time on social media platforms. In recent months, Facebook as the major social media platform worldwide and currently the most visited website in most of Africa has seen huge growth on the continent (Essoungou, 2010). Indeed, Africa is gaining momentum on social media usage. For example, in addition to the approximately 3 million registered Nigerians on Facebook and 60 000 on Twitter, almost every institution involved in Nigeria's elections conducted an aggressive social networking outreach, including the Independent National Electoral Commission

76

(INEC), political parties, candidates, media houses, civil society groups and even the police (Essoungou, 2011).

3.8.3. South African trends

South African Social Media Landscape 2016 report conducted by Goldstuck (2016) showed that Facebook remained the most popular social network in South Africa, followed by YouTube and Twitter. Moreover, it showed that Facebook has grown by 8 per cent, from 12 million to 13 million, and Twitter by 12 per cent, from 6.6 million to 7.4 million users. Video sharing platform YouTube increased its user base marginally more, with a 15 per cent rise from 7.2 million to 8.28 million users. The biggest growth has come from Instagram, which rose a massive 133 per cent, from 1.1 million to 2,68 million. The study shows 13 million South Africans now on Facebook, with 10-million, or 77 per cent, using it on mobile devices. Smartphones are used by 7.9 million South Africans to access Facebook, while 1.6 million are using basic feature phones to do so. Tablets are being used to access Facebook by 1.4 million people – many of whom are also using their phones.

3.9. SMTS IN TOURISM

Social media introduced new possibilities, new opportunities and challenges for those who are involved in the tourism sector (Bizirgianni & Dionysopoulou, 2013). According to Bizirgianni and Dionysopoulou (2013), tourism stakeholders such as tour operators, prospective tourists, suppliers, active travellers are brainstorming interesting tourism attractions, critique destinations and experiences, ask questions about costs of tourist services and provide advice on comparative tourist attractions, make suggestions for possible tourist destination, and assess products and services availed by different tourist resorts using social media technologies. Social media technologies are transforming the consumer-travellers' active participation in tourist activities as tourists who make use of a tourist product (Bizirgianni & Dionysopoulou, 2013). Thus, through their interactive use of social media, tourists can alter appreciation, consumption and perceptions of tourism products and their desirable tourism markets.

The integration of technology in the tourism industry is essential for success of tourism enterprise (Bethapudi, 2013) as tourism SMMEs influence customers' preferences.

Instead of calling, speculating or making inferences about the range of services availed by different tourist destinations, social media and tourism websites are providing affordances for tourists to browse, search, compare and contrast prices of services and commodities, and have an online experience of the tourist attractions through graphic images, videos, and online advertisements and promotions. Vladimír (2014) asserts that SMTs have brought increased joy to travel and vacation, an unprecedented expansion of opportunities of communication between stakeholders and actors. This is because by means of photos and videos of destinations posted on SMTs by tourism SMMEs and existing customers, tourists get an idea of what they will experience beforehand. Vladimír (2014) further asserts that SMTs and tourism websites provide very important information on reservation by tourists, sales of products by tourist operators and marketing tool for promoting and extending cultural tourism. South African Tourism Department (2011) concurs that social media technologies have become an important source of information for travellers, providing them with an opportunity to obtain information both directly from destinations and tourism businesses as well as from fellow travellers through social networking, blogs and travel advisory websites. Bethapudi (2013) affirms that tourism enterprises can also reach the targeted customers across the globe in a single click on the keypad after the advent of mobile computers and web technologies. Technology has also become part of the core product, especially for business travellers who now expect certain facilities to be available during their trip (Bethapudi, 2013).

The South African Tourism Department (2011) further posits that changes in technology have also resulted in major changes in the way the tourism industry does business. For example, tourists can book a room with a guesthouse online without calling or even physically going there for bookings. Bethapudi (2013) maintains that technology offers distinctive opportunities for innovative organisations to reform tourism products to address individual needs and to please consumer wants.

3.10. SMMEs AND SMTs ADOPTION

Social media utilisation is a popular research topic (Jussila, Kärkkäinen & Aramo-Immonen, 2013). Consequently, Lekhanya (2013) indicates that more and more businesses are adopting social media as a marketing tool and the extensive adoption

of social media presents one of the major information technology (IT) trends in recent years (Schlagwein & Prasarnphanich, 2014). According to Chen (2012) new media has brought human interaction and society to a highly interconnected and complex level. One area of increasing adoption is organisational settings where managers hope that these new technologies will help improve important organisational processes (Treem & Leonardi, 2012). Equally, businesses around the world are increasingly taking on social media to promote their products/services and to interact with clients and prospects.

Social media tools can also provide improved interaction between the firm and its stakeholders (Fosso Wamba & Carter, 2014). Hence, Jagongo and Kinyua (2013) affirm that many businesses are now turning to social media technologies as a useful communication tool and, if used adequately, they can significantly improve their online presence, in the form of effective promotion. Similarly, Kim and Ko (2012) posit that social media enables brands and customers to communicate with each other without any restriction in time, place, and medium so that out-dated, one-way communication is changed to interactive, two-way, direct communication. Thus, SMMEs and stakeholders are working together to create new products, services, business models, and values, which will therefore, strengthen relationships with stakeholders and give exposure to SMMEs (Kim & Ko, 2012).

3.10.1. Improving competitive advantage

Fosso-Wamba and Carter (2014) posit that the growing popularity of social media makes adoption extremely attractive for SMMEs. Businesses and organisations that are quick to adopt social media technology stand to gain enormously (Ahlqvist et al, 2008) from its interactivity with stakeholders. Furthermore, Constantinides (2014) affirms that competitive pressure and the recognition by businesses that they have to gain control over the customer-controlled social media space have prompted many businesses to invest in social media presence. Hence, tourism SMMEs have online bookings, Facebook pages, etc. It therefore makes sense for SMMEs to also take advantage of these growing phenomena of SMTs.

Edosomwan et al. (2011) declare that in the period of information systems, social media has played a vital role in transforming business and communications. The

79

authors believe that the fastest way to grow a business entity is through social media. Denyer, Parry and Flowers (2011) posit that the constantly growing demand for faster and more reliable forms of information and communication by businesses has further contributed to the rapid development of social media technologies. Technological developments have introduced significant changes to the way in which businesses interact with existing and prospective customers (Siamagka, Christodoulides, Michaelidou & Valvi, 2015). Businesses are increasingly keen to use social media for business purposes (Allen & Overy, 2012). However, while there is undoubtedly a trend toward social media use, many organisations remain cynical toward social media (Schlagwein & Prasarnphanich, 2014). The authors further posit that lack of knowledge and proficiencies, confidentiality concerns, and what to post make businesses hesitant towards social media. These negative issues discourage tourism SMMEs to adopt and use social media.

Mandal (2011) states that businesses are adopting social media technologies to enable directed association with people who have same or common business interests but can also attract people from a different interest through social media engagements. For instance, tourism SMMEs can interact with customers as well as potential customers. The fast, wider adoption and public interest of SMTs by business has its roots at least partly in the originally non-commercial public social media applications such as Facebook and blogs (Kärkkäinen, Jussila & Väisänen, 2010). The adoption and attitudes towards social media in the business context seem to be affected by the above phenomena: in practice, managers often seem to associate social media strongly with especially Facebook and Twitter, which are only a very minor part of the social media genre in business (Kärkkäinen et al., 2010). However, the general adoption and understanding of social media in the business context is quite low (Kärkkäinen et al., 2010). These authors further add that the adoption may be very fast in certain business areas, and there are significant differences in the adoption depending on the business or function. Therefore, lack of knowledge seems as the most important factor in slowing the adoption of social media technologies by businesses (Kärkkäinen et al., 2010).

According to Kruger, Brockmann and Stieglitz (2013) business adoption of social media has strongly increased in recent years. As social media continue to gain in

80

popularity, marketers are searching for a firm foundation on which to base their strategic decisions regarding how to employ social media to engage and influence their customers (Hoffman & Novak, 2012). However, the process of organisations' social media adoption is ongoing and only a small minority of businesses can be considered to be fully networked (Schlagwein & Prasarnphanich, 2014). Therefore, Siamagka et al. (2015) suggests that adoption of social media can significantly benefit organisations. However, adopting social media use is neither without risks nor without costs for organisations (Schlagwein & Prasarnphanich, 2014).

3.11. CHALLENGES OF SMT ADOPTION

SMMEs face many technology adoption challenges, which are blocking them to seize the opportunities that can help the business enhance their business performance. Indeed, many businesses have been slow to adopt new technologies due to perceived barriers such as lack of money, time and training, negative views about usefulness, as well as unfamiliarity with the particular technology (Buehrer et al., 2005; Machaelidou, Siamagka & Christodoulieds, 2011). This makes SMMEs less confident in the adoption of SMTs.

Despite the attractive view portrayed on social media, small business entrepreneurs are still at a disadvantage as in reality social media do not benefit the majority of the small business owners very much because of poor utilisation of the media (Kahar, Yamimi, Bunari & Habil, 2012). Kahar et al. (2012) further state that cybercrime creates fear among small businesses in trusting social media. These cybercrimes include phishing, online identity theft, cyber bullying and internet fraud. This can be a challenge especially for SMMEs because of limited financial resources to prevent the cybercrime. Moreover, the other challenges are how to appropriately incorporate and harness the mass collaboration that social media provides for integrations into their business strategy (Taneja & Toombs, 2014). Unlike large firms, SMMEs do not have the resources and expertise to utilise social media. Though the cost of adopting social media technologies is minimal, the challenge for SMMEs is whether to invest time and resources in learning and spending on media despite the demand of current operations (Taneja & Toombs, 2014). Hence, disadvantages include the time and financial resources needed to foster relationship with customers and social media.

81

These challenges hinder small businesses' attempts at adopting SMTs and preclude them from benefiting from the utilisation of social media technologies in the business environment.

3.12. SUMMARY

Consumers are turning to social media to conduct their informational searches, develop opinions, and make purchasing decisions. Therefore, a strong social media presence is crucial to the successful management of entrepreneurship. As time is changing and technology is constantly improving, businesses need to stay competitive and use any new opportunity technology provides to improve sales, marketing and customer loyalty (Ioanăs & Stoica, 2014). Since customers and potential customers are already present on social media technologies, there is scope to interrogate the effects of business adoption of social media for improved business performance.

The literature review has shown how entrepreneurship can take advantage of the presence of user on social media technologies to their advantage. While social media has been heralded as platforms for networked collaboration, social commentary, promoting intensive communication between businesses and consumers, there are many risks that are associated with its adoption and appropriation in business settings. The tourism businesses, therefore, need to adopt these technologies to better manage its business stakeholders through networked collaboration.

Introduction

↓

Stakeholder definition

↓

Stakeholder management

↓

Business stakeholders identified

↓

Stakeholders and SMTs

↓

Stakeholders in the Tourism sector

↓

Stakeholder Theory

↓

Summary

83
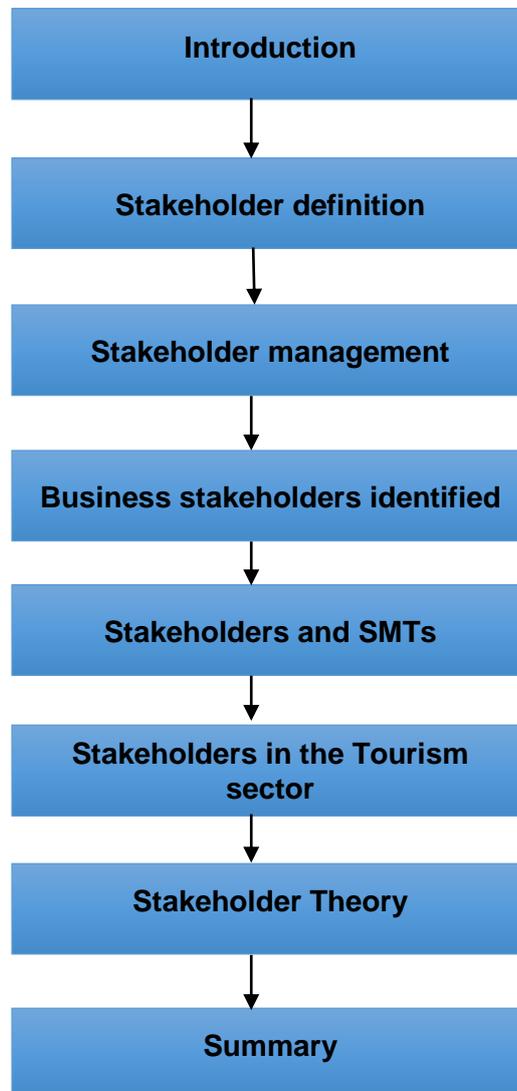
4.1. INTRODUCTION

This chapter focuses on a comprehensive analysis of Stakeholder theory and how it could be relevant to understanding tourism SMMEs' stakeholders within social media environments. According to Marstein (2003), the interest in establishing an instrumentality connection between business conduct and stakeholder interests seems to have remained attractive to academics and management practitioners alike. Since 1984 academic interest in a stakeholder approach has both grown and widened with those who have a stake in the firm (Freeman, 2004). The stability of these relationships between businesses and its stakeholders depends on the sharing of a core of principles or values. Thus, Freeman (2004) states that stakeholder theory allows managers to integrate personal values into the formulation and application of strategic plans. Furthermore, Freeman highlights that businesses will surface when the stakeholders hold critical assets and have both influence and voice. However, stakeholder firms will only be viable when leaders' incentives encourage responsiveness to stakeholders and when stakeholder legitimacy can overcome society's sceptical ideological legacy towards stakeholder management (Freeman, 2004).

Although there has been much research on Stakeholder theory, little has been researched on stakeholders in small businesses (Freeman, Wicks & Parmar, 2004; Sen, 2011). Moreover, research that has been done on stakeholder theory concentrate more on business ethics perspective (Jones, Felps & Bigley, 2007; Harrison & Wicks, 2013). Therefore, this chapter therefore takes a stakeholder perspective to illuminate understanding of tourism SMMEs stakeholders' behaviour and interactions with such businesses via social media platforms.

4.2. STAKEHOLDERS DEFINITION

It is important to first understand and define stakeholder in the context of this study. Therefore, stakeholders need to be identified and their power and influence on SMMEs established so that their potential effect on businesses can be better understood (Hammad, 2013). Fontaine, Haarman and Schmid (2006) state that the definition and role of a stakeholder in the organisation are very unclear and contested in literature and has changed over the years. According to Aaltonen (2010) the stakeholder

84

approach is described as a dominant means of understanding the business and its environment. Stakeholders can be defined as "any group of individuals that can affect or is affected by the achievement of an organisation's objective" (Freeman, 1984:46; Pedersen, 2004:30). The concept stakeholder refers to those groups of individuals or organisations that have a stake in a business. Two decades later, Freeman (2004:229) developed this definition of stakeholder as "any group or individual that can affect or is affected by the attainment of a business's purpose in a wide strategic sense." Aaltonen (2010) reasons that Freeman's definition is general in the sense that it is not specific on the stake or relationship that stakeholders have with the business. Arko-Achemfuor (2015:619) defines a stakeholder as "an individual or group with an interest in the success of a business in accomplishing its mission bringing envisioned outcomes and preserving the feasibility of its products, services and results over time." For example, in the tourism context, stakeholders are tourists who resort and make use of the service provided such as restaurants, game drives and accommodation within tourism SMMEs.

Panda and Barik (2014:8) posit that stakeholders are usually considered as "a group of people with a recognisable relationship with the business, including: shareholders, customers, suppliers and distributors, employees, local communities." From this perspective, each stakeholder can be seen "as an individual or a group, which chooses to act in a cooperative way towards the business, investing its own resources in view of a communal advantage" (de Colle, 2005:301). Garvare and Johansson (2010) posit that stakeholders are considered to be actors that provide the necessary means of support required by a business. Garvare and Johansson (2010) further maintain that these stakeholders could pull out their support if their expectations are not met, therefore causing the business to fail, or causing undesirable levels of loss. Different stakeholders may differ in importance from business to business. However, in the context of this study, stakeholders will be classified as: customers, suppliers, government, local communities and competitors. These stakeholders are discussed below.

4.2.1. Customers

Pedersen (2004:40) posits that businesses exchange products/services for resources with the customers, who thus provide essential income to the business. Customers in

85

the tourism sector are tourists (local and international). Tourists form the absolute basis for the existence of the business. Therefore, tourists are the most important stakeholders, as there would not be any discussion of stakeholders at all without the revenue from the customers (Pedersen, 2004). Therefore, if tourists do not visit a certain holiday resort, that particular enterprise will be out of business. Pedersen further posits that customers have power in the form of a choice to buy or not, and they have a legitimate entitlement as they are right to expect safety, quality and service when they pay for a product/service. They, therefore, would expect the business to deal with possible negative effect in a service-oriented way, and management to take into account consumer needs.

4.2.2. Suppliers

According to De Colle (2005) suppliers provide goods and services to the business, and the business therefore becomes a client to them. Thus, suppliers have estimations of their revenue at stake in the relationships with the business (de Colle, 2005). Hence, suppliers expect the business to partner with them in the delivery and maintenance of product quality, and not be used simply as a source of raw materials or services. In the tourism enterprise context, suppliers such as catering businesses, car rentals, farmers and recreation facilities function to provide all the required elements based on tourists' needs. In accordance with this, the suppliers will fulfil the aspects of space, activities and products in the tourism destinations to fulfil the tourists 'satisfaction and experiences' (Anuar, Ahmad, Jusoh & Hussain, 2012). Feng, Sun and Zhang (2010) maintains that the higher the levels of business and supplier involvement, the more valuable businesses and suppliers are as resources to the firms. Therefore, customer and supplier involvement enhance businesses' competitive advantage. Suppliers in the study context are those who supply all the physical raw materials, equipment and human resources needed to produce goods and services needed by the tourism businesses for them to perform at their best. These include the transport providers, bed and linen providers, catering businesses and tour operators etc. The suppliers' good relationship with tourism SMMEs ensures that tourists enjoy a quality service provided to them.

4.2.3. Government

De Colle (2005) posits that government provide the necessary institutional and legitimate context within which a business can operate. Moreover, it ensures that the business complies with all relevant legal requirements, such as tax payments, lobbying and other sensitive corporate activities. Through engagement with government, businesses can participate in a wide range of initiatives led by regulators and governments to address sustainability issues and to influence policies. The Tourism Grading Council of South Africa, Federated Hospitality Association of Southern Africa, Southern Africa Tourism Services Association, Association of South African Travel Agents and Free State Tourism Authority are regulators within the tourism sector in South Africa. These regulators provide support to the tourism SMMEs and ensure policies in this industry are implemented effectively.

4.2.4. Local communities

Local communities are also important stakeholder in the tourism sector as it is within their broader environment that these activities take place. Hence Dabphet (2013) reasons that tourism SMMEs can affect community members in a number of positive ways such as employment creation, income generation and their philanthropic activities. They may also negatively affect the community through irresponsible waste disposals, noise pollution and exploitation of natural resources. Muganda, Sirima and Ezra (2013) posit that local communities' participation in the tourism development is central to the sustainability of the tourism sector as it as it encourages communities to support the development. Furthermore, Muganda et al. (2013) posit that local communities can take part in identifying and promoting tourist resources and attractions that form the basis of community tourism development. However, this can be achieved only if local communities are allowed to participate in decision-making within the tourism SMMEs.

4.3. STAKEHOLDER MANAGEMENT

4.3.1. Minimising external risk

Stakeholder management has been recognised as a fundamental part of an organisation's effectiveness (Ipsos-Mori, 2009). Therefore, businesses that do not respond to their stakeholders risk a variability of potentially damaging consequences, including consumer or supplier boycotts, pressure from special interests groups, employee strikes or shareholder activism (Freeman, 1984). In view of this assertion, no business can escape the demands of its stakeholders (Neubaum, Dibrell & Craig, 2012) and succeed financially and organisationally. Hence, Marstein (2003) argues that Freeman's fundamental assumption of the stakeholder model is that the ultimate objective of organisational decisions is a marketplace success through management of stakeholders. The business world has changed and managers therefore, must be responsive to all stakeholders. The aforementioned assessment by Freeman (1984) is correct for the reason that a business without the support of its stakeholders will not survive (Perić, Đurkin & Lamot, 2014). Attention to stakeholder concerns may thus help a firm avoid decisions that might prompt stakeholders to dent its objectives through bad-mouthing the business.

4.3.2. Optimising economic returns

Moreover, Marstein (2003) argues businesses view their stakeholders as part of an environment that must be managed in order to assure revenues, profits, and ultimately, returns to the business. Furthermore, Nwanji and Howell (2008) state that Stakeholder theory holds that businesses should look beyond the shareholder theory of profit maximisation, and take into consideration other stakeholder groups that the business is connected with, and who contribute to the business's successes. For example, suppliers of goods/services give an opportunity for the business to provide its customers with products/services or employees help to create business value.

4.3.3. Business performance

A strong concern for the interests of environmental stakeholders may result in increased business performance as the business is more open to, and aware of external stakeholders and societal or consumer trends (Neubaum, Dibrell & Craig, 2012). Moreover, Phillips, Freeman and Wicks (2005:481) posit that "managing of stakeholders involve attention to more than simply maximising shareholder wealth".

For instance, if the relationship between a catering business (supplier) and hospitality is not managed in a satisfactory manner, it will affect the business negatively. Hence, Zunker (2011) posits that they are the key contributors to the business's resources and without their cooperation or support the business cannot survive. Furthermore, stakeholders' demands are more likely to be met when more stakeholder resources are considered to be vital to the ongoing success of the business (Zunker, 2011). In support of the above assertions, De Colle (2005) provides the following Clarkson principles as guidelines to help a business interact with business stakeholders. Clarkson introduced these principles to make the managers/owners conscious of the various stakeholders that they are expected to serve and improve the openness of management development.

Table 4.1: The Clarkson principles of stakeholder management

Stakeholder Principles	Application
Principle 1 Managers should acknowledge and actively monitor the concerns of all legitimate stakeholders, and should take their interests appropriately into account in decision making and operations	*Manager/owner in tourism SMMEs should be aware of existing stakeholders and understand their contribution and need for involvement in SMME decisions. This means being able to differentiate between suppliers and customers and involving them accordingly.*
Principle 2 Managers should listen to and openly communicate with stakeholders about their respective concerns and contributions, and about the risks that they assume because of their involvement with the corporation	*Tourism SMMEs should encourage communication with stakeholders. This will give them ideas on how to serve them. Therefore, SMTs can be critical and make it easy for SMMEs to communicate concerns as they promote a two-way communication.*
Principle 3 Managers should adopt processes and modes of behaviour that are sensitive to the concerns and capabilities of each stakeholder constituency	*By engaging with stakeholders, tourism SMMEs will get to understand their unique concerns and their abilities to provide and constrain the supply of particular services and products. For instance, transport provider (supplier) may need to be treated differently from a tourist (customer).*
Principle 4 Managers should recognise the interdependence of efforts and rewards among stakeholders, and should attempt to achieve a fair distribution of the benefits and burdens of corporate activity among them, taking into account their respective risks and vulnerabilities	*This means tourism SMMEs should ensure that no stakeholder is elevated at the expense of others to assure their continuous partnership with the business, and that their burdens and risks are not greater than they are willing to tolerate.*
Principle 5 Managers should work cooperatively with other entities, both public and private, to ensure that risks and harms arising from corporate activities are minimised and, where they cannot be avoided, appropriately compensated	*Tourism can have a negative bearing on the environmental resources. Therefore, the sector should also work together with government and competitors to contribute to environmental protection and conservation.*
Principle 6 Managers should avoid altogether activities that might jeopardise inalienable human rights (e.g., the right to life) or give rise to risks, which, if clearly understood, would be patently unacceptable to relevant stakeholders	*Managers should communicate openly with stakeholders concerning the risks involved in their specific roles in the corporate enterprise, and should negotiate appropriate risk-sharing (and benefit-sharing) contracts wherever possible*
Principle 7 Managers should acknowledge the potential conflicts between their own role as corporate stakeholders their legal and moral responsibilities for the interests of stakeholders, and should address such conflicts through open communication, appropriate reporting and incentive systems and, where necessary, third party review	*The use of SMTs for communication and engagement with stakeholder will help tourism SMMEs to pick up any potential misunderstanding and deal with it. This will help SMMEs to avoid conflicts with its stakeholders.*

These business guiding principle will help to stabilise business objectives and the needs of organisational stakeholders. In addressing the concern (e.g. exclusion of local community in decision-making of a game reserve) for stakeholders and involving them will help businesses to be able to open communication channels and forge

90

partnerships. On the other hand, besides their financial investments, stakeholders have genuine interests in the business and also have rights that are at stake in the management of the business and their well-being can be affected by the activities of the business (De Colle, 2005). The management of the business has therefore additional fiduciary duties towards all the stakeholders.

4.4. BUSINESS STAKEHOLDER IDENTIFICATION

4.4.1. Constitution of stakeholders

Sciarelli and Tani (2013) state that the formation and the continuous operations of each enterprise is as a result of several players' activities, and these players are identified as stakeholders. Wilburn and Wilburn (2011) posit that stakeholders can be customers, suppliers, and partners, as well as social, political, and government entities. On the other hand, Harrison, Bosse, and Phillips (2010) classify stakeholders to include both external stakeholders, for instance suppliers, customers, governments, competitors, civil society organisations, the local community, and the environment, as well as internal stakeholders, such as employees and shareholders. In the context of this study, external stakeholders can be tourists who are customers, a supplier would be Free State Tourism Authority, other tourism SMMEs would be potential competitors and the immediate society are the surrounding community in which the business is based. For instance, people staying in Thaba Nchu will be local community for Maria Moroka game lodge.

4.4.2. Stakeholder identification

Panda and Barik (2014) posit that businesses can have an expansive range of stakeholders with diverse interests and that it is not possible for businesses to address the issues and concerns of all stakeholders. Therefore, identification of stakeholders which can impact or are impacted by a business's actions becomes vital (Panda & Barik, 2014). Halcro (2008) consequently states that a feature of these relationships is that each player will enjoy in a different form with the organisation and therefore each relationship will have the potential to benefit or harm the business, by increasing, reducing or denying access to resources. The business therefore has to manage these stakeholder relationships in order to access the resources that provide it with a competitive advantage (Halcro, 2008).

Moreover, Jacobs (2014) states that primary stakeholders represent those who without their consistent participation in the business, the firm would fail. Secondary stakeholders are those who are not directly engaged in transactions with the business, and are not necessary for its continued existence, but may have the capacity to influence public opinion such as lobby groups, the media and other special interest groups (Clarkson, 1995; Zunker, 2011). They are influenced or affected by the business, but they are not engaged in transactions with the businesses and are not essential for its survival (Jacobs, 2014:31). Jacobs (2014) posits further that secondary stakeholders are those without direct monetary investments in the business, and can represent potential customers to a corporation. Local communities can be seen as a secondary stakeholder.

4.4.3. Volatility of stakeholder status

According to Nwanji and Howell (2008) the stakeholders of a business change from time to time due (in part) to the decisions taken by management or as a result of external events which are outside its control. It is up to management to find out who their business stakeholders are and what their needs involve. A board that ignores the interests of its stakeholders cannot maximise its shareholder value. Zunker (2011) states that primary stakeholders are those characterised by high interdependence. They are the major contributors to the business' incomes and without their cooperation or support, the business cannot survive (Zunker, 2011).

From the assertion above, it is clear that the business can have many stakeholders of which some are vital for the success or failure of the business, while others may not have much of an impact on the business. Therefore, business should be able to identify those stakeholders that impact the business financially or otherwise.

4.5. STAKEHOLDERS AND SOCIAL MEDIA

4.5.1. Fostering interactions and dialogue

According to Argyris and Monu (2015) businesses are beginning to diagnose the substantial potential of social media for improving business communications with external stakeholders, all of whom can affect business' financial future. Based on the

literature review on the previous chapter, social media technologies are capable of helping businesses to improve this interaction with stakeholders. Sedereviciute (2010) further states that the need to analyse stakeholders beyond dyadic ties becomes vital since stakeholders do interact with each other on social media. This study therefore argues that the absence of tourism SMMEs on SMTs will have a negative effect on their market growth as stakeholders may talk to each other about their experiences via such platforms. Roychowdhury (2014) posits that the key to success in binding social media to drive green messages are authenticity, participatory and ubiquity. In support, Prell, Hubacek and Reed (2008) posit that social network and resource management literature discuss ways in which networks influence individual actors and groups.

4.5.2. Augmenting communication

Moreover, Roychowdhury (2014) posits that the digital revolution presents a new opportunity for businesses wanting to engage with stakeholders. Two-way dialogue with key stakeholders on current or emerging issues is important in identifying risk and in developing responsible business strategy, providing businesses with valuable insights that enable them to determine whether perception really does match reality (Jimena, 2010). By approaching it as a two-way conversation enables businesses to get vital feedback on business performance and it can shape the future success of the business (Roychowdhury, 2014). The above assertion can be achieved by the use of social media technologies as through it dialogue between two parties is possible. In support of this, Argyris and Monu (2015) assert that social media applications reach a wide spectrum of external stakeholders, helping them to express themselves and connect with one another, and engage in an ongoing conversation with the business.

4.5.3. Addressing transparency issues

Argyris and Monu (2015) further posit that using social media, business communicators hope to fulfill external stakeholders' ever increasing demands for transparency. On the other hand, Sedereviciute and Valentini (2011) posit that stakeholders present challenges for business by aggressively observing and partaking in information-sharing processes through social media. This, therefore, becomes an opportunity for businesses to also actively share positive information about their business. The nature of social media submits that members of online communities can

93

influence an organisation's behaviours and activities as well as the view of other groups. Hence Sedereviciute and Valentini (2011) argue that it is not sufficient only to observe and communicate online with current and known stakeholders. It is an opportunity to also influence and attract potential stakeholders who are roaming online as well.

Figure 4.1 shows the modes of engagement that is how tourism SMMEs can utilise SMTs to engage with stakeholders.
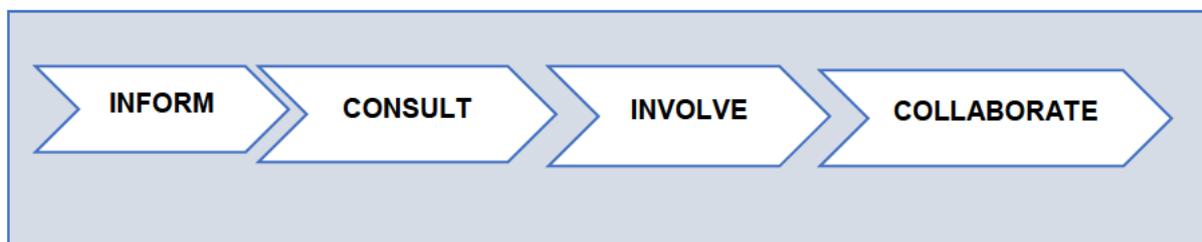
Figure 4.1: Modes of engagement between business and stakeholders

(Source: Western and Pacific Child Welfare Implementation Center, 2013)

Inform - This is basically one-way communication such as announcements, press releases, and prepared statements. Stakeholders receive information without an expectation of two-way dialogue. This mode of engagement is often done in using traditional channels of communication such as radio, newspaper, television.

Consult – on this mode proposals and options are presented to stakeholders and feedback is expected. This is most commonly done through focus groups, individual interviews or surveys. However, SMTs can also be used to consult with stakeholders. Tourism SMMEs can do this when they want to introduce a new product/service or want to change their price drastically.

Involve – on this mode stakeholders are genuinely engaged in making preferences and carrying out actions that emerge from their involvement, but their participation are not considered as final decision.

© Central University of Technology, Free State

Collaborate – this involves business working and making decision together with stakeholders based on shared goals. SMTs can make this easier for both tourism SMMEs and stakeholders to collaborate voluntarily.

Furthermore, the monitoring and engagement with stakeholders through SMTs would enable businesses to have a closer contact with its stakeholders and therefore be aware of the potential threats or opportunities presented within SMTs (Sedereviciute, 2010:8). Roychowdhury (2014) states that the SMT revolution presents a new opportunity for businesses wanting to engage with stakeholders. This engagement through social media technologies can be harnessed to great effect, empowering businesses and stakeholders to share opinions, insights, experiences and viewpoints amongst themselves. Sedereviciute and Valentini (2011) posit that social media are considered useful channels because of their capacity of being disintermediated from other stakeholder groups and enable businesses to engage in direct conversations with different stakeholder groups.

4.6. STAKEHOLDERS IN THE TOURISM SECTOR

According Perić, Đurkin and Lamot (2014), stakeholder management in tourism has proven to be an unavoidable strategy for efficient tourism planning and development. Furthermore, Saftic, Težak and Luk (2011) argue that tourism is a compound phenomenon; therefore, it comprises different players which can be viewed as stakeholders. These players are tourists, competing tourism businesses, employees, local community, regulators such as Free State Tourism Authority and suppliers such as catering businesses to mention a few. Saftic et al. (2011) further posit that the support of tourism stakeholders is vital for the development, successful operation, and enduring sustainability of tourism. Tourism stakeholders comprise many different types of groups. However, not all stakeholders have the same level of interest in sustainable tourism development and some stakeholders may be less active (Dabphet, 2013).

In the tourism sector, relationships and co-operation of various stakeholders can be central for longstanding sustainability, competitiveness or even survival in terms of destination competitiveness, but also at the level of individual tourism businesses

95

(Peric, Durkin & Lamot, 2014). Khazaei, Elliot and Joppe (2015) assert that stakeholder participation has long been viewed as a significant tenet of tourism planning, and engaging all stakeholder groups contributes to tourism sustainability. Perić et al. (2014) sum it up that a wide-base of stakeholders should be considered as main players in achieving success and obtaining competitive advantage in tourism destinations

The above literature clearly shows that for businesses especially in tourism sector, to access their stakeholders they should make use of social media technologies. The following section will review the stakeholder theory.

4.7. STAKEHOLDER THEORY

The theoretical framework for this thesis is founded on stakeholder theory. According to Freeman et al. (2010), Stakeholder theory has been developed over the last thirty years to counter shareholder theory. Freeman et al. (2010) further state that this theory was formed to answer this question: how can we understand business in a world where there is a great deal of change in business relationships? Moreover, Stakeholder theory has been developed to chart the organisational landscape and to assist organisation identify and balance the different needs around them (Freeman, 1984; Vos, 2010). Freeman and McVea (2015) agree that the purpose of stakeholder management was to devise methods to manage the countless groups and relationships that resulted in a strategic manner. According to Sedereviciute (2010) the theory presents a distinctive way of how businesses may well classify its relevant stakeholders into specific groups, and thus be able to manage communication with them in an organised manner. For example, tourism enterprises cannot share the same information between regulators and consumers. While tourists/consumers would like to know about the new product introduced, the regulator will be interested in whether the correct procedure were followed to introduce the product. Furthermore, Sedereviciute and Valentini (2011) suggest that stakeholders' theory is useful in identifying and prioritising stakeholders that business is aware of. In view of this study, it means tourism SMMEs need to know their stakeholders such as tourists, tour operators and that they are managed effectively through regular interactions. This theory suggest that businesses have a responsibility to all their stakeholders

96

(Sedereviciute & Valentini, 2011), hence, an interdependent relationship exist between business and its stakeholders as they both affect each other.

Choi and Wang (2009 in Parmar, Freeman, Harrison, Wicks, de Colle and Purnell, 2010) discovered that good stakeholder relations empower a firm to enjoy superior financial performance over a longer period of time; they also help poorly performing firms to improve their performance more quickly. Furthermore, for Parmar et al. (2010) Stakeholder theory provides a reasoned perspective for how businesses should manage their relationships with stakeholders to facilitate the development of competitive resources, and attain the larger idea of sustainable success. The stakeholder standpoint also explains how a business's stakeholder network can itself be a source of sustainable competitive advantage. It provides tools that managers can use to better create value for the variety of their constituents; tools that constituencies can use to improve their dealings with managers, and tools that theorists can use to better understand how value creation and trade take place (Freeman, Signori & Strudler, 2012). Moreover, using the language of stakeholders makes it easier for business executives and theorists to see business and ethics as integrated, rather than always in conflict. Stakeholder theory integrates a number of ideas including corporate planning, systems theory, corporate social responsibility, and organisational theory (Halcro, 2008) Thus, consideration to the interests and well-being of those whose contribution hamper the achievement of the business' objectives is the central admonition of the theory (Phillips et al., 2005). Jamal and Getz (1995 in Dabphet, 2013:427) states that stakeholder theory has been widely used in tourism as stakeholders' interdependency and their ability impact on the development process of the tourism destination.

Stakeholder theory begins with the assumption that values are necessarily and unequivocally a part of doing business (Freeman, Wicks & Parmar, 2004). Furthermore, Stakeholder theory posits that an organisation is a social construction made of interaction of various stakeholders (Mori, 2010). Perić et al (2014) further state that the stakeholder theory takes a multidisciplinary character, since it tackles sociological, economical as well as psychological issues. The Stakeholder theory argues that a business's worth is created when it encounters the needs of the business's important stakeholders in a win-win fashion (Harrison et al., 2007). Zunker

(2011) also argues that Stakeholder theory is used by researchers to explain motivations for businesses to disclose social information. Stakeholder theory suggests that a business's management is expected to engage in activities that benefit specific groups or individuals (stakeholders) who can influence and who are affected by the achievement of a business's objectives (Boesso & Kumar, 2007; Zunker, 2011).

Enyinna (2013) posits that Stakeholder theory has finally introduced ethical principles into business. In addition, Zunker (2011) asserts that there is ethical and managerial branch of Stakeholder theory. Zunker (2011) posits that the managerial branch of Stakeholder theory highlights the need to manage certain stakeholder groups. Managers have an incentive to disclose information about their various programmes and initiatives to particular stakeholder groups to indicate that they are conforming to stakeholders' expectations. The ethical branch of Stakeholder theory on the other hand suggests that businesses have wider responsibilities to all their stakeholders and society at large, which expand beyond financial performance and responsibility towards shareholders (Sedereviciute & Valentini, 2011).

Nwanji and Howell (2008) further argue that businesses cannot afford to disregard the issues of its stakeholder interests if it is to maximise its shareholder wealth because all stakeholder groups contribute to the success of the business. These authors further posit that businesses only engage with stakeholders on an ad-hoc basis without formal structure and process. This might result in a business struggling to survive the challenges in the business environment. Luoma-aho and Vos (2010) observe that with the development of new communication technologies, traditional ways of thinking about stakeholders are becoming outdated as communication with and among stakeholders are moving onto new stages outside business' control. Halcro (2008) affirms that this theory suggests that business that adopt an inclusive approach towards the groups it interact with would improve.

4.7.1. Stakeholder theory categories of use
According to Proctor (2011) Stakeholder theory has also been used in a number of ways since its foundation into management literature. Donaldson and Preston (1995) categorise these uses as descriptive/empirical, instrumental, and normative. Freeman (2004) posits that a descriptive theory basically demonstrate that businesses have

stakeholders; an instrumental theory illustrates that businesses that deliberate with their stakeholders devise successful strategies; a normative theory describe why firms should give consideration to their stakeholders. These categories will be summarised below.

The normative approach attempts to understand the establishment of some fundamental moral and philosophical principles (Zunker, 2011), such as involving the local community with which you operate. The basic idea is thus that a corporation has an obligation to treat its stakeholders well, but not for the sake of increasing shareholders' wealth (Pedersen, 2004). This should also apply to tourism SMMEs who should treat their stakeholders well, especially the local community with which they operate well.

The foundation of normative stakeholder theory resides in its assertion of ethical and moral standards as the only acceptable approach for corporate behaviour (Jacobs, 2014). This perspective focuses on the moral propriety of the behaviour of businesses (Aaltonen, 2010). Furthermore, normative justification for stakeholder takes the theory beyond strategic issues and into the realm of philosophical foundations (Freeman, 2004). The arguments for the normative justification are based on ethics, morality, utilitarianism and corporate social responsibility (Pedersen, 2004). Therefore, a necessary condition for a theory of business to be normative is that it should provide ethical principles that guide actions in business life (Enyinna, 2013). This author further posits that normative theory uses philosophical principles to identify the obligations firms have towards various stakeholders and to provide the arguments that explain and support these obligations. It is for this reason that ecotourism was considered, to ensure that the natural environment and the local community are treated in an ethical manner (McGahey, 2012) over and above meeting economic and social considerations of stakeholders. From a stakeholder perspective, tourism SMMEs should consider the ethical principles as a guide when exploiting the environment for profit. For example, World Tourism Organisation (2001) affirms that tourism owner/managers have an obligation to provide tourists with objective and honest information about their places of destination.

According to Zunker (2011), the descriptive branch of Stakeholder theory enlightens the past, present, and future activities of businesses and their stakeholders and

generates predictive proposals associated with stakeholder management. This author further maintains that this element of theory is used to describe and justify specific behaviours and characteristics of businesses. The descriptive thesis of Stakeholder theory places an emphasis on describing how an organisation is an assemblage of competing and cooperating stakeholders (Pedersen, 2004). It can also be used to investigate if the stakeholders perceive the business as such an assemblage, or merely to determine which type of management strategy a certain business adopts (Pedersen, 2004). Enyinna (2013) posits that descriptive stakeholder theory attempts to empirically show the actual relationship between managers and their stakeholders. Hence, descriptive theory is used to describe and sometimes to clarify specific business characteristics and behaviors (Aaltonen, 2010). In this view, tourism SMMEs need to first identify the stakeholders, and secondly their influence on the business. For example, the Department of Trade and Industry can be identified as a stakeholder for tourism enterprise in the Free State and it can influence this business through its tourism policies and regulations which cover economic returns, impact assessments and implications of tourism activities on the economic, social and natural environment.

Instrumental refers to how stakeholder theory is used to identify the connections, or lack of connections, between stakeholder management and the achievement of organisation objectives (Proctor, 2011). Pedersen (2004) concurs that the instrumental thesis of the theory links profitability to the adoption of a stakeholder concentrated management style. In other words, the attention given to managing of stakeholders will have a bearing on how tourism SMMEs will perform financially. The potential of instrumental stakeholder is documented by the way in which modern businesses are incorporating stakeholders into their profit motivated decision-making processes (Jacobs, 2014). By examining examples of business actions made in consideration of stakeholders, the instrumental lens "offers a framework for examining the connections between the practice of stakeholder management and the achievement of various business performance goals, like profitability and business growth (Jacobs, 2014). The instrumental approach, according to Jacobs, advocates the formulation and implementation of processes that satisfy stakeholders because they control key resources and suggests that stakeholder satisfaction, in turn, will ensure the long-term survival and success of the business.

Additionally, Zunker (2011) argues that the instrumental approach seeks to examine specific links between stakeholder management and business performance. It explores how management encourages contributions from their stakeholders to accomplish the desired goals and objectives of the business (Zunker, 2011). Instrumental theory tries to provide an empirical link between the stakeholder management practices and financial returns (Enyinna, 2013). Moreover, the instrumental approach strives to connect stakeholder theory with superior financial performance (Pedersen, 2004). Enyinna (2013) states that Instrumental stakeholder theory is hypothetical, i.e. it recommends a given line of action (in this case, looking after stakeholder interests) if you are interested in a given outcome (in this case, financial rewards): normative stakeholder theory, on the other hand, is categorical, i.e. it recommends an action simply because it is right and without making reference to any interests.

4.7.2. Conceptual framework

Based on the foregoing discussion on the stakeholder management, social media technology utilisation among tourism SMMEs and Stakeholder Theory application in the tourism context, a conceptual framework is designed to explore and interpret tourism SMMEs' marketing and branding behaviour as they engage with multiple stakeholders in SMT mediated environments.

The study employs Stakeholder Theory to articulate and make inferences about the character and complexity of social media technology (SMTs) mediated interactions between tourism SMMEs and their stakeholders to promote branding and marketing of tourism products and services. This study argues that while tourism SMMEs may take their business cues from the personal usage of social media technologies by the general public, their capacity to optimise their business competitiveness is dependent heavily on their ability to deploy SMTs to effect targeted marketing and branding of their products and services, a strong customer orientation, their responsiveness to suppliers, and their compliance with national regulations. At the core of business competitiveness, therefore is a consequentialist argument about the capacity of SMT utilisation to optimise transactions and interactions that bring increased online visibility of small businesses, hedge them from stiff competition and augment their business sales.
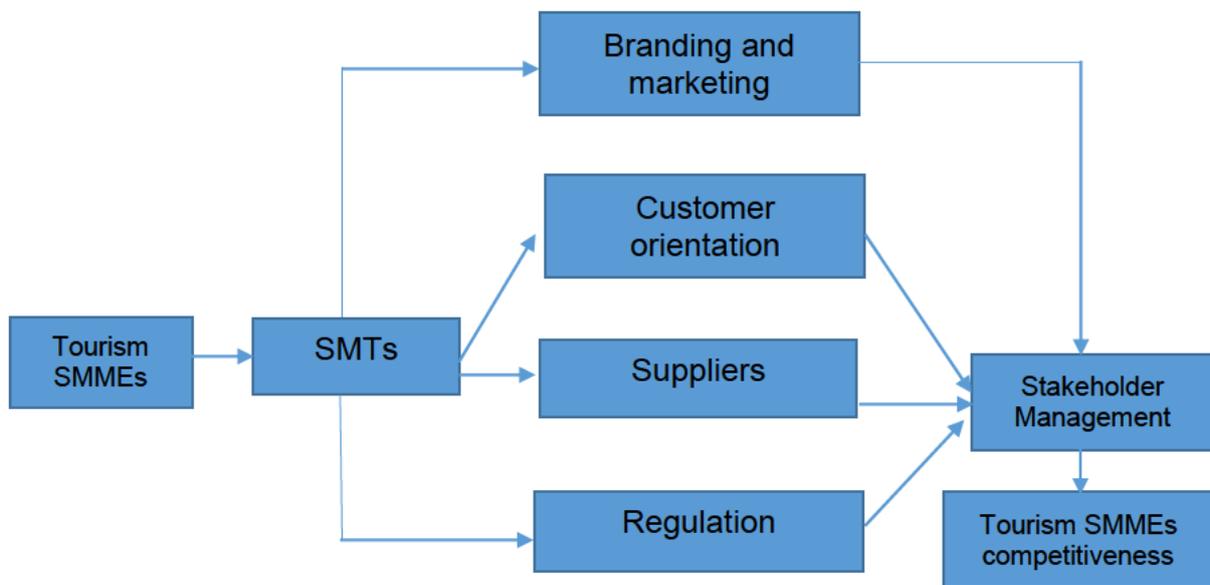
Figure 4.2: Proposed model of relationship between SMMEs and, stakeholders

SMTs, therefore, provide transactional, temporal and commercial spaces for small businesses to engage in stakeholder management that optimise tourism business competitiveness through increased interactivity, longevity of otherwise temporal branding and marketing encounters, and repetitive sales and increased interactional density between different stakeholders. The different stakeholders, who have different needs and expectations from small tourism pose different demands to the tourism business system.

This study argues that tourism SMMEs employ social media technologies for fulfilling four different functions such as for general marketing and branding of their products and services, for promoting a strong customer orientation, maintaining a formidable supplier base, and for engendering compliance with regulating authorities such as Free State Tourism Authority. The tourism businesses' customers are tourists; suppliers include catering enterprise.

Precisely, tourism SMMEs' utilisation of SMTs will assist them in observing the behaviour of consumers, be aware of trends, answer questions posted online about their products/services and influence existing and prospective customers to use their

102

products/services. This study theorises that enlargement of the market share of tourism SMMEs depends on the effectiveness of their utilisation of SMTs.

Collectively, the management of the branding and marketing, the customer and supplier orientation and responsiveness to government regulators influence the complexity and effectiveness of stakeholder management which impacts business competitiveness. Business competitiveness, therefore, is a consequence of effective stakeholder management, which rides on suppliers' capacity to provide goods/services to the tourism business, the business' branding and marketing strategy and responsiveness and compliance of the tourism business to the regulatory environment. The stakeholder management is implicated in a dense network of business-stake holder activities such as placing orders, general enquiries, developing of new products or transformation of an existing ones and responding to, reacting to, lobbying for the establishment or abolition of and complying with tourism industry regulations.

4.10. SUMMARY

Garvare and Johansson (2010) argue that businesses will behave in such a way as to satisfy the wants and expectations of those it identifies as its stakeholders. Moreover, Organisational sustainability will be achieved if the business manages to limitlessly satisfy the demands of its stakeholders (Garvare & Johansson, 2010).

In an increasingly more interconnected and disintermediated world, user-generated contents construct the communicative environment in which organisation public relationships take place. Hence, social media can result in being useful tools for engaging stakeholders if wisely used (Sedereviciute & Valentini, 2011). Literature shows that social media elevate the role of stakeholders the business's engagement with stakeholders.

It is clear from literature that there is a shift in relationship between businesses and stakeholder influenced by the presence of social media. Social media is drawing consumers/stakeholder to a centralised online location (Jacobs, 2014). Therefore, it

can be argued that social media technologies are the link that connects both businesses and its stakeholders together.

CHAPTER 5: RESEARCH METHODOLOGY

| Introduction |
| Research Paradigm |
| Research epistemology | → | Positivism |
| | | Enterpretivism |
| Research design |
Population	→	Sampling
Data collection	→	Questionnaire design
Ensuring credibility and validity	→	Validity
		Reliability
Data analysis
Ethical consideration	→	Ethical clearance
		Informed consent
		Privacy
		Anonymity
		Voluntary participation
Chapter summary
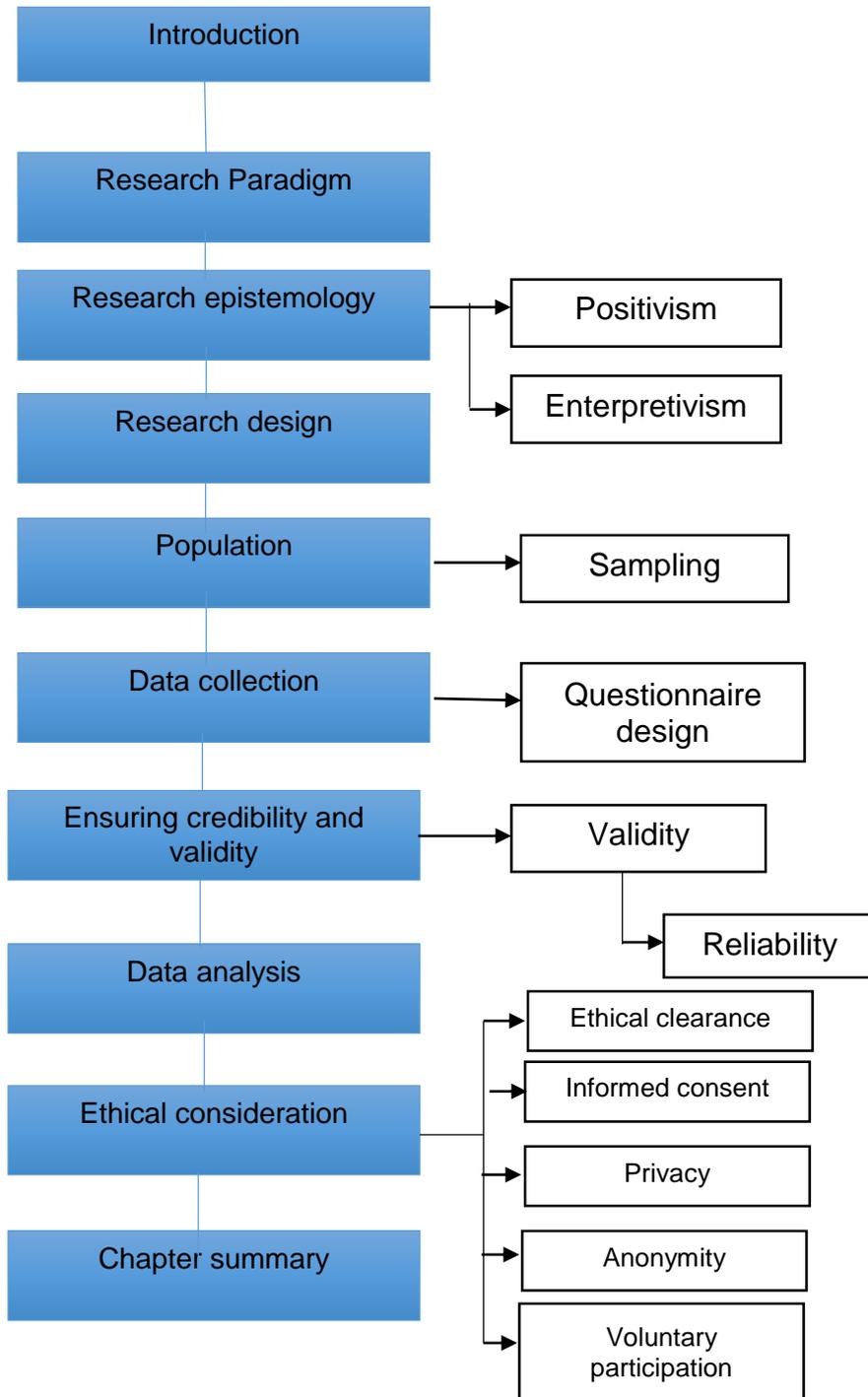
5.1. INTRODUCTION

The previous chapters reviewed the literature on tourism and entrepreneurship (Chapter 2), SMTs (Chapter 3) and Stakeholder theory (Chapter 4). This chapter address methodology adopted by considering the research philosophy, the research approach, the research design, population, data collection and analysis processes, ethical considerations and limitations of the study. Tennis (2008:106) defines a methodology as "a combination of epistemic stance and the methods of investigation which form a practice that carries with it the knowledge needed to have a result faithful to the chosen epistemology". To this end, this research sought to adopt an appropriate methodological stance geared towards addressing the questions on the relationship between the Tourism SMMEs' utilisation of social media technologies and the competitiveness of the business.

5.2. RESEARCH PARADIGM

The research philosophy refers to a structure of beliefs and assumptions about the development of knowledge (Saunders, Lewis, Thornhill & Bristow, 2016). From a research perspective, this set of methodological beliefs and assumptions shape the researcher's choice of research approaches, research design and research methods and techniques to comprehensively investigate the phenomenon under study. Tennis (2008) posits that the research philosophy captures the nature of newly created knowledge, its validity, veracity, credibility, reliability, or utility is rooted in and manifest in epistemology. To unravel this knowledge, the research philosophy should serve as a conceptual and methodological road map, which capturing the appropriate selection and justification of methodologies or methods employed in a study, the type of data collected, how this data is interpreted and, finally, how the data addresses the research questions. From a procedural perspective, Ngendakumana and Chiomba (2014:42) conceive the research philosophy as "the development of the research background and research knowledge".

In terms of research philosophy, there are two broad approaches to conceptualising research, namely positivism and interpretivism. These are elaborated in subsequent sections of this chapter.

5.3. RESEARCH EPISTEMOLOGY

5.3.1. Positivism

Positivism regards human behaviour as "passive, controlled and determined by the external environment" (Thomas, 2010:294). This means human action is a consequence of direct environmental influences rather than conscious individual cognition. Furthermore, De Vos, Strydom, Fouche and Delport (2011) state that positivism maintains that it is possible and essential for the researcher to adapt a distant, detached, neutral and non-interactive position to research elements. The researcher's adoption of a disinterested, external observer stance with no/limited influence on the observed phenomenon is critical for the research results to be conceived as influenced by natural settings rather than individual actions. As such, positivism suggests that scientific knowledge is arrived at through the accumulation of verified facts emerging in controlled settings. Additionally, Bryman and Bell (2011) assert that scientific research must be conducted in a way that is objective. This implies that research should be insulated from personal feelings, emotions, beliefs and idiosyncrasies, which contaminate the principles, processes and results of objective scientific research. Positivism also aims at measuring the variables of a social phenomenon through quantification (Sulaiman & Kura, 2012).

5.3.2. Interpretivism

In contrast, interpretivists believe that reality consists of people's subjective experience of the external world, thus, reality is socially constructed (Scotland, 2012). This understanding implies that knowledge cannot be constructed independent of human cognition and consciousness of it, hence, knowledge is a consequence of an individual's epistemic, personal subjective views of the world (Rambe, 2015). In addition, Bryman and Bell (2011) posit that interpretivism presents the view that strategy is required that respect the differences between people and the objects of the natural science and therefore requires the social scientist to grasp the subjective meaning of social action. Interpretivism underscores the investigation of text to discover embedded meanings, how people use language and symbols to define and construct social practices in order to understand people's actions and behaviours (Sulaiman & Kura, 2012). Interpretivism, therefore, embraces the multiple, individual perspectives on constructions of reality and the social world, without which knowledge cannot be constructed.

Agbobli (2013) contends that an interpretative approach is more appropriate for exploratory research where contrasting perspectives and even contradictory positioning with regard to knowledge are admissible while a positivist approach emphasises objective decision-making and generalisation of results. Agbobli (2013)'s view about interpretive research does not necessarily mean that there cannot be explorative research in quantitative studies, but rather that the close interaction with research subjects required in qualitative research allows for the exposition of multiple perspectives needed in qualitative exploratory research. Precisely, interpretivists seek to understand social reality through detailed exploring and interpreting meaning of events and specific life experiences.

These two contrasting approaches are explained in Table 5.1

Table 5.1: Comparison of two research philosophies in business research.

Ontology (nature of reality or being)	Epistemology (what constitutes acceptable knowledge)	Axiology (role of values)	Typical methods
Positivism			
Real, external, independent **One true reality (universalism)** **Granular (things)** **Ordered**	Scientific method Observable and measurable facts Law-like generalisations Numbers Causal explanation and prediction as contribution	Value-free research Researcher is detached, neutral and independent of what is researched Researcher maintains objective stance	Typically, deductive, highly structured, large samples, measurement, typically, quantitative methods of analysis, but a range of data can be analysed
Interpretivism			
Complex, rich **Socially constructed through culture and language** **Multiple meanings, interpretations, realities** **Flux of processes, experiences, practices**	Theories and concepts simplistic Focus on narratives, stories, perceptions and interpretations New understandings and worldviews as contribution	Value-bound research Researchers are part of what is researched, subjective Researcher interpretations key to contribution Researcher reflexive	Typically, inductive. Small samples, in-depth investigations, qualitative methods of analysis, but a range of data can be interpreted

(Source: adapted from Saunders et al., 2016:136)

Fundamentally, a positivist stance was adopted in the conduct of this research. Since positivist-oriented research strive to examine relations of association or causality between concepts and constructs and allow for the generalizability of research results based on a sample, this approach cohered with this research's intention to examine. the relationship between SMMEs' utilisation of social media technologies (SMTs) and the competitiveness of these firms. The magnitude and effect size of this relationship can be examined quantitatively drawing on quantitative data collection and analysis techniques.

5.4. RESEARCH APPROACH

There are two approaches to research: qualitative and quantitative. Sulaiman and Kura (2012) posits that the quantitative research method employs statistical tools in the collection and interpretation of data. Creswell (2003) defines quantitative research as a means for testing objective theories by examining the relationship among variables. The quantitative research approach was considered ideal for this research project given its emphasis on the prediction of the relationship between SMT adoption and business competitiveness as well as the effect size of this relationship. Creswell (2003) elaborates that variables need to be measurable on instruments, so that quantifiable data can be analysed using statistical procedures.

5.5. RESEARCH DESIGN

Research design is a plan which emphasises the underlying philosophical assumptions, specification of the selection of respondents, the data collection technique to be used and the data analysis to be conducted (Maree, 2013). Survey design was adopted to establish the extent of use of social media technologies, the various types of social media technologies being utilised and to support which business activities. A survey design is considered ideal when the intention of the researcher is to generalise to a population by obtaining data from a sample (Kelley, Clark, Brown & Sitzia, 2003). The survey approach was considered appropriate for this investigation which require a sample of SMME owner/managers large enough to make generalisations about these entrepreneurs' extent of use of social media technologies.

5.6. POPULATION

A population "is an entire organisational unit with which the research problem is concerned" (De Vos, Strydom, Fouche & Delport, 2011:223). A population is a group of potential participants to whom the results of the study is generalised (Salkind, 2009). The Free State Department of Economic Development, Tourism, Environmental Affairs and Small Business estimated the number of registered small hospitality SMMEs in the Free State province to be about 600. These were the business entities available on their data base.

5.6.1. Sampling

A sample is a subset of a population the researcher intends to study. Empirically supported generalisations are usually based on partial information (i.e. the sample) because it is impossible, impractical or expensive to collect data from all the units of analysis covered by the research problem (Frankfort-Nachmias & Nachmias, 2008). These authors further assert that a researcher can draw precise inferences on all those units based on a relatively small number of units when it represents the relevant attributes of the entire population. Given the difficulty of accessing all the hospitality SMMEs due to geographical dispersion in Free State province including the constraints of resources (time and money), it was considered reasonable to employ the sample as an approximate representation of the population of hospitality SMMEs.

5.6.1.1. Sampling types and sample size

There are two types of sampling – probability and non-probability sampling (Bryman & Bell, 2011; De Vos et al., 2011). According to Maree (2013) probability samples satisfy the requirements for the use of probability theory to accurately generalise to the population. In agreement Terre Blanche, Durrheim and Painter (2006) and Singh and Nath (2010) state that this sampling ensures that the elements selected for a sample accurately resemble the parameters of the population they were selected from. In accordance with the quantitative methods approach, the study was conducted using mainly probability sampling. Simple random sampling was used to select participants of the study. Bryman and Bell (2011) assert that with simple random sample, each unit of the population has an equal probability of inclusion. Hence Salkind (2009) posits that simple random sample can be used to avoid bias of the results.

To calculate the sample size of tourism SMMEs, an internet sample size calculator was used. The calculator is available freely from http://www.macorr.com/sample-size-calculator.htm. The calculated sample size amounted to 234 tourism SMMEs with a confidence level set at 95%.

5.7. DATA COLLECTION

For findings to be generated, data need to be collected and similarly, for data to be collected, there should be some form of data collection instrument (Mouton, 2011).

This survey instrument was used to collect quantitative data on the sample units. The researcher with the help of a trained research assistant administered questionnaires to the manager/owner of the tourism SMMEs in the Free State province.

5.7.1. Questionnaire design

The unavailability of a pre-designed structured questionnaire covering the phenomenon under investigation compelled the researcher to design the questionnaire for the study. Accordingly, the questionnaire was developed based on findings from literature review, research questions and the aim of the study. The questionnaire consisted of 65 questions divided into four sections. A short summary of the different sections of the questionnaire is presented below.

5.7.1.1. *Section A: Demographic data*

According to Salkind (2010), demographic information provides data regarding research participants and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population for which generalisation will be done. This section collected data about the background information of the business and the owner/manager of the tourism SMME. The information on this section included: the role of the respondent in the business, the respondent's current age, educational status, the sub-sector of tourism in which the business falls, the years of operation and the number of employees in the business.

5.7.1.2. Section B: status and utilisation of social media technologies

This section intended to source information from the research respondents on the status of the social media technologies adoption and their utilisation within the business. For instance, the first two questions of section B solicited information on the business' use of SMTs and accessibility of internet within the business.

5.7.1.3. Section C: Stakeholders

This section first solicited information about how the respondents brand and market the business using SMTs. Second, it sourced information about how the respondents use SMTs to network, interact, communicate, and engage with their stakeholders. A five-point Likert scale was employed to provide options ranging from strongly disagree to strongly agree.

© Central University of Technology, Free State

5.7.1.4. Section D: Competitiveness

In this section the researcher sourced information on how tourism SMMEs were doing financially. The respondents were asked about the business performance and the growth in terms of market, financial and employment.

5.8. ENSURING CREDIBILITY OF THE RESEARCH

The validity and reliability of the instrument contributes to the credibility and trustworthiness of data. De Vos, Strydom, Fouche, and Delport, (2011) posit that for data to be regarded as valid and reliable, the researcher must be certain that the measuring instrument to be used is acceptable.

5.8.1. Instrument validity

Bryman and Bell (2011) postulate that validity is concerned with the integrity of the conclusions that are generated from a piece of research. Therefore, a research instrument is conceived to be valid if it measures what the researcher intends to measure (Bryman & Bell, 2011) that is, if the instrument performs as it is designed to perform (Biddix, 2016). Roberts, Priest and Traynor (2006) and Bryman and Bell (2011) postulate that there are two broad measures of validity, which are external and internal. This authors further posit that external validity addresses the ability to generalise with confidence the results of the study to other people and other situations. Internal validity, on the other hand, addresses the reasons for the outcomes of the study (Roberts et al., 2006). The internal validity of the instrument was promoted through the use of extensive literature to develop the instrument through which results were generated.

5.8.1.1. Content validity

Content validity refers to the suitability of the content of an instrument, whether it measures accurately what the researcher what to know (Biddix, 2016). Similarly, Heale and Twycross (2015) affirm that this type looks at whether the instrument sufficiently covers all the content that it should with respect to the variable. The use of in-depth literature and the alignment of such literature with the research questions were instrumental in ensuring the content validity of the research instrument developed.

113

5.8.1.2. Criterion validity

This validity is the degree of correspondence between a test measure and one or more external referents (criteria), usually measured by their correlation (Drost, 2011). There are two types of criterion validity – concurrent validity and predictive validity. Twycross and Shields (2014) affirm that concurrent validity uses an already existing and well-accepted measure against which the new measure can be compared. In contrast, predictive validity measures the extent to which a tool can predict a future event of interest (Twycross & Shields, 2014). For this study there was no comparative measuring instrument available, hence the researcher did not pursue this validity.

5.8.1.3. Construct validity

Construct validity denotes how well the researcher interpreted or transformed a concept, idea, or behaviour into a functioning and operating reality (Trochim, 2006). Moreover, Roberts et al. (2006) state that construct validity involves validating relationships between the concepts under study and the construct relevant to them. Hence the concern is not more about the scores, but the underlying quality. The use of various concepts in literature as well as their application in respective studies were considered in the development of the research instrument. However, since the validation of relationships requires hypothesis testing, this construct validity was not pursued further apart from the determination of co-relations between variables.

5.8.2. Reliability of an instrument

Terre Blanche, Durrheim and Painter (2006:152) postulate that reliability refers to "the dependability of a measuring instrument". Similarly, Bryman and Bell (2011:158) defines it as "the consistency of a measure of a concept". Furthermore, reliability is concerned with the question of whether the results of a study are repeatable or not (Bryman & Bell, 2011). This means whether the researcher can use the same instrument for a similar sample and yield the same outcome. To ensure the reliability of the instrument used, the researcher requested the help of supervisors and the statistician who evaluated and tested the instrument before being administered to respondents by the researcher and trained assistants. Cronbach's alpha was used to test the reliability of the instrument. This will be discussed in the data analysis below.

5.9. DATA ANALYSIS

The quantitative data collected was analysed by a statistician using Statistical Package for the Social Sciences (SPSS) version 21. To address the objectives of this study, a few preliminary checks were done so as to determine the validity and reliability of the variables (or constructs) used in the analysis. The variables constructed for further analysis are branding, marketing, external networking, internal networking, suppliers, competitors and investors, regulators, competitiveness, business performance and business growth. These variables were constructed by summing up the responses of all the items relating to that specific variable. Given that the creation of these variables involves summing up responses of the relevant questions, Cronbach's alpha coefficients had to be calculated to determine whether or not the variables are reliable. A Cronbach's alpha coefficient is used to test whether or not the items used for a variable actually measures that particular construct.

A Cronbach's alpha value above 0.6 indicates a reliable variable (although these guidelines do differ from researcher to researcher). Table 14 above shows that all the constructed variables have a Cronbach's alpha coefficient that is above 0.6 which means that these variables are reliable and can be used for further statistical analysis. The above variables were constructed by summing up all the responses for the relevant statements (in brackets): Branding (sum of Q20 – Q24); Marketing (sum of Q25 – Q30); External networking (sum of Q31 – Q38); Internal networking (sum of Q39 – Q43); Suppliers (sum of Q44 – Q46); Competitors and investors (sum of Q47 – Q51); Regulators (sum of Q52 – Q55); competitiveness (sum of Q56 – Q57); business performance (sum of Q58 – Q61) and business growth (sum of Q62 – Q65). The statistician could not add up the statements in section D as one variable because they use different scales, hence, the separation of these to the 3 variables (competitiveness, business performance and business growth).

Another preliminary check that was done is a test to determine whether or not these variables are normally distributed. This is because the types of tests to be used depend on whether or not the variables are normally distributed. If the variables are normally distributed, parametric tests should be used whereas if the variables are not normally distributed, then non-parametric tests should be used. An example of a parametric test

is the Pearson correlation coefficient which is used for testing the relationships between variables, whereas an example of a non-parametric test is the Spearman's rho correlation coefficient which is also a test for significant relationships between variables. The normality test used is the Kolmogorov-Smirnov (KS) test, which determines whether or not the constructed variables are normally distributed.

In order to conclude from the KS test, one examines the p-value provided by the test. This p-value is compared with a significance level of 0.1. One has a choice of using 0.05 or 0.01 but the most commonly used is 0.05. The choice of these measures depends on the level of 'accuracy/certainty' required with 0.01 being the most precise/accurate. If the p-value is less than 0.1 we conclude that the variable is not normally distributed and if the p-value is greater than 0.1 we conclude that the variable is normally distributed. From the results above, all the variables have p-values that are below 0.1. This indicates that all these variables are not normally distributed. Because these variables are not normally distributed, it means that they have a skewed distribution and, therefore, non-parametric tests are to be used.

5.10. ETHICAL CONSIDERATIONS

Research ethics is defined as a set of moral principles which offers rules and behavioural expectations towards subjects being researched (De Vos et al., 2011). Fouka and Mantzorou (2011) assert that ethics is the branch of viewpoints that deals with the dynamics of decision-making about what is right and wrong. Additionally, the authors affirm that scientific research work is ruled by individual, community and social values. Research ethics necessitate the protection of dignity of research subjects and the publication of the authentic and credible information in the research (Fouka & Mantzorou, 2011). Thus, ethics are the rules and behaviour any researcher is expected to follow when undertaking research.

5.10.1. Ethical clearance

The researcher ensured that ethical guidelines were strictly followed. This was done by completing and seeking the approval of the ethical clearance form from the Research Office of Central University of Technology, Free State. Ethical clearance was granted through the approval of the research and the research ethics from by the Faculty of Management Sciences' Faculty Research and Innovation Committee (FRIC).

5.10.2. Informed consent

According to Fouka and Mantzorou (2011), informed consent is the main ethical matter in conducting research seeking to incorporate the rights of autonomous individuals through self- determination. Respondents, thus, should be told about the general nature and any possible harm or risk that the study may cause. In view of this, the researcher provided the research participates with all information regarding the research aim, its academic purpose and envisaged economic contribution prior to the data collection process. Respondents were also appraised of the average duration for the completion of the questionnaire and that no possible direct economic or monetary benefits would be derived from participating in the study.

5.10.3. Privacy

The right to privacy is a right every person wants to enjoy. Bryman and Bell (2011) affirm that consent of a research subject to participate does not abrogate the right to privacy. Privacy of the individual respondents and their respective businesses was ensured by seeking for the time most convenient to the respondents for conducting the research. Break times and lunch time were mainly preferred as these times would not interfere with the conduct of business. Likewise, Salkind (2009) adds that the personal space of participant should not be invaded. In view of this assertion, the researcher ensured that the respondents were requested availability and appointment prior to the instrument being administered.

5.10.4. Anonymity

As with privacy, the anonymity of the participant should not be given away. To ensure anonymity, the researcher did not require the name, personal addresses, and contact details of the participants when collecting data. Additionally, information acquired from respondents such as demographic information was held with the strictest confidence.

5.10.5. Voluntary participation

Permission were sought from participants prior to the collection of data. Thus, a choice was given to the respondents whether to participate in the study or not. Therefore, the participants were voluntarily participating in the study.

5.11. CHAPTER SUMMARY

This chapter described the research methodology followed in this study. Positivist epistemology where used of quantitative methods were followed. The chapter further described aspects of the instrument used, how it was developed and data was collected. It also explained how data collected was analysed. It also outlines how Issues of ethics were handle in the study. The next chapter presents the results and interpretation of those results.

CHAPTER 6: RESEARCH FINDINGS, INTERPRETATION AND DISCUSSION

6.1. INTRODUCTION

The previous chapter discussed the methodology adopted for this study. In particular, it covered the epistemological position, research approach and research design employed in the study. The same chapter articulated the design of the research instrument, the detailed process of data collection, data analysis and the research ethics adopted for this study. The researcher's interest in exploring the status/level of utilisation of social media technologies and its impact on tourism SMMEs' competitiveness implied that a positivist epistemology, quantitative approach and a survey design best suited this study. A sufficient justification for the choice of this methodology has been adequately explained and supported in the previous chapter (see Chapter 5).

The purpose of this chapter is threefold: Firstly, it provides a comprehensive presentation of the results of the data analysis; secondly, it provides the researcher's interpretation of these results; and thirdly, it draws on contemporary literature to provide a robust discussion of the research results. Overall, this chapter lays a foundation for the development of the Conclusions and Recommendations Chapter.

Concisely, the chapter is structured as followed: The response rate is provided and the sample demographics are presented, interpreted and discussed as the main component of descriptive statistics. Thereafter, inferential statistics are presented and discussed. This chapter outlines the demographic information of the participants and presents findings and discussions on inferential statistics used to test relationships of variables. The data showed that data-sets were not normally distributed using the KS test. Thus, non-parametric tests, including Spearman's Correlation tests and Regression analysis were used to measure the analytical ability of the independent variables on the dependent variables.

6.1.1. Response rate

In view of a total population of 600 respondents, the sample size for this study comprised 234 respondents. Out of this sample size, 123 questionnaires were correctly completed by respondents and returned to the researcher, representing a response rate of 53%. Bryman and Bell (2011) posit that a 50% response rate is acceptable for data analysis, thus 53% adopted in this study was deemed adequate for statistical analysis. Furthermore, Bavdaz, Drnovsek and Dolinar (2009) concede that there is a growing evidence that achieving a high response rate may be difficult when surveying small business populations. Therefore, in view of this understanding, the 53% response rate for this study is deemed acceptable.

6.2. DEMOGRAPHICS

This section provides the demographics of the study sample. This includes the role of the respondents in the business, their age, education, the subsector of their business in the tourism sector, the number of years the business has been in operation as well as the number of people employed by the business.

Descriptive statistics: Frequency distribution
Table 6.1 represents the frequencies and percentages derived from the sample demographics of this study.

6.2.1. Role in the business

Table 6.1 demonstrates that 48% of the respondents were managers, whilst 31.7% were owners. This shows that almost half of tourism SMMEs are managed by hired managers and only a few owners ran their own businesses. Perhaps the owner of tourism SMMEs preferred a "hands off" and relaxed management structure where they were content with delegating authority to management for the operations of their business than running it by themselves. Inconsistent with this assertion, the study of SMMEs in South Africa conducted by Rogerson (2008:151) revealed that all owners were "hands-on" and actively involved in running business operations. The aforementioned sample demographic can also be interpreted to mean that since tourism businesses are mostly small businesses with a high risk of failure, the owners maintain multiple occupations (e.g. formal employment supplemented by a business

© Central University of Technology, Free State

or entrepreneurship) as a personal security (i.e. a fall back) and cushioning mechanism, just in case the business may fail.

Table 6.1: Sample Demographics

Variables	Category	Frequency	Percent
Role in the business	Owner	21	17.1%
	Manager	59	48.0%
	Owner/Manager	18	14.6%
	Other	25	20.3%
Age	21 - 30 years	39	32.0%
	31 - 40 years	38	31.1%
	41 - 50 years	32	26.2%
	Above 50	13	10.7%
Education	High school	42	34.4%
	Tertiary	60	49.2%
	Postgraduate	20	16.4%
Sub-sector of tourism	Accommodation	56	45.5%
	Hospitality & related services	55	44.7%
	Travel distribution services	11	8.9%
	Others	1	0.8%
Years business has been in operation	1 - 5 years	40	33.3%
	6 - 10 years	54	45.0%
	11 - 15 years	15	12.5%
	16 - 20 years	2	1.7%
	Over 20 years	9	7.5%
Number of employees in the business	None	8	6.5%
	1 – 5	63	51.2%
	6 – 9	29	23.6%
	10+	23	18.7%

Perhaps the owners' lack of managerial skills may be the reason they hire managers. Zarook, Rahman and Khanam's (2013) study on SMMEs in Libya support this by affirming that SMME owners usually have no formal qualifications in management and leadership, therefore, they may not necessarily make good managers.

122

6.2.2. Age

Table 6.1 illustrates that 32% of the respondents were aged between 21 and 30 years old whilst 31% are aged between 31 and 40 years old. This shows that the majority of respondents in the tourism SMME industry were economically active citizens. The young adult population in the sample could be explained by the fact that the tourism SMMEs (covering accommodation, hospitality and travel) represent a predominantly labour intensive industry, which requires an energetic, young adult management and workforce to fulfil the predominantly manual roles and responsibilities. Consistent with this claim, the Department of Tourism (2012) affirms that tourism SMMEs are labour intensive.

The aforementioned youthful population reflects the continual dynamics that shape the South African tourism sector and the economy in general. These dynamics include: the increasing unemployment (currently at over 26%) (See Stats South Africa, 2015, 2016) and the potential of the tourism sector in the South African economy participate in this sector. The finding could reflect shifting perceptions in funding models of public and private institutions for new tourism SMMEs, in particular, these institutions' increasing embrace of younger population through generous provision of funds to support their businesses. For instance, the strong focus of public institutions such as Industrial Development Corporation (IDC) and National Youth Development Agency (NYDA) on funding emerging SMMEs created by the young adult groups (See National Youth Development Agency, 2011) In fact, only 11% were received from respondents aged 50 years and above.

6.2.3. Education

The results indicate that 49% of respondents had tertiary qualifications while, only 16% have postgraduate qualification. Only 34.4% of respondents studied only up to high school. This finding indicate that the majority (65.9%) of respondents are moderately literate. The high educational attainments in the tourism sector suggest that this sector requires in-depth knowledge and academic skills to comprehend the complexities of the sector. In support, Fosso-Wamba and Carter (2014) point out that managers/owners with advanced levels of education have the capability to create a favourable atmosphere for the adoption and implementation of innovation and is critical to dealing with the complexity of the sector.

These complexities of the tourism sector include: the knowledge of nutrition and unique recipes; seasonality (e.g. reliance on summer, festive seasons and holidays) of the tourism sector services; the strong interdependence of the sector with agriculture (for food supplies) and natural environment (for natural attractions); and dependence of the sector on tourism and travel trends. Erero (2011) concurs that the South African tourism sector describes tourism as involving a complex interaction of a large number of players. To effectively deal with complementary and sometimes conflicting needs and priorities of these stakeholders, the need for higher conceptual knowledge and skills cannot be discounted. Additionally, Freel, Carter, Tagg and Mason (2012) affirm that there is a correlation between owners/managers' education and performance, hence education is key to the economic success of the tourism sector SMMEs.

6.2.4. Subsector of tourism

Table 6.1 shows that the majority of respondents were from accommodation (45%) and hospitality and related services (44.7%) while travel distribution services businesses were only 8.9%. Since travel distribution services businesses offer supportive services to the accommodation and hospitality SMMEs, their limited representation can be attributed to their dependence on the thriving of the latter businesses (SEDA, 2012). The dominance of the accommodation and hospitality SMMEs and the under-presentation of travel distribution services businesses can also be attributed to the geographical location dynamics of the Free State province, where there is a small number of tour operators and tourist guides in the provinces due to the absence of large tourism attractions. These findings on the number of accommodation and hospitality SMMEs are consistent with a study by the Department of Tourism (2012), which affirms that the majority of the businesses that were surveyed in the tourism sector fall within the accommodation sector.

6.2.5. Years business has been in operation

Table 6.1 further reveals that 45% of the respondents have had their businesses in operation for 6 to 10 years. Businesses that have been operating between 11-15 years were only 12.5% followed by 7.5% of those who had more than 20 years and 1.5% of those between 16-20 years in operation. The youngest business surveyed were 33%

124

falling on the category of between 1-5 years. The findings show that the majority (66.5%) of the tourism businesses in the Free State province were matured businesses that have transited their survival stage. The finding is inconsistent with Fatoki's (2014) study which postulates that South Africa's new SMMEs have a high failure rate. The Global Entrepreneurial Monitor Report compiled by Herrington and Kew in 2015 reported that Total Early stage entrepreneurial Activities (TEA) in South Africa is low (9.2%). The current findings contradict this as most of the businesses have transited their first five years of existence.

6.2.6. Number of employees in the business

Moreover, 51% of the respondents have between 1-5 employees in their business. While 23.6% of the businesses have between 6-9 employees. According to the South African National Small Business Act 102 of 1996 amended in 2003 SMMEs are businesses which have employees less than 200. Based on the mentioned Act, these findings indicate that the majority of these businesses falls under the category of very small business. This demonstrates that most of the businesses have not transitioned smallness to become medium-sized and large businesses employing more people. This finding seem to support the finding that SMMEs in 2015 were almost four times more likely to expect making no contribution to job creation besides self-employment for the owners themselves (Herrington and Kew, 2015).

6.3. STATUS AND UTILISATION OF SOCIAL MEDIA TECHNOLOGIES

Tables 6.2 and 6.3 as well as Figures 6.7 to 6.18 illustrate the status and extent of SME utilisation of Social Media Technologies (SMTs). First, Table 6.2 captures the Free State Tourism SMMEs' status (i.e. the level of knowledge, familiarity and readiness to adopt) and actual utilisation (i.e. extent and intensity of use) of different instances of SMTs.

Table 6.2: Status and utilisation of social media technologies

Variables	Categories	Frequency	Percentage
The business use social media technologies.	Yes	102	82.9%
	No	21	17.1%
Does the business have access to internet?	Yes	110	89.4%
	No	13	10.6%
How do you rate your social media knowledge?	No knowledge	21	17.1%
	Beginner/Novice	19	15.4%
	Intermediary	55	44.7%
	Advanced	28	22.8%
Which social media technologies does your business use?	None	20	16.3%
	Blogs	2	1.6%
	Social networking site	76	61.8%
	Micro-blogging	11	8.9%
	Collaborative projects	4	3.3%
	Content communities	5	4.1%
	Others	5	4.1%
How often does your business use social media technologies?	Once/more a day	35	28.5%
	Once/more a week	28	22.8%
	Once/more every month	42	34.1%
	Never	18	14.6%
How much time does your staff invest in work-related use of social media technologies per week?	None	38	31.4%
	Less than 30min	30	24.8%
	30 min - 1 hour	30	24.8%
	1 - 3 hours	20	16.5%
	Over 3 hours	3	2.5%
Who handles the social media technologies in your business?	None	22	18.0%
	Manager/Owner	73	59.8%
	Employees	17	13.9%
	Social media technology specialist	10	8.2%

6.3.1. Social media use

Table 6.2 illustrates that 82.9% of the respondents use social media technologies in their businesses. Only 17.1% of businesses responded that they do not use social media technologies. The fact that a majority of tourism SMMEs in the Free State use social media may be interpreted to depict: 1). the general technological literacy and competence of tourism SMME owner/managers 2). The keenness of these

126

owner/manager have a social media presence for their business operations 3). Their desire to connect their businesses to their broader stake holders (i.e. customers, suppliers, financiers and communities). Meske and Stieglitz (2013) acknowledge the significance of social media technologies to business operations by emphasising the relevance of these technologies to SMMEs. However, the current study's finding contradicts Michaelidou et al.'s (2011) study, which reported that 73% of United Kingdom SMMEs were not using social media technologies.

6.3.2. Internet accessibility

A majority of businesses (89.4%) reported that they have access to internet, while only 10.6% have no access. This result is corroborated by Kabue's (2013) study which depicted that a majority number of Kenyan businesses have access to internet. While the finding is surprising in view of the purportedly low internet penetration of 52.6% in South Africa in 2016 (see Internet World User, 2016), it perhaps demonstrates the importance of the internet for the utilisation of SMTs and for business connectivity and networking. The finding also resonates with Bethapudi's (2013) claim that the incorporation of emerging technology in the tourism sector is crucial for the competitiveness of tourism enterprises. Perhaps the finding also demonstrates tourism SMMEs' realisation that the fastest and best dependable manner for tourists to reach to tourism businesses is through the internet (Sahin & Sengün, 2015).

6.3.3. Social media knowledge

Almost half of the respondents (44.7%) have an intermediary knowledge of social media as compared to 22.8% who have advanced knowledge of social media. Collectively, a majority (67.5%) of tourism SMMEs seem to have knowledge of the use of social media technologies. The interesting dynamic is that depth of knowledge of a particular social media platform or application presupposes use. Consistent with the Theory of Technology Acceptance, the decision of adopt a technology, whose consequence is in-depth knowledge of the technology, is a function of ease of use and perceived usefulness of the technology (see Godoe & Johansen, 2012; Renny, Guritno & Siringoringo, 2013). As such, it can be assumed that the knowledge of social media technology brought by exposure to and use of technology, is a consequence of the relative ease with which tourism SMMEs can learn about social media technologies.

127

The response for "no knowledge" of social media technology (17.1%) is consistent with those who responded as not using social media technologies in the first paragraph above. Therefore, it is possible that a lack of knowledge of social media technologies is contributing to a lack of use of such technologies. Alternatively, the decision not to use such technology could deliberate, itself a consequence of the multiple pitfalls associated with the use of social media technologies such as: the social media platforms' failure to differentiate professional practices and identities from private personal practices (Boyd, 2007; Rambe, 2013), information security problems, information privacy issues (see Rambe, 2012; Rambe & Bere, 2013; Ivala & Gachago, 2015) and brand image credibility challenges (Bidgoli, Arani & Bidgoli, 2014; Zhang, 2015).

6.3.4. The type of social media technologies in use

Most of the respondents (61.8%) make use of social networking site (e.g. Facebook), followed by Micro-blogging (e.g. Twitter) (8.9%) (See Table 6.2). This finding contradicts Mandal's (2011) assertion that small businesses prefer micro-blogging (Twitter) to social networking site (Facebook). Perhaps, the prevalence of social networking site usage could be attributed to the higher level of Facebook users in South African compared to Twitter. The comparatively higher usage of Facebook compared to Twitter – 13 million users and 7.4 million users respectively (Goldstuck, 2016; Snyman, 2016) implies that tourism businesses could be "following the tide" of these technology usage trends. However, the current finding coheres with Maha's (2015) finding on social media utilisation in the Romanian hospitality industry in which Facebook was the most used social networking by tourism enterprises. Similarly, Jagongo and Kinyua's (2013) study of social media and entrepreneurship growth established that Facebook was the most popular social networks used by SMMEs. This might be because Facebook (social network) is the most popular especially amongst customers (see Goldstuck, 2016; Snyman, 2016).

6.3.5. The frequency of use of social media technologies

About 34.1% of the respondents make use of social media once/more every month whilst 28.5% of respondents use social media once/more a day, followed by 22.8% who use it once/more a week. At face value, this frequency of use of social media

128

demonstrates that tourism SMMEs do not frequently use social media technologies. Perhaps tourism SMMEs do not consider social media use and presence as a productive corporate activity, hence the limited enthusiasm to use social media frequently. According to Aguenza, Al-Kassem and Som (2012), the use of SMTs may compromise staff productivity as they spent more time on it rather than business related activities. The tourism businesses' limited presence is discomforting as many tourism business stakeholders especially customers spend too much time on social media technologies (see Surugiua & Surugiu, 2015; Kiráľová, & Pavlíčeka 2015). If there is credence in these findings, tourism SMMEs may be losing multiple opportunities to market their products or create brand image through their interactions with customers due to their limited presence of social media platforms.

6.3.6. Time invested by staff in work-related use of SMTs

About 31.4% of the SMME owner/managers indicated that their staff do not invest any time in work-related use of social media technologies. A total of 24.8% of SMME owner/managers indicated that their staff invest less than 30 minutes of their time on social media while another 24.8% of respondents posit that their staff use 30 minutes to 1 hour on social media technologies. Only 2.5% of respondents indicated that their staff invest over 3 hours in work-related social media. Since 49.6% of tourism SMMEs, invest between 30 minutes to an hour on social media technologies coupled with the aforementioned fact on the low frequency of accessing social media, it can be contended that there is limited time investment into business-related uses of social media, such as interaction of employees with stakeholders and online sales and marketing of products and services. The emergent nature of business use of social media platforms in developing economies is well documented (see Zhang & Sarvary, 2012; Borker, 2014) and it can be attributable to relative newness of the technology (Fong, 2009; Hanson & Narula, 2012; Brossman, 2015). However, this might be the results of the findings in the next paragraph below.

6.3.7. Who handles the SMTs in small businesses?

About 59.8% of the respondents indicated that managers or owners handle social media technologies in their businesses. Such a statistic has several meanings: First, this may imply that the owners/managers of the tourism SMMEs prefer to handle the social media technologies themselves as they carry the business mission, vision and

129

strategic intent of the business. Second, it may mean that since the management structure of small businesses is consolidated and centralised in the owner or manager due to the size and nature of their activities, owner/managers are ideally positioned to handle such activities. Third, since social media platforms may serve as the main channel connecting the business to the external business world (e.g. various business stakeholders) and is critical to establishing the business' brand identity in the market, the effective and appropriate use of social media platforms is more guaranteed in owner/managers' portfolio than that of employees (Gaál, Szabó, Obermayer-Kovács & Csepregi, 2015). On the contrary, KPMG's (2011) study on how social business are making the most of SMTs, posits that restricting the access and use for employees may cause unmanageable risks as employees may use their own devices which are often less secure and completely unmonitored.

Table 6.2 also illustrates that only 8.2% of tourism SMMEs in the Free State have a social media technology specialist. Perhaps, the small income base and survivalist orientation of most of small tourism business compromise their capacity to employ such staff. Alternatively, the SMMEs owner/managers' anxiety about and fear of diversion of customers to serve private interests may discourage them from employing and delegating such duties to these personnel. The same way authoritative educators' fear of loss of control explains their discouragement of student browsing of electronic resources and use of mobile devices in classrooms (Ng'ambi & Rambe, 2008; Rambe, 2012), tourism SMMEs owner/managers may conceive delegating authority of presenting the business' image and brands to specialist as potentially disruptive of their authority.

130
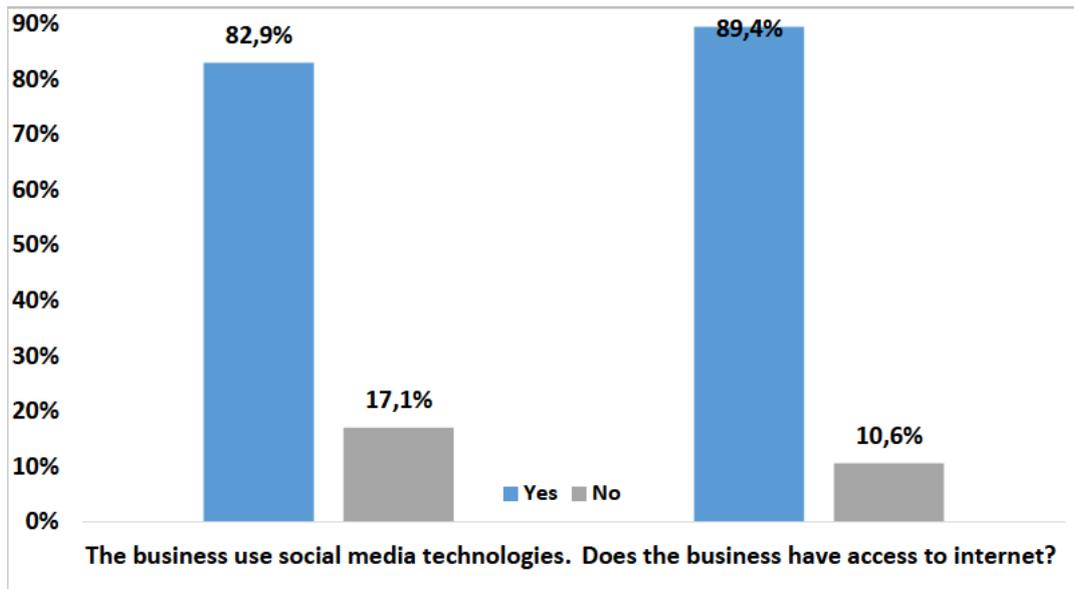
Figure 6.1: The business' use of SMTs and access to internet

The finding in Figure 6.1 indicate that of the 89.4% of businesses who have access to internet, only 82.9 % use social media. Therefore, not all businesses who have access to internet use social media technologies. Perhaps, the high costs of bandwidth intensive activities on social media such as browsing, downloading and uploading pictures, audio, videos, graphics and video calling could be discouraging small businesses with internet from using social networking platforms (Twinomugisha, 2010). According to Fosso-Wamba and Carter (2014) managers' age usually determine the usage or non-usage of technologies within the business. Younger managers being the ones to take risk rather than older managers.

Table 6.3: Utilisation of social media technologies

Variables	Categories	Frequency	Percentage
For how many years have you used social media technologies?	0 - 1 year	46	37.4%
	2 - 3 years	35	28.5%
	4 - 5 years	22	17.9%
	More than 5 years	20	16.3%
What are the reasons for your business' use of social media technologies?	Do not use social media	19	15.6%
	Marketing products/service	21	17.2%
	Build credibility	12	9.8%
	Attracting new customers	57	46.7%
	Network	6	4.9%
	Listen to customers	4	3.3%
	Provide feedback	3	2.5%
To what extent does your business consider social media technologies important for its operations.?	Not at all	15	12.2%
	To a little extent	18	14.6%
	Neutral	53	43.1%
	Moderate extent	37	30.1%
How do you rate your staff's knowledge of social media knowledge?	Novice	35	28.5%
	Beginner	20	16.3%
	Intermediary	56	45.5%
	Advanced	12	9.8%
Who are your business trying to reach through social media technologies?	Existing Customers	81	71.1%
	Prospective customers	21	18.4%
	Suppliers	11	9.6%
	Competitors	1	0.9%
Which methods do the business use to communicate with stakeholders?	None	8	6.5%
	Telephone	22	17.9%
	e-mail	70	56.9%
	Letter	4	3.3%
	Social media technologies	19	15.4%

6.3.8. Number of years of social media use

Table 6.3 illustrates that 37.4% of the respondents had been using social media technologies for less than a year, with 28.5% of respondents indicating that they have been using social media between 1-3 years. Only 16.3% of businesses had been using social media technologies for more than 5 years. This shows that most of the tourism SMMEs in the Free State province were relatively new adopters of social media technologies. This may be because the social media technologies have only started

132

to be popular in recent years in South Africa due to various reasons: the high costs of connectivity (Gillwald, Moyo & Stork, 2012), the relative newness of social media technology (Ng'ambi & Bozalek, 2014), consideration of social media as a flippant technology to other established web-based technologies (see Selwyn, 2007; Rambe, 2012; Pimmer & Rambe, 2015). The projection of social media platform usage as a relatively new phenomenon as manifests in the surging uptake of this technology in South Africa, suggesting that maturation of technology use is yet to be achieved. According to Van Zyl (2015) from 2014 to 2015 there has been a 133% increase in the usage of social media technologies in South Africa.

6.3.9. The reasons for business' use of social media technology

As illustrated in Table 6.3, altogether 46.7% of the respondents use social media technologies to attract new customers while 17.2% use it to market their products and services. It is clear that most of the tourism SMMEs in the Free State province prefer to use social media technologies to increase their market share by attracting new customers. This usage is considerably higher than that reported in Jagongo and Kinyua's (2013) study where only 21% of SMMEs in Nairobi used social media to attract new customers. The difference in these two studies might be influenced by the difference in the environment to which both studies where done.

6.3.10. The extent to which the business considers SMTs important for its operations

About 30.1% of the respondents considered social media technologies to be moderately important for their operations, whereas 14.6% considered social media to be of little importance for its operations. These results are interesting considering that the majority (82.9%) of these tourism SMMEs (see Table 6.2) are using social media. This mean that even though the majority of businesses use social media technologies, most of them may not understand and appreciate fully their importance for their its operations. This contradicts the Theory of Technology Acceptance's postulation that perceived usefulness is one of the critical antecedents to technology adoption (see Sago, 2013; Verheyden, 2013; Akram & Albalawi, 2016). This anomaly between general use of social media and the deployment of social media for business operations seem to be inconsistent with Stelzner's (2016) study on how SMMEs use their social media to grow their business, which states that 90% of respondents said

133

that social media is important to their businesses. Though as it may be, to pronounce an emerging technology as important and to actually put it into productive use may not necessarily be the same.

6.3.11. Staff ratings on knowledge of SMTs

Table 6.3 further indicates that 45.5% of the tourism SMME owner/managers rate the staff's knowledge of social media at the intermediary level, and 9.8% to have advanced knowledge of SMTs. On the other hand, 28.5% of these owner/managers revealed that their staff's knowledge of social media to be at a novice level. The fact that a small percentage of owner/managers (9.8%) believe that their employees have advanced knowledge of social media technologies is not surprising as findings on Table 6.2 shows that in most of these tourism SMMEs managers/owners are handling social media technologies. It is, therefore, unnecessary for staff to be knowledgeable. However, KPMG's (2011) study warns that restricting the access of use for employees may cause unmanageable risks.

6.3.12. Business' target audience when using SMTs

A total of 71.1% of the respondents highlighted that their businesses are trying to reach customers through social media technologies, while 18.4% of respondents use social media technologies to reach out to prospective customers. A few of the businesses under study use social media technology to reach suppliers (9.6%) and competitors (0.9%). The findings suggest that most tourism SMMEs in the Free State province have adopted a narrow stakeholder management approach, one which targets satisfying the needs and expectations of existing and potential customers, while marginally considering suppliers in the process. Customers, as this finding reveals, are mostly given attention rather than other stakeholders in most of the businesses in the study area. This is somewhat inconsistent with the Stakeholder Theory's claim asserts that customers are not the only stakeholders who create/capture value (Argandona, 2011).

6.3.13. Business' media of communication to stakeholders

Table 6.3 illustrates that more than half (56.9%) of tourism SMMEs consider email as an ideal channel for communicating with their stakeholders. A further 17.9% of these SMMEs prefer a telephone, while only 15.4% communicate with their stakeholders

through social media technologies. This indicates that even though the majority generally use social media technologies, they prefer formal modes of communication with stakeholders. It can be inferred that tourism SMMEs seem to be stuck in traditional modes of communication and have failed to transition effectively to emerging technologies with regard to engagement with their stakeholders. The stakeholder approach calls for organisations to become more responsive to forces in their external environment by engaging in situational analysis and widening their understanding of their external stakeholders (Welch & Jackson, 2009). The aforementioned finding is inconsistent with Badea's (2014) study on social media and organisational communication which postulates that the overwhelming majority of Romanian businesses use social media for external and internal communication with stakeholders.

6.4. BRANDING

Table 6.4 and Figure 19 present frequencies and descriptive statistics for statements related to use of social media technologies for branding.

Table 6.4: Branding

Branding		Frequency distribution					Descriptive		Factor -
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	% Agree/Strongly agree	Mean	Standard deviation	Latent factor loading
The business use social media technologies to introduce a particular brands/services.	n	6	28	16	44	29	59.3%	3.49	1.22	0.89
	%	4.9%	22.8 %	13.0 %	35.8 %	23.6%				
The business uses social media technologies to maintain the dominance of the brands/services.	n	7	22	21	56	17	59.3%	3.42	1.11	0.88
	%	5.7%	17.9 %	17.1 %	45.5 %	13.8%				
The business uses social media technologies to distinguish a brand for its competing products.	n	7	26	11	62	17	64.2%	3.44	1.14	0.90
	%	5.7%	21.1 %	8.9%	50.4 %	13.8%				
The business uses social media technologies to demonstrate the uniqueness of its brands.	n	6	26	9	56	25	66.4%	3.55	1.18	0.94
	%	4.9%	21.3 %	7.4%	45.9 %	20.5%				
The business uses social media technologies to communicate their unique brand position in a way that is compelling to customers.	n	6	21	14	59	22	66.4%	3.57	1.12	0.89
	%	4.9%	17.2 %	11.5 %	48.4 %	18.0%				

The frequency distribution shows that 66.4% of the businesses use social media technologies to communicate their unique brand position in a way that is compelling to customers, a further 66.4% of the businesses use social media technologies to demonstrate the uniqueness of their brands and 64.2% of the businesses use social media technologies to distinguish a brand from its competing products. As indicated

136

in the findings, the majority of tourism SMMEs use SMTs to brand their products/services. This study is supported by Neti (2011) who posits that SMT is one of the best opportunities available to a brand for connecting with potential consumers. Furthermore, as illustrated in Figure 6.2, slightly more than half of the businesses under study use social media technologies to maintain dominance of the brand (59.3%) and also to introduce a particular brand (59.3%). This is interesting considering that few businesses (18.4%) as shown in Table 6.3 reach the prospective customers. This may mean that the tourism SMMEs' maintenance of existing brands and introduction of new brands preferably targets existing customers rather than prospective customers - itself a narrow but strategic perspective for small businesses that cannot afford "a blanket" marketing perspective. However, contrary to this view stakeholder theory posits that with the use of SMTs business communication should not only be targeted at existing stakeholders but with prospective stakeholders as well (Luoma-aho & Vos, 2010) and an inclusive approach towards groups to interact with would help improve the brand (Halcro, 2008).

However, Table 6.4 illustrate that most of the tourism SMMEs in the Free State province use social media for branding their products/services. These findings corroborate Odhiambo's (2012) study affirming that social media is the most effective marketing platform for creating brand awareness. Furthermore, North (2011) and Vukasovič (2013) affirm that there is a positive relationship between social media and branding.

137

6.5. MARKETING

Table 6.5: Marketing

Marketing		Frequency distribution						Descriptive		Factor -
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	% Agree/Strongly agree	Mean	Standard deviation	Latent factor - loading
The business markets its product/services through social media technologies.	n	7	26	9	48	33	65.9%	3.57	1.27	0.90
	%	5.7%	21.1%	7.3%	39.0%	26.8%				
The business conducts product/services promotions via social media technologies.	n	11	18	18	47	25	60.5%	3.45	1.24	0.91
	%	9.2%	15.1%	15.1%	39.5%	21.0%				
The business extends its market share through its social media campaigns.	n	8	23	26	43	23	53.7%	3.42	1.18	0.92
	%	6.5%	18.7%	21.1%	35.0%	18.7%				
The business attracts customers through advertising on social media technologies.	n	7	19	20	40	37	62.6%	3.64	1.25	0.92
	%	5.7%	15.4%	16.3%	32.5%	30.1%				
Social media technologies have an effect when marketing business brands/services.	n	6	24	18	38	35	60.3%	3.61	1.25	0.91
	%	5.0%	19.8%	14.9%	31.4%	28.9%				
Social media technologies play an important role to business marketing efforts.	n	6	26	16	30	45	61.0%	3.68	1.31	0.88
	%	4.9%	21.1%	13.0%	24.4%	36.6%				

Table 6.5 present frequencies and descriptive statistics for statements related to the use of social media technologies for marketing. The results show that 65.9% of the businesses market their products/services through social media technologies, while 62.6% of the businesses attract customers through advertising on social media

technologies. Based on these findings, marketing of products/services on social media seems to be present in the majority of tourism SMMEs in the Free State province. Hence Odhiambo (2012) posits that social media technologies are becoming popular and effective marketing tools. Furthermore, Leung, Law, van Hoof and Buhalis (2013) assert that given the emergence and prevalence of SMTs among the consumers, it is no longer enough for businesses in tourism and hospitality to rely solely on traditional media for marketing. Hence, the majority use SMTs to market their businesses as shown above.

About 60.5% of the businesses conduct products/services promotions via social media technologies whilst 53.7% of the businesses extend their market share through their social media campaigns. These findings partially support Tiago and Verıssimo's (2014) research into Digital marketing and social media in Portugal where only 41% of respondents define the promotion of social media activities as the primary driver for their social media technologies marketing efforts. The proliferation of usage of SMTs by customers and prospective customers might be the reason for this assertion. Contrary to these findings, Lekhanya (2013) in the study of the use of SMTs as the promotional tool for rural SMMEs in KwaZulu-Natal found that SMMEs are behind in leveraging these technologies to promote their products and services, as well as for interacting with potential customers.

The total of 60.3% of the businesses agree that social media technologies have an effect when marketing business brands/services and 61% agree that social media technologies play an important role in the businesses' marketing efforts. Perhaps this emanates from the SMTs' increasing importance in consumers' purchasing decisions (see Arca, 2012). These findings resonate with Kimani (2015) who argues that marketing on SMT allows businesses to generate new connections with customers and interact with them, instead of sending one-way messages to people.

6.6. EXTERNAL NETWORKING

Table 6.6 presents frequencies and descriptive statistics for statements related to use of social media technologies for external networking. The frequency distribution also shows that 66.7% of the businesses use social media technologies to increase the base of prospective customers and 62.6% agree that their businesses are significantly broadening customers' awareness of their products using social media technologies. These statistics illustrate that there is a substantial number of tourism SMMEs that use social media technologies to network externally with its stakeholders especially customers. Such external networking with its external stakeholders will provide SMMEs a wide range of benefits in additional areas, including consumer marketing (Bughin, Chui & Manyika, 2012).

About 57.9% of the businesses use social media technologies intensively to retain existing customers. The interpretation that communication is a key to business success as it assists businesses in communicating with existing stakeholders. Baruah (2012) concurs that social media technologies are good for customer interaction, customer feedback, and customer support and new business contacts can be acquired for networking purposes.

The frequency distribution shows that 49.6% of the businesses uses Facebook discussion forums to increase their dominance in the market. About 44.3% of the businesses collaborate with customers on WhatsApp to interact and improve their brand. Additionally, 41.5% of the businesses use Google+ to connect with and increase their market share. Although the usage of SMTs could increase the market share as indicated in the findings, the percentage is not satisfactory bearing in mind its popularity among the customers and potential customers. As the findings indicate, Facebook is the most popular application used among the tourism SMMEs in the study area to increase the market share of the business. The findings on the dominance of Facebook mirrors a study on the influence of SMTs on the tourism and hospitality industry in Austria conducted by Benea (2014) which found that Facebook was the most used tool for increasing the market share of businesses. A further 25.2% of the businesses employ LinkedIn to connect with their product range to potential

140

customers, whereas 18.7% of the businesses encourage customers to follow their personnel on Twitter.

Table 6.6: External networking

External networking		Frequency distribution					Descriptive			Latent factor - Factor loading
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	% Agree/Strongly agree	Mean	Standard deviation	
The business uses Facebook discussions forums to increase its dominance in the market	n	11	26	25	36	25	49.6%	3.31	1.27	0.80
	%	8.9%	21.1%	20.3%	29.3%	20.3%				
The business encourages customers to follow its personnel on Twitter.	n	16	59	25	12	11	18.7%	2.55	1.13	0.62
	%	13.0%	48.0%	20.3%	9.8%	8.9%				
The business employs LinkedIn to connect with its product range to potential customers.	n	14	64	14	18	13	25.2%	2.63	1.20	0.58
	%	11.4%	52.0%	11.4%	14.6%	10.6%				
The business uses Google+ to connect to connect with and increase its market share.	n	7	44	21	35	16	41.5%	3.10	1.18	0.58
	%	5.7%	35.8%	17.1%	28.5%	13.0%				
The business collaborates with customers on WhatsApp to interact and improve its brand.	n	10	42	16	38	16	44.3%	3.05	1.24	0.66
	%	8.2%	34.4%	13.1%	31.1%	13.1%				
The business uses social media technologies intensively to retain existing customers.	n	4	28	19	41	29	57.9%	3.54	1.17	0.87
	%	3.3%	23.1%	15.7%	33.9%	24.0%				
The business uses social media technologies to increase the base of prospective customers.	n	5	22	14	49	33	66.7%	3.69	1.16	0.91
	%	4.1%	17.9%	11.4%	39.8%	26.8%				
The business is significantly broadening customers' awareness of its products using social media technologies.	n	5	21	20	45	32	62.6%	3.64	1.17	0.87
	%	4.1%	17.1%	16.3%	36.6%	26.0%				

141

6.7. INTERNAL NETWORKING

Table 6.7 presents frequencies and descriptive statistics for statements related to use of social media technologies for internal networking. The frequency distribution shows that 67.5% of the businesses respond to questions and comments from customers and potential customers posed on social media technologies. In support, Leung et al. (2013) posit that Facebook offers an alternative web-based tool for tourism SMMEs to provide information, promote products/services, and respond to customer inquiries. Leung, Law, Van Hoof and Buhalis (2013) add that probable reason for this finding is that practitioners usually regard SMTs as a marketing and information distribution channel.

About 53.7% of the businesses agree that their employees use social media to contact co-workers when they are unreachable by other means. Employees need each other to be productive and clearly SMTs are useful in connecting them when unreachable. Furthermore, just over half (50.4%) of the businesses agree that their employees maintain contact with other people in the organisation through social media. This can help employees to share information that will help in production processes. Kasavana, Nusair and Teodosic (2010) concur and propose that SMTs utilised among employees constitute a collaboration of organisational intelligence, optimisation of employee talents, facilitation of communication, and shared insights related to the work environmental situation.

About 46.3% agree that their employees are free to engage with customers.
About 37.4% agree that their personnel are actively present in social media technologies for marketing purposes. These findings are surprising, and contrary to external networking, they indicate that tourism SMMEs in the study area do not adequately utilise social media to communicate internally.

Table 6.7: Internal networking

Internal networking		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	% Agree/Strongly agree	Mean	Standard deviation	Latent factor - Factor oading
		Frequency distribution						**Descriptive**		
The business responds to questions and comments from customers and potential customers posed on social media technologies.	n	8	22	10	47	36	67.5%	3.66	1.25	0.87
	%	6.5%	17.9%	8.1%	38.2%	29.3%				
The business' personnel are actively present in social media technologies for marketing purposes.	n	11	39	27	24	22	37.4%	3.06	1.26	0.82
	%	8.9%	31.7%	22.0%	19.5%	17.9%				
The business employees use social media to contact co-workers when they are unreachable by other means.	n	11	28	18	42	24	53.7%	3.33	1.27	0.82
	%	8.9%	22.8%	14.6%	34.1%	19.5%				
The business employees maintain contact with other people in the organisation through social media.	n	10	22	29	43	19	50.4%	3.32	1.18	0.88
	%	8.1%	17.9%	23.6%	35.0%	15.4%				
The business employees are free to engage with customers on SMTs.	n	13	22	31	41	16	46.3%	3.20	1.19	0.63
	%	10.6%	17.9%	25.2%	33.3%	13.0%				

143

6.8. USE OF SOCIAL MEDIA FOR STAKEHOLDER MANAGEMENT

6.8.1. Suppliers

Table 6.8 presents frequencies and descriptive statistics for statements related to use of social media technologies for interaction with suppliers. The frequency distribution shows that 27% of the businesses regularly use social media technologies to communicate with suppliers. About 24.4% of the businesses use social media technologies to engage with suppliers on procurement of products. A further 23.6% use social media technologies to collaborate with suppliers on pricing of products/services. These statistics show that the majority of tourism SMMEs in the Free State province do not utilise social media technologies to communicate, collaborate or to engage with their suppliers. Validating this finding, Ylimaula's (2013) study which explored the potential of social media in supplier relationship management in Finland, revealed that the usage of social media is negligible in work-linked communication. In support, Short's (2015) study findings affirm that merely 12% of businesses represented claim to use some form of social media to connect to their suppliers. This shows that social media usage by businesses is more focused on customers than other stakeholders. Leung et al. (2013:13) also suggests that suppliers could use SMTs such as business-to-business blogs to share opinions and information on latest trends, technological developments, research findings, and marketing tips.

144

Table 6.8: Suppliers

Suppliers		Frequency distribution					% Agree/Strongly agree	Descriptive		Factor - Latent factor loading
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree		Mean	Standard deviation	
The business regularly uses social media technologies to communicate with suppliers.	N	18	50	21	21	12	27.0%	2.66	1.21	0.95
	%	14.8%	41.0%	17.2%	17.2%	9.8%				
The business uses social media technologies to collaborate with suppliers on pricing of products/services.	N	19	53	22	21	8	23.6%	2.55	1.14	0.94
	%	15.4%	43.1%	17.9%	17.1%	6.5%				
The business uses social media technologies to engage with suppliers on procurement of products.	N	18	46	29	20	10	24.4%	2.65	1.16	0.95
	%	14.6%	37.4%	23.6%	16.3%	8.1%				

6.8.2. Competitors and investors

Table 6.9 presents frequencies and descriptive statistics for statements related to use of social media technologies for interaction with competitors and investors. The frequency distribution shows that 56.9% of the businesses visit competitors' social media technologies pages to observe what they are providing to their customers. It can be inferred from this finding that part of the competitive strategy of the business is exploring the business tactics of their rivals. About 56.9% visit competitors' social media technologies pages to observe what they are providing to their customers. Furthermore, 41.5% agree that the local community is informed about business development through social media technologies. A further 37.2% of the businesses involve the local community in their business decisions that affect the community through social media technologies. A further 29.5% of the businesses regularly use social media technologies to interact with their competitors. These statistics infer that only a few tourism SMMEs involve the local community through SMTs. Most tourism SMMEs neglect local communities. In contrast with this finding Muganda, Sirima and

145

Ezra (2013) affirm that local communities are viewed as important stakeholders in tourism development as it is within their immediate environment that tourism activities take place. Furthermore, just over a quarter (26%) of the businesses interact with investors through social media technologies. As illustrated on Table 6.9, few tourism SMMEs interact with competitors while the majority regularly spies on their competitors through social media technologies. With regard to the investors, the Table shows that only a few of the businesses under study interact with them. While many businesses seem to be employing social media to emulate the strategies of rivals, there is limited evidence to suggest tourism businesses are interested in interaction with competitors, investors or the local community.

Table 6.9: Competitors and investors

Competitors and investors		Frequency distribution					Descriptive			
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	% Agree/Strongly agree	Mean	Standard deviation	Latent factor - Factor loading
The business regularly uses social media technologies to interact with its competitors.	n	16	58	12	19	17	29.5%	2.70	1.28	0.87
	%	13.1%	47.5%	9.8%	15.6%	13.9%				
The business visits competitors' social media technologies pages to observe what they are providing to their customers.	n	13	30	10	46	24	56.9%	3.31	1.33	0.81
	%	10.6%	24.4%	8.1%	37.4%	19.5%				
The business interacts with investors through social media technologies.	n	15	52	24	22	10	26.0%	2.67	1.15	0.88
	%	12.2%	42.3%	19.5%	17.9%	8.1%				
Through social media technologies, the business involves local community in business decisions that affect the community.	n	14	44	18	30	15	37.2%	2.90	1.25	0.90
	%	11.6%	36.4%	14.9%	24.8%	12.4%				
The local community is informed about business development through social media technologies.	n	16	42	14	35	16	41.5%	2.94	1.31	0.87
	%	13.0%	34.1%	11.4%	28.5%	13.0%				

146

6.8.3. Regulators

Table 6.10 presents frequencies and descriptive statistics for statements related to use of social media technologies for interaction with regulators. The frequency distribution shows that 56.9% take the comments of their regulators communicated via social media technologies seriously; that 32.5% of the businesses regularly visit regulating authorities' social media technologies pages for information; and 27.6% use social media technologies to interact (e.g. seeking clarification, elaborations) with the regulators regarding regulations and policies. Moreover, just over a quarter (25.4%) of the businesses engage (e.g. lobbies and bargains) with the regulating authorities on regulations and policies via social media technologies. Perhaps this low interest of tourism SMMEs in utilising SMTs when dealing with regulators is influenced by regulators themselves not using the SMTs. In view of this assertion, Charalabidis and Loukis (2012) affirm that regulators have taken advantage of the potential of SMTs only to a limited extent. This can be interpreted to mean that tourism SMMEs prefer a more formal approach when dealing with regulators.

Table 6.10: Regulators

Regulators		Frequency distribution					Descriptive		Factor
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	% Agree/Strongly agree	Mean	Standard deviation	Latent factor - Factor loading
The business regularly visit regulating authorities' social media technologies pages for information.	n	13	44	26	23	17	32.5%	2.89	1.23	0.80
	%	10.6%	35.8%	21.1%	18.7%	13.8%				
The business uses social media technologies to interact (e.g. seeking clarification, elaborations) with the regulators regarding regulations and policies.	n	19	54	16	27	7	27.6%	2.58	1.16	0.91
	%	15.4%	43.9%	13.0%	22.0%	5.7%				
The business engages (e.g. lobbies and bargains) with the regulating authorities on regulations and policies via social media technologies.	n	20	53	18	19	12	25.4%	2.59	1.22	0.92
	%	16.4%	43.4%	14.8%	15.6%	9.8%				
The business takes the comments of its regulators communicated via social media technologies seriously.	n	12	29	12	45	25	56.9%	3.35	1.30	0.81
	%	9.8%	23.6%	9.8%	36.6%	20.3%				

148

6.8.4. Competitive Business Advantage

Table 6.11 and Figure 6.9 below present frequencies and descriptive statistics for statements related to the competitiveness of the business.

Table 6.11: Competitiveness

Competitiveness		Frequency distribution						Descriptive	
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	% Agree/Strongly agree	Mean	Standard deviation
The business have competitive advantage over other businesses.	n	1	8	63	41	10	41.5%	3.42	0.77
	%	0.8%	6.5%	51.2%	33.3%	8.1%			
The business regularly meets its targets.	n	1	9	22	61	30	74.0%	3.89	0.89
	%	0.8%	7.3%	17.9%	49.6%	24.4%			

The frequency distribution shows that 41.5% of the businesses have competitive advantage over other businesses and 74% regularly meet their targets. Despite the majority of tourism SMMEs in the study area regularly meeting their targets as illustrated by the statistics on Table 6.11, only fewer businesses have advantage over their competitors. It is surprising that the majority of the respondents posit that they meet their targets, whereas less than 50% of respondents have competitive advantage. Perhaps these businesses are setting low targets that are easy reached. However, Badenhorst-Weiss and Cilliers (2014) recommend SMME owners to differentiate themselves through providing a unique value package and promoting stakeholder intimacy if they are to achieve a competitive advantage.

6.9. OBJECTIVES/RESEARCH QUESTIONS

To address the objectives of this study, preliminary checks were done so as to determine the validity and reliability of the variables (or constructs) used in the analysis. The variables constructed for further analysis are branding, marketing, external networking, internal networking, suppliers, competitors and investors,

149

regulators, business growth, competitiveness and business performance. These variables are constructed by summing up the responses of all the items relating to that specific variable. Given that the creation of these variables involves summing up responses of the relevant questions, Cronbach's alpha coefficients had to be calculated to determine whether or not the variables are reliable. A Cronbach's alpha coefficient is used to test whether or not the items used for a variable actually measure that particular construct. The coefficients are presented in Table 6.14 below.

Table 6.12: Cronbach's Alpha

Constructed variables	Cronbach's Alpha	Number of Items
Branding	0.941	5
Marketing	0.956	6
External networking	0.881	8
Internal networking	0.864	5
Suppliers	0.939	3
Competitors and investors	0.915	5
Regulators	0.881	4
Competitiveness	0.693	2
Business performance	0.879	4
Business growth	0.862	4

A Cronbach's alpha value above 0.6 indicates a reliable variable (although these guidelines do differ from researcher to researcher). The table above shows that all the constructed variables have a Cronbach's alpha coefficient that is above 0.6, which means that these variables are reliable and can be used for further statistical analysis.

Another preliminary check that was done was a test to determine whether or not these variables are normally distributed. This is because the types of tests to be used depend on whether or not the variables are normally distributed. If the variables are normally distributed, parametric tests should be used; whereas if the variables are not normally distributed, then non-parametric tests should be used. An example of a parametric test is the Pearson correlation coefficient, which is used for testing the relationships between variables whereas an example of a non-parametric test is the Spearman's rho correlation coefficient, which is also a test for significant relationships between variables. The normality test used is the Kolmogorov-Smirnov (KS) test, which

determines whether or not the constructed variables are normally distributed. The results are presented in Table 15 below.

Table 6.13: Normality Test

Variables	KS Statistic	p-value
Branding	0.216	0.000
Marketing	0.113	0.001
External networking	0.139	0.000
Internal networking	0.138	0.000
Suppliers	0.202	0.000
Competitors and investors	0.137	0.000
Regulators	0.123	0.000
Competitiveness	0.180	0.000
Business performance	0.146	0.000
Business growth	0.190	0.000

In order to conclude from the KS test, the researcher looks at the p-value provided by the test. This p-value is compared with a significance level of 0.1. If the p-value is less than 0.1 we conclude that the variable is not normally distributed and if the p-value is greater than 0.1 we conclude that the variable is normally distributed. From the results above, all the variables have p-values that are below 0.1. This indicates that all these variables are not normally distributed. Because these variables are not normally distributed, it means that they have a skewed distribution and, therefore, non-parametric tests are to be used.

6.10. RESULTS AND DISCUSSION ON RESEARCH QUESTIONS

This section will present the statistical analysis and discussions of the research objectives of this study. This will be presented through mean percentage tables and correlations will also be used to test the relationship between variables.

6.10.1. Research objective 1

To examine the extent to which tourism SMMEs utilise SMTs in positioning and marketing particular brands and services (i.e. branding).

151

In order to address this objective, the mean percentages of the statements of branding in relation to social media technologies were calculated. These are presented in Table 6.16 below.

Table 6.14: Mean percentages of branding

Variable	Mean	Mean percentage
Branding	17.46	69.9%

Based on Table 6.16, the mean percentage of branding is 69.9%, which is a high percentage indicating that most of the businesses use social media technologies in their branding. This indicates that the majority of tourism SMMEs in the study area are using social media technologies to brand their products/services. This finding corroborates the finding from Zeng and Gerritsen's (2014:30) study on social media utilisation in tourism which posits that social media technologies contribute to brand building of tourist destinations. Furthermore, Oztamur and Karakadilar (2014) affirm that tourism SMMEs are aware that social media technologies are a powerful medium for discovering a significant consumer influence, engaging them and making brand advocates.

6.10.2. Research question 2

To establish the extent to which tourism SMMEs utilise SMTs in extending their market share of customers (customer orientation).

In order to address this objective, the mean percentages of the statements of marketing in relation to social media technologies were calculated. These are presented in Table 6.17 below.

Table 6.15: Mean percentages of marketing

Variable	Mean	Mean percentage
Marketing	21.38	71.3%

Based on Table 6.17, the mean percentage of marketing is 71.3% indicating that most of the businesses use social media technologies for marketing. This shows that tourism SMMEs in the study area are aware of the value of social media marketing,

152

hence their vibrant exploitation of such technologies. The tourism SMMEs as revealed in Table 6.17 seem to be well-positioned to take advantage of social media technologies as the sector has long relied mainly on its general reputation, customer referrals and spread of information through positive word-of-mouth marketing. The prominent use of social media technologies for marketing tourism SMMEs has consonance with Tiago and Verıssimo's (2014) study on digital marketing and social media which affirms that most of Portugal businesses rely on social media marketing to build their brands. Additionally, Sahin and Sengün (2015) affirm that businesses gain an important advantage over their competitors when they use the social media technologies for marketing purposes.

6.10.3. Research question 3

To determine how tourism SMMEs utilise social media to broaden their business networks (supply chain networks).

In order to address this objective, the mean percentages of the statements of external and internal networking, suppliers and competitors and investors in relation to social media technologies were calculated. These are presented in Table 6.18 below.

Table 6.16: Mean percentages of networking, suppliers, competitors and investors

Variables	Mean	Mean percentages
External networking	25.51	63.8%
Internal networking	16.56	66.2%
Suppliers	7.86	52.4%
Competitors and investors	14.53	58.1%

The percentage of internal networking is 66.2%, which is also a high percentage indicating that most businesses use social media technologies for internal networking. This finding is corroborated by Meske and Stieglitz's (2013) survey on German SMMEs which affirms SMMEs' use of SMTs to support collaboration among employees and to improve knowledge management. The percentage of external networking is 63.8%, which is a high percentage indicating that most of the businesses use social media technologies for external networking. Table 6.3 indicates that tourism businesses interact mainly with customer. This is perhaps because tourism SMMEs perceive customers as the most important stakeholder for their business. In support

153

of this view, EU Report (2013:8) affirms that to manage relationships with customers is a common driver both to large enterprises and SMMEs.

Furthermore, the percentage for suppliers is 52.4%, which indicates that about half of the businesses use social media technologies to communicate with their suppliers. Similarly, these findings illustrate that these businesses are indeed using social media technologies to generally interact with their stakeholders. In support, Fosso Wamba and Carter (2014) concur that social media tools can assist with improved communication and collaboration between the business and its stakeholders.

6.10.4. Research question 4

To investigate the ways in which tourism SMMEs utilise social media in interacting with regulating authorities.

In order to address this objective, the mean percentages of the statements of regulators in relation to social media technologies were calculated. These are presented in Table 6.19 below.

Table 6.17: Mean percentage of regulators

Variable	Mean	Mean percentage
Regulators	11.41	57.0%

The percentage of regulators is 57%, which is a high percentage indicating that slightly above half of the businesses use social media technologies to communicate with the regulating authorities as well as to get the regulation information. In support of this, Charalabidis and Loukis (2012) assert that using social media technologies to engage with regulators will provide SMMEs with a voice in policy discussions, development and implementation.

6.10.5. Research question 5

To explore the impact that SMMEs' utilisation of social media technologies has on competitiveness, correlation tests were done for the following pairs of variables:

154

(i)   competitiveness and branding

(ii)   competitiveness and marketing

(iii)   competitiveness and external networking

(iv)   competitiveness and internal networking

(v)   competitiveness and suppliers

(vi)   competitiveness and competitors and investors

(vii)   competitiveness and regulators

Since the KS test showed that the variables are not normally distributed, the Spearman's rho correlation coefficient test is used. These correlation tests aim to determine whether or not there is a relationship between competitiveness and each of the variables relating to social media technologies. If there is a positive relationship between two variables, the correlation coefficient will be positive and its value will range between 0 and 1. The closer the value is to 1 the stronger the relationship between the two variables. Whereas, if there is a negative relationship, the correlation coefficient will be negative and its value will range from -1 to 0. The closer the value is to -1 the stronger the relationship between the two variables.

For interpretations and conclusions on whether the two variables are correlated, the p-value is used. The p-value is compared to a significance level of 0.1 (one can use 0.05 or 0.01). If the p-value is less than 0.1 we conclude that a significant relationship exists between the variables, whereas if it is greater than 0.1, there is no significant relationship between the variables. It is important to highlight that all correlation coefficients are interdependency measures that do not express a causal relationship between two variables. A discussion of each of the relationships between competitiveness and the stakeholder variables relating to social media technologies is given below (Table 6.20).

Table 6.18: Correlations (Competitiveness vs stakeholders' variables)

Variables	Competitiveness	
	Correlation Coefficient	p-value
Branding	0.346	0.000
Marketing	0.491	0.000
External networking	0.447	0.000
Internal networking	0.535	0.000
Suppliers	0.137	0.131
Competitors and investors	0.273	0.002
Regulators	0.283	0.002

6.10.6. **The summary of correlations between variables**

The results above show that all the p-values for the correlation coefficients are less than 0.1 except for suppliers, which has a p-value of 0.131. This means that there are statistically significant relationships between competitiveness and each of the following variables: branding, marketing, external networking, internal networking, competitors and investors as well as regulators. But there is no significant relationship between competitiveness and suppliers.

6.10.6.1. *Correlation coefficient between competitiveness and branding*

The correlation coefficient between competitiveness and branding is 0.346 and the p-value is 0.000. This indicates that there is a significant positive relationship between competitiveness and branding. This means that tourism businesses' use of social media technologies for branding is associated with improved competitiveness of their businesses. Christou's (2014) study corroborates that trust in a social media brand has high influence in developing brand loyalty, which lead to competitiveness.

6.10.6.2. *Correlation between competitiveness and marketing*

The correlation coefficient between competitiveness and marketing is 0.491 and the p-value is 0.000. This indicates that there is a significant positive relationship between competitiveness and marketing. This means that small tourism's businesses' use of social media technologies for marketing is associated with improved competitiveness of their businesses. As small tourism businesses market their products more aggressively and counter the marketing strategies of their competitors, they are better

156

able to improve their volume of sales or improve their services provision in ways that improve the competitiveness of their businesses.

6.10.6.3. Correlation of competitiveness, external and internal networking

The correlation coefficients between competitiveness and external and internal networking are 0.447 and 0.535, both with p-values of 0.000. This indicates that there are significant positive relationships between competitiveness and external networking as well as between competitiveness and internal networking. This means that business use of social media technologies for external networking is associated with improved competitiveness of the business. Similarly, this means that small tourism businesses' use of social media technologies for internal networking is also associated with improved competitiveness of their businesses. This is validated by Bulankulama, Khatibi and Shokri's (2014) study on the effect of the utilisation of social media on competitive advantage, which affirms that employee's interaction and exchange knowledge and information's will increase tourism SMMEs' competitiveness.

6.10.6.4. Correlation among competitiveness, competitors and investors

In addition, the correlation coefficient between competitiveness and competitors and investors is 0.273 and the p-value is 0.002. This indicates that there is a significant positive relationship between competitiveness and competitors. This means that tourism businesses that use SMTs for communication and interact with competitors are competitive. In support of this view, UNCTAD (2009) affirm that globalisation, facilitated by rapid developments in technology, is creating new dynamics of competition. Moreover, the findings also indicate that there is a significant positive relationship between competitiveness and investors. Therefore, investors are associated with improved competitiveness of their business. A study on investor relation survey in European businesses conducted by Rogerson (2013) posits that a smaller percentage chose to engage more actively with the investment community through social media channels by promoting their views through blogs (23%), providing a platform for internal communication (23%), or engaging in dialogue with investors (7%). Therefore, tourism SMMEs will need to communicate, interact and engage with investors through SMTs for them to be competitive. This view is supported by Palanissamy (2014) who affirms that it has been established that investor relations

157

thrives well when dialogue is constant; and this has been enabled by the use of social media platforms.

6.10.6.5. Correlation between competitiveness and regulators

The correlation coefficient between competitiveness and regulators is 0.283 and the p-value is 0.002. This indicates that there is a significant positive relationship between competitiveness and regulators. This means that tourism businesses' use of social media technologies for interacting with regulating authorities is associated with improved competitiveness of their businesses. The discussion above highlights that competitiveness is positively related with each of the stakeholders' interactions using social media technologies. After determining that there are significant correlations between competitiveness and the variables, a regression equation is estimated with competitiveness as a dependent variable and the stakeholders' variables as independent variables. This regression is done so as to determine the impact that the SMMEs utilisation of social media technologies have on competitiveness. The results are reported in the table below (Table 6.21).

Table 6.19: Regression analysis (Competitiveness vs stakeholders' variables relating to SMTs)

DV: Competitiveness	Coefficients		T statistic	p-value
	Unstandardized	Standardized		
Intercept	4.912	-	10.400	0.000
Branding	-0.044	-0.158	-1.200	0.232
Marketing*	0.078	0.358	2.182	0.031
External networking	0.018	0.088	0.662	0.509
Internal networking*	0.088	0.300	2.195	0.030
Competitors and investors	-0.019	-0.071	-0.458	0.648
Regulators	-0.011	-0.032	-0.215	0.830
Adjusted R Square	0.247			

Note: DV = dependent variable

* - significant variables

Table 6.21 indicates that only the p-values for marketing are below 0.1 which means that businesses' use of SMT for marketing have a significant impact on competitiveness. The coefficient of the variable marketing is 0.078, which is a positive impact on competitiveness. The positive coefficient means that an increase in the

158

business use of social media technologies for marketing will lead to an improvement in the competitiveness of the business.

Moreover, p-values for internal networking are below 0.1 which means that businesses' use of social media technologies for internal networking have a significant impact on competitiveness. Additionally, the coefficient of the variable internal networking is 0.088, which is a positive impact on competitiveness. The positive coefficient means that an increase in the business use of social media technologies for internal networking will lead to an improvement in the competitiveness of the business. The R squared value of 0.247 means that about 24.7% of the variation in competitiveness of a business is explained by business use of social media technologies for marketing as well as the business use of social media technologies for internal networking. The standardised coefficients give an indication of the order of importance of these stakeholders' variables relating to social media technologies in explaining competitiveness. The results show that business use of social media technologies for marketing (0.358) has the highest impact on competitiveness followed by the business use of social media technologies for internal networking (0.3). This evidence corroborates with the study conducted by Kiráľová and Pavlíčeka (2015) which stated that to remain competitive, tourism SMMEs should use social media as a strategic marketing. In agreement Bulankulama et al. (2014) found in their study that the overall results confirmed that utilisation of social media was highly significant and positively correlated with competitiveness.

6.11. CHAPTER SUMMARY

This chapter presented and discussed the results from data analysis of this study. The findings were presented by frequency tables, graphs, Cronbach's alpha, Normality test, Mean percentage, Correlations and Regression analysis. Research questions were answered by interpreting the results. The next chapter presents the conclusion, recommendations for policy and practice as well as provides recommendations for future research. Limitations of the study will also be addressed in that chapter.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

7.1. INTRODUCTION

The previous chapter presented, interpreted and discussed the research findings on the tourism SMMEs' extent of utilisation of social media technologies, the nature of their communication with various stakeholders for branding, brand positioning and product marketing to customers, internal and external marketing, adoption of social media technologies for stakeholder management (i.e. engagement with suppliers, competitors, investors, regulators, customers). The chapter also examined the implications of branding, marketing, internal and external networking, and stakeholder management for improved competitiveness of tourism SMMEs. This current chapter concludes the study report by recapping the objectives of this study and their corresponding responses based on the presentation and discussion of findings, presenting the theoretical and practical contribution of the study, highlighting the recommendations for policy, practice and further research and presenting the final conclusion. The subsequent section revisits the aim and objective of the study.

7.2. RECAPPING RESEARCH QUESTIONS AND CONCLUSION

The research questions are presented in this section below together with the conclusion on each question.

Research question 1: *To what extent do tourism SMMEs utilise SMTs in positioning and marketing particular brands and services (i.e. branding)*?

To address this question, it is important to break down the answer into two parts: the constitution of brand positioning, which describes the way a business desires customers to perceive, think and feel about its brand and marketing, which describes the actively promotion of a product or service. To answer this question, the mean and percentage analysis was used. The findings indicate that majority (69.9%) of tourism SMMEs in the study area utilise social media technologies for branding their product/service. The empirical findings demonstrated that SMTs are important for branding tourism SMMEs' products/services as it is where customers and prospective customers often engage with the business. Strong brands enjoy customer loyalty, have the potential to generate premium prices, and develop considerable brand power

160

to support new product and service launches (Ghodeswar, 2008). **It can, therefore, be concluded that a significant majority of SMMEs in the Free State province utilise social media technologies in positioning and marketing their brands and services.** This conclusion is validated by Christou (2015) who reported that branding by tourism SMMEs through social media technologies builds stakeholder loyalty. Thus, tourism SMMEs have successfully taken advantage of social media technologies.

Research question 2: *To what extent do tourism SMMEs utilise SMTs in extending their market share of customers (customer orientation)*?

The mean percentage was used to answer this question. The results in Table 6.17 illustrate that a high proportion (71.3%) of tourism SMMEs utilise social media technologies in extending their market share of customers. **Therefore, it can be concluded that to a greater extent, tourism SMMEs in the study area utilise social media technologies to extend their market share of customers.** This results are consistent with Tiago and Verıssimo's (2014) study on digital marketing and social media which reported the intensive utilisation of social media technologies by tourism SMMEs. If the dominance in market share contributes directly to the profitability of firms, it can be argued that SMMEs stand to profiteer profits from effecting a social media marketing strategy.

Research question 3: To what extent do tourism SMMEs utilise social media to broaden their business networks (supply chain networks)?

To answer this question, the percentages calculation of the external and internal networking, suppliers, competitors and investors in relation to social media technologies were done. The mean percentage of external networking showed a high percentage (63.8) indicating that businesses use social media technologies to network with external stakeholders. On the other hand, the result for internal networking showed 66.2% of tourism SMMEs do interact with their internal stakeholders. The results indicated more than half (52.4%) of the businesses use social media technologies to engage with the suppliers. Furthermore, Table 6.18 shows that 58.1% of the tourism businesses do interact with competitors and investors through social media technologies. **It can be concluded that tourism SMMEs in the study area do utilise social media technologies by interacting, engaging, as well as collaborate with stakeholders.**

161

Research question 4: In what ways do tourism SMMEs utilise social media in interacting with regulating authorities?

In order to address this question, the mean percentage for regulators was calculated. The evidence suggests that slightly above half (57%) of the businesses use social media technologies to communicate with the regulators especially to source regulation information. Regulators include the tourism grading council of South Africa and the Department of Tourism Free State Tourism Board. Since tourism SMMEs operate in a regulatory environment with some policies and procedures such as health and safety policy, these firms have an obligation to acquire from regulators for them to be well acquainted with such policies to ensure sustainable tourism development. Though as it may be, there the statistics suggest that a sizable number of these SMMEs still do not engage with regulators. Overall, **it is concluded that tourism SMMEs in the study area generally utilise social media technologies to interact and engage with the regulating authorities regarding policies and regulations.**

Research question 5: *What impact does SMMEs' utilisation of SMTs have on competitiveness?*

Addressing this questions was instrumental in establishing the usefulness of social media technologies for tourism SMMEs. To answer this question, correlational tests were done for the following pairs of variables:

(i)   Competitiveness and branding
(ii)   Competitiveness and marketing
(iii)   Competitiveness and external networking
(iv)   Competitiveness and internal networking
(v)   Competitiveness and suppliers
(vi)   Competitiveness and competitors and investors
(vii)   Competitiveness and regulators

Table 6.20 reveals that there is a statistically significant relationship between competitiveness and each of the above mentioned variables except for competitiveness and suppliers. As illustrated in Table 6.20 in Chapter 6, competitiveness is positively related with each of the stakeholders' variables relating

162

to use of social media technologies. The correlation coefficient between competitiveness and the aforementioned variables have a significant positive relationship. Since each of the variables with which competitiveness was compared was facilitated by social media technology, **it can be concluded that the use of social media technologies has a positive influence on the competitiveness of Tourism SMMEs in the study area.** This conclusion affirms Bulankulama, Khatibi and Shokri's (2014) finding on a significant and positive correlation of utilisation of social media and competitiveness of firms.

The results reveal that the business' utilisation of social media technologies for marketing and internal networking has a significant impact on competitiveness. Businesses' use of STMs for marketing (0.358) has the highest impact on competitiveness followed by the business use of SMTs for internal networking (0.3). **Therefore, it is concluded that the increase in the usage of social media technologies by businesses especially for marketing and internal networking leads to increased competitiveness of hospitality firms.**

7.3. CONCLUSION BASED ON THE LITERATURE

In this section, a detailed discussion of phenomenon under study (i.e. the utilisation to of social media to advance tourism SMMEs including relationship management in the tourism SMMEs) is rendered drawing on mainstream literature. This is useful to demonstrate the extent of congruence and contradictions of mainstream literature with the broad narrative of findings articulated in this study.

7.3.1. Social media technologies and Tourism SMMEs

Most scholars generally concur that the use of social media technologies are important to the competitiveness of tourism SMMEs (Baruah, 2012; Aspasia & Ourania, 2014; Kiráľová & Pavlíčeka, 2014; Surugiu & Surugiu, 2015). One of the interesting dimensions is that tourism SMMEs' stakeholders especially customers utilise social media platforms (such as Facebook) to acquire information about tourist resorts, accommodations etc. from family and friends and even strangers from different countries. The revolution of internet-based SMTs has enabled travellers to share their travel experiences and information shared on SMTs is recognised as assisting tourists

163

to make decisions about destinations (Zeng & Gerritsen, 2014). Surugiu and Surugiu (2015) warn tourism businesses that stakeholders do not just collect information via SMTs, but they also want to provide feedback from their previous experiences of the use of their services/products.

7.3.2. Business connectivity with customers

Yet, the adoption of social media technology is not necessarily the explorative creation of customers only as businesses also harness the same platforms for competitive advantage. In support of this view, Musungwini, Zhou, Zhou and Ruvinga (2014) posit that a business that understands the advantage of social media is well conscious that social media is critical in developing new business in the current competitive and online driven marketplace. Hence, through social media, businesses have an opportunity to be exposed to prospective customers. Emerging entrepreneurs are adopting social media to improve the management of their stakeholders such as relations with customers, relations with employees and suppliers, expedite their business operations and marketing of the business brands.

7.3.3. Identifying the customers' product needs and preferences

This narrative resonates with Surugiu and Surugiu (2015) who affirm that tourism SMMEs are harnessing social media technologies regularly to develop their businesses and to improve their marketing mix to address the product and service needs and preferences of the consumers. Furthermore, Surugiu and Surugiu (2015) further affirm that SMTs embody valuable resources in the identification of stakeholder's needs and accordingly providing modified, innovative up-do-date products/services.

Drawing on the broad literature discussed in this section, it can be argued that tourism SMMEs are currently utilising social media inconsistently to develop their relationship with stakeholders, thus positively improve their competitiveness. They seem to use SMTs on an ad hoc basis without any formal adoption. To the contrary, literature suggests that customers are active online sharing information, commenting and seeking information. Therefore, tourism SMMEs need not lag behind if they are to retain their customer base.

7.3.4. Tourism SMMEs' social media mediated relationships with stakeholders

7.3.4.1. Identities of tourism SMME stakeholders

Freeman (1984:46) defines a stakeholder as "any group or individual who can affect or is affected by the achievement of the organisation's objectives". For tourism SMMEs, customers comprise tourists, guests, patrons (etc.) who visit the guest lodges, bed-and-breakfasts, resorts and tourist attractions for leisure. Suppliers are the companies and organisations that render resources needed by the tourism SMMEs to provide goods or services to their customers. The competitors, on the other hand, are other tourism SMMEs, large businesses in the tourism sector in the same place or even in different countries that provide the same or almost the same products/services. Hult, Mena, Ferrell and Ferrell (2011) posit that though competitors may contest for customers, they also collaborate through joint ventures or by sharing a supply chain. The regulator serves to provide policies and regulations in the tourism sector. Regulators are usually national, provincial and local governments.

7.3.4.2. Role and responsibilities of tourism SMME stakeholders

Each of the stakeholders play a fundamental role in the success of tourism SMMEs. Customers play an important role as the consumers of tourism products/services. Hence, Hult et al. (2011) affirm that an important effect of a customer orientation is its significant relationship to business performance. Suppliers are essential to the tourism SMMEs as they supply them with the necessary resources that enable them to be productive. Hult et al. (2011) assert that the business' relationships with its suppliers can also be instrumental to the firm's ability to improve its performance. Competitors can be useful when working together and also as a measure for SMMEs' quality and Regulators/government are the provider of policies that may affect the sustainability of tourism sector. In view of this, the regulator/government is responsible for determining policies and plans as well as setting and imposing standards in the sector (Anuar, Ahmad, Jusoh & Hussain, 2012).

7.3.4.3. Significance of stakeholders in the tourism SMMEs

Thus, each group of stakeholders is a critical element to the success of the tourism SMMEs. Although stakeholders play an important role in the development of tourism, stakeholders are not all equally important. There are those who are actively involved

and are more important than others (Dabphet, 2013). For instance, there are primary stakeholders, which are the groups the business depends on for its survival and continued success. In the case of this study the customers and suppliers were the primary stakeholders. Secondary stakeholders affect or are affected by the business, yet they are not important for its survival (Hult, Mena, & Ferrell, 2011). The stakeholders included regulators, the community and competitors. However, there is a need for tourism SMMEs to take all the stakeholders seriously as they are important and needed to various degrees for business competitiveness. In view of this assertion, Peric, Durkin and Lamot (2014) affirm that in the tourism environment, very generic categories of stakeholders are important for the development of tourism sector.

7.3.4.4. Stakeholders and firm competitiveness

As Yilmaz and Gunel (2009) affirm, stakeholders should be considered as the main actors in achieving success and gaining competitive advantage. In view of this, it is important to recognise the key stakeholders which most affect competitiveness of tourism SMMEs and accept how each group of stakeholders utilise their interests in sustainable tourism development (Dabphet, 2013). In view of the above, there is a need for tourism SMME managers/owners to ensure their business' competitiveness through managing business stakeholders. In support of this view, Wu (2013) postulates that competitive advantage is the fundamental concern of strategic management in which stakeholder management is entrenched. Therefore, for competitiveness to occur, stakeholder management needs to be part of the tourism SMMEs' strategy.

7.3.4.5. Impact of SMTs on business-stakeholder relations

The proliferation of SMTs means that it has become much easier to develop weak ties, which can be tapped into provide information or assistance, or to collaborate (Schroeder, 2013). However, technological developments and the growth of social media are also making possible innovative forms of business interaction and activity involving new types of business relationships. Therefore, there is a need for tourism SMMEs managers/owners to utilise SMTs effectively to improve the profitability, growth and competitiveness. The welfare of the business is critical to improve the relationship between the business and its stakeholders. A business will also be judged

by the way it reacts to online consumer feedback, especially negative comments or complaints. The impact of SMTs on business-stakeholder relations will be positive, for instance, if customer's comments or complaints are engaged with. This will not only improve the relationship, but the products/services the business provide as well.

7.4. RECOMMENDATIONS FOR POLICY, PRACTICE AND IMPLICATIONS

Given the importance of tourism in the South African economy and the proliferation of tourism SMTs in recent years, this study sought to establish interventions for increasing the competitiveness of tourism SMMEs in such a highly competitive multifaceted globalised sector. Based on the foresaid summary of findings, the study renders the following recommendations.

7.4.1. Recommendations for policy

The competition within the tourism sector is also proliferating. To assist small businesses in the tourism sector regulators and policy makers such as Free State Tourism Authority, should take increased interest in promoting integration of social media technologies into SMME operations. The Authority can also formulate relevant regulation to enable the improved competitiveness and stimulation of growth of tourism SMMEs through promoting social media use among emerging entrepreneurs to ensure increased market size for emerging businesses. In view of the minimalist interactions between regulators and tourism SMMEs, regulators such as the Tourism Grading Council of South Africa should encourage tourism SMMEs proactively use social media for interact with regulators to keep themselves abreast with the policy dynamics and international tourism patterns.

7.4.2. Strategic linkages with stakeholders

Although internal networking and external networking had significant positive relationship with competitiveness even though internal networking's relationship with competitiveness was stronger, there is a need to balance the internal and external networking of these tourism SMMEs and stakeholders. Sharing of technological knowledge, information, processes and systems through networking internally can further improve the competitiveness of the SMMEs. Furthermore, if tourism SMMEs improve their networking with policy-makers it will benefit all the stakeholders and

further increase competitiveness through spill over effects such as building of social trust, creation of entrepreneurial social capital and building social cohesion.

7.4.3. Inclusive stakeholder engagement and management forum

The other interesting dimension is the differential positioning of various stakeholders as they networked with tourism SMMEs as customers and tended to interact more with such firms compared to regulators and competitors. In view of this differential engagement with external stakeholders, there is a need for a more inclusive and robust stakeholder engagement and management forum to identify all relevant stakeholders, manage stakeholder needs and expectations in an equitable, transparent and more balanced manner. This engagement policy framework would assist most tourism SMMEs to desist from concentrating on customers exclusively as compared to other stakeholders. Tourism businesses can also benefit from clearly articulating their needs, expectations and desires to their stakeholders leading to the creation of an inclusive stakeholder engagement policy framework that serves the interests of all and reconcile the conflicts of interest among stakeholders.

7.5. RECOMMENDATIONS FOR PRACTICE

7.5.1. Integrate social media into business competitive strategy and processes

Only about 57% of tourism SMMEs interacted with regulators through SMTs. This limited interaction between regulators and SMMEs may be problematic in this SMT era. The Free State Provincial Board on Tourism should provide regional tourism liaison personnel that support and advise tourism SMMEs on matters relating to tourism policy regulations, tax incentives, local and regional tourism trends, financial opportunities (grants, incentives) and ensure their integration to their SMT mediated marketing and branding strategies to ensure their business success.

According to the National Development Plan (2011), South Africa's problem is in a low growth and middle income trap which might be a cause of a low levels of competitiveness for goods and services. Given the clear positive significant relationships between internal and external networking and competitiveness, tourism SMMEs should be encouraged to integrate social media platforms into their business

competitive strategy, marketing and engagement strategy and business processes to increase their return of investment. Benea (2014) posits that the social media phenomenon represents an ongoing trend where tourism SMMEs has a lot to gain.

7.5.2. Integration of SMTs into the formal communication strategy of tourism SMMEs

The findings demonstrated that the tourism SMMEs' adoption of SMTs remain informal and on an ad hoc basis. To increase the competitiveness of such firms, social media technologies need to be integrated into the formal external information strategy of these businesses to improve their international competitiveness of these firms. Figure 6.1 in the previous chapter indicated that 17.1% of tourism SMMEs do not use SMTs. This and the ad hoc, informal and unsustainable adoption of SMTs is problematic for SMMEs. Therefore, the Free State Provincial Government in conjunction with the Free State Tourism Authority should introduce pro-technology policies that would encourage tourism SMMEs to enthusiastically embrace social media technologies in promoting their businesses.

7.5.3. Business training on SM marketing and integration into business processes

Despite the reported positive relationship among internal and external business networking and business competitiveness (Table 6.6 and 6.7), Table 6.2 illustrated that only a few businesses had advanced knowledge of SMTs. Perhaps, this explains the reluctance or inability of SMMEs to manage appropriate strategies and allocate resources accordingly to successfully engage with social media networking with stakeholders (Aspasia & Ourania, 2014). Therefore, tourism SMME owners/managers should run business training on social media marketing and how to integrate social media into their business processes provide themselves and employees with the necessary functional competencies on the appropriate application and proper utilisation of SMTs in a business context. Business training should also be offered in the technology-enhanced management of stakeholders to equip owners/managers with social media mediated knowledge and skills to manage their stakeholders. In support, Yilmaz and Gunel (2009) posit that the concept of stakeholder management depends on the mechanisms by which organisations understand and respond to the needs and demands of their stakeholders. Therefore, owners/managers of tourism

169

SMMEs should take all stakeholders' interests into consideration in their decision-making processes.

7.5.4. Pro-technology budget and social media specialist recruitments

As indicated in Table 6.2 (Chapter 6) only about 8.2% of tourism SMMEs make use of social media specialist in their businesses. Perhaps lack of resources might be one of the reason for the low numbers of businesses using SMTs specialists to handle the social media in the tourism SMMEs. Tourism SMMEs should invest in social media technologies specialists by ensuring that a certain percentage (e.g. 5%) of their total annual budget is allocated to the adoption of the latest technologies such as website development, social media analytics and employment of social media specialists to run the company social networking sites. This can be done by providing funds for training of SMTs specialists and through incentives to encourage tourism SMMEs to hire these trained SMTs specialists.

7.5.5. Sustainable internet connectivity

The results revealed that 10.6% of respondents do not have access to internet (Figure 6.1). This is problematic for these tourism SMMEs considering the global trends and patterns and challenges of such businesses to take advantage of and wither respectively. The internet can be an extremely useful tool for tourism SMMEs in creating strong brands and gaining competitive advantage given the evidence pointing to the importance of adoption of SMTs in building brands (see Table 6.4). Tiago and Verıssimo (2014:708) concur that the effective utilisation of SMTs for providing information, connecting with stakeholders and generating sales offers a competitive advantage to small businesses. Therefore, public agencies such Small Enterprise Development Agency (SEDA) and National Youth Development Agency (NYDA) may need to provide funding to support the setting up of reliable internet, business website and reliable SMTs for stakeholder interaction.

7.5.6. Communication incentives to support economically productive tourism SMMEs

The concentration of tourism SMMEs in communicating via email (56.9%) while only few (15.4%) use an interactive and engaging SMTs with stakeholders could be because SMMEs perceive SMTs as time-consuming and high bandwidth intensive

nature of collaboration especially when they involve multimedia affordances. Network service providers may be exhorted to provide cost free or low cost data to tourism SMMEs if they are contributing directly to local socio-economic development, social empowerment and local income generation. This would make interaction and collaboration via SMTs cheaper at particular periods and allow more durable interactions unconstrained by exorbitant costs of communication. The extended interactions and collaborations would be instrumental in increasing the trust between the tourism business and their multiple stakeholders. In support of this view, Quinlan, Lally and O'Donovan (2013) posit that the benefits of collaboration in tourism activity by destination stakeholders are many and consist of positive outcomes for individual organisations and the destination. As Yilmaz and Gunel (2009) confirm, that in today's difficult business environment, most of the organisations' efforts are focused on establishing the trust of key stakeholders. Zeng (2013) support this recommendation by affirming that web-based networks play increasingly crucial role in many aspects of tourism (e.g. communication, interaction, collaboration) and promoting this will encourage stakeholders' engagement with businesses via social media channels.

7.6. RECOMMENDATIONS FOR FURTHER RESEARCH

The current use of ad hoc and informal utilisation of SMTs by tourism SMMEs in the study area does not seem like there is any policies on the utilisation. Perhaps future studies should research on the formalisation of SMTs adoption within SMMEs. Future comparative studies may need to compare the business performance implications of voluntary formal uses of SMTs by business with compulsive adoption i.e. situations where businesses are compelled by pressure from stakeholders (e.g. customers) to adopt social media.

Future studies may also need to compare the business competitiveness levels of early adopters of SMTs (e.g. those using it for over 10 years) with late adopters (e.g. those with less than three years). Other studies may also make comparisons of the profitability and sales levels of those SMMEs adopting SMTs for one purpose and those adopting wider uses of SMTs. Furthermore, this research was done in the Free State province, therefore cannot be generalised to the whole country. Future research should thus extend to other provinces.

171

7.7. THEORETICAL CONTRIBUTION

Scholarly research on social media and its marketing communication role within the business and industry is expanding (Tang, Hämäläinen, Virolainen & Makkonen, 2011; Dahnil, Marzuki, Langgat & Fabeil, 2014). Nicolaides (2015) points out that stakeholder management denotes how businesses deal with their shareholders as well as all the other stakeholders with whom they have relations or upon whom their operations have a bearing in some way or another. Furthermore, Freeman (1984) asserts that in order to implement stakeholder theory, the business needs to have a total appreciation of all the entities who have interests in the planning, delivery and also the outcomes of a product or service. Tourism SMMEs can do this through the continuous interactions with their stakeholders. The idea of stakeholder approach to strategic management, suggests that managers must formulate and apply processes which eventually satisfy other various groups related to the business (Peric, Durkin & Lamot, 2014). Furthermore, Peric et al. (2014) posit that the fundamental task in this process is to manage and integrate the relationships and interests of all of the identified stakeholders in a way that it ensures the long-term success of the firm. In the context of this study, this means tourism SMMEs should ensure that they have identified their stakeholders and continuously manage their relations with them though SMTs.

Quinlan, Lally and O'Donovan (2013) posit that in the international tourism sector the benefits of engaging with and harnessing the collective energy of multiple stakeholders is widely recognised and encouraged. However, the perceived challenges associated with stakeholder engagement such as conflict of interest, lack of trust and profit-oriented can make destination managers uncertain about the implementation of the practice to its full potential. The challenges of smallness and resource constraints of tourism SMMEs may force manager/owners of tourism SMMEs to perceive regular interaction with stakeholders as expensive and time consuming, not worth pursuing consistently. In view of the above contention, this study argues that to improve the management of stakeholders SMTs can be used as a tool of connectivity and interaction. Therefore, SMT mediated stakeholder management is conceived to positively impact competitiveness of businesses through interactive interaction.

172

The findings in Chapter 6 (Table 6.3) show that tourism SMMEs prefer to communicate more with customers than other stakeholders. Similarly, Adams and Frost (2006) which examined the use of online tools for communicating social and environmental performance to stakeholders found that businesses' online tools are primarily geared towards customers and a small set of shareholders. This is inconsistent with the notion that all stakeholders are important for the organisations. Nonetheless, Lutz and Hoffmann (2013) further posit that online media are rarely framed or analysed as promising tools for engaging stakeholders such as employees, local communities, public institutions or social groups. Thus, the use of SMTs as a tool of engagement will assist tourism SMMEs in equally interacting and engaging with all the relevant stakeholders' not just customers. The integration of SMTs into stakeholder theory, as argued by this study, will make it easy for tourism SMMEs to build the relationship with the stakeholders of their businesses. In support of this view, Nicolaides (2015) asserts that the usually apparent focus on customer relationships should be further stretched to the total network of all stakeholders so that in the business environment, relationships with all stakeholders and the promotion of shared interests becomes essential to competitiveness.

Stakeholder theory posits competitors as the secondary stakeholders to the firm (Hult et al., 2011; Drienikova & Sakal, 2012; Nicolaides, 2015). Hence, the findings (see Table 6.9) in the previous chapter revealed that tourism SMMEs seem not to interaction much with competitors hence the reduced collaboration between them. Quinlan, Lally, and O'Donovan (2013) posit that tourism SMMEs are perceived as autonomous bodies with distinguishing brand identities, though they unite under the regional and national tourism sector. Conversely, tourism SMMEs in the same province should collaborate and grow connectivity to gain competitive success.

Social media create the possibility that at any moment any activity related to a business may become visible and virally spread among various stakeholders. Therefore, it is in the best interest of a business to sustain an image pleasant to its existing and potential stakeholders through this media. Thus, social media can be expected to affect stakeholder engagement in corporate governance in a variety of domains (Lutz & Hoffmann, 2013). Hence, this study pointed to the centrality of

Stakeholders Theory and stakeholder management is understanding the impact of SMTs in shaping business-stakeholder relations in an increasingly networked world. Ni, Wang, De la Flor and Peñaflor (2015) assert that one of the foremost benefits of stakeholder engagement is learning through dialogue and gaining understanding. Yet the traditional one way of communication with stakeholders is inconsistent with the ethos of organisational learning, interaction and conversational dialogue. In view of the above assertion, this study argues that incorporating SMTs into the stakeholder theory as a channel of engagement will make the both stakeholders and business benefit more through collaboration, engagement and open dialogue. Luoma-aho and Vos (2010) observe that with the development of new communication technologies, traditional ways of thinking about stakeholders are becoming outdated as communication with and among stakeholders are moving onto new stages outside business' control. Halcro (2008) affirms that the stakeholder theory suggests that business that adopt an inclusive approach towards the groups it interact with, would improve business competitiveness. Based on the above, figure 7.1 present a revised model.
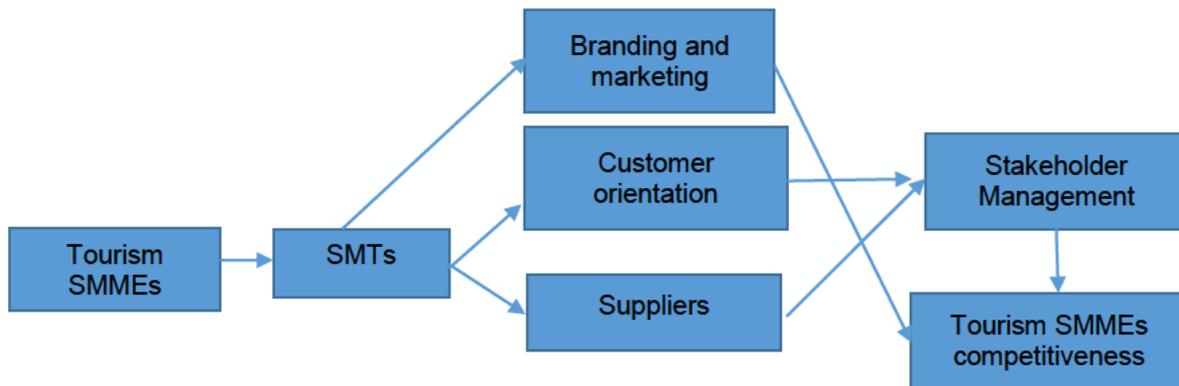
Figure 7.1: A revised model of relationship among SMMEs, stakeholders and competitiveness

Figure 7.1 shows the conclusions from the study by indicating a revised model which was initially proposed in the conceptual framework. The model illustrates that there is a relationship between social media and marketing and branding. Furthermore, the model shows that there is a significant relationship between the use of social media by tourism SMMEs and customer orientation and suppliers. However, the relationship between SMTs' interaction with regulators reduced as weak. This model can serve as a guideline to owners/managers of SMMEs on how to utilise SMTs to gain competitiveness for their businesses.

7.8. LIMITATIONS

This study was limited to tourism SMMEs in the Free State province. Therefore, the results cannot be generalised to the whole sector of tourism and it also should not be generalised to other provinces. Furthermore, during data collection, the researcher was unable to reach locations in the outskirts of the province because of financial and time constraints. In spite of this limitation, the researcher managed to secure sufficient responses to make generalisations about the study population based on the sample. Some of the respondents accessed the researcher accessed declined to participate, citing that they are not allowed to participate in any research as ruled by their SMME owner, while others claimed that they were busy. This is not withstanding the researcher' explanations about the possible intellectual benefits (e.g. increased knowledge on technology adoption in the sector, insights about international tourism trends) of the study to the tourism sector. Since this study was informed by voluntary participation, the researcher was compelled to skip those respondents who declined

175

to participate. It can be plausible that respondents might give the researcher the responses they believe are legitimate and appropriate rather than their actual behaviour. That said, the research instrument clearly emphasised the importance of answering all questions with sincerity, accuracy and completeness. The researcher also clarified to respondents that he was interested in their actual behaviour, rather than acceptable behaviours.

7.9. CONCLUDING REMARKS

The current chapter first recapped the research questions to remind the critical reader about the focus of this investigation, rendered a conclusion based on existing literature, based on research questions and recommendations. The SMMEs were exhorted to focus on technological innovation and take advantage of the proliferation of social media use (Surugiu & Surugiu, 2015) to communicate, engage and collaborate with stakeholders. Regular and continuous systematic use of SMTs will lead to competitive advantage (Mandal, 2012). Furthermore, the findings were discussed and recommendation provided for policy, practice and further research. Contribution to knowledge and limitations of the study was also provided.

REFERENCES

Aaltonen, K. 2010. Stakeholder management in international projects. Unpublished doctoral dissertation, Finland: Aalto University.

Acs, Z. & Virgill, N. 2009. Entrepreneurship in developing countries. *Jena Economic Research.* [Online]. Available: http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.415.9691&rep=rep1&type=pdf (2015, October 05).

Agbenyegah, A. T. 2013. Challenges facing rural entrepreneurship in selected areas in South Africa. Unpublished doctoral dissertation, Potchefstroom: North West University, Potchefstroom.

Agbobli, E.K. 2013. The influence of entrepreneurial and market orientations on small scale agricultural enterprises in the Vryburg region. Unpublished doctoral dissertation, Bloemfontein: Central University of technology, Free State.

Aghapour, A., Hojabri, R., Manafi, M. & Hosseini, S. 2012. Behind Ambiguities of Tourism Entrepreneurship Tourism; Illumination of Different Aspects. *International Journal of Innovative Ideas*, 12(3): 25-29.

Aguenza, B. B., Al-Kassem, A. H. & Som, P. M. 2012. Social Media and Productivity in the Workplace: Challenges and Constraints. *Interdisciplinary Journal of Research in Business*, 2(2): 22-26.

Ahliya, S. 2010. The Importance of Hotels and Accommodation in Promoting Tourism. [Online]. Available: http://ezinearticles.com/?The-Importance-of-Hotels-and-Accommodation-in-Promoting-Tourism&id=3656576 (2016, March 18).

Ahmed, Z. U., Julian, C. C. & Mahajar, A. J. 2006. Export incentives and international entrepreneurship in Malaysian firms. *International Journal of Entrepreneurship and Innovation,* 7(1): 49-57.

Akram, M. S. & Albalawi, W. 2016. Youths' social media adoption: Theoretical model and empirical evidence. *International Journal of Business and Management*, 11(2): 22-30.

Alberghini, E. Cricelli, L. & Grimaldi, M. 2010. Implementing knowledge management through IT opportunities: definition of a theoretical model based on tools and processes classification, *The Proceedings of the 2nd European Conference on Intellectual Capital*, Lisbon, Portugal, 29-30 March, 22-33.

Ali, A. Y. & Ali, A. H. 2013. Entrepreneurship development and poverty reduction: empirical survey from Somalia. *American International Journal of Social Science*, 2(3): 108-113.

Aliyu, B., Biodun, A. K. & Aliyu, O. A. 2013. The relationship between tourist expectation, perceived quality and satisfaction with tourism products. *International Business Management*, 7(3): 158-164.

Amra, R. Hlatshwayo, A. & McMillan, L. 2013. SMME Employment in South Africa. *Paper presented at the biennial conference of the Economic Society of South Africa*, Bloemfontein, 25-27th September.

Andrieu, E. C. 2010. The entrepreneur according to the Austrian school. Unpublished Master's Thesis, Pretoria: University of South Africa.

Anuar, A. N. A., Ahmad, H., Jusoh, H. & Hussain, M. Y. 2012. Understanding the Role of Stakeholder in the Formation of Tourist Friendly Destination Concept. *Journal of Management and Sustainability*, 2(2): 69-74.

Apulu, I. 2012. Developing a framework for successful adoption and effective utilisation of ICT by SMEs in developing countries: A case study of Nigeria, Unpublished doctoral dissertation, West Midlands: University of Wolverhampton.

Arca, C. 2012. Social Media Marketing benefits for businesses: Why and how should every business create and develop its Social Media Sites? Unpublished masters' thesis. Denmark: Aalborg University.

Argandona, A. 2011. Stakeholder theory and value creation. [Online]. Available: http://www.iese.edu/research/pdfs/di-0922-e.pdf (2016, July 07).

Argyris, Y. A. & Monu, K. 2015. Corporate use of social media: technology affordance and external stakeholder relations. *Journal of Organizational Computing and Electronic Commerce*, 25(2): 140-168.

Arko-Achemfuor, A. 2015. Exploring partnerships between Unisa and Education stakeholders in supporting adult learners at a distance. *International Journal of Education Science*, 8(3): 616-629.

Aspasia, V. & Ourania, O. 2014. Social Media adoption and managers' perceptions. *International Journal on Strategic Innovative Marketing*, 1: 61-73.

Baba G.K. 2013. The Challenges of Entrepreneurship Development in Nigeria and Way Forward. *Journal of Business and Organizational Development*, 5(1): 54–64.

Badea, M. 2014. Social media and organizational communication. *Social and Behavioural Sciences*, 149: 70–75.

Badenhorst-Weiss, J. A. & Cilliers, J. O. 2014. Competitive advantage of independent small businesses in Soweto. *Southern African Business Review,* 18(3): 1-21.

Baruah, T. D. 2012. Effectiveness of Social Media as a tool communication and its potential for technology enabled connections: a micro-level study. *International Journal of Scientific and Research Publications*, 2(5): 1-10.

Beever. J. 2015. Positioning is key factor for social media (and all marketing) success. NewIncite, [Online]. Available: http://www.newincite.com/marketing-strategy/positioning-key-social-media-marketing-success/. (2016, January 28).

Bell, S., Tyrvainen, L., Sievanen, T., Probstl, U. & Simpson, M. 2007. Outdoor recreation and nature tourism: A European perspective. *Living Reviews in Land Research*, 1(2): 1-46.

Benea, I. A. 2014. Influences of social media on the Tourism and Hospitality Industry. Vienna: Modul University.

Bere, A. & Rambe, P. 2016. An empirical analysis of the determinants of mobile instant messaging appropriation in university learning. *Journal of Computing in Higher Education*, 1-29.

Berno, T. & Bricker, K. 2001. Sustainable tourism development: the long road from theory to practice. *International Journal of Economic Development*, 3(3): 1-18.

Bethapudi, A. 2013. The role of ICT in tourism industry. *Journal of Applied Economics and Business*, 1(4): 67-79.

Biddix, J. P. 2016. Instrument, Validity, Reliability. [Online]. Available: https://researchrundowns.com/quantitative-methods/instrument-validity-reliability/ (2016, November 09).

Bidgoli, S. J., Arani, A. A. S. & Bidgoli, F. O. 2014. City branding position and challenges. *Indian Journal of Fundamental and Applied Life Sciences*, 4(S1): 166-173.

Biodun, A. B. 2014. Expectation, perceived quality and satisfaction of Nigerian tourist in Malaysia. Unpublished Masters dissertation, Malaysia: University Utara.

Bonarou, C. 2011. Heritage tourism and museum management. Alexander Technology Educational Institute of Thessaloniki, Greece.

Borker, D. R. 2014. Social media marketing in emerging economies: A Mongolian Case Study. *International Journal of Marketing Studies*, 6(2): 31-45.

Boyd, D. 2007. Social network sites: Public, private, or what? Knowledge Tree. [Online]. Available: http://www.danah.org/papers/KnowledgeTree.pdf (2016, October 12).

Braunerhjelm, P & Hamilton, U. S. 2012. Social entrepreneurship – a survey of current research. [Online]. Available: http://econpapers.repec.org/paper/hhsentfor/2012_5f009.htm (2015, August 20).

Briedenhann, J. & Wickens, E. 2004. Tourism routes as a tool for the economic development of rural areas – vibrant hope or impossible dream? *Tourism Management*, 25: 71-79.

Brossman, M. 2015. Social media in developing countries. [Online]. Available: https://www.linkedin.com/pulse/social-media-developing-countries-martin-brossman (2016, November 07).

Brown, G. & Thornton, M. 2013. How entrepreneurship theory created economics. *The Quarterly Journal of Austrian Economics*, 16(4): 401-420.

Brück, T., Naudé, W. & Verwimp, P. 2011. Small Business, Entrepreneurship and Violent Conflict in Developing Countries. *Journal of Small Business & Entrepreneurship*, 24(2): 161-178.

Bryman, A. & Bell, E. 2011. *Business research methods*. New York: Oxford University Press.

Bula, H. & Tiagha, E. 2012. Women Entrepreneurs: A demographic Perspective *European Journal of Business and Management*, 4(9): 101-110.

Bula, H. O. 2012. Evolution and theories of entrepreneurship: a critical review on the Kenyan perspective. *International Journal of Business and Commerce*, 11: 81-96.

Bula, H. O., Tiagha, E. & Waiguchu, M. 2014. An Empirical Analysis of Entrepreneurship Scorecard and Performance of Small Scale Women Entrepreneurs

in Urban- Kenya. *International Journal of Humanities and Social Science,* 4(5): 208-215.

Bulankulama, S. W., Khatibi, A. & Shokri, T. S. 2014. The effect of utilization of social media for competitive advantage in Sri Lankan Hotel industry. *International Journal for Innovation Education and Research,* 2(12): 127-132.

Byamukama, J. B. A. 2014. Socio-economic analysis of factors that affect African Entrepreneurial activities in the tourism sector of Gauteng province, SA. Unpublished Doctoral Thesis, Pretoria: Tshwane University of Technology.

Candela, G & Figini, P. 2012. *The Economics of Tourism Destinations.* Springer Texts in Business and Economics.

Cannas, R. 2012. An Overview of Tourism Seasonality: Key Concepts and Policies. *Almatourism - Journal of Tourism, Culture and Territorial Development,* 3(5): 40-58.

Carmichael, B. A. & Ainley, S. 2014. Rural Tourism Entrepreneurship Research. *Tourism Planning & Development,* 11(3): 257-260.

Chang, J. 2011. Introduction: Entrepreneurship in Tourism and Hospitality: The Role of SMEs. *Asia Pacific Journal of Tourism Research*, 16(5): 467-469.

Charalabidis, Y. & Loukis, E. 2012. Participative public policy making through multiple social media platforms utilization. *International Journal of Electronic Government Research*, 8(3): 78-97.

Chen, J. S. 2015. Tourism stakeholders attitudes towards sustainable development: a case in the Arctic. *Journal of Retailing and Consumer Services*, 22: 225-230.

Chikandiwa, S. T. 2013. The role of social media in the marketing communication mix: a case study of South African banks. Unpublished masters' dissertation, Richards Bay: University of Zululand.

182

Chikandiwa, S. T., Contogiannis, E. & Jembere, E. 2013. The adoption of social media marketing in South African banks. *European Business Review*, 25(4): 365 – 381.

Choto, P., Tengeh, R. K. & Iwu, C. G. 2014. Daring to survive or to grow? The growth aspirations and challenges of survivalist entrepreneurs in South Africa. *Environmental Economics*, 5(4): 93-101.

Christou, E. 2014. Branding Social Media in the Travel Industry. In: *International Conference on Strategic Innovative Marketing*, IC-SIM 2014, September 1-4, Madrid, Spain.

Chui, M., Manyika, J., Bughin, J., Dobbs, R., Roxburgh, C., Sarrazin, H., Sands, G. & Wetergren, M. 2012. *The social economy: unlocking value and productivity through social technologies*. City: McKinsey Global Institutes.

Clark, K. B. Brown, V. & Sitzia, J. 2003. Good practice in the conduct and reporting of survey research. *International Journal for Quality in Health Care*, 15(3): 261-266.

Couldry, N. 2008. Actor network theory and media: do they connect and on what terms? In: A, Hepp, F, Krotz, S, Moores, & C. Winter (eds.) *Connectivity, networks and flows: Conceptualizing contemporary communications* (93-110). Cresskill, New Jersey: Hampton Press.

Cresswell, K. M., Worth, A. & Sheikh, A. 2010. Actor-Network Theory and its role in understanding the implementation of information technology developments in healthcare. *BMC Medical Informatics and Decision Making*, 10(67): 1-12.

Creswell, J. W. 2003. *Research Design: Qualitative, Quantitative, and Mixed Method Approaches* (2nd nd Ed.). Thousand Oaks, California: Sage Publications.

Dabphet, S. 2013. The key stakeholders in the implementation of sustainable tourism development in two rural towns of Thailand. *International Journal of Business Tourism and Applied Sciences*, [Online]. Available: http://www.ijbts-journal.com/images/main_1366796758/0029-Siripen.pdf (2015, September 04).

183

Dahnil, M. I., Marzuki, K. M., Langgat, J. & Fabeil, N. F. 2014. Factors influencing SMEs adoption of social media marketing. *Procedia-Social and Behavioral Sciences,* 148: 119-126.

Davids, E. 2008. Theoretical analysis of the development of tourist guiding in South Africa. Unpublished Master's dissertation, Cape Town: Cape Peninsula University of Technology.

De Colle, S. 2005. A stakeholder management model for ethical decision making. *International Journal of Management and Decision Making,* 6(3/4): 299-314.

De Jong, P. J. & Marsili, O. 2010. Schumpeter versus Kirzner: An empirical investigation of opportunity types. [Online]. Available: http://ondernemerschap.panteia.nl/pdf-ez/h201004.pdf (2015, August 20).

De Vos, A. S., Strydom, H., Fouche, C. B. & Delport, C. S. L. 2011. *Research at grass roots: for the social sciences and human service professions*, Pretoria: Van Schaik publishers.

Denyer, D., Parry, E. & Flowers, P. 2011. "Social", "open" and "participate"? Exploring personal experiences and organisational effects of enterprise 2.0 use. *Long Range Planning*, 44: 375-396.

Derksen, M. & Beaulieu, A. 2010. Social Technology. *The Sage Handbook of the Philosophy of Social Sciences*, 703-720.

Dewing, M. 2010. Social media: an introduction. [Online]. Available: http://www.lop.parl.gc.ca/content/lop/researchpublications/2010-03-e.pdf (2015, August 13)

Dizaji, M. & Badri, A. K. 2014. The effect of exports on employment in Iran's economy. *Merit Research Journal of Art, Social Science and Humanities*, 2(6): 81-88.

184

Donaldson, T. & Preston, 1995. The stakeholder theory of the corporation: concepts, evidence and implications. *Academy of Management Review*, 20(1):65-91.

Drienikova, K & Sakal, P. 2012. Respecting stakeholders and their engagement to decision making – the way of successful corporate social responsibility strategy. *Research Papers Faculty of Materials Science and Technology Slovak University of Technology*, 20: 165–173.

Drost, E. A. 2011. Validity and Reliability in Social Science Research. *Education Research and Perspectives*, 38(1): 105-123.

Dzansi, D.Y, 2004. Social responsibility of SMMEs in rural communities, PhD Thesis. Pretoria: University of Pretoria.

Edosomwan, S., Prakasan, S. K., Kouame, D., Watson, J. & Seymour, T. 2011. The history of social media and its impact on business. *The Journal of Applied Management and Entrepreneurship*. 16(3): 1-13.

Enyinna, O. 2013. Is stakeholder theory really ethical? *African journal of Business ethics*. 7(2): 79-86.

Erero, J. L. 2011. Tourism: the growing export sector in South Africa. Department of Economic Development and Tourism, Kwazulu-Natal province. Working paper 1.4.

European Travel Commission. 2016. European tourism in 2016: trends & prospects quarterly report. [Online]. Available: file:///C:/Users/lmosweuny/Downloads/ETC+-+Quarterly+Report+Q3-2016_Public+-+Updated.pdf (2016, September 21).

Fatoki, O. 2014. The causes of the failure of new small and medium enterprises in South Africa. *Mediterranean Journal of Social Sciences*, 5(20): 922-927.

Ferreira, E. J. 2007. An analysis of business interventions and their effect on the perceived success of South African SME. Unpublished doctoral dissertation. Pretoria: University of South Africa.

Fong, M. W. L. 2009. Technology leapfrogging for developing countries. *Global Information Technology*, 3707-3713.

Fontaine, C., Haarman, A. & Schmid, S. 2006. The stakeholder theory. [Online]. Available: www.martonomily.com/site/default/files/attach/Stakeholders%20theory.pdf (2015, October 01).

Fosso-Wamba, S. & Carter, L. 2014. Social media tools adoption and use by SMEs: An empirical study. *Journal of End User and Organizational Computing,* 26(1): 1-16.

Fouka, G. and Mantzorou, M. 2011. What are the Major Ethical Issues in Conducting Research? Is there a Conflict between the Research Ethics and the Nature of Nursing? *Health Science Journal.* 5(1): 3-14.

Frankfort-Nachmias, C. & Nachmias, D. 2008. *Research methods in the social sciences.* New York: Worth Publishers.

Freel M., Carter S., Tagg S. & Mason, C. 2012. The latent demand for bank debt: characterizing discouraged borrowers. *Small business economics,* 38: 399-418.

Freeman, R. E. 1984. Stakeholder theory of the modern corporation. General Issues in Business Ethics.

Freeman, R. E, 1994. The politics of stakeholder theory: some future directions, *Business ethics quarterly*, 4(4): 409-421.

Freeman, R. E. 2004. The stakeholder approach revisited. *Journal for Business, Economics and Ethics*, 5(3): 3-16.

Freeman, R. E. Wicks, A. C. and Parmar, B. 2004. Stakeholder Theory and the corporate objective revisited. *Organization Science,* 15(3): 364-369.

Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. & de Colle, S. 2010. Stakeholder theory: some future directions. *Business ethics quarterly*, 4(4): 409 – 421.

186

Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. & de Colle, S. 2010. *Stakeholder theory: the state of the art*. New York: Cambridge university press.

Freeman, R. E. & McVea, J. 2015. A stakeholder approach to strategic management. Social Science Research Network electronic paper collection. [online]. Available: http://papers.ssrn.com/paper.taf?abstract_id=263511 (2015, September 01).

Gaál Z, Szabó L, Obermayer-Kovács N and Csepregi A. Exploring the role of social media in knowledge sharing. *The Electronic Journal of Knowledge Management*, 13(3): 185-197.

Gachago, D., Ivala, E., Backhouse, J., Bosman, J. P., Bozalek, V. & Ng'ambi, D. 2013. Towards a shared understanding of emerging technologies: experiences in a collaborative research project in South Africa. *The African Journal of Information Systems,* 5(3): 94-105.

Garoma, B. F. 2012. Determinants of microenterprise success in the urban informal sector of Addis Ababa: a multidimensional analysis. Unpublished doctoral thesis. Netherlands: Erasmus University Rotterdam.

Garvare, R. & Johansson, P. 2010. Management for sustainability – A stakeholder theory. *Total Quality Management & Business Excellence*, 21(7): 737-744.

Gauteng department of finance. (2012). Review of the tourism industry in SA and Gauteng. Quarterly Bulletin. [Online]. Available: http://www.treasury.gpg.gov.za/Documents/Quaterly%20Bulletin%20_Review%20of%20the%20Tourism%20Industry%20in%20Gauteng%20and%20SA.pdf (2016, August 10).

Gharibpoor, M. Allameh, S. A. & Abrishamkar, M. M. 2012. New Concept of Social Network Citizenship Behavior: Definition and Elements. *Australian Journal of Basic and Applied Sciences*, 6(9): 154-163.

Ghodeswar, B. M. 2008. Building brand identity in competitive markets: a conceptual model. *Journal of Product and Brand Management*, 17(1): 4–12.

Gillwald, A. Moyo, M. & Stork, C. 2012. Understanding what is happening in ICT in South Africa: A supply- and demand-side analysis of the ICT sector. Evidence for ICT Policy Action Policy Paper 7. [Online]. Available: http://www.researchictafrica.net/publications/Evidence_for_ICT_Policy_Action/Policy_Paper_7_-_Understanding_what_is_happening_in_ICT_in_South_Africa.pdf (2015, November 03).

Go, E & You, K. H. But not all social media are the same: Analysing organisations' social media usage patterns. *Telematics and Informatics,* 33: 176–186.

Goldstuck, A. 2016. South African Social Media Landscape 2016: Executive Summary. [Online]. Available: http://www.worldwideworx.com/wp-content/uploads/2016/02/SA-Social-Media-Landscape-2016-Executive-summary.pdf (2016, November 03).

Gonzalez-Pernía, J L. & Peña-Legazkue, I. Export-oriented entrepreneurship and regional economic growth. *Small Business Economics*, 45(3): 505–522.

Gülruh, Gü & Aykol, S. 2009. Entrepreneurial management, entrepreneurial orientation and Turkishsmall firm growth. *Management Research News*, 32(4): 321–336.

Hajli, M. N. 2013. A study of the impact of social media on consumers*. International Journal of Market Research*, 56(3): 387-404.

Halcro, K. 2008. Stakeholders: a source of competitive advantage? An analysis of the influence of stakeholders on the strategies of independent, rural, Scottish museums during their organisational life cycle. Unpublished doctoral thesis. Musselburgh: Queen Margaret University.

Hammad, S. 2013. Investigating the stakeholder management in construction projects in the Gaza strip. Unpublished Masters dissertation. Gaza: The Islamic University of Gaza.

Hanson, J & Narula, U. 2012. *New communication technologies in developing countries*. New York: Routledge, Taylor and Francis.

Harrison, J. S., Bosse, D. A. & Phillips, R. A. 2010. Managing for stakeholders, stakeholder utility functions, and competitive advantage. *Strategic Management Journal*, 31: 58-74.

Harrison, J. S. & Wicks, R. A. 2013. Stakeholder theory, value, and firm performance. *Business Ethics Quarterly,* 23(1): 97-124.

Hassan, S., Nadzim, S. Z. A. & Shiratuddin, N. 2014. Strategic Use of Social Media for Small Business Based on the AIDA Model. *Social and Behavioral Sciences*, 172: 262–269.

Hatipoglu, B., Alvarez, M. D. & Ertuna, B. 2014. Barriers to stakeholder involvement in the planning of sustainable tourism: the case of the Thrace region in Turkey. *Journal of Cleaner Production*, 111: 306–317.

Havinal, V. 2009. *Management and Entrepreneurship*. New Age International Publishers, New Delhi.

Heale, R. & Twycross, A. 2015. Validity and reliability in quantitative studies. *Evidence Based Nursing*, 18: 66-67.

Heath, E. 2001. Globalisation of the tourism industry: Future trends and challenges for South Africa. South African *Journal of Economics and Management Sciences*, 4 (3): 542-569.

Hebert, R. F. & Link, A. N. 2009. A History of Entrepreneurship. *International Journal of Business and Social Science*, 2(9): 241-242.

Hellriegel, D., Jackson, S.E., Slocum, J., Staude, G., Amos, T., Klopper, H.B., Louw, L & Oosthuizen, T. 2008. *Management: third South African edition.* Cape Town: Oxford University Press.

Herrington, M. Kew, J. & Kew, P. 2009. Tracking entrepreneurship in South Africa: A gem perspective. *The Global Entrepreneurship Monitor (GEM) Report.* UCT Centre for Innovation and Entrepreneurship at the Graduate School of Business.

Herrington, M. & Kew, P. 2016. Is South Africa heading for an economic meltdown? Global Entrepreneurship Monitor. South African Report.

Hessels, J. & van Stel, A. 2011. Entrepreneurship, export orientation, and economic growth. *Small Business Economics*, 37: 255–268.

Hoffman, D. L. & Novak, T. P, 2012. Why Do People Use Social Media? Empirical Findings and a New Theoretical Framework for Social Media Goal Pursuit. [Online]. Available: https://ssrn.com/abstract=1989586 (2016, October 13).

Hoffmann, C. P. & Lutz, C. 2013. The impact of online media on stakeholder engagement and the governance of corporations. *Journal of Public Affairs*, 1-12.

Hult, G. T., Mena, J. A., Ferrell, O. C. & Ferrell, L. 2011. Stakeholder marketing: a definition and conceptual framework. *Academy of Marketing Science*, 1:44–65.

Hussain, M. D., Bhuiyan, A. B., & Bakar, R.2014. Entrepreneurship development and poverty alleviation: an empirical review. *Journal of Asian Scientific Research*, 4(10): 558-573.

Ifeyinwa, B. E. 2014. Cultural Tourism and Sustainability in Nigeria. *Mediterranean Journal of Social Sciences*, 5(14): 649-655.

Internet World User. 2016. [Online]. Available: http://www.internetworldstats.com/stats1.htm (2016, November 03).

Ioanăs, E. & Stoica, I. 2014. Social media and its impact on consumer behaviour. *International Journal of Economic practices and Theories,* 4(2): 295-303.

Ipsos-MORI 2009. Understanding your stakeholders: A best practice guide for the public sector. [Online]. Available: https://www.ipsos-mori.com/downloadpublication/1318_sri-understanding-stakeholders-november-2009.pdf (2015, October 20).

Ivala, E. & Gachago, D. 2012. Social media for enhancing student engagement: the use of Facebook and blogs at a university of technology. *South African Journal of Higher Education,* 26(1): 152-167.

Jaafar, M., Abdul-Aziz, A. R., Maideen, S. A. & Mohd, S. Z. 2011. Entrepreneurship in the tourism industry: Issues in developing countries. *International Journal of Hospitality Management*, 30: 827-835.

Jaafar, M., Rasoolimanesh, S. M. & Lonik, K. A. T. 2015. Tourism growth and entrepreneurship: Empirical analysis of development of rural highlands. *Tourism Management Perspectives,* 14: 17–24.

Jacobs, Z. J. (2014). Stakeholder use of social media: A communicative catalyst of corporate social responsibility. [Online]. Available: http://triceratops.brynmawr.edu/dspace/bitstream/handle/10066/14370/2014JacobsZ_thesis.pdf?sequence=1 (2016, September 19).

Jacobius, P. 2016. Virtual Holidays Full of Advertisements? [Online]. Available: http://www.virtual-reality-in-tourism.com/virtual-holidays-full-of-advertisements/ (2016, November 28).

Jagongo, A. & Kinyua, C. 2013. The social media and entrepreneurship growth (A new business communication paradigm among SME in Nairobi). *International Journal of Humanities and Social Science*, 3(10): 213-227.

Jimena, J. 2010. How to create A Meaningful Stakeholder Engagement Process [Online]. Available:

http://www.canadianminingjournal.com/features/how-to-create-a-meaningful-stakeholder-engagement-process/ (2015, November 19)

Jones, G. & Wadhwani, R. D. 2006. *Entrepreneurship and business history: renewing the research agenda.* A working paper.

Jones, T. M., Felps, W. & Bigley, G. A. 2007. Ethical theory and stakeholder related decisions: the role of stakeholder culture. *Academy of Management Review*, 32(1): 137-155.

Jurdana, D. S., Milohnić, I. & Dadić, L. 2015. Entrepreneurship in tourism as a factor of rural development. *Journal of WEI Business and Economics*, 4(2): 1-10.

Kabue, J. N. 2013. Factors influencing adoption of social media advertising on growth of small and medium enterprises: a case of Nairobi County, Kenya. Unpublished Masters' thesis. Nairobi: University of Nairobi.

Kaleka, A. 2012. Studying resource and capability effects on export venture performance. *Journal of World Business*, 47: 93-105.

Kaplan, A.M. & Haenlein, M. 2010. Users of the world, unite! The challenges and opportunities of Social Media. *Business Horizons*, 53(1): 59-68.

Kärkkäinen, H., Jussila, J. & Väisänen, J. 2010. Social media use and potential in business-to-business companies' innovation in: A. Lugmayr, H. Franssila, O. Sotamaa, C. Safran & T. Aaltonen (ed.). *Proceedings of the 14th International Academic MindTrek Conference*: Envisioning Future Media Environments, Tampere, Finland, 6-8 October 2010, 228-236.

Kasavana, M. L., Nusair, K. & Teodosic, K. 2010. Online social networking: Redefining the human web. *Journal of Hospitality and Tourism Technology*, 1(1): 68–82.

192

Kazimoto, P. 2014. Assessment of Challenges facing Small and Medium Enterprises towards International Marketing Standards: a Case Study of Arusha Region Tanzania. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 4(2): 303–311.

Kearney, C., Hisrich, R. D. & Antoncic, B. 2013. The mediating role of corporate entrepreneurship for external environment effects on performance. *Journal of Business Economics and Management*, 14(1): 328-357.

Keeton, G. 2014, Inequality in South Africa. *The Journal of the Helen Suzman Foundation*, 1(74): 2-31.

Kelley, K., Clark, B., Brown, V. & Sitzia, J. 2003. Good practice in the conduct and reporting of survey research. *International Journal of Quality in Health care*, 15(3): 261-266.

Trainor, K. J. 2012. Relating Social Media Technologies to Performance: A Capabilities-Based Perspective, *Journal of Personal Selling & Sales Management*, 32(3): 317-331.

Khazaei, A. Elliot, S. & Joppe, M. 2015. An application of stakeholder theory to advance community participation in tourism planning: the case for engaging immigrants as fringe stakeholders. *Journal of Sustainable Tourism*, 23(7): 1049-1062.

Kimani, E. 2015. Role of social media marketing on organisational performance in Kenya. *Journal of Business and Management,* 17(1): 101-105.

Kiráľová, A & Pavlíčeka, A. 2015. Development of Social Media Strategies in Tourism Destination. *Social and Behavioral Sciences*. 175: 358–366.

Kurgun, H., Bagiran, D., Ozeren, E. & Maral, B. 2011. Entrepreneurial Marketing - the Interface between Marketing and Entrepreneurship: A qualitative research on boutique hotels. *European Journal of Social Sciences*, 2(3): 240-357.

193

Landqvist, H & Stålhandske, P. 2011. Risk propensity of entrepreneurs - A study of underlying factors in background and personality in comparison with managers. [Online]. Available: https://gupea.ub.gu.se/bitstream/2077/26609/1/gupea_2077_26609_1.pdf (2015, July 28).

Lee, C., Bergin-Seers, S., Galloway, G., O'Mahony, B & McMurray, A. 2008. seasonality in the tourism industry Impacts and Strategies. [Online]. Available: https://coastaltourismacademy.co.uk/uploads/CRC_Queensland_2008_Seasonality_ in_the_tourism_industry_(2).pdf (2015, March 10).

Lee, H., Harindranath, G., Oh, S. & Kim, D. 2015. Provision of mobile banking services from an actor network perspective: Implications for convergence and standardization. *Technological Forecasting and Social Change*, 90(PB): 551-561.

Lekhanya, L. M. 2013. The use of social media and social networks as the promotional tool for rural small, medium and micro enterprises in Kwazulu-Natal. *International Journal of Scientific and Research Publications,* 3(7): 1-7.

Leung, D., Law, R., van Hoof, H. & Buhalis, D. 2013. Social Media in Tourism and Hospitality: A Literature Review. *Journal of Travel & Tourism Marketing*, 30(1-2): 3-22.

Lombard, L. 2016. Overview: SA Tourism growth over the last decade. [Online]. Available: http://traveller24.news24.com/Explore/BusinessTravel/overview-sa-tourism-growth-over-the-last-decade-20160330 (2016, September 16).

Lopéz, E. P., Buhalis, D. & Fyall, A. 2009. Entrepreneurship and Innovation in Tourism. *Revista de Turismo y Patrimonio Cultural*, 7(3): 355-357.

Lumpkin, G. T. & Dess, G. G. 1996. Clarifying the Entrepreneurial Orientation Construct and Linking It to Performance. *The Academy of Management Review,* 21(1): 135-172.

Luoma-aho, V. & Vos, M. 2010. Towards a more dynamic stakeholder model: acknowledging multiple issue arenas. *Corporate communication,* 15(3): 315-331.

Madal, D. 2011. The impact of social media on entrepreneurial networks, Unpublished doctoral Thesis. Hamilton: university of Waikoto.

Magombo, A. 2011. The development of tourism and the accommodation sector in Malawi since independence. Unpublished masters' thesis. Johannesburg: University of the Witwatersrand.

Maha, A. 2015. The Challenges and Opportunities of Social Media in the Hospitality Industry. A Study of the North East Region of Romania. *European Integration - Realities and Perspectives,* 10: 424-432.

Makhalemele, N. P. 2016. The relationship between managerial competencies and the performance of Internet café in the Free State region. Unpublished masters' dissertation. Bloemfontein: Central University of Technology, Free State.

Mammadov, R. 2012. The importance of transportation in tourism sector. *7th silk road international conference on challenges and opportunities of sustainable economic development in Eurasian countries.* Tbilisi - Batumi, Georgia.

Manole, D. S., Nisipeanu, E. & Decuseară, R. 2014. Study on the competitiveness of Small and Medium-sized Enterprises (SMEs) in Vâlcea County. *Theoretical and Applied Economics*, XXI(4): 113-130.

Manzuma-Ndaaba, N. M., Harada, Y. & Islam, A. 2014. Challenges to Growth in Tourism Industry of a Developing Country: The Case of Nigeria. *Asian Social Science,* 10(19): 282-290.

Maree, K. 2013. *First steps in research.* Pretoria: Van Schaik Publishers.

Marstein, E. 2003. The influence of stakeholder groups on organisational decision-making in public hospitals. Unpublished doctoral Thesis. Norway: Business Intelligent Norwegian School of management.

Mathieson, A. & Wall, G. 1982. *Tourism: economic, physical and social impacts.* Harlow: Longman.

Maurya, U. K. & Mishra, P. 2012. What is a brand? A perspective on brand meaning. *European Journal of Business and Management*, 4(3): 122-133.

Mei, M. Q. 2012. Customer orientation and organisational responsiveness. [Online]. Available: http://druid8.sit.aau.dk/acc_papers/de0brgxcfcrp727o9v63jic71sfn.pdf (2016, December 08).

Melia, D. 2011. Trends in the Food and Beverage Sector of the Hospitality Industry. [Online]. Available:
http://arrow.dit.ie/cgi/viewcontent.cgi?article=1049&context=tfschmtcon (2016, November 17).

Meske, C. & Stieglitz, S. 2013. *Adoption and Use of Social Media in Small and Medium-sized Enterprises.* In F. Harmsen & H. Proper (Eds.), Practice-driven research on enterprise transformation (61–75). Lecture Notes in Business Information Processing. Berlin: Springer.

Michaelidou, N., Siamagka, N. T. & Christodoulides, G. 2011. Usage, barriers and measurement of social media marketing: an exploratory investigation of small and medium B2B brands. *Industrial Marketing Management*, 40(7):1153-1159.

Miller, D. 1983. The Correlates of Entrepreneurship in Three Types of Firms. *Management Science*, 29(7): 770-791.

Modimogale, L. 2008. ICT and SMEs' Competitiveness in South Africa: how can SMEs Use ICT to become Competitive in South Africa? Unpublished masters' dissertation, Pretoria: University of Pretoria.

196

Moeti, M. 2016. The development of a business social responsibility model to improve the long term sustainability of hospitality SMMEs in the Free State region. Unpublished Masters dissertation, Bloemfontein: Central University of the Free State.

Mokaya, S. O., Namusonge, M. & Sikalieh, D. 2012. The Concept of Entrepreneurship: in pursuit of a Universally Acceptable Definition. *International Journal of Arts and Commerce,* 1 (6): 128-135.

Monakhisi, N. P. 2008. An analysis of the benefits of the growth in tourism to the local communities in the Panorama region, Mpumalanga province, University of South Africa.

Mori, N. 2010. Roles of stakeholders in strategic decision-making of microfinance organisations. *International Business and economics research Journal,* 9(7): 51-64.

Mouton, J. 2011. *How to succeed in your masters' & doctoral studies: A South African guide and resource book.* Pretoria: Van Schaik publishers.

Mpumalanga Department of Finance. Role of tourism in Mpumalanga economy. [Online]. Available:
http://finance.mpu.gov.za/documents/ea.Role.of.Tourism.in.Mpumalanga.Economy.pdf (2016, November 12).

Muganda, M., Sirima, A. & Ezra, P. M. 2013. The role of local communities in tourism development: grassroots perspectives from Tanzania. *Journal of Human Ecology*, 41(1): 53-66.

Musungwini, S., Zhou, T. G., Zhou, M. & Ruvinga, C. 2014. Harnessing social media for business success: Case Study of Zimbabwe. *International Journal of Computer Science and Business Informatics*, 11(1): 80-89.

Neculăesei, A., Prodan, A., Manolescu, T. O. & Nicolescu, C. 2012. Fundamentele sociale ale antreprenoriatului, *Journal of Social Economy*, 3: 3-22.

Najda-Janoszka, M. 2013. Innovative activity of small tourist enterprise-cooperation with local institutional partners. *Journal of Entrepreneurship management and innovation*, 9(1): 17-32.

National Planning Commission. 2010. National Development Plan 2030: Our future-make it work. [Online]. Available: http://www.dac.gov.za/sites/default/files/NDP%202030%20-%20Our%20future%20-%20make%20it%20work_0.pdf (2016, November 02).

Nemaenzhe, P. P. 2010. Retrospective analysis of failure causes in South African small businesses, Unpublished doctoral Thesis, Pretoria: University of Pretoria.

Neti, S. 2011. Social media and its role in marketing. *International Journal of Enterprise Computing and Business Systems*, 1(2): 1-15.

Neubaum, D. O., Dibrell, C. & Craig, J. B. 2012. Balancing natural environmental concerns of internal and external stakeholders in family and non-family businesses. *Journal of Family Business Strategy*, 3(1): 28-37.

Ng'ambi, D. & Rambe, P. 2008. Barriers to students' use of electronic resources during lectures. *South African Computer Journal*, 42: 47-53.

Ng'ambi, D. & Bozalek, V. 2015. Editorial: Massive open online courses (MOOCs): Disrupting teaching and learning practices in higher education. *British Journal of Educational Technology*, 46: 451–454.

Ngendakumana, L. & Chiomba, C. 2014. Challenges Faced by Steel Industry in Zimbabwe: A Case study of DM Cartwright (Pvt.) Ltd. *Asian Research Journal of Business Management,* 2(2): 36-49.

Ni, L., Wang, Q., De la Flor, M. & Peñaflor, R. 2015. Ethical community stakeholder engagement in the global environment: Strategies and assessment. *Public Relations Journal*, 9(1), 1-22.

Nicolaides, A. 2015. Tourism Stakeholder Theory in practice: instrumental business grounds, fundamental normative demands or a descriptive application? *African Journal of Hospitality, Tourism and Leisure*, 4(2): 1-27.

Nieman, G. H, & Nieuwenhuizen, C. 2014. *Entrepreneurship: A South African perspective*. 3rd Edition. Hatfield: Van Schaik Publishers.

Nieman, G., Visser, T. & Van Wyk, R. 2008. Constraints facing tourism entrepreneurs in South Africa: a study in the Gauteng and Mpumalanga provinces, *South Africa, Development Southern Africa*, 25(3): 283-296.

Nikraftar, T. & Hosseini, E. 2016. Factors affecting entrepreneurial opportunities recognition in tourism small and medium sized enterprises. *Tourism Review*, 71(1): 6-17.

North, N. S. 2011. Social Media's Role in Branding: A study of social Media Use and the cultivation of brand affect, trust, and loyalty. Unpublished Master's thesis. Texas: University of Texas.

Nwanji, T. I. & Howell, K. E. 2008. The stakeholder theory in the modern global business environment. *International Journal of applied institutional governance*, 1(1): 1-13.

Odhiambo, C. A. 2012. Social media as a tool of marketing and creating brand awareness: a case study research. Unpublished Masters' dissertation. Vaasan Ammattikorkeakoulu University of Applied Sciences.

Onugu, B. A. 2005. Small and medium enterprises (SME) in Nigeria: Problems and prospects. Unpublished doctoral Thesis, Switzerland: St. Clements University.

Oruonye, E. D. 2013. The challenges of rural tourism development in Nigeria: A case of Yorro Iga, Taraba State Nigeria. *International Journal of Social Sciences Arts and Humanities*, 1(1): 1-6.

Othman, P. & Rosli, M. M. 2011. The impact of tourism on small business performance: empirical evidence from Malaysian Islands. *International Journal of Business and Social Science*, 2(1): 11-21.

Palanissamy, A. 2014. Investor Relations - Integrating Social Media into Board – Oman perspective. *European Journal of Business and Management*, 6(24): 108-113.

Parmar, B. L., Freeman, B. R., Harrison, J. S., Wicks A. C., Purnell, L. & de Colle, S. 2010. Stakeholder Theory: The state of the art. *The Academy of Management Annals*, 4(1): 403-445.

Pedersen, T. 2004. Stakeholder theory – lessons from Denmark. Unpublished doctoral Thesis. Denmark: Aarhus school of business.

Peric, M. Durkin, J. & Lamot, I. 2014. Importance of stakeholder management in tourism project: Case study of the Istra Inspirit project. In *Tourism and hospitality industry congress proceedings,* Trends in Tourism and Hospitality industry.

Perrin, A. 2015. Social Networking Usage: 2005-2015. Pew Research Center. [Online]. Available: http://www.pewinternet.org/2015/10/08/2015/Social-Networking-Usage-2005-2015/ (2015, November 29).

Phillips, R., Freeman, R. E. & Wicks, A. C. 2005. What stakeholder theory is not. *Business Ethics Quarterly*, 13(4): 479-502.

Pierce, A. 2011. Small and medium-sized enterprises in tourism industries. [Online]. Available: https://www.ic.gc.ca/eic/site/061.nsf/vwapj/SBFProfile-ProfilFPE_Dec2011_eng.pdf/$file/SBFProfile-ProfilFPE_Dec2011_eng.pdf (2016, December 01).

Pimmer, C. & Rambe, P. 2015. The educational role of mobile instant messaging. Findings from a systematic review. In *the World Conference on Educational Sciences,*

(WCES-2015), 05-07 February 2015, University of Alcala, Madrid, Spain, 04-06 February 2016.

Platzer, M. D. 2014. U.S. Travel and Tourism: Industry trends and policy issues for congress. [Online]. Available: http://www.fas.org/sgp/crs/misc/R43463.pdf (2016, November 08).

Pollack, J., Costello, K. & Sankaran, S. 2013. Applying Actor–Network Theory as a sense making framework for complex organisational change programs. *International Journal of Project Management*, 31(8): 1118-1128.

Ponelis, S. R. & Britz, J. J. 2011. An exploratory study of business intelligence in knowledge-based South African SMEs. [Online]. Available: http://www.globdev.org/files/AMCIS%20Proceedings%202011/Paper%201.pdf (2015, January 07).

Porter, M. E. & Heppelmann, J. E. 2014. How smart, connected products are transforming competition. [Online]. Available: https://hbr.org/2014/11/how-smart-connected-products-are-transforming-competition (2016, November 29).

Poudel. S. 2013. The influence of the accommodation sector on tourism development and its sustainability: Case Study: Strand Camping, Larsmo [Online]. Available: https://www.theseus.fi/bitstream/handle/10024/61014/Thesis_Final_SP.pdf?sequence=1 (2016, March 17).

Prell, C., Hubacek, K. & Reed, M. 2008. Stakeholder analysis and social network analysis in natural resource management. *Society and Natural Resources*, 22: 501-518.

Proctor, L. A. 2011. The application of stakeholder networking theory for strategic planning in the New Zealand public sector. Unpublished Master's dissertation. Wellington: Victoria University of Wellington.

Pulido-Fernández, J. I. & López-Sánchez, Y. 2011. Tourism: Analysis of a Global Phenomenon from a Perspective of Sustainability. [Online]. Available: http://www.intechopen.com/books/the-systemic-dimension-ofglobalization/tourism-analysis-of-a-global-phenomenon-from-a-perspective-of-sustainability (2016, August 03).

Quinlan, T., Lally, A. M. & O'Donovan, I. 2013. Stakeholder engagement in destination management: A systematic review of literature. 9th Annual Tourism and Hospitality Research in Ireland Conference (THRIC). Galway, 6-7th June. Galway-Mayo Institute of Technology.

Rambe, P. 2009. The impact of using social networking sites on academic relations and student learning in university setting. Unpublished doctoral thesis. Cape Town: University of Cape Town.

Rambe, P. 2013. Converged Social Media: Identity Management and Engagement on Facebook Mobile and Blogs. *Australasian Journal of Educational Technology*, 29(3): 315-336.

Rambe, P. 2015. Proposal writing. Central University of Technology, Free State. Bloemfonteing.

Rambe, P. & Bere, A. 2013. Using mobile instant messaging to leverage learner participation and transform pedagogy at a South African University of Technology. *British Journal of Educational Technology*, 44(4): 544–561.

Rambe, P., Mosweunyane, L, & Dzansi, D. Y. 2015. The SMME adoption of social media technologies to enhance business competitiveness: towards a conceptual framework. *Global Conference on Business Management and Social Sciences (GCBMS)*, Dubai, 24th -25th April.

Rambe, P. & Mpiti, N. in press. The influence of private and public finance, organisational and environmental variables on the performance of beauty salons in

the Free State, South Africa: A theoretical perspective. *International Business and Economics Research.*

Ranyane, K. A. 2014. A support framework for the survivalist entrepreneurs in the Free State Province, South Africa. Unpublished doctoral Thesis, Bloemfontein: University of Free State.

Reddy, K. V., Deepika, Y. & Madhavi, P. B. 2016. Social networks have undergone a dramatic growth in recent years. *International Journal of Advanced Trends in Computer Science and Engineering*, 5(1): 51 -55.

Reguia, C. 2014. Product innovation and the competitive advantage. *European Scientific Journal*, 1: 1857–7881.

Rendón, O. H., Martínez, R. M. & Flores, M. S. R. 2014. Marketing Strategies for Hotel Industry. Internationalisation in Morelia. *Social and Behavioural Sciences*, 148: 271-279.

Renny, A., Guritno, S. & Siringoringo, H. 2013. Perceived usefulness, ease of use, and attitude towards online shopping usefulness towards online airlines ticket purchase. *Social and Behavioural Sciences,* 81: 212–216.

Richardson, R. B. 2010. The Contribution of Tourism to Economic Growth and Food Security. [Online]. Available:
http://ageconsearch.umn.edu/bitstream/97140/2/Tourism_and_food_security_in_Mali _A4.pdf (2016, July 03).

Roberts, P. Priest, H. M. & Traynor, M. 2006. Reliability and validity in research. *Nursing Standard*, 20(44): 41-45.

Rogerson, C. D. 2013. Redefining the investment case: The quest for differentiation in a new economic reality. [Online]. Available:
http://www.citigatedewerogerson.com/financial-pr/investor-relations-survey-2013/
(2016, October 18).

Rogerson, C. M. 2008. Developing tourism SMMEs in South Africa: the need to recognise difference. *Acta Academica*, 40(4): 140-165.

Rogerson, M. 2005. Unpacking tourism SMMEs in South Africa: Structure, support needs and policy response. *Development Southern Africa*, 22(5): 623-642.

Rolfe, R., Woodward, D., Ligthelm, A. & Guimarães, P. 2010. The viability of informal micro-enterprise in South Africa. Conference on ―Entrepreneurship in Africa, Whitman School of Management, Syracuse University, Syracuse, New York, April 1-3.

Roussot, E. W. 2005. International tourism and economic development: A South African perspective. Unpublished masters' dissertation, Pretoria: University of South Africa.

Rozyn, S. 2007. The key success factors in growing a small and medium enterprise (SME) in South Africa. Unpublished master's dissertation, Pretoria: University of Pretoria.

Ryan, T., Mottiar, Z. & Quinn, B. 2012. The Dynamic Role of Entrepreneurs in Destination Development. *The Journal of Tourism Planning & Development*, 9(2): 119-131.

Saftic, D., Tezak, A. & Luk, N. 2011. Stakeholder approach in tourism management implication in Croatian tourism. In: *30th international conference on organisational science development future organisation*, March 23rd – 25th Portoroz, Slovenia.

Sago, B. 2013. Factors influencing social media adoption and frequency of use: An examination of Facebook, Twitter, Pinterest and Google+. *International Journal of Business and Commerce*, 3(1): 1-14.

Sahin, G. G. & Sengün, G. 2015. The effects of social media on tourism marketing: A study among university students. *Management and Administrative Sciences Review*, 4(5):772-786.

Salkind, N. J. 2009. *Exploring research*. New Jersey: Pearson Education Inc.

Salkind, N. J. 2010. *Encyclopedia of research design.* Thousand Oaks: London: SAGE Publications Ltd.

Saunders M., Lewis P., Thornhill A. & Bristow A. 2016. Understanding research philosophy and approaches to theory development. In: M. Saunders., P. Lewis, & A Thornhill (Ed.), *Research Methods for Business Students'* (122-161) (7th Edition), Harlow: Pearson.

Schlagwein, D & Prasarnphanich, P. 2014. Social media around the globe. *Journal of Organizational Computing and Electronic Commerce*, 24(2-3): 122-137.

Schroeder, H. 2013. The art of business relationships through social media. [Online]. Available:

http://iveybusinessjournal.com/publication/the-art-of-business-relationships-through-social-media/ (2016, October 28).

Sciarelli, M. & Tani, M. 2013. Network approach and stakeholder management. *Business Systems Review*, 2(2): 175-190.

Scotland, J. 2012. Exploring the philosophical underpinnings of research: relating ontology and epistemology to the methodology and methods of the scientific, interpretive, and critical research paradigms. *English Language Teaching*, 5(9): 9-16.

SEDA. 2016. The Small, medium and micro enterprise sector of South Africa. *Bureau of Economic Research*. [Online]. Available: http://www.seda.org.za/Publications/Publications/The%20Small,%20Medium%20and%20Micro%20Enterprise%20Sector%20of%20South%20Africa%20Commissioned%20by%20Seda.pdf (2015, October 19).

Sedereviciute, K. & Valentini, C. 2011. Towards a More Holistic Stakeholder Analysis Approach. Mapping Known and Undiscovered Stakeholders from Social Media, *International Journal of Strategic Communication*, 5(4): 221-239.

Sedereviciute, K. 2014. Towards a more holistic stakeholder analysis approach, mapping current and potential stakeholders from social media. Unpublished master's dissertation. Denmark: Aarhus University.

Sefalafala, M.R. 2012. Investigating entrepreneurial intensity and capability among South African exporting firms. Unpublished master's dissertation. Johannesburg: University of the Witwatersrand.

Selwyn, N. 2007. Web 2.0 applications as alternative environments for informal learning-a critical review: Using ICT to change impact and outcomes. A *paper prepared for OECD-KERIS expert Meeting-Session-Alternative learning environments in practice*. Institute of Education, University of London.

Sentürk. F. K. 2010. Competition Strategies for Tourism Industry in the Context of Sustainable Development. In *2nd International Symposium on Sustainable Development,* June 8-9, Sarajevo 587

Seraphin, H. 2016. The contribution of tour guides to destination understanding and image. The case of Haiti via an analysis of: "Bonjour blanc, a journey through Haiti", International Research Forum on Guided Tours, (4-6 April), Breda University of Applied Sciences.

Shaibu, O. G. & Nwaiwu, B. 2012. Entrepreneurship education: a panacea for national sustainable development. [Online]. Available: http://www.globalacademicgroup.com/journals/academic%20excellence%20/ENTRE PRENEURSHIP%20EDUCATION.pdf (2016, November 16).

Sharif, N. & Lonik, K. A. 2014. Entrepreneurship as a Catalyst for Rural Tourism Development. *SHS Web of Conferences,* 12: 2-8.

Shirazi, F. 2014. Interrogating Iran's restricted public cloud: An Actor Network Theory perspective. *Telematics and Informatics,* 31: 228–236.

Short, A. 2015. Adoption of social media to engage with suppliers vs. customers. [Online]. Available: http://blog.vizibl.co/adoption-social-media-to-engage-with-suppliers/ (2016, September 29).

Sindhu, A. G., Naeem, H., Saif, M. I. & Mehmood, S. 2011. Business education and entrepreneurial capabilities in Pakistan. *African Journal of Business Management,* 5(5): 1749-1754.

Singh, A. 2006. Asia Pacific Tourism Industry: Current Trends and Future Outlook, [Online]. Available:
http://www.hotel-online.com/Trends/AsiaPacificJournal/AsiaPacificTourismOutlook_1997.html (2016, November 23).

Singh, A. 2010. Brand ambassadors endorsing brands: a case study of Telecom companies in India. *Management Insight*, VI(1): 55-60.

Singh, Y. K. & Nath, R. 2010. *Research methodology*. New Delhi: A P H Publishing Corporation.

Singla, M. L. & Durga, A. 2015. How social media gives you competitive advantage. *Indian Journal of Science and Technology*, 8(4): 90–95.

Skaržauskienė, A., Tamošiūnaitė R. & Žalėnienė, I. 2013. Defining Social Technologies: evaluation of social collaboration tools and technologies. *The Electronic Journal Information Systems Evaluation*, 16(3): 232-241.

Small Enterprise Development Agency (SEDA). 2012. Analysis of the needs, state and performance of small and medium businesses in the agriculture, manufacturing, ICT

and Tourism Sectors in South Africa. Mthente research and consulting services. [Online]. Available: http://www.seda.org.za/ (2015, January 07).

Smit, Y. & Watkins, J. A. 2012. A literature reviews of small and medium enterprises (SME) risk management practices in South Africa. *African Journal of Business Management*, 6(21): 6324-6330.

Smith, A. N., Fischer, E. & Yongjian, C. 2012. How does brand-related user-generated content differ across YouTube, Facebook and Twitter? *Journal of interactive Marketing*, 26: 102-113.

Smith, B. R. & Stevens, C. E. 2010. Different types of social entrepreneurship: The role of geography and embeddedness on the measurement and scaling of social value. *Entrepreneurship and Regional Development: An International Journal*, 22(6): 575-598.

Snyman, A. 2016. Social Media – The latest South African stats. [Online]. Available from: https://www.webafrica.co.za/blog/social-media-2/social-media-latest-south-african-stats/ (2016, November 03).

Song, M. Wang, T. & Parry, M. E. 2010. Do market information processes improve new venture performance? *Journal of Business Venturing*, 25:556–568.

South African Government. 2016. Tourism. [Online]. Available: http://www.gov.za/about-SA/tourism (2016, November 10).

South African Tourism Department. 2011. National tourism sector strategy- SA. [Online]. Available:
https://www.tourism.gov.za/AboutNDT/Branches1/Knowledge/Documents/National%20Tourism%20Sector%20Strategy.pdf (2016, November 09).

Statista. 2016. Percentage of U.S. population with a social media profile from 2008 to 2016. [Online]. Available:

208

https://www.statista.com/statistics/273476/percentage-of-us-population-with-a-social-network-profile/ (2016, December 09).

Statistic South Africa. 2016. Tourism and Migration. [Online]. Available: http://www.statssa.gov.za/publications/P0351/P0351January2016.pdf (2016 October 21).

Statistics South Africa, 2014. Poverty Trends in South Africa an examination of absolute poverty between 2006 and 2011. Report No. 03-10-06.

Stelzner, M. A. 2016. Social media Marketing Industry report, how marketers are using social media to grow their businesses. Social media examiner.

Sulaiman, Y. & Kura, B. 2012. Qualitative and quantitative approaches to the study of poverty: taming the tensions and appreciating the complementarities. *The Qualitative Report*, 17(34): 1-19.

Sunday Times. 2016. What a downgrade will mean for you, me and South Africa. 28 November: 16. [Online]. Available: http://www.timeslive.co.za/sundaytimes/businesstimes/2016/03/09/What-a-downgrade-will-mean-for-you%E2%80%9A-me-and-South-Africa (2016, November 28).

Surugiu, C. 2009. The Economic Impact of Tourism. An input-output analysis. *Romanian Journal of Economics*, 29(2): 142-161.

Surugiu, M. R. & Surugiu, C. 2015. Heritage tourism entrepreneurship and social media: opportunities and challenges. *Social and Behavioural Sciences*, 188: 74–81.

Taneja, S. & Toombs, L. 2014. Putting a face on small business: visibility, viability and sustainability the impact of social media on small business marketing. *Academy of Marketing Studies Journal*, 18(1): 1-12.

Tang, T., Hämäläinen, M. S., Virolainen, A. & Makkonen, J. 2011. Understanding user behavior in a local social media platform by social network analysis. *Proceedings of the 15th International Academic MindTrek Conference: Envisioning Future Media Environments,* 183-188.

Taskov, N., Metodijeski, D., Dzaleva, T. & Filipovski, O. 2011. Entrepreneurship in tourism industry lead to business benefits. In *2nd Biennial International Scientific Congress*, April 27-29, Skopje, Macedonia.

Tengeh, R.K. 2011. A business framework for the effective start-up and operation of Africa immigrant-owned businesses in the Cape Town metropolitan area. Unpublished doctoral Thesis. Cape Town: Cape Peninsula University Technology.

Tennis. J. T. 2008. Epistemology, Theory, and Methodology in Knowledge Organization: Toward a Classification, Meta-theory, and Research Framework. *In Knowledge Organization*, 35(2/3): 102-112.

Terre Blanche, M. Durrheim, K. & Painter, D. 2006. *Research in practice: applied methods for the social sciences.* Cape Town: University of Cape Town press.

The Small Enterprise Development Agency. 2010. The small, medium and micro enterprise sector of South Africa. [Online]. Available: http://www.seda.org.za/Publications/Publications/The%20Small,%20Medium%20and%20Micro%20Enterprise%20Sector%20of%20South%20Africa%20Commissioned%20by%20Seda.pdf (2016, November 01).

Thompson, A. 2006. Entrepreneurship and business innovation. Unpublished doctoral Thesis. Perth: Murdoch University.

Tiago, M. T. & Verıssimo, J. M. C. 2014. Digital marketing and social media: Why bother? *Business Horizons*, 57: 703-708.

Tirone, M. 2012. U.S. Tourism is America's Greatest Export Asset. [Online]. Available: http://www.wealthwire.com/news/global/3181 (2016, November 17).

Tolkach, D., Chon, K. S. & Xiao, H. 2015. Asia Pacific Tourism Trends: Is the Future Ours to See? *Asia Pacific Journal of Tourism Research*, 21(10): 1071-1084.

Tourism Enterprise Partnership. 2008. Towards 2010 and beyond: A study of South Africa's emerging small, medium and micro tourism enterprises. [Online]. Available: http://www.tep.co.za/Downloads/WhatWeOffer/Provincial/TEP-Free%20State%20and%20N-Cape%20Compl-Latest%20final%20Low%20res.pdf (2016, November 19).

Treem, J.W. & Leonardi, P.M. 2012. Social Media Use in Organizations: Exploring the Affordances of Visibility, Editability, *Persistence, and Association. Communication Yearbook*, 36: 143-189.

Trochim, W. M. K. 2006. Introduction to Validity. Social Research Methods. [Online]. Available: www.socialresearchmethods.net/kb/introval.php (2016, September 9).

Turton, N. & Herrington M. 2012. The global entrepreneurship monitor. South Africa. The UCT Centre for innovation and entrepreneurship. Cape Town.

Twinomugisha, A. 2010. Why African Internet Bandwidth Prices Are Still High. [Online]. Available: http://www.ictworks.org/2010/05/05/why-african-internet-bandwidth-prices-are-still-high/. (2016, October 21).

Twycross, A. & Shields, L. 2004. Validity and reliability – What's it all about? *Paediatric Nursing*, 16(9): 28-29.

Uchino, K. 2010. *Entrepreneurship for engineers*. London: CRC Press, Taylor & Francis Group.

United Nation World Tourism Organisation. 2011. UNWTO Tourism Highlights 2011 Edition. [Online]. Available: http://mkt.unwto.org/sites/all/files/docpdf/unwtohighlights11enhr.pdf. (2016, July 04).

United Nation World Tourism Organisation. 2015. UNWTO Annual Report 2014. UNWTO, Madrid. [Online]. Available:

http://cf.cdn.unwto.org/sites/all/files/pdf/unwto_annual_report_2014.pdf (2016, September 14).

United Nation World Tourism Organisation. 2016. UNWTO Tourism Highlights, 2016 Edition. [Online]. Available: http://mkt.unwto.org/publication/unwto-tourism-highlights-2016-edition (2016, October 05).

United Nations Conference on Trade and Development (UNCTD). 2014. Trade and development report. [Online]. Available:
 http://unctad.org/en/PublicationsLibrary/tdr2014_en.pdf. (2016 November 21).

Vanriel, W. 2013. Strategies to develop effective linkages between tourism and other economic sectors. [Online]. Available:

http://unctad.org/meetings/en/Presentation/ciem-p02_en.pdf (2016, November 02).

Van Zyl, G. 2015. Infographic: SA social media by the numbers. [Online]. Available http://www.fin24.com/Tech/Multimedia/INFOGRAPHIC-SA-social-media-by-the-numbers-20150917 (2016, September 28).

Vencovska, J. 2014. The determinants of international tourism demand. Unpublished Bachelor's Thesis. Prague: Charles University.

Verheyden, M 2013. Does (company) size matter? Differences in social media usage for business purposes. *Journal of Applied Quantitative Methods*, 8(4): 2-15.

Viljoen, A., Kruger, S. & Saayman, M. 2014. Understanding the role of Quality of Work Life of food and beverage employees. *Southern African Business Review*, 18(1): 27-52.

Vinerean, S., Cetina, I., Dumitrescu, L. & Tichindelean, M. 2013. The effect of social media marketing on online consumer behaviour. *International Journal of Business and Management*, 8(14): 66-79.

Vivian, T. C. 2011. Tourism business growth with specific reference to black economic empowerment in the tour operating sub sector in South Africa. Unpublished Doctoral dissertation, Cape Town: Cape Peninsula University of Technology.

Vladimír, V. 2014. Entrepreneurship, marketing and cultural tourism. *Forum Scientiae Oeconomia*, 2(1): 107-120.

Vukasovič, T. 2013. Brand developing relationships through social media. *International conference on knowledge management & Innovation*, 19-21 June. Zadar, Croatia.

Waligo, W. M., Clarke, J. & Hawkins, R. 2013. Implementing sustainable tourism: a multi-stakeholder involvement management framework, *Tourism Management*, 36: 342-353.

Wallsten, S. & Rhyan, C. 2014. Social Media and Entrepreneurship: The case of food trucks. [Online]. Available: http://works.bepress.com/scott_wallsten/83/ (2015, August 21).

Wilburn, K. M. & Wilburn, R. 2011. Achieving social license to operate using stakeholder theory. *Journal of International Business Ethics*, 4(2): 3-16.

World Travel and Tourism Council. 2012. The Economic Advantages of Travel & Tourism. [Online]. Available: https://www.wttc.org/-/media/files/reports/benchmark-reports/the_comparative_economic_impact_of_travel__tourism.pdf (2016, September 09).

Wright, E., Khanfar, N. M., Harrington, C. & Kizer, L. E. 2010. The lasting effects of social media trends on advertising. *Journal of Business and Economics Research*, 8(11): 73-80.

Wu, M. 2010. The search for sustainable competitive advantage: A stakeholder management perspective. Unpublished Doctoral thesis. Albany: Massey University.

Yilmaz, B. S. & Gunel, O. D. 2009. The importance of strategic stakeholder management in tourism sector: research on probable applications. *An International Multidisciplinary Journal of Tourism*, 4(1): 97-108.

Ylimaula, K. 2013. Exploring the potential of social media in supplier relationship management. [Online]. Available: https://impgroup.org/uploads/papers/8012.pdf (2015, September 20).

Yu, L., Asur, S. & Huberman, B. A. 2011. What trends in Chinese social media? [Online]. Available:
http://www.hpl.hp.com/research/scl/papers/chinatrends/china_trends.pdf (2015, September 20).

Yusof, S. W. M. (2011), Success factors in entrepreneurship: The case of Malaysia, Unpublished doctoral dissertation. Barcelona: Universitat Autonoma de Barcelona.

Zarook, T., Rahman, M. M. & Khanam, R. 2013. The impact of demographic factors on accessing finance in Libya's SMEs. *International Journal of Business and Management,* 8(14): 55-65.

Zeng, B. 2013. Social media in Tourism. *Tourism and Hospitality*, 2(1): 1-2.

Zeng, B. & Gerritsen, R. 2014. What do we know about social media in tourism? A review. *Tourism Management Perspectives*, 10, 27–36.

Zephoria Digital Marketing. 2016. The Top 20 Valuable Facebook Statistics. [Online]. Available: https://zephoria.com/top-15-valuable-facebook-statistics/ (2016, December 09).

Zhang, K. & Sarvary, M. 2012. Social media competition: Differentiation with user-generated content. [Online]. Available:
http://www.parisschoolofeconomics.eu/IMG/pdf/PSE-comm-and-beliefs-june2012-Sarvary-Zhang.pdf (2016, 17 October).

Zhang, Y. 2015. The Impact of Brand Image on Consumer Behavior: A Literature Review. *Open Journal of Business and Management*, 3: 58-62.

Zunker, T. 2011. Determinants of the voluntary disclosure of employee information in annual reports: An application of stakeholder theory. Unpublished doctoral dissertation. Bond University.

APPENDIX A: SHORT BIOGRAPHICAL STATEMENT

Lentswe Donald Mosweunyane is a Lecturer at Central University of Technology, Free State, Bloemfontein campus. Lentswe is an emerging researcher eager to learn and currently enrolled for doctoral studies at the same institution. He holds B tech in Office Management and Technology and Masters' in Business Administration. Lentswe is interest lie in SMMEs, entrepreneurship and emerging technologies.

Lentswe has co-authored the following conference papers and article;

Rambe, P. Mosweunyane, L, & Dzansi, D. Y. 2015. The SMME adoption of social media technologies to enhance business competitiveness: towards a conceptual framework. Global Conference on Business Management and Social Sciences (GCBMS), Dubai, 24th -25th April.

Mosweunyane, L & Rambe, P. 2016. A Poverty Reduction Oriented Approach to Small Business Development in South Africa. Proceedings of the 11th European Conference on Innovation and Entrepreneurship 15-16 September, The JAMK University of Applied Science, Jyväskylä, Finland.

Rambe, P. & Mosweunyane. L. (Under Review). A Poverty reduction oriented perspective to small business development in South Africa: A human capabilities approach. African Journal of Science, Technology, Innovation and Development

ANNEXURE B: PERMISSION LETTER

<u>Social media technologies utilisation questionnaire</u>

Good day Sir/Madam. My name is_____

I am collecting data for Mr. L Mosweunyane, a Doctoral student of Business Administration at Central University of Technology, Free State. His study which is entitled "Social media technologies utilisation by the Free State tourism SMMEs: a stakeholders' perspective" is supervised by Dr. P Rambe and Professor DY Dzansi.

The aim of the research project is to collect data on the state of social media technologies utilisation in tourism SMMEs in the Free State province and how such technologies influence their competitiveness and growth from the perspective of their stakeholders.

Responses to these questionnaires will be treated in the strictest confidence. The questionnaire will be filled anonymously and responses will not be attributed to a particular respondent and will be used for the purpose of this research only.

He will be grateful if you can take a few minutes of your time to answer the questions. The questionnaire should not take you more than 30 minutes to complete.

Thanking you in advance for your positive response

ANNEXURE C: RESEARCH QUESTIONNAIRES

	SECTION A: DEMOGRAPHIC DATA									
Questions		**Please mark the appropriate answer with X**								**Office use only**
1	Please indicate your role in the Business	1 Owner			2 Manager		3 Owner/Manager		4 Other (specify)	
2	Please state your current age	1 (below 20)		2 (21-30)	3 (31-40)		4 (41-50)		5 (above 50)	
3	Please state your educational status	1 No formal education	2 Primary		3 Middle school	4 High school		5 Tertiary	6 Postgraduate	
4	Which sub-sector of Tourism does your business fall in?	1 Accommodation			2 Hospitality & related services		3 Travel distribution services		4 Others (specify)	
5	Please indicate the years your business has been in operation	1 (1-5)	2 (6-10)	3 (11-15)	4 (16-20)		5 (Over 20)			
6	Please indicate the number of employees in the business excluding the owner	1 (None)		2 (1-5)	3 (6 -9)		4 (10+)			

218

SECTION B: STATUS AND UTILSATION OF SOCIAL MEDIA TECHNOLOGIES

Questions	Select which one is most applicable to your business							Office use only
7	The business use social media technologies.	1 Yes		2 No				
8	Does the business have access to internet?	1 Yes		2 No				
9	How do you rate your social media knowledge?	1 No knowledge	2 Beginner/Novice	3 Intermediary	5 Advanced			
10	Which social media technologies does your business use?	1 None	2 Blogs e.g. Wordpress	3 Social networking site e.g. Facebook	4 Micro-blogging e.g. Twitter	5 Collaborative projects e.g. Wikipedia	6 Content communities e.g. YouTube	7 Others (specify)
11	How often does your business use social media technologies?	1 Once/more a day	2 Once/more a week	3 Once/more every month	4 Never			
12	How much time does your staff invest in work related use of social media technologies?	1 None	2 Less than 30 mins	3 30 min-1 hour	4 1-3 hours	5 Over 4 hours		
13	Who handles the social media technologies in your business?	1 None	2 Manager/Owner	3 Employees	4 Social media technology specialist			
14	For how many years have you used social media technologies	1 0-1 year	2 1-3 years	3 3-5 years	4 More than 5 years			
15	What are the reasons for your business' use of the following social media technologies?	1 do not use social media	2 Marketing products/service	3 Build credibility	4 Attracting new customers	5 Network	6 Listen to customers	7 provide feedback
16	To what extent does your business consider social media technologies important for its operations.	1 Not at all	2 To a little extent	3 Neutral	4 Moderate extent			
17	How do you rate your staff's knowledge of social media knowledge?	1 Novice	2 Beginner	3 Intermediary	5 Advanced			
18	Who are your business trying to reach through social media technologies?	1 Customers	2 Prospects	3 Suppliers	4 Competitors	5 Government/regulators		
19	Which methods do the business use to communicate with stakeholders?	1 None	2 Telephone	3 e-mail	4 Letter	5 Social media technologies		

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree		office use only
	SECTION C: STAKEHOLDERS							
Questions	**Please indicate the extent to which you agree or disagree with the following statements regarding your business by marking the appropriate answer with an (X)**							
	BRANDING							
20	The business use social media technologies to introduce a particular brand/services.	1	2	3	4	5		
21	The business uses social media technologies to maintain the dominance of the brands/services.	1	2	3	4	5		
22	The business uses social media technologies to distinguish a brand for its competing products.	1	2	3	4	5		
23	The business uses social media technologies to demonstrate the uniqueness of its brands.	1	2	3	4	5		
24	The business uses social media technologies to communicate their unique brand position in a way that is compelling to customers.	1	2	3	4	5		
	MARKETING							
25	The business markets its product/services through social media technologies.	1	2	3	4	5		
26	The business conducts product/services promotions via social media technologies.	1	2	3	4	5		
27	The business extends its market share through its social media campaigns.	1	2	3	4	5		
28	The business attracts customers through advertising on social media technologies.	1	2	3	4	5		
29	Social media technologies have an effect when marketing business brands/services.	1	2	3	4	5		
30	Social media technologies play an important role to business marketing efforts.	1	2	3	4	5		
	EXTERNAL NETWORKING							
31	The business uses Facebook discussions forums to increase its dominance in the market	1	2	3	4	5		
32	The business encourages customers to follow its personnel on Twitter.	1	2	3	4	5		
33	The business employs LinkedIn to connect with its product range to potential customers.	1	2	3	4	5		
34	The business uses Google+ to connect to connect with and increase its market share.	1	2	3	4	5		
35	The business collaborates with customers on WhatsApp to interact and improve its brand.	1	2	3	4	5		
36	The business uses social media technologies intensively to retain existing customers.	1	2	3	4	5		
37	The business uses social media technologies to increase the base of prospective customers.	1	2	3	4	5		
38	The business is significantly broadening customers' awareness of its products using social media technologies.	1	2	3	4	5		
	INTERNAL NETWORKING							
39	The business respond to questions and comments from customers and potential customers posed on social media technologies.	1	2	3	4	5		

220

40	The business' personnel are actively present in social media technologies for marketing purposes.	1	2	3	4	5		
41	The business employees use social media to contact co-workers when they are unreachable by other means.	1	2	3	4	5		
42	The business employees maintain contact with other people in the organisation through social media.	1	2	3	4	5		
43	The business employees are free to engage with customers.	1	2	3	4	5		
SUPPLIERS								
44	The business regularly uses social media technologies to communicate with suppliers.	1	2	3	4	5		
45	The business uses social media technologies to collaborate with suppliers on pricing of products/services.	1	2	3	4	5		
46	The business uses social media technologies to engage with suppliers on procurement of products.	1	2	3	4	5		
COMPETITORS AND INVESTORS								
47	The business regularly uses social media technologies to interact with its competitors.	1	2	3	4	5		
48	The business visits competitors' social media technologies pages to observe what they are providing to their customers.	1	2	3	4	5		
49	The business interacts with investors through social media technologies.	1	2	3	4	5		
50	Through social media technologies, the business involves local community in business decisions that affect the community.	1	2	3	4	5		
51	The local community is informed about business development through social media technologies.	1	2	3	4	5		
REGULATORS								
52	The business regularly visit regulating authorities' social media technologies pages for information.	1	2	3	4	5		
53	The business uses social media technologies to interact (e.g. seeking clarification, elaborations) with the regulators regarding regulations and policies.	1	2	3	4	5		
54	The business engages (e.g. lobbies and bargains) with the regulating authorities on regulations and policies via social media technologies.	1	2	3	4	5		
55	The business takes the comments of its regulators communicated via social media technologies seriously	1	2	3	4	5		

Question s	SECTION D: COMPETITIVENESS						Office use only	
	RESPONSES							
56	The business have competitive advantage over other businesses.	1 Strongly disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly agree			
57	The business regularly meets its targets.	1 Strongly disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly agree			
58	The business profit margins for the past 1-5 years is	1 Decreased by (Over 5 %)	2 Decreased by (1-5 %)	3 No change (0 %)	4 increased by between (1-5 %)	5 Increased by (Over 5%)		
59	The business' customers for the past 1-5 years is.	1 Decreased by (Over 5 %)	2 Decreased by (1-5 %)	3 No change (0 %)	4 Increased by between (1-5 %)	5 Increased by (Over 5%)		
60	The business' sales growth for the past 1-5 years is	1 Decreased by (Over 5 %)	2 Decreased by (1-5 %)	3 No change (0 %)	4 Increased by between (1-5 %)	5 Increased by (Over 5 %)		
61	The net profit of the business for the past 1-5 years is	1 Decreased by (Over 5 %)	2 Decreased by (1-5 %)	3 No change (0 %)	4 Increased by between (1-5 %)	5 Increasing (Over 5 %)		
62	The return on investment of the business increased by	1 0-4%	2 5-10%	3 11-15%	4 16-20%	5 Over 20%		
63	The overall business growth for the past 5 years increased by	1 0-4%	2 5-10%	3 11-15%	4 16-20%	5 Over 20%		
64	The number of employees of the business grew over the past 5 years by	1 0-4%	2 5-10%	3 11-15%	4 16-20%	5 Over 20%		
65	The market share of the business increased over the last 5 years by	1 0-4%	2 5-10%	3 11-15%	4 16-20%	5 Over 20%		

222

Thank you for your time!!!