

BUMS IN THE SEATS:
A STUDY OF THE RELATIONSHIP BETWEEN WEBSITE FUNCTIONALITY
AND THE SUCCESS OF SMALL BUSINESSES IN DEVELOPING COUNTRIES
THROUGH THE EXPERIENCES OF FOUR SOUTH AFRICAN TOUR OPERATORS

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By

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TABLE OF CONTENTS

CHAPTER I – Introduction	1
CHAPTER II – Literature Review	5
Overview of the Literature	5
Small Business and the Internet	7
Tour Operators and the World Wide Web	17
Small Business and Developing Countries	33
South Africa and Tour Operators	43
Developing Countries and the Internet	48
South Africa and the Internet	55
CHAPTER III – The Research Question and Hypotheses	59
CHAPTER IV – Methodology	66
CHAPTER V – Research Findings	70
Discovery Tours	70
Hylton Ross	77
Tours Passe-Partout	81
Vineyard Ventures	86
CHAPTER VI – Analysis	90
CHAPTER VII – Conclusion	101
APPENDIX A -- Introductory E-mail	108
APPENDIX B – Interview Script	109
BIBLIOGRAPHY	112

CHAPTER I – Introduction

Throughout the developing world, people from many diverse fields – business, government, NGOs, academia, and the general population – are coming to realize that the Internet holds great promise to spur economic development. Similarly, there is growing recognition that a dynamic small business sector is essential for developing countries to achieve self-sustaining economic growth. In recent years, much research has been done to examine each of these concepts. Yet, surprisingly little research has apparently been done to examine the relationships between small business, the Internet, and economic development in a comprehensive way. This project will investigate common threads among these three component concepts.

Over the last several decades, economic development efforts have tended to focus on a few large-scale issues, such as publicly-funded infrastructure projects, the activities of multinational conglomerates, fiscal and monetary policies of governments, and the flows of the international financial markets. These and other “macro” issues are certainly important. But too often, the role of indigenous small enterprises as a force for development is overlooked. In fact the small enterprise sector is critical for economic growth in developed and developing countries alike. Small business facilitates employment, investment, innovation, and economic opportunity, provided that small business people have the freedom to pursue success. In many ways, the existence of a dynamic small business sector is a barometer of a country’s economic activity and development potential.

Small businesses confront a variety of challenges in achieving profitability and sustainability, even when operating in a fully industrialized country. Yet these challenges are multiplied when attempting to cope with the inadequate infrastructure, poor governance, and limited consumer markets that characterize many developing countries. In the industrialized world, many small businesses are finding that the Internet can be an invaluable tool for dealing with their challenges and expanding their opportunities. The Internet has enabled them to supplement their marketing, reach new markets, and strengthen their customer relationships. Similarly, many development experts and aid organizations believe that information and communication technology (ICTs) in general, and the Internet in particular, hold great promise for developing countries to achieve economic growth and “leapfrog” the stages of development.

Internet advocates argue that the Internet can improve small business productivity and the efficiency of rural agriculture, industry and social services. However, small businesses in developing countries have few resources to help them understand how to make the Internet work for them. Small business managers in the developing world may not be aware of the Internet’s capabilities, or how those capabilities can be harnessed to help their businesses succeed.

The goal of this project is to critically examine the features of the Internet, specifically of the World Wide Web, and explore their relationship to the unique challenges and opportunities confronting small businesses in the developing world. In order to provide a sharper focus to this project, the research will focus on one particular

type of small business – tour operators – in one particular developing country – South Africa. Hence, the title, " Bums in the Seats: A Study of the Relationship Between Website Functionality and the Success of Small Businesses in Developing Countries Through the Experiences of Four South African Tour Operators." The research question guiding this study will be: What is the relationship between the website functionality of South African tour operators and the success of those firms?

As measured through a number of indicators, such as employment and revenue, the tourism industry is the largest industry in the world and is growing rapidly. For many countries, particularly in the developing world, tourism constitutes the largest share of economic activity. Yet, this activity takes place in many sectors. There is not a single, accepted classification of what constitutes the tourism industry because of its heterogeneity and the joint supply of tourism products with others. For example, the hotel, restaurant, and airline industries all cater to tourists and non-tourists alike. Nevertheless, it is clear that many industry sectors are heavily or completely dependent on tourism (Tisdell & Roy, 7). The sheer magnitude of the tourism industry demands that it be a focus of serious, scholarly analysis. Therefore, this project investigates the relationship between the success of tourism firms and website technology.

South Africa provides an interesting environment for the examination of small business use of the Internet. While the South African economy is certainly not a high performer or particularly advanced in its technology adoption relative to OECD member states, it does have a relatively diversified economic base and is certainly the

most economically and technologically advanced nation in Africa. Nevertheless, the South African economy is stagnating. Because South Africa shares many economic challenges faced by other developing countries, as well as because of the country's role as a regional leader, the lessons of South African small business use of the Internet may be applicable elsewhere.

South Africa is not an easy place to do business. Yet, in spite of the difficulties, South Africans are embracing the Internet and are beginning to integrate the Web into the fabric of daily life. Furthermore, South African small businesses are recognizing the opportunities presented by the Internet and are establishing their presence online. Researching this activity can assist other small businesses in South Africa, and in other developing countries, to identify the opportunities of online business in order to maximize success. By facilitating small business success, these online ventures can also serve the broader social interest of advancing sustainable development.

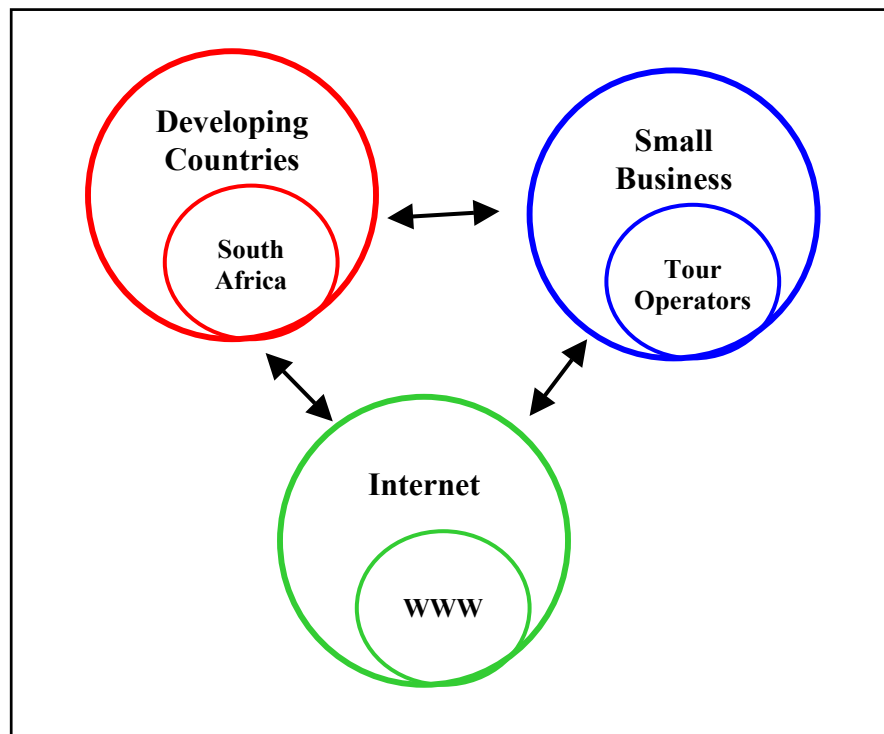
CHAPTER II – Literature Review

Overview of the Literature

By examining small business use of the Internet in developing countries, this project draws on theories and concepts from a wide variety of fields. It begins with an exploration of three major areas of interest and builds on the theoretical relationships between them. Those three areas are small businesses, the Internet, and developing countries. Each of these concepts are associated with their own disciplinary discourses, theories and literatures. Instead of delving into each of these independently, this project contributes to each of the bodies of knowledge by exploring the subjects relationally. Therefore, a review of the literature explores the subjects in relationship to one another: small business *and* the Internet, small business *and* developing countries, and developing countries *and* the Internet.

Each of these topics, or conceptual pairs, have their own distinct theories, schools of thought, sub-fields, and controversies. Therefore, each of these three conceptual pairs will be focused by relating back to the larger topic – small business use of the Internet in developing countries. In other words, this project will investigate small business use of the Internet and consider the implications of this technology adoption for developing countries. It will also investigate small businesses in developing countries and consider the implications of the Internet. It will also investigate the Internet in developing countries and consider the implications for small businesses.

In order to provide greater focus to this analysis, the project will investigate one particular small business sector in one particular developing country and consider how those firms use the Internet to achieve success. Specifically, the project will focus on tour operators in South Africa, and investigate their use of websites and e-mail to achieve success. Thus, the three larger areas of interest have been narrowed to focus on tour operators, South Africa, and the World Wide Web. A schematic representation of the general areas of interest and the specific focus of this project is diagrammed below. From the nexus of the theories and literatures for these conceptual pairs, this project will present and test hypotheses about the relationship between South African tour operators' use of the Web and their degree of success.



Small Business and the Internet

The definition of “small business” or “small enterprise” can vary between countries, international organizations, and even between industry sectors. For example, whereas the European Union classifies businesses with 10-19 employees as small, Japan classifies such businesses as micro (da Costa, 3). Indeed, the U.S. Small Business Administration maintains an Office of Size Standards specifically to determine whether specific firms qualify as “small.” It is common in the literature to see references to micro-enterprises, small-enterprises, medium-enterprises, and large-enterprises, as well as combinations of these. Different authors use different standards for each category, and rarely explain the rationale for using one category over another. For purposes of this analysis, a broad distinction between small enterprises and large enterprises is sufficient. Thus, the definition of a small enterprise as 49 employees or fewer, as the World Bank defines micro- and small-enterprises (Parker, 13), will be used.

Similarly, operationalizations of “the Internet” may also produce very different meanings, based on the perspective of the author. Broad definitions of the Internet tend to be vague and lose all utility, but specific definitions tend to overlook important applications or the Internet’s social significance. In Global E-Commerce Strategies for Small Business, Eduardo da Costa suggests a useful approach to thinking about the Internet, and the associated Internet economy, as four layers. On one layer, the Internet is the physical infrastructure of the network – routers, servers, fiber optic cable, etc. On

another layer, the Internet is the applications – web browsers, search engines, online databases, web development software, etc. The third level of the Internet encompasses the intermediaries that increase the efficiency of electronic markets, such as Travelocity.com, Yahoo!, and Etrade. The fourth level encompasses content providers and other commercial entities, such as Amazon.com, Dell, and Newsweek (da Costa, 38). These four layers capture the technological, social, and economic aspects of the Internet in a way that is specific enough to be meaningful. For purposes of this analysis, “the Internet” will refer to just two basic features that comprise each of these four layers: (1) the network of websites known collectively as the World Wide Web (WWW) and (2) the capability to send and receive e-mail. Analysis of more advanced Internet functions, such as proprietary online networks, are beyond the scope of this project.

It is widely recognized in the fields of business, technology, and economic development that small businesses hold a special place in a nation’s economy. While large-enterprises, particularly multinationals, usually receive more attention from the media and policy-makers, a dynamic small enterprise sector is essential for sustainable economic growth. A healthy, growing economy requires a subtle interplay and tension among many diverse economic actors, including both large and small actors. In “Product Development within SMEs,” Norizah Mohamad describes the role of small- and medium-sized enterprises in economic development:

Not only are they seen as reflections of entrepreneurial spirit, they also generate employment and are contributing substantially to the

GDP of a country. SMEs are the backbone of a country's industrialization programs. They are the input and vendors of components and make up the critical link or chain with the big industries (Mohamad, 49).

In this way, small businesses can be said to fill in the gaps that large enterprises miss, in terms of niche markets and niche product offerings. Small businesses are also notable for being adaptive to change, innovative, and quick to exploit business opportunities that larger firms may overlook. In addition, poor or otherwise marginalized individuals can aspire to start a small business, thereby providing hope and an opportunity to improve quality-of-life.

Small businesses face special challenges that deserve specific attention. Most notably, small firms face tight resource constraints and may lack the resiliency of larger firms in the face of setbacks. Small businesses typically specialize in niche markets, producing a relatively narrow range of products and serving a relatively narrow set of buyers. Small businesses also typically have a simple organizational structure where the owner or management usually have the final decision-making authority (Poon, 114).

In The Complete Small Business Internet Guide, Tom and Lori Heatherington provide small business owners with a framework for determining how the Internet can help them. The authors assert that the Internet is essential for small business success, writing:

The Internet already provides unparalleled opportunities for cost-effective marketing and customer service. A site on the World Wide Web is one of the most powerful and visible means to market your company. Every business with a Web site has the potential to promote itself as an around-the-clock worldwide business. If

"perception is reality" and "what you see is what you get," as a business manager in the '90s you need to make the most of what you've got. You need to put your business online and "be seen." Your competitors, if not already there, are planning their appearance (Heatherington, 11).

In this way, the authors issue a call-to-action for small business managers to harness the power of the Internet for their businesses, or get beaten by competitors. The most important way to harness the Internet is to establish a website on the World Wide Web.

More specifically, the authors lay out six ways that a small business can benefit from the Internet. While the following six benefits are well-known and overlap to some extent, they are each distinct and deserve specific mention. First, a website can display extensive and detailed price and product information. The authors write, "The most obvious benefit is the capability to provide information about your products or services to customers in a graphically pleasing manner" (Heatherington, 12). In this way, the firm's website can be a source of specialized information to users.

Second, a small business website can be a valuable tool of customer service. The website can be an interface for users to request more information, ask questions, or provide feedback. The authors write, "Requests for information can be received and answered immediately via interactive forms and automated e-mail systems" (Heatherington, 12). The website may also contain product manuals or other post-purchase resources. Placing these resources online may reduce customer demands on the small business staff.

Third, a website is now an essential tool of global marketing. Such an online

marketing strategy has several components. A website is always available to users around the world. Indeed, the ability to easily market to an international audience is one of the primary benefits emphasized by Internet advocates, and will be a critical feature when considering tour operators. The authors also note, “If the information is organized effectively and listed in Web search engines, Web users can easily find you” (Heatherington, 12). Another aspect of the marketing strategy is that the website can supplement other branding efforts, thereby strengthening customer relationships and customer loyalty.

The fourth broad benefit of a small business website is the capability to conduct electronic commerce. Customers may facilitate purchase of a small business’ products or services directly from the website. If the customer is purchasing an information product, he or she may download the product directly from the website. If the product is a physical good, the website purchase may initiate a process to mail the product to the customer. Alternatively, the website may contain directions and order forms so that the customer may purchase a product through a separate channel, such as by phone or fax. In these of these ways, the website facilitates direct sales to customers.

The fifth benefit of a website is that each of the four benefits outlined above may be achieved relatively inexpensively and conveniently, and in a dynamic format. As stated above, the website is available to customers to use and make purchases 24 hours-a-day. In addition, product and price information may be changed with little cost or effort, in a way that printed materials cannot.

One critical feature of most small business websites deserves special attention and presents the sixth important benefit. Most small business websites list an e-mail address in order to facilitate communication with customers or suppliers. This ease of communication and information exchange is important for three basic reasons. First, Simpson Poon notes that many small businesses have come to rely on the Internet and e-mail to exchange documents and collaborate on joint projects. He writes, "Often driven by the lack of resources and the busy nature of a small business, the owner and his team attempt to use time as effectively as they can. Given e-mail and other document transfer mechanisms are useful substitutes for postal and fax service, some small businesses find the Internet important as a document transfer mechanism" (117)

The second notable aspect of e-mail for communication is that it provides documentation for each communication. As opposed to telephone conversations, e-mail produces an electronic record that a communication occurred and of what the communication contained. Third, Poon notes that Internet communication is non--intrusive in nature, writing:

Communication can take place without the recipient being actively engaged. This is particularly important when a message is to be delivered instantaneously but the response is expected to be delayed. For small firms that are engaging in interstate or international businesses, this can overcome time zone and geographic differences more effectively than fax and telephone (116).

This convenience factor will be especially important when considering tour operators, who must communicate with their customers across time zones.

While Tom and Lori Heatherington correctly note the enormous potential benefits of a website for small business, they also acknowledge that different businesses benefit in different ways. They write, “An Internet strategy should identify specific business objectives designed to help you reach your goal” (108). For some small enterprises, online customer support may be the most important website feature; other firms may rely on e-commerce sales to generate revenue. Thus, a small business needs to analyze its operations and evaluate the various ways that a website fits into the firm’s business plan.

In order to help small businesses, “decide whether the Web is right for your business,” the authors pose a series of useful questions. For example:

- Would you gain a competitive advantage if you improved customer service and expanded your company's visibility?
- Would improved communication with your customers help obtain new or repeat business?
- Does the opportunity to offer your products or services internationally appeal to you?
- Do any of your products have niche market appeal?
- Does the possibility of providing sales and customer service 24 hours a day using no additional personnel sound cost-effective to you (Heatherington, 13)?

These are important questions for any small business manager to think through when considering a website. The answers to such questions can inform the decision as to whether the cost and effort required to create a website is worthwhile. The answers can also provide guidance as to the specific website applications and functionality that are appropriate for one’s business. The next section will consider these and similar questions as they relate to tour operators.

It is also important to understand how small businesses are actually using the Internet and whether they are finding success with it. In “SMEs and the World Wide Web: Opportunities and Prospects,” Tim Beal references a survey of U.S. small businesses by the National Small Business United to determine the reasons small businesses set up a website. The survey found that 78% of respondents cited, “Reaching new and potential customers,” 65% cited “Selling goods and services,” 17% cited, “Expanding globally,” and 13% cited, “Reaching new prospective employees” (Beal, 116).

Particularly since the bursting of the “Internet bubble” in 2000, it has become especially important for small businesses to separate hype from reality regarding the possibility of establishing a website. In “Small Business and Internet Commerce,” Simpson Poon makes an important contribution to this effort. From surveying small businesses in the United States, Poon finds, “a significant difference between expectation and experience, with only a small number of business objectives fulfilled satisfactorily and a larger number falling short of expectation” (115). More specifically, the survey found a significant divergence between expectation and experience for such business objectives as “better marketing and advertising,” “better company image” and “significant sales through the Net.” Poon found that these business objectives scored high in the study of expectation but dropped significantly after twenty months of experience with a website. Poon’s survey found that some small business objectives were achieved as expected, including “forming more extensive

business networks,” “obtaining useful expertise,” and “achieving better customer relationships.” Only two business objectives exceeded original expectations, these being “learn more about competitors” and “saving time to find resources” (120).

Poon’s survey is important for several reasons. First, his specific findings are very useful for identifying website applications that are not meeting expectations. Further research is needed to learn the reasons for these unmet expectations. Perhaps small business managers have unrealistic expectations of what a website can accomplish; perhaps some small business managers are not implementing a particular website functionality effectively; or perhaps a website is simply not a useful tool for all business objectives. Poon’s survey does not suggest an answer.

The survey findings of unmet expectations are also important because they suggest that achieving success with a website is not guaranteed. Poon provides a healthy “reality check” in a field that too often becomes enthralled with the latest technology, functionality, or business application. At one point, he considers the use of a website for international marketing, stating:

One typical example is to suggest that a small firm can use the Internet to reach out to the global marketplace and open up a worldwide market. Whether this is as easy as it seems is questionable. Reaching out to the global marketplace requires more than just having a Web site. Depending on the product characteristics, it also involves issues such as logistics, delivery, maintenance, support and other services. If a small firm is not properly prepared for international markets, it can jeopardise its reputation as an Internet business, and on the Internet, bad reputation travels faster than in any traditional media (Poon, 120).

The point is not to discredit the use of a website to reach an international audience. Rather, such efforts must be done thoughtfully, as part of a deliberate, well-planned strategy. Simply expanding, without undertaking the proper market research or organizational preparation, may in fact turn out to be counter-productive.

As Tom and Lori Heatherington stated, online success depends on linking the capabilities of a website with the specific needs of one's small business. While the Internet has the potential to reduce the costs of operating a small business and expand opportunities, firms must identify the right mix of website functions, and must keep their expectations realistic, in order to achieve success.

The third reason that Poon's survey is significant is because he identifies a very useful measure of small business success with a website – expectation versus experience. This measure of success is certainly not perfect, as it is very subjective. Two small business managers may have very different expectations of what a website can accomplish. Whereas one business manager may be pleasantly surprised by a particular website functionality, another manager may be disappointed by that same functionality, with only their expectations being different. Nevertheless, when a small business commits scarce resources to invest in a website, it is important that the experience live up to expectations. Therefore, this measure of success will feature prominently as this project continues.

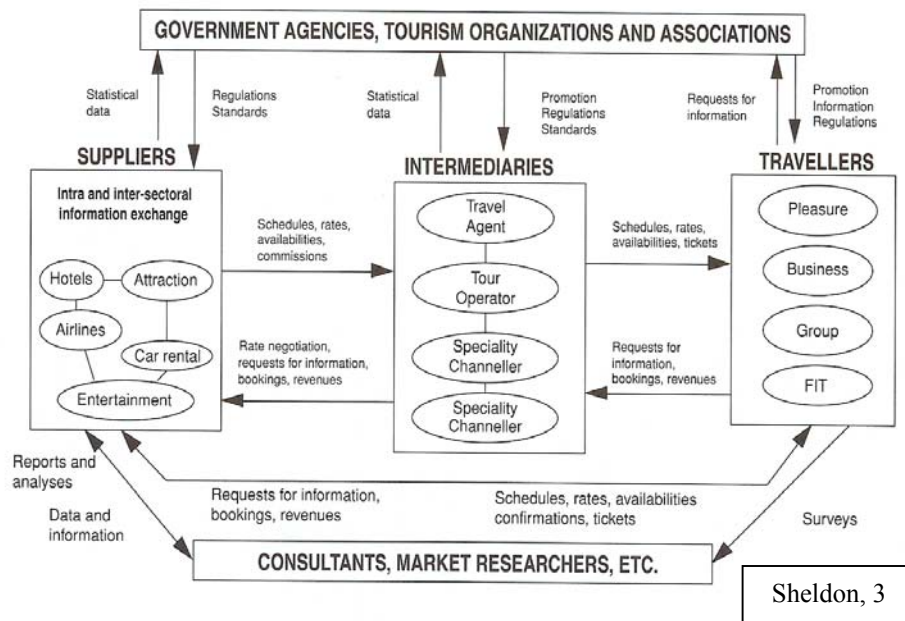
Tour Operators and the World Wide Web

In investigating the possible benefits of a website for tour operators, it is useful to begin by examining the larger relationships between the Internet and tourism as a whole. Indeed, the Internet is transforming how the participants in the tourism industry interact with one another. As central participants in the tourism industry, tour operators must take notice of the larger trends that are reshaping their business environment and evaluate how they should reposition themselves to succeed.

The World Tourism Organization (WTO) defines tourism as, “comprising the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or other purposes” (Holloway, 3). Tourism currently accounts for at least 6 per cent of the world's gross domestic product, and employs 127 million people around the world. According to the WTO, approximately 663 million international trips were taken in 1999, with worldwide tourism receipts (excluding the cost of international fares) reaching \$456 billion. These figures do not include the vast number of people taking trips within their own country (Holloway, 46).

Between 1970 and 1998, annual growth of international travel averaged 4.9 per cent and shows no sign of abating. The WTO estimates that by 2020, 1.6 billion tourists will be travelling abroad each year, spending \$2 trillion, while domestic tourism is expected to account for 16 billion tourists spending \$8 trillion (Holloway, 47). These figures highlight the economic significance of the tourism industry and

suggest that its significance is likely to continue growing. The most notable aspect of the tourism industry for purposes of this analysis is that it is information intensive. In Tourism Information Technology, Pauline Sheldon observes, “For each person embarking on a trip, scores of messages and pieces of information must be exchanged: itineraries, schedules, payment information, destination and product information, and passenger information” (Sheldon, 2). The diagram below vividly demonstrates the numerous information flows between the various sectors of the tourism industry and other agents involved in tourism. The diagram models these flows by identifying the agents which receive and produce information and the connections between them.



As the diagram demonstrates, three main agents receive and produce travel information - suppliers, travel intermediaries and travelers. Travelers of all types

require information in the form of product information, schedules, fares, rates, availabilities and bookings. They can acquire this data from either travel intermediaries, such as tour operators, or directly from the suppliers. In return, the intermediary or the supplier needs information from the traveler to create the reservation.

In some circumstances, more than one intermediary is used to organize a trip. For example, a travel agent may book a client's trip using a tour operator, thereby initiating information to flow between those two intermediaries. Information flows also occur between and within suppliers. For example, car rental companies must communicate with airlines to coordinate travel itineraries, and hotels and attractions must sometimes communicate with each other. These information flows are represented by the vertical lines within the intermediaries and suppliers boxes.

Suppliers, intermediaries and travelers operate in a larger environment of national and international government agencies, tourism organizations and associations which also provide and receive information. Governmental bodies provide information on regulations such as business licenses, and safety standards, as well as standards for travel like customs regulations and currency controls. Tourism organizations and associations also generate and communicate large volumes of information about destinations to travelers and travel intermediaries, and produce reports for the industry to use for analysis and planning purposes.

Consultants and market researchers are also important links in tourism information flows. They assist suppliers in organizing corporate and client data into

meaningful reports and analysis; they survey travelers in various ways to obtain market information; and they may also provide governmental agencies with information (Sheldon, 4). This model demonstrates the many and varied sources and recipients of travel-related information, and highlights the information intensity of the entire tourism industry.

Sheldon emphasizes the uniqueness of “the tourism product” vis-à-vis more traditional goods or services. She points to five characteristics of tourism that differentiate it and make it so information intensive, especially its heterogeneity, its intangibility, and its perishability. The international scope of the industry, and the fact that tourism is a service industry also contribute to its information intensity (Sheldon, 5).

By stating that the tourism industry is heterogeneous, the author is referring to its complexity and numerous component sectors. The tourism industry incorporates numerous sub-sectors such as airlines, hotels, attractions, transportation, tour operators, and many others. Yet, Sheldon notes that these disparate actors depend on information exchange among them:

Coordination and cooperation between each of these firms, agencies and the consumer is necessary to create the heterogeneous product called a trip. This requires efficient, accurate and timely information flows to piece together the multifaceted trip (5).

She further observes that information technology provides crucial links between the different industry sectors to facilitate the traveler's planning and ultimate experience (Sheldon, 5). It will become apparent that, as much as any other sub-sector of the

tourism industry, tour operators depend on information exchange and may improve efficiencies with information technology.

The second characteristic of tourism which makes it so information intensive is its intangibility. Sheldon observes, “Potential consumers are unable to see, touch or feel a vacation or a business trip and its components before they purchase it” (Sheldon, 5). In order to make the trip more tangible for consumers, travel intermediaries and suppliers must provide detailed information about the destination or product. On the other hand, this intangibility means that tourism information can be disseminated through a variety of media. Whereas travel product and destination information traditionally came in the form of brochures, leaflets, and videotapes, the author finds:

Increasingly, however, electronic media are being used. The intangible nature of the tourism product has brought the IT and tourism industries together to creatively market the product and make it more tangible. Information also serves to reduce the risk associated with some travel and therefore is valued by most consumers (Sheldon, 5).

Tour operators, at least as much as any other supplier or intermediary, must manage to make their intangible products tangible for their interested customers. A website can be an invaluable tool for doing so, but will require further investigation and elaboration.

The third factor which makes tourism information intensive is its perishability. For example, if a seat on a given tour is not sold, that particular seat can never be sold again. Thus, the revenue from that seat is perishable. Sheldon argues that this perishability of tourism products has important implications for the use of information technology:

IT can assist with monitoring product inventories more carefully, and dynamically adjust prices to maximize load factors, occupancy and attendance rates. Also the use of high speed data communication networks can assist firms in the distribution of last minute information about available products to sell them before they 'perish' (Sheldon, 6).

Just as with airlines wishing to fill empty seats or hotels wishing to fill empty rooms, tour operators must also cope with the perishability of their services. A website may be a useful tool for advertising special deals, just as airlines do, to fill those empty seats.

By its nature, the tourism industry is among the most internationally-oriented industries. This characteristic contributes further to its information intensity.

International travelers require access to such information as border controls, customs regulations, arrival or departure taxes, currency controls, and immunization requirements, as well as cultural practices, driving regulations and language translations.

Sheldon argues that information technology may be used to facilitate these international data flows:

This geographic dispersion requires data communication networks around the globe to link countries, tourism firms and travelers together. Without IT, the tourism industry would not function as efficiently at the international level (Sheldon, 6).

Many tour operators certainly depend on foreign visitors for their survival, so these cross-border information issues are especially relevant.

The fifth factor contributing to the tourism industry's information intensity is that it is essentially a service. Sheldon asserts that speed of service has become

increasingly important to information consumers – an job well-suited for information technology:

IT applications are necessary to more rapidly serve tourists, whether it be to check a guest out of a hotel or to change their flight reservation. Because of these consumer expectations, time has become an important focus for competitive activities in tourism demanding the application of IT (Sheldon, 7).

Tour operators also must be prepared to serve their customers quickly. A website is ideal for providing voluminous information whenever a consumer needs it.

Considering how information intensive the tourism industry is, as well as the utility of information technology to manage complex information flows, the Internet can be an invaluable tool for the exchange of tourism-related information. The Internet is particularly well-suited as a medium of information exchange. As stated by the World Tourism Organization (WTO) in the introduction to E-Business for Tourism, “Tourism and the Internet are ideal partners” (1). Consumers of tourism products can use the Internet -- specifically the World Wide Web and e-mail -- to gather the information they need. The WTO observes that when consumers are planning a trip to a new destination, they face the problem of making a costly purchase without being able to see the product. The Internet provides consumers, “with the means to gain immediate access to relevant information of greater variety and depth than has been available previously,” as well as to make reservations quickly and easily (WTO, 1).

Meanwhile, tourism suppliers and intermediaries can use the Internet to present information to consumers and to share information among themselves. For tourism

destinations and businesses, including tour operators, the Internet offers the potential to make information and booking facilities available to large numbers of consumers at relatively low cost. The Internet also enables them to experience cost savings on the production and distribution of print materials and on other traditional activities like call centers. In addition, the Internet provides a tool for communication and relationship development among tourism suppliers and intermediaries, as well as end-consumers (WTO, 1).

In support of these assertions, the World Tourism Organization cites a study finding that, across the U.S. population as a whole, the Internet has become the number one source of information when choosing or planning a vacation, displacing travel agents and guide books. The study indicates that 26% of Americans prefer the Internet over other information sources. Among Internet users, the figure increases to 64%. In addition, among U.S. consumers who use the Internet to plan their trips, 71% report using travel agents less often, and 57% report placing fewer calls to rental companies, lodging companies, or for ordering travel brochures (WTO, 9). These findings suggest that, at least for U.S. consumers, the Internet is dramatically altering the ways tourists plan their vacations and interact with tourism firms. The WTO recognizes this trend and concludes, “The Internet is having a major impact, relative to other channels, as a source of information for choosing and planning holidays and other forms of travel, and increasing importance as a booking channel” (10).

In The Business of Tourism, J. Christopher Holloway presents a useful description of the distinct functions of tour operators within the larger tourism industry. He writes, "they purchase separate elements of transport, accommodation and other services, and combine them into a package which they then sell directly or indirectly to consumers" (220). The benefit for consumers is that:

The service which the tour operator provides is to buy in bulk, and thus secure considerable discounts from the suppliers which could not normally be matched by the customer buying direct. The operator is then able to assemble and present to the customer a package - the 'inclusive tour' - which is both convenient to purchase and competitively priced (Holloway, 221).

The service provided by tour operators is also valuable to the suppliers in the travel and tourism industry, such as the airlines, hotels, and attractions. As Holloway notes:

The travel industry operates in a business environment in which supply and demand are seldom in balance; nor can supply expand or contract quickly to take advantage of changes in demand.... Tour operators have played a very useful role for the scheduled airlines [and other principals], which can offer substantial discounts on seats that they know they themselves cannot fill (Holloway, 221).

Thus, tour operators increase overall demand for tourism products by creating a unique, convenient, competitively priced tour package. Tour operators also play a vital role in bringing supply and demand into balance. This effect is especially important considering the inelasticity of supply.

Tour operators are also both product developers and intermediaries. Their mission is to piece together a unique package of transportation, accommodations, attractions, and experiences. In the process of creating, marketing, and selling this

package, tour operators are also marketing and selling the individual elements. Pauline Sheldon's diagram of information flows in the tourism industry vividly demonstrates how the tour operator is an intermediary among numerous other agents within the industry. The diagram lays out the information flows coming into and emanating from a tour operator. For example, the tour operator must receive timely and accurate information on schedules, rates, and availabilities from a host of suppliers. The tour operator then must take care of these arrangements and present the information to customers in an appealing manner. The tour operator also facilitates information flow from consumers to suppliers, such as requests for information and bookings (Sheldon, 3). Serving as an intermediary in this way necessitates that tour operators maintain mechanisms for information exchange with their industry associates and with customers.

Although it promotes the use of e-business applications for the tourism industry generally, and for tour operators specifically, the World Tourism Organization recognizes that the Internet is not "a land of pure opportunity." Rather, E-Business for Tourism explicitly states, "the need to use the right technological resources is unescapable." A tour operator must carefully analyze which applications suit its needs and serve its growth strategy. With that in mind, the WTO outlines four general "e-business applications and functionalities" that are of particular relevance to tour operators (WTO, 187).

The first application is online presence. The WTO introduces the possibility of creating “virtual brochures” on a website. Instead of providing printed promotional brochures to travel agents as is traditional practice, a tour operator may place virtual brochures on a website for travel agents to download and print themselves. One benefit of shifting to virtual brochures is to reduce the cost of printed brochures. The WTO states that printed brochures are a substantial cost for many tour operators, especially small firms. However, the WTO notes that a cost-sharing mechanism would need to be developed between the tour operators and travel agents, since the responsibility for printing the brochures would shift to travel agents. A more significant advantage of virtual brochures is that of being easy and inexpensive to change as needed. Printed brochures, on the other hand, become outdated as prices and itineraries change, and excess brochures are wasted. Thus, virtual brochures allow for greater flexibility in prices and itineraries because tour operators are not wedded to an inventory of printed brochures.

Aside from simple brochures, more ambitious tour operators may experiment with virtual tours. The WTO cites the example of one tour operator that, “has developed a solution that instead of flicking through a resort brochure, the consumer will pull up a website, click on the virtual tour button and within seconds be offered a tour of hotel bedrooms, restaurants, foyers swimming pools and so on” (190). To emphasize the importance of tour operators making full use of the Internet’s capabilities, the WTO writes:

Online customers are expecting much more than static contents, and even dynamic audio-video contents may not be sufficient. What is the most strategic in this client-facing application is to reach a high level of flexibility in providing the information requested by customers, and to create a high level of interactivity with both databases and back office processes and staff (187).

Here, the WTO introduces the possibility of a website with advanced interactive and multimedia features. Such advanced features may be very useful for addressing what Pauline Shelton described as the intangibility of the tourism product, as possibilities in this regard numerous. A tour operator could include video clips of its tours to help the website viewer experience its tours. A tour operator may enable an interactive “design your own tour” feature, whereby the user selects tour elements based on information provided on the website. On a more basic level, a tour operator website may include links to the attractions that the tour visits and accommodations that the tour uses.

The second e-business application to consider is Customer Relationship Management (CRM). CRM involves collecting and synthesizing in-depth information about customers or contacts. The WTO notes that this application, “presents totally new opportunities that Tour Operators may never have envisioned on a massive basis” (187). The Internet provides an effective means for instant research, through e-mail or surveys linked to website usage, on customer requirements, interests, activities, attitudes, and satisfaction (13). Although all tour operators maintain a call center to help travel agents in need of information, and although CRM is most often connected to such service centers, using CRM with a massive base of online consumers is a very different challenge. The WTO cautions that:

Small TOs must be careful in setting up their strategy, primarily by identifying which parts of CRM are most relevant to their overall initiative, and how innovative will be its use throughout e-business processes. The priority in most cases will be to ensure that CRM does not represent a bottleneck for your operations, but rather enhances workflow and makes it more seamless and effortless to perform customisation (187).

Here, the WTO does a poor job of describing a website's capabilities for CRM. At minimum, most websites contain contact information so that users can call, fax, or e-mail their questions or comments. Many websites have an online form specifically designed for user feedback. Many websites also have a frequently asked questions (FAQs) web page in order to preempt the most commonly asked questions, thereby reducing the amount of time that staff members spend responding to such FAQs. A more advanced website CRM application that a tour operator might use is a space designated for past customers to write about their experiences. Not only would these online travel dairies keep past customers connected to the tour operator, they would serve as testimonials and, once again, make the experience more tangible for prospective customers.

The third and fourth e-business applications of significance to tour operators are Supply Chain Management (SCM) and integrated product development. The WTO finds, "the priority to properly integrate, harmonise and especially synchronise the flow of demands to suppliers is crucial for the success of e-business in the TO sector" (194). As for integrated product development, "this requires package design tasks to be integrated through a fluid workflow, where staff can effectively leverage the diverse

knowledge base, supplier base, and client base to discover the most innovative products that the market may sustain, and to target their design and launch with the highest levels of accuracy possible.” Consequently, far from being a mere complementary support system, integrated product development may represent a key tool for long-term survival, especially as product innovation will become the name of the game in Internet competition for TOs. Supply Chain Management and integrated product development may indeed be important applications for tour operator success. However, the WTO envisions proprietary networks among tourism industry agents, rather than websites, as the most effective implementation.

Reflecting on the WTO’s E-Business for Tourism guidebook, one finds several useful suggestions for Tour Operators to consider. The WTO emphasizes that an important technology-driven transformation is underway. This transformation holds both challenges and opportunities for tourism firms. It is up to individual firms to identify and implement appropriate online strategies for their particular circumstances and goals. The WTO also provides tour operators with a framework for considering the general areas that new e-business applications are affecting. The book outlines basic strategies for incorporating e-business technologies into a firm’s goals, and briefly discusses strategies to implement those applications.

However, in considering website applications and functionality, E-Business for Tourism is rather unimaginative and ponderous. It does not present specific ideas for creating an appealing, engaging website to make consumers excited to book a tour.

The book also seems to encourage technologies that foster collaboration among various agents of the tourism industry, rather than honestly assessing how certain applications may favor some agents over others. For example, the book emphasizes customer relationship management systems and supply chain management systems that bind tour operators, travel agents, and other industry agents together. Oddly, the book does not address the possibility that a tour operator could allow customers to book tours and make payments directly through a website. Perhaps, a tour operator using such an e-commerce application would reduce the need for travel agents. If customers can more easily find tour operators on their own and make reservations with them directly, they may not require the services of travel agents. The tour operator may benefit from this direct relationship with consumers, but the World Tourism Organization may be reluctant to forthrightly address such one-sided applications.

There are other important website benefits that E-Business for Tourism fails to discuss. As stated earlier, a website is available at all times for users to access at their convenience. This is an especially important benefit for tour operators, who may depend on foreign tourists from different time zones for their success. For these users, a website and e-mail may serve as the most convenient -- not mention most inexpensive -- interface for communicating with the tour operator.

In addition, the WTO does not discuss how a website can be used to market a tour operator directly to consumers. Tour operators can list their websites with search engines or on the websites of tourism promotion agencies. Along the same lines, a

website is an essential tool for branding. The design of the website can be tailored to appeal to upscale tourists, business people looking for a quick excursion, budget backpackers, or other market segments. The website needs to reflect the target audience for the product. Language is another related marketing issue. A tour operator may produce multiple versions of its website in multiple languages. While English is the most used language on the Internet, it is certainly not the only language, and the Web is becoming increasingly multilingual. A tour operator would certainly like to appeal to tourists of numerous nationalities, enable those tourists to communicate with the firm, and enable them to make a reservation and payment. Aside from a multilingual staff, a website may be an ideal tool for providing information in multiple languages.

Most notably, the WTO fails to discuss how tour operators can generate revenue from the Web. As already mentioned, a website can contain an e-commerce application to enable users to book and pay for a tour through the website. Users appreciate the convenience of an e-commerce transaction, which may translate into more customers for the tour operator. A tour operator may also be able to generate revenue from advertisements on its website. Local businesses may be willing to pay for advertising in order to market to prospective tourists.

All of the authors correctly note the enormous potential that the Internet holds for small businesses in general, and tour operators in particular. They outline many of the benefits of a website, and describe how a website can contribute to the overall

success of a small business. However, once a small business manager decides to devote resources to creating a website, he or she needs to consider the functionality of the site. More research is needed to help small business managers what their websites should feature.

Small Business and Developing Countries

As many developing countries experiment with free market reforms and liberalization to spark economic development, there is growing recognition that a dynamic, privately-owned small business sector is a vital ingredient for sustainable growth. The phrase “sustainable growth” can have two meanings when discussing economic development. Many researchers and policy-makers refer to sustainable growth as economic growth that inflicts minimal damage to the natural environment. By this definition, sustainable growth is sustainable primarily for the environment. This project is more closely affiliated with the second definition of sustainable growth - that is, economic growth that is self-sustaining. By this definition, an economy or a firm that is self-sustaining can survive and grow based on its own productivity and profitability, and without government subsidies or special protection to remain viable. These definitions of sustainable growth are not necessarily opposed to each other, as may be portrayed, but they do represent very different assumptions and approaches to economic and development issues.

There are few questions in economics or international relations that are more emotionally charged than why some nations industrialize while others do not, and how

to spur industrialization. This project cannot evaluate the numerous theories and strategies of economic development that have been advocated over the years. It may or may not be that sustainable industrialization requires a free market system with a liberalized regulatory environment, but that is a separate debate. Rather than delve into that debate, this project will simply assume that a dynamic, competitive, and innovative private sector is a positive phenomenon and is necessary for sustainable economic growth. The most important consequence of this assumption, for purposes of this project, is that private firms must identify and implement strategies for self-sustaining success. The nature of a dynamic, innovative private sector implies that the survival and success of a firm are not guaranteed. Survival comes with producing and selling goods or services that people want and are willing to pay for, so that the firm can sustain itself over the long term. Success comes with innovating the goods or services provided, or innovating the business operations, so that the firm has a competitive advantage over its rivals. In a dynamic, competitive environment, firms are required to be proactive and innovative to be successful.

This project will follow the lead of Zhen-Hua Liu, who in Chapter 3 of Tourism and Development classifies the member states of the Organization for Economic Cooperation and Development (OECD) as developed countries while developing countries include all remaining nations of the world. This classification generally conforms to the most widely used comparative measure of economic development – Gross Domestic Product per capita. Clearly, this classification of developing countries

encompasses a broad range of nations and cannot capture the numerous distinctions between regions, governments, economic circumstances, and other factors.

Nevertheless, a general distinction between developed and developing nations is useful for investigating the critical ingredients for economic development.

In his opening address to the 1993 World Bank conference on the policy environment for small enterprise in Africa, Ivory Coast's Minister of Industry and Trade Ferdinand Kacou Angora highlighted the importance of small businesses to Africa's economic development, as well as Africa's poor record of fostering small businesses, stating:

Private initiative, innovation, and imagination are the keys to development, and the encouragement of SMEs is one way to get those keys. It is high time we admitted that in most of our countries, our efforts to encourage SMEs have fallen far short of their mark (Angora, 5).

Minister Angora's remark highlights that the important contributions of small businesses to a comprehensive economic development effort are too often overlooked or under-appreciated. The reasons those contributions are overlooked is a separate matter, but it is worth investigating the specific reasons small business development is so important.

In a World Bank Discussion Paper entitled, "Small Enterprises Adjusting to Liberalization in Five African Countries," authors Ronald L. Parker, Randall Riopelle, and William F. Steel outline several reasons why small-scale enterprises (SSEs) play an important role in economic development. The authors refer to the first reason as

“dynamic progression.” By this, they mean that over time, some small firms will develop into large firms, and that this corporate growth is an essential feature of economic development. In fact, this progression from family-based micro-enterprises to small enterprises to large enterprises is how most modern developed countries have achieved industrialization (Parker, 15). In looking at the history of industrialization, the authors find:

In the typical transition to industrialization, a structural transformation occurs from a preponderance of micro enterprises to a predominance of larger-scale units. While the share of SSEs tends to rise rapidly in the early stages of industrialization and then diminish, data suggest that they also persist throughout the development process, serving necessary and synergistic roles with large industry (Parker, 16).

In this way, small businesses serve as building blocks for the evolution of large-scale enterprises, Furthermore, even after large-scale industries begin to dominate the economic scene, small enterprises remain necessary for a dynamic and efficient economy. A small business can serve niche markets, be an incubator for new products, and provide production on-location in rural or small markets. Thus, the history of industrialization in modern, developed economies highlights the critical role of small enterprises throughout the development process, in developed and developing countries alike (Parker, 16).

Although large-scale firms may ultimately prove more efficient for mass production, the small enterprise sector also contributes to the industrialization process by serving as a “seedbed for entrepreneurs.” Small enterprises are often a training

ground for entrepreneurs who typically start their businesses on a small scale. The World Bank Discussion Paper notes, “The diffusion of SSEs throughout the economy can support the emergence of experienced managers to operate larger, more capital-intensive units with higher labor productivity” (Parker, 16). In other words, entrepreneurs can start a small business and hone their managerial skills, and either grow their business into a large enterprise or take their expertise to an existing large enterprise.

Another reason that small enterprises are important to economic development relates to what the World Bank authors call “innate SSE characteristics” (Parker, 17). For example, because small businesses are more likely to be owned and managed by a single person, major decisions can be made and implemented unburdened by layers of management. By serving local markets, small businesses may also have a more intimate feel for the changing needs of their customers. In addition, they are often more able to adapt during periods of rapidly changing market conditions. Such flexibility makes small businesses well-suited to provide for the particular needs of a local community (Parker, 17)

These innate attributes of small enterprises also facilitate the equitable distribution of wealth. Whereas larger firms tend to congregate in urban areas, where services are best, small enterprises are typically found throughout a country. The authors describe the positive impact that small businesses can have for otherwise marginal groups:

Thus, small enterprises can help the entrepreneurial base flourish among diverse ethnic groups and regions and among relatively low-income people in rural areas. In particular, SSEs are an important entrepreneurial source among women in developing countries, who are more likely to work and own SSEs than larger enterprises because SSEs have more flexible production schedules and can operate closer to rural homes, if not from them (Parker, 17).

Their low start-up and overhead costs, basic technology needs, informal nature, reliance on family labor, and proximity to home sites make small enterprises very helpful for facilitating the economic participation of women and the poor, and for reaching diverse geographic regions. Thus, small enterprises can spread economic gains to segments of a population that otherwise may be left out of development strategies.

Considering that small businesses can be a dramatic, positive force for sustainable development, the question becomes how to foster a vibrant small business sector. In his keynote address to the World Bank conference on the policy environment for small enterprise in Africa, William Steel of the World Bank gets to the heart of this key question, and presents a framework for thinking about the answers. He begins by observing that private enterprises in Asian countries have powered impressive economic growth in that region. He contrasts the experience of private enterprise in Asia with that of Africa:

The conditions facing private entrepreneurs in many African countries, however, make simply surviving a miracle. The challenge before us is to turn the miracle of survival into the miracle of growth by investigating how government policymakers and regulators, financial systems, and other agencies can themselves become the agents of change to support small entrepreneurs in transforming the economies of Africa....The focus should be on the process: what conditions stimulate and empower

people to make changes that help small enterprises fulfill their potential contribution to employment and income generation (Steel, 12)?

Steel identifies the critical requirement for small enterprise growth as a set of political and economic factors that empower entrepreneurs and enable small businesses to succeed. There are six such factors that Steel calls “the six INs:” investors, enterprises, incentives, inputs, environment, and institutions. In fact, Steel does not specifically call these “success factors” for small businesses in developing countries, but that is exactly what they are. The extent to which these factors exist or do not exist, the nature of these factors within a particular developing country, and how they interact with one another, can greatly inform one’s understanding of small business success.

The central agents of small businesses are the *investors* or entrepreneurs themselves. These people are the risk-takers who identify and manage profitable investments. They provide employment, both to themselves and, if they are successful, to increasing numbers of other workers. The entrepreneurial spirit exists in Africa and in all developing countries. Whether these entrepreneurs can manage the other elements of successful enterprise growth is another matter.

By discussing *incentives*, Steel is referring “to the determinants of the profitability of investment, including demand for output, prices of outputs and inputs, and taxes” (14). He notes that, in general, the economic policy environment in Africa has not been conducive to small enterprises. Incentives favored large state and foreign investments over small private ones, and large import-substitution industries received

protection. Furthermore, because many small enterprises are located in rural areas, policies that restrained agricultural incomes, such as price controls, limited the demand base for small enterprise outputs.

Steel observes that imported *inputs* have historically been licensed or directly allocated by governments in many developing countries. Besides finance and foreign exchange, input controls have often covered commodities as well. In this circumstance, large enterprises often receive preferential access at the expense of small enterprises.

Among the most important success factors that Steel describes is the business *environment*. Political and social attitudes toward profit-seeking in private businesses can determine whether those entrepreneurs come forward. Profit-making endeavors must be rewarded and respected, Steel finds that negative attitudes are often manifested in a restrictive regulatory environment. The high cost of complying with overbearing regulatory policies may constitute a significant barrier to small business growth by encouraging firms to stay very small and informal to avoid the regulations. Too often, officials in the government agencies responsible for implementing business policies can be agents who resist change, especially liberalization measures that take them out of the picture.

The term "*institutions*" covers a broad range of agencies that can foster or hinder small business success. Steel gives particular attention to financial institutions, and is concerned that banks in developing countries generally have little interest in or experience providing term loans to small enterprises. But institutions also involve

regulatory agencies, judicial authorities, law enforcement, and international organizations. These institutions can either enforce a level playing field for small businesses, or they can obstruct small business development through passivity or proactively. Corrupt institutions can be especially damaging to small enterprises in developing countries, for a host of reasons.

The structure and goals of the *enterprise* itself are Steel's sixth success factor. Some small businesses are meant only to supplement household income, rather than provide full-time employment. Indeed, most small enterprises stay small, with very few developing into large enterprises. Therefore, it is important to remember that enterprise growth may be one measure of success, but is not the only measure.

Steel's six "INs" are a very useful framework for understanding the conditions that either foster or hinder small business success in developing countries. However, he was primarily concerned with public policy-related success factors. There are three more "INs" that Steel either does not mention at all, or only briefly touches upon, but which are no less important than the six he discusses in depth. These three are infrastructure, information, and innovation. It is information and innovation that are most significant for this project.

Infrastructure refers to the physical infrastructure that a developing country needs to support economic growth. Such infrastructure includes transportation, electricity, water, telecommunications and similar facilities necessary for even basic economic activity to occur. These factors are needed to move inputs and outputs,

coordinate activities among various agents, and carry out basic production and other operations. Yet these infrastructures may not exist or may be unreliable in many developing countries. Infrastructure is a critical success factor that Steel did not discuss.

As Pauline Sheldon made clear in Tourism Information Technology, *information* is another critical success factor that deserves to be highlighted. Very few, if any, businesses operate without information exchange, either internally or with outside agents. Businesses of all sizes need systems to manage information flows so that vital data gets to the actors that need it, quickly and accurately. But Steel writes, "In particular, small businesses find it difficult to obtain critical information on markets, inputs, and technology" (18). Businesses that manage information better than their competitors have a distinct competitive advantage in customer service and supply chain management. This reality is no less true in developing countries than in advanced, "Information Age" countries.

Innovation is the final small business success factor in developing countries. Enterprises that identify and implement innovative ways to maximize the other success factors will have a greater chance for success. A small business in a developing country can innovate its product or service, it can innovate its own enterprise operations, it can innovate how it manages its business environment, or any other number of factors. Creating a website may be an important innovation that enables a small business to reach new markets or share information more efficiently.

Small businesses in developing countries face numerous challenges, only a few of which were alluded to here. Poor infrastructure, corrupt institutions, and limited markets, among other challenges all inhibit small enterprise growth. But perhaps the biggest challenge is a political and business environment that favors large enterprises, which the elites of a country find easier to control. To overcome these challenges, small business managers must find ways to maximize their success factors, use information to their advantage, and innovate their business practices. Policy-makers must also recognize that small businesses are the keys to the economic development of their nations, and do what they can to foster and facilitate small enterprise development.

South Africa and Tour Operators

Among developing countries, South Africa is wealthier and more industrialized than many, but is saddled with many of the same problems – widespread poverty and crime, systemic corruption, and an AIDS crisis – that afflict other developing countries.

The 2002 CIA World Factbook characterizes South Africa as:

...a middle-income, developing country with an abundant supply of resources, well-developed financial, legal, communications, energy, and transport sectors, a stock exchange that ranks among the 10 largest in the world, and a modern infrastructure supporting an efficient distribution of goods to major urban centers throughout the region. However, growth has not been strong enough to cut into high unemployment, and daunting economic problems remain from the apartheid era, especially the problems of poverty and lack of economic empowerment among the disadvantaged groups (CIA)

According to the World Bank, South Africa had a Gross National Income (GNI) per capita of \$2,900 in 2001, ranking it 2nd in sub-Saharan Africa after Botswana, but only 92nd in the world (World Bank, 2002 World Development Indicators) Of course, South Africa's classification as a middle-income economy masks a deep divide between the relatively well-off white minority and the largely poverty-stricken black majority. This divide is most strikingly apparent in the unemployment figures, which in 1999 stood at 42% among blacks and 4% among whites (CNN)

In a World Bank Working Paper, "Promoting Growth and Employment in South Africa," Jeffrey D. Lewis identifies the most pressing problem facing South Africa as, "the absence of sustained economic growth and job creation, which are essential to reduce poverty and improve living conditions." He praises South Africa for its progress since the transition to a multi-racial democracy in addressing the difficult political, social, and economic challenges of the post-apartheid era. Yet, substantial challenges remain. "What lies ahead is the daunting task of ensuring that South Africa's rich natural and human resources are employed for the benefit of all, promoting sustainable livelihoods, improving social conditions, and alleviating poverty" (Lewis, 1).

To this end, South Africa's small business sector has a mixed record. Lewis observes that the sector is "relatively under-developed" (8). The emergence of a more vibrant small business sector has been crowded out by several factors, such as the lingering effect of sanctions-related closure of export markets, as well as distortions and

regulations in domestic markets that have hampered the emergence or expansion of startup firms. Citing a World Bank survey of South African small businesses, Lewis describes the importance of increasing demand for these firms to overcome barriers to growth and succeed:

...expansion requires increases in demand and in business visibility, suggesting a sizable role for aggregate demand conditions and implying that the SMME tier may not be able to expand rapidly in a poor or slow-growth economic environment. In fact, SMMEs may be more vulnerable to changing aggregate demand conditions because their financial resource base is smaller (Lewis, 8).

As has already been discussed, a website can be an effective tool for increasing the visibility of a small firm and for reaching new customers. Thus, like small firms everywhere, South African small businesses may benefit from the marketing and revenue-generating capabilities of a website.

Like South Africa's small business sector, the nation's tourism industry holds great promise to spur economic growth, but is not performing to its potential. A report by the World Travel and Tourism Council (WTTC) entitled, "South Africa: The Impact of Travel and Tourism on the Economy," outlines an optimistic and hopeful future for the positive role tourism can play in South Africa's development. However, the Council finds that recent experience in this regard has not lived up to expectations. In 1996, the Department of Environmental Affairs and Tourism authored the White Paper on the Promotion of Tourism in South Africa. The document set forth several specific targets for tourism in South Africa, among them:

- To increase the contribution of tourism to GDP to 8% by 2000 and 10 % by 2005.
- To create 1 million additional jobs in tourism by 2005.
- To welcome 2 million overseas visitors and 4 million visitors from the rest of Africa by 2000 (Section 4.5).

By 2002, few of these targets had been met. The WTTC report finds that tourism directly contributes \$3.1 billion to GDP, equivalent to 3% of GDP, and indirectly contributes 7.1% of total GDP. Tourism directly accounts for fewer than 500,000 jobs, and a total of 1,148,000 jobs directly and indirectly. In 2000, South Africa welcomed just over 1.5 million overseas visitors, but succeeded in welcoming nearly 4.5 million African visitors.

Despite the disappointing numbers, the WTTC predicts increasing growth in the years ahead, though not nearly as much as the 1996 White Paper had hoped. The Council predicts that in 2012, tourism will increase its contribution to South African GDP to 5.1%, as well as provide for 679,000 jobs directly, and a total of 1,555,000 jobs. All in all:

Travel & Tourism offers enormous potential as a catalyst for future economic and social development across the whole of the country. Measures already undertaken by the government augur well for the sustainable development of Travel & Tourism – achieving a healthy balance between business imperatives, the protection of cultural heritage and environment, and the well-being of local communities (WTTC, 4).

Although the 1996 White Paper may contain overly optimistic projections, it does present several useful recommendations of relevance to private tour operators. It notes that, at that time, there were 135 inbound tour operators and group handlers who serviced about 222,000 visitors per year. In order to provoke further development of

tour operators and others in the ground transportation sector, the White Paper recommends encouraging entrepreneurship in the provision of transportation services, encouraging more open competition, encouraging strategic alliances with other stakeholders in the industry, and expanding the range and accessibility of different transportation options to visitors, among other recommendations (Section 5.9).

The White Paper also highlights the importance of aggressive marketing and promotion to lure tourists. While acknowledging that the private sector could contribute to marketing South Africa as a tourist destination, the document downplays this possibility when it emphasizes, “International marketing should mainly be the responsibility of the national tourism organization.” The White Paper goes on to outline 16 separate recommendations to improve marketing to domestic and overseas tourists alike (Section 5.11). The document is silent regarding use of the Web as a marketing tool, but in 1996, the South African government could hardly have recognized the exploding use of the Internet for presenting tourism information.

Nevertheless, the White Paper does acknowledge an important role for the private sector in the further development and promotion of tourism. It notes that the private sector bears the major risks of tourism investment as well as a large part of the responsibility for satisfying the visitor. The document goes on to outline several specific private sector functions, including to advertise and promote individual tourism services as well as the country; satisfy customer needs by providing quality products

and services; and collaborate with the government in planning, promoting and marketing tourism, among other functions (Section 6.4).

South Africa has enormous potential to be a major world tourist destination. Its rich cultural history, dramatic landscapes and wildlife, and varied tourist activities all suggest that South Africa can become a compelling destination for millions of travelers. Certainly, many tour operators are already thriving, as evidenced by the hundreds of operators listed on the official website of the South African Tourism Authority. Yet the potential for even greater success is virtually unlimited. Tour operators have much to gain by improving their operations, expanding their marketing, and conveying to the world market all that South Africa has to offer.

Developing Countries and the Internet

Many development experts and aid organizations believe that information and communications technologies, and the Internet in particular, hold great promise for African and other developing countries to achieve economic growth and leapfrog the stages of development. However, not all observers agree. Robert G. White poses the critical question in the title of his article, "Implications of the Internet Revolution for Africa: Cyberimperialism, Cyberhype, or Cyberhope?" Many developing nations are struggling to determine whether the Internet represents cyberimperialism, cyberhype, or cyberhope as they consider their place in a globalizing and increasingly wired world.

One school of thought argues that the Internet and other “Western” technologies will undermine African’s hard-fought independence and introduce new forms of political, cultural and economic domination. Dr. Francis B. Nyamnjoh is one observer who harbors deep reservations about the Internet, fearing that it portends an age of cyberimperialism rather than cyberhope. In "Africa and the Information Superhighway: Silent Majorities in Search of a Footpath," Nyamnjoh expresses his concern that information and communications technologies (ICT) primarily serve the interests of Western countries at the expense of Africans. He associates his views with critics who, "argue that the new technologies are conceived, designed, built, and installed with the primary objective of maintaining economic, political and cultural privileges and advantage, while thwarting any social change that would abolish or overturn such privileges." It is not clear whether the author truly believes that ICTs are part of a conspiracy to oppress Africa, but his distrust of technology is clearly based on longstanding frustration with Africa's predicament. He writes, "Africa's attempt at development for over nearly forty years along the lines of western experience and with the help of mass media has met with little success."

Another such critic is Arjun Appadurai. In his essay “Grassroots Globalization and the Research Imagination,” Appadurai presents a skeptical view of the twin forces of globalization and technology penetration in Africa. Appadurai essentially sees these forces as threats that need to be countered. He writes of the “runaway quality of global finance” and “the worrisome implications of this chaotic, high-velocity, promiscuous

movement of financial (especially speculative) capital" (Appadurai, 4). Globalization and technology produce an unwieldy set of "disjunctive flows," creating expectations of wealth that cannot be met, civil unrest that is repressed by state violence, and which undermines traditional notions of culture and morality (Appadurai, 6).

In Exporting Communication Technology to Developing Countries, Emmanuel K. Ngwainmbi presents a similar criticism of telecommunications technologies. Ngwainmbi is extremely suspicious of the motives behind Western efforts to sell technology in Africa and is ambivalent about the effect of these technologies on Africans. He writes, "The transmission of economic data through new technologies will enrich multinational corporations at the expense of developing countries." Referring to efforts of foreign telecommunications service providers to build a network in Africa, he writes, "Telecommunications installation in rural and semi urban areas obviously threatens, and adulterates, the cultural values of most residents in developing countries. It obstructs the serenity of their ancestral environment and pacifies traditional authority" (Ngwainmbi, 127).

A second school of thought is also critical of ICTs but is more concerned by the high cost and uncertain value of these technologies, rather than the potential for neo-imperialism. Focusing on another developing African nation, Wangechi Muthi and Patricia Gachiengo pose the question, "Should the Internet be a development priority in Kenya?" The authors consider that 50% of the Kenyan population (much like the South African population) lives below the poverty line and decide that, "the very

establishment of the Internet in Kenya may be outside the logistical and financial resources of the country.” Aside from the high cost of the technology itself, the authors question the viability of the Internet when even basic infrastructure, like electricity, is unreliable. Taking these circumstances into account, the authors believe that the resources devoted to technology may be better allocated to other, more immediate concerns. They conclude, “the adoption of technology in developing countries should be based upon the needs and desires of the domestic society and not on the automatic emulation of more developed nations.”

The basic counter-argument to these criticisms is that ICTs present an invaluable opportunity for Africa to invigorate and sustain economic growth, and that with development, Africa will be a more forceful player in world affairs. Ultimately, Robert White comes to this conclusion -- that Africa has much more to gain than to lose by utilizing technology. In considering the concern over "cyberimperialism," he notes that most hardware and software does come from industrialized countries. However, he writes, "But these are mere vessels, empty of substantial content" (229). White finds encouragement in the emergence of African content on the Internet, particularly the uniquely African nature of the graphics. He correctly predicts that Africa can incorporate the Internet and shape it to serve the specific needs of Africans. He compares this process to the creation of music, writing, “ when an African musician picks up an American banjo, we should not expect to hear American folk music" (230). In the process, the Internet will be a more valuable tool for all users around the world.

This argument is also presented forcefully by Heather Hudson in Global Connections: International Communications Infrastructure and Policy. She asserts that, just as transportation networks and electricity are widely recognized as prerequisites for development, an effective telecommunications network produces widespread direct and indirect benefits for developing countries. She states, "Telecommunications should be a vital component in the development process – a complement to other development investments – that can improve productivity and efficiency of rural agriculture, industry, and social services, and can enhance the quality of life in developing regions" (Hudson, 186).

Hudson's analysis is supported by analysis done by the World Bank. The Bank's 2002 ICT Sector Strategy Paper finds that telecommunications investment and economic growth are mutually supporting. While it is difficult to quantify precisely, the World Bank estimates benefits to costs of telecommunications usage at about 5:1 (World Bank, 6). This impressive ratio stems from improved efficiency in managing rural enterprises, time savings in ordering spare parts, savings in travel costs and time, and other factors. Similarly, just as these efficiencies can produce a notable increase in GDP growth, the reverse may also be true. The inefficiencies stemming from the inability to send and receive timely information may actually undermine the development process (World Bank, 8).

In weighing the pros and cons involved in the deployment of ICTs, one must consider the numerous indirect ways that telecommunications can improve efficiencies

in a developing economy. For example, transportation often accounts for 10 to 20 percent of the energy consumed in developing countries. But a significant percentage of that outlay is wasted because of inefficient communication between producers, truckers, and customers. In some instances, communications technology may substitute for travel, thereby saving time and transportation costs. One study by the International Telecommunications Union estimates that developing countries can save billions of dollars in scarce foreign exchange by reducing oil imports with improved telecommunications (Hudson, 194). Similarly, communications technology can assist farmers or rural industries to compare prices in various markets, enabling them to receive the best prices for their production. Ordering spare parts for equipment is also facilitated by ICTs.

Although the potential benefits of ICTs are substantial, particularly to rural and small enterprises, the policy environment in many African countries inhibits technology development rather than promotes it. In "Telecommunications Policies for Sub-Saharan Africa," Mustafa, Laidlaw and Brand describe the causes of Africa's poor performance in the telecommunications sector. They note that, despite Africa's above average revenues per telephone line, service quality is very poor and widespread demand is going unmet. The causes of these problems are numerous, but boil down to mismanagement and lack of commitment to market principles. In particular, the authors highlight "the inefficient use of investment resources," (3) noting that many African nations maintain "excessive" long distance capacity and inadequate local

networks. Similarly, in many countries, prospective private investors face daunting legal and political barriers to entry. Endemic corruption presents another sizable problem, with the effect of undermining sound business practices. Finally, many African countries have been slow to implement necessary reforms, such as separating telecommunications operations from the regulatory authority.

In discussing the reasons why these problems have been inadequately addressed, the authors note that, "virtually no [sub-Saharan African] country enjoys a national consensus for reform in the telecommunications sector" (8). There are too many people with a stake in the existing structure and too few organized groups pressing for reform. They are correct in noting that, "Demonstrating the social welfare gains which have resulted from reforms elsewhere is one important element in securing political support" (8). for reform.

An even more daunting challenge raised by the authors is the general fear within Africa that liberalizing the telecommunications sector is "equated with a return to foreign control." They point out that Africans view "Western" recommendations on the subject of reform with deep suspicion. One way to alleviate this fear may be to promote the involvement of locally owned businesses in liberalization, as well as to maintain highly visible and transparent regulatory controls.

The larger point that comes through from the article is that market forces work when they are permitted to. The basic problem to this point has been overbearing government control over the distribution of resources, coupled with a lack of sound

business practices and widespread corruption. It seems that, too often, "liberalization" and "deregulation" are misunderstood terms in the African context. They do not mean removing all controls on how telecommunications businesses operate. Rather, they mean establishing a basic system of institutions to oversee the marketplace, while allowing businesses the flexibility to direct their resources as necessary. If the market is set up and governed correctly, it will build on itself and generate the social benefits everyone wants.

South Africa and the Internet

By many measures, the South African ICT infrastructure and usage patterns are the most developed in Africa. South Africa has nearly five million main phone lines, second most on the continent after Egypt, and has 11.35 phone lines per 100 inhabitants, ranking it fourth in that category. South Africa ranks first by most Internet measures, including number of users (2.4 million), users per 10,000 inhabitants (549.38), Internet hosts (187,649), and total personal computers (2.7 million) (ITU, 2002). South Africa also has the most Internet Service Providers (more than 150) in Africa (UNECA).

The South African telecommunications sector was partially privatized and deregulated in 1996 when the state-owned carrier Telkom was separated from the South African Telecommunications Regulatory Authority (SATRA). Telkom has remained a monopoly provider of land-line service, with customers waiting upwards of a year, on

average, for a new line. Meanwhile, the more competitive mobile phone sector has mushroomed from 340,000 subscribers in 1995 to 8.3 million in 2000 (UNECA).

Telkom has challenged the legality of independent ISPs on the grounds that Telkom's monopoly over telecommunication services also extends to Internet access. SATRA analyzed the issue and ruled that the Internet was under the competitive demand and would not fall under the conventional voice network. Nevertheless, the legal battle over Internet service continues as SATRA's ruling is being appealed (UNECA).

UNECA reports that Internet access fees are comparable to fees in the United States, with dial-up Internet access costing around US\$10-20 per month. For instance, one ISP, M-Web, offers three hours of access for R45¹ per month and unlimited access for R99 per month. However, the local call through Telkom to the ISP can cost US\$1.60 at peak times.

In January 2003, South Africa Online, in conjunction with The House of SYNERGY, released the results of, "South Africa's first Internet User Survey online via The Web." Respondents were asked to visit the survey website and complete a questionnaire. The survey was available for completion for a period of two months and 700 people responded. Although the survey is not scientifically valid, it suggested the typical profile of a South African Internet user:

Married male, aged between 26 and 30 and English speaking. He's well educated (has completed high school and is highly likely to be

¹ As of March 2003, the exchange rate between South African rands and U.S. dollars was approximately 8:1.

a university graduate) and earns between R10 000 and R19 000 per month. He uses Windows 95 as his operating system of choice and accesses The Internet equally from home and work. He's likely to work in the computer industry in one way or another and has been using The Net for a year or two.

Among the notable aspects of the survey are that South African Internet users are overwhelmingly male (84%), but that the ages of users are well-distributed – 54% are 31 or older. The finding that 34% of users are employed in the computer industry suggests that the Internet remains a somewhat niche phenomenon among the technology-savvy, but that Internet awareness is spreading to the larger population (http://www.southafrica.co.za/survey_one/index.html).

Anecdotal evidence suggests that the Internet is indeed becoming a more established feature of life in South Africa. Traveling through the country, one notices the e-mail and website addresses on many of the outdoor advertisements for various products. Presumably, these ads are targeted to the domestic market as much as to tourists. One also notices that Internet cafes are ubiquitous in the cities and towns. These Internet cafes are in use day and night, by blacks and whites alike. The demographics in the Internet cafes do appear to be more male than female, though not as much as the statistic above suggests. However, one is struck that almost no black females seem to use the Internet cafes. One also notices how no one over the age of 35 seems to use the Internet cafes.

Although South Africa has, by far, the largest online presence of any country in sub-Saharan Africa, the Internet is still a fairly new phenomenon for most people. As

in many countries, the legal framework for Internet regulation is still being fought over and worked out. Telecommunications regulators, providers, and users are learning and experimenting with how to harness the Internet for their success. Many South Africans are coming to recognize the significance of the Internet and are integrating into their activities. The following sections will outline the experiences of four South African companies with their websites, describing their successes and failures as they experiment with this new medium. From their experiences, one can foresee that the Internet will only become more significant for business as well as for daily life.

CHAPTER III - The Research Question and Hypotheses

The primary focus of this project is to investigate variations in the functionality of certain small business websites. Specifically, this research project poses the question: What is the relationship between the website functionality of South African tour operators and the success of those firms? Prior to attempting an answer to this question, the individual terms must be clearly defined and operationalized. The term “functionality” is meant to be considered broadly to include the full range of content and capabilities of a website. A website’s content may include such features as photographs, graphics, text, color, site structure, and layout. The capabilities of a website may include such interactive features as hyperlinks, electronic commerce, or user feedback features. The central premise of this project is that variations of these website functions can positively or negatively impact the success of small businesses in developing countries.

Operationalizing “South Africa” is more complex than it may at first appear. South Africa is a clearly defined nation-state, but it also conjures up many abstract meanings and attitudes when one thinks of South Africa, at least from a “Western” perspective. South Africa is a developing country, and carries many of the negative perceptions – justified or unjustified -- that come with that designation. Perceptions of developing countries often include poverty, civil unrest, and poor infrastructure. Being located in Africa, South Africa may also be associated with the prevailing negative perceptions of the continent as a whole. In her article, “War, Famine, and Poverty:

Race in the Construction of Africa's Media Image," Jo Ellen Fair notes many of these common images of Africa: "famine-plagued," "AIDS-ridden," "backward," and "savage," among others (Fair, 5). At the same time, the country may also be associated with the mystique of "the dark continent," with its exotic cultures, landscapes and wildlife. Discussion of South Africa also conjures up images of the country's unique history, from the Zulu warrior, to the popular struggle against and triumph over apartheid, to the celebrity status of Archbishop Desmond Tutu and former-President Nelson Mandela. A South African website, particularly one designed for a foreign audience, may be required to address these attitudes and perceptions in some way.

It is also necessary to operationalize "tour operators." As described earlier, tour operators are a small, but distinct, sub-sector of the tourism industry, providing a package of transportation, accommodations, and tourist destinations. Typically small or medium-sized enterprises, tour operators do business in a highly competitive environment.

The last term in the research question to operationalize is the outcome variable, "success." There are many possible measures of company success. Perhaps the most obvious objective measures are revenue, profitability, and customers. There are also more subjective measures of success that are difficult to quantify but are no less important to recognize. These measures are subjective in that they are based on the perceptions, beliefs, and feelings of the research subjects. For example, since many tour operators depend on referrals, these company managers believe that maintaining

strong customer relationships is an important measure of success. As described earlier, Simpson Poon identified another subjective measure of success – whether expectations are met or exceeded. A third subjective measure of success, and one which may be under-appreciated, is enhanced control of the business. Enhanced control refers to the improved ability of the business manager to manage the flow and operations of the firm. Such enhanced control may involve avoidance of overbooking or more selective acceptance of new customers.

With the terms within the research question operationalized, it is possible to set forth several hypotheses for analysis. These hypotheses are drawn from the theories and concepts discussed in the literature review. In particular, Tom and Lori Heatherington's discussion of a website's benefits for small business, Pauline Sheldon's analysis of the tourism industry, as well as several other authors, provide a useful foundation for developing seven hypotheses. The hypotheses enable rigorous investigation of the relationships between specific website functions and the success of South African tour operators.

The first hypothesis stems from Tom and Lori Heatherington's assertion that a website can be a valuable tool to facilitate communication. By including contact information on the website, particularly the company's email address, tour operators enable inexpensive and convenient communication with potential customers. Considering the vital importance of information exchange between tourists and tour operators, as laid out by Sheldon, one can hypothesize:

H1: The presence of company contact information on the website is positively related to company success.

This contact information includes the company's address, telephone number, fax number, and especially e-mail address, so that users may communicate with the company.

The second hypothesis relates to electronic commerce. Tom and Lori Heatherington noted that one major benefit of operating a website is that it can be an interface for conducting e-commerce. With a booking feature, a tour operator's website can enable customers to make reservations at his or her convenience. Similarly, with electronic commerce capability, the website can facilitate direct payments by customers. Thus, it is reasonable to hypothesize that:

H2: The presence of e-commerce and/or booking features is positively related to company success.

It is important to note that some companies may enable users to make bookings through the website but do not enable direct payments through the site.

The third hypothesis relates to the presence of tour options and tour information on the website. Pauline Sheldon outlined the complex information flows that characterize the tourism industry. Tour operators provide a valuable service by managing such information as schedules, prices, reservations, and other data to create unified tour packages. Thus, by using tour operators, consumers are not burdened with managing all of the information themselves. A website may be an effective tool to present tour information to consumers in a way that is seamless, easily understood, and

appealing to potential customers. Considering also that the World Tourism Organization asserts that many tourists are increasingly depending on Internet resources to plan their vacations leads to the third hypothesis:

H3: The presence of tour options and tour information on the website is positively related to company success.

This hypothesis raises several other issues that are worth investigating, but which do not merit separate hypotheses. First, consumers may appreciate in-depth information on a company's touring options, such as detailed information on destinations to be visited. It may be that variations in the depth and detail of tour information presented on the website relates to greater or lesser success that a company achieves. Second, online tour information may be positively related to company success specifically by reducing printing costs. The WTO raised this possibility by suggesting online brochures. Similarly, it is also reasonable to expect that online tour information may reduce telecommunications costs by reducing the need for telephone conversations to discuss tour itineraries. Thus, the presentation of tour options and tour information may relate to company success in different ways.

The fourth hypothesis stems from what Sheldon described as the intangibility of the tourism industry, meaning that potential customers are unable to see, touch or feel a vacation before purchasing it. The use of branding and image features on a tour operator website may help reduce this intangibility. Branding and image features of a website refer to the use of various design elements, such as logos, colors, graphics, or pictures, to create an appealing website and a favorable impression of the company.

These features may reduce intangibility by allowing customers to view images of the places to be visited. These features may also help convey to customers that the company is professional and so they will feel confident making a reservation. Thus, the fourth hypothesis is:

H4: The presence of branding and company image enhancing features is positively related to company success.

The fifth hypothesis stems from the heterogeneous nature of the tourism industry, as observed by several authors. Tour operators are intermediaries between many other actors in the industry, including hotels, destinations, airlines, and numerous others. Many of these other actors are likely to have websites of their own. Users of a tour operator's website may appreciate links to these other websites of actors that the tour operator works with. If potential tourists can see the websites of the hotels they will be staying in or of the attractions they will be seeing, they may be more inclined to travel with that tour operator. Thus, the fifth hypothesis is:

H5: The presence of hyperlinks is positively related to company success.

The sixth hypothesis stems from the intangible nature of the tourism product, as described by Pauline Sheldon. A potential tourist viewing a tour operator's website cannot be sure that the company provides quality service. The website user may be reassured to see statements from past tourists describing their experiences and praising the tour operator. Such statements may help the website user feel more confident about

the tour operator's professionalism and commitment to service quality, thereby leading to the sixth hypothesis:

H6: The presence of customer testimonials is positively related to company success.

The seventh hypothesis is based on the fact that South African tour operators depend on tourists from all over the world, as made clear by the World Travel and Tourism Council. It follows that many users of a tour operator's website may appreciate reading the site's content in their own languages. A website user may be more likely to make a reservation with a tour operator that translates its website content into multiple languages, leading to the hypothesis that:

H7: The presence of multiple languages is positively related to company success.

In the course of investigating these hypotheses, a roadmap for successful website design may emerge. Some functions may seem more important to tour operator success than others. Perhaps one function will emerge as especially important. This knowledge of the relationship between specific website functions and company success may assist other small businesses in developing countries achieve success with their own websites.

CHAPTER IV - Methodology

To test these hypotheses, in-person interviews were conducted with representatives of four South African tour operators. Interview candidates were identified by conducting keyword searches on Google.com for South African tour operators. From this pool of potential subjects, the researcher reviewed the tour operators' websites to identify companies with an office in Cape Town, South Africa. From this narrowed pool, potential subjects were contacted using email addresses provided on the tour operators' public websites. The text of the introductory e-mail is included in Appendix A. In all, 15 potential subjects were contacted in this way. If a potential subject did not respond to the email or responded that he or she did not wish to participate, then that potential subject was not pursued further.

If the potential subject chose to respond to the email and expressed interest in being interviewed, a follow-up e-mail was sent to thank them for volunteering and to describe follow-up steps. Four of the 15 companies contacted expressed interest in their e-mail replies and these four were followed up with and subsequently interviewed. Upon arrival in South Africa, the researcher contacted the four company representatives by phone to set a date, time, and location of mutual convenience for the interviews.

The four interviews were conducted based on a script of 28 questions. That script is included in Appendix B. The questions were designed with three basic objectives in mind: to solicit basic information about the companies; to produce a broad

overview of the companies' experiences with their websites; and to generate specific data related to the hypotheses outlined in the previous chapter. Subjects were encouraged to provide as much information as possible, but were aware that they were free to not answer any question they wished. In practice, all subjects were remarkably open with their experiences and provided considerable elaboration on key points beyond the scope of the questions. All subjects provided explicit permission to publish all information covered in the interviews, including company and personal names.

The first interview was conducted with Yaseen Saban, co-owner of Discovery Tours, in the morning of March 14, 2003. The interview took place at a coffee house in the Gardens district of Cape Town and lasted approximately an hour and a half. The second interview was conducted with Claus Tworeck, Director of Hylton Ross Exclusive Touring, in the afternoon of March 14, 2003. The interview took place at the Hylton Ross offices in the Paarden Eiland district and lasted approximately one hour. The third interview was conducted with Peter Pitout, co-owner of Tours Passe-Partout, in the morning of March 18, 2003. The interview was conducted at a coffee house in the Gardens Center mall and lasted approximately one hour. The fourth interview was conducted with Glen Christie and Gillian Stoltzman co-owners of Vineyard Ventures in the afternoon of March 18, 2003. The interview was conducted at the Vineyard Ventures offices in the Sea Point district and lasted approximately 45 minutes.

In the course of progressing through the interview script, certain questions tended to elicit more or less information than others. Questions 15 and 16, dealing with

expectations and experience, were the most successful for stimulating discussion. In practice, these two questions tended to meld together. For example, a subject would begin to speak about his or her initial expectations for reaching new markets and then transition to speaking about his or her experience in reaching new markets. The researcher would then bring the conversation back to the subject's expectations for direct sales through the website, and so on. In the course of this back and forth between questions 15 and 16, the subjects provided comprehensive overviews of their experiences and also described specific website features that stood out to them. With each sub-question of questions 15 and 16, the researcher ensured that subjects used the answer scales either as a departure point for a more elaborate answer or to summarize their discussions.

By the time question 17 was asked, it was likely that at least a few specific website features had already been discussed. This question allowed the subjects to elaborate on certain key features and also discuss other features that had not already come up. Questions 18, 19 and 20, regarding the most successful and least successful website features, also allowed subjects to elaborate on certain features or sparked new ideas. Thus, questions 15-20 tended to be the heart of the interviews, producing the most discussion.

Questions 11, 12 and 13 dealt with the demographics of website users. However, none of the four companies tracked these demographics and there was no particular reason for not tracking website users. Thus, these questions produced little

insight. Similarly, question 26 focused on various problems that companies might experience with their websites. Notably, none of the problems listed posed significant challenges for any of the four companies. In most cases, they stated that these types of problems were handled by their web hosting firms. However, Mr. Saban of Discovery Tours was the first to express dissatisfaction with his web hosting firm, for reasons to be described in the next chapter. In the three interviews that followed, the researcher specifically asked about satisfaction with the hosting firm as part of question 26.

Clearly, a sample size of four cannot produce scientifically valid or generalizable results. Nevertheless, the case studies produce a comprehensive and instructive understanding of four companies' experiences with websites and their varying degrees of success. When the results of the interviews are combined with content analysis of the websites, one may identify associations between the functionality of the websites and the success of the firms. The experiences of these four companies suggest larger lessons that may be relevant to other small businesses in other developing countries.

CHAPTER V - Research Findings

Discovery Tours

Discovery Tours was founded in 1998 by Tania and Yaseen Saban, a married couple living in Cape Town, South Africa. The company has four employees, including the Sabans, and operates approximately 2-4 tours per day, plus airport transfers, depending on the season. The company targets the middle to upscale markets, particularly couples and families, but hopes to attract more business from small conferences. It runs informal tours that may be easily adjusted to suit the specific wishes of the clients. Mr. Saban estimates that 60% of clients are European, especially from Scandinavia, 30% from North America, and the remainder coming from the Far East and other African nations. In 2002, the company's revenue was approximately R350,000-400,000.

Discovery Tours began operating its website two years ago. Mr. Saban recognized the potential a website held for reaching new customers, and thought it might be an especially effective means to emphasize overnight tours to potential clients. In thinking back to the planning and creation of the website, he recognized that his expectations were, "unrealistically high" in certain ways. As a tool for marketing to consumers, he categorized his expectations as very high. In fact, he worried that Discovery Tours might not be able to handle the volume of business that he anticipated. As a tool for reaching new markets, making direct sales, and improving the company image, his expectations were also high, though not as high as its marketing potential.

In short, Mr. Saban expected that by serving as a, “opening to the world,” the website would quickly and dramatically generate more business. He also had high expectations that the website would reduce telephone costs and facilitate customer service.

Despite a tempering of his expectations of what the website could accomplish, Mr. Saban categorized the company’s online experience as quite successful. As a tool for marketing and for reaching new markets, the site had performed somewhat worse than initially expected. The company was not suddenly overwhelmed with bookings as he both hoped for and feared. He was quick to point out, however, that he now accepts that the initial expectations were unrealistic and that he was actually very pleased with the site’s success. The company was growing steadily, in terms of both clients and revenue, and he credited the website with a considerable part of that success.

Perhaps the most successful aspect of the site is the mix of content on the homepage. The first notable aspect of the homepage is the Discovery Tours logo, which is displayed on the right. Mr. Saban stated that the galloping giraffes, the yellow-orange sun and background color, and the name “Discovery Tours” creates an effect that piques the interest of a user. The logo invokes animals, eco-tours, and the Discovery Channel. In this way, Mr. Saban feels that the logo is, “pushing Africa” and captures the African mystique, rather than, “just Cape Town.” He notes that many clients have commented favorably on the logo, and so it is prominently placed at the top-center of the homepage. Indeed, Mr. Saban stated that the most



successful feature of the website is that it, “has an African feel to it” and conveys that, “there is more to South Africa than just Cape Town.” The clear implication is that tourists who desire an authentic African experience (as opposed to simply browsing the craft market at the V&A Waterfront shopping mall) will find the website appealing.

Other aspects of the homepage also contribute to the sense that Discovery Tours provides an authentic experience – specifically the use of photographs. The homepage contains four photographs. One is a dramatic photo of Cape Town, with Table Mountain dominating the city. Another is the Kirstenbosch botanical garden and another of a leopard, thereby emphasizing the natural beauty and wildlife that one might see with Discovery Tours.

The most important photograph on the homepage is of Tania and Yaseen Saban together. The accompanying text states, “Tania and Yaseen assure you of a memorable and exciting holiday in the Cape and beyond. Experience Cape Town with **real Capetonians.**” The first notable effect of this photo and text is that it conveys that Discovery Tours provides friendly and personalized service, thus creating a sense of trust and comfort for the viewer. The second notable effect involves the emphasis on “**real Capetonians.**” Mr. Saban explicitly noted that his wife is Africaner and he is “coloured” – an apartheid-era term meaning mixed-race. By including a photo of the Sabans – an obviously multiracial couple – the homepage suggests that Discovery Tours provides an authentic and varied perspective on racial issues in South Africa. One would expect that many tourists are drawn to South Africa to connect in some way

with the country's history, of which the struggle for racial equality and freedom is a prominent part. Thus, the online photo is a subtle but deliberate effort to connect with South Africa's complex associations and meanings in a viewer's imagination.

Mr. Saban was proud of the homepage and its success at creating a coherent and powerful company image that appealed to many viewers. The homepage may be simple and straightforward, but it is quite sophisticated in how the individual elements come together to appeal to the target audience. Mr. Saban rated these photo and branding elements as very important to the success of the website.

The professional manner in which the website elements are presented contributes to success in another important way. When users of the website see an appealing, functional website, Mr. Saban speculated that, "it gives the client a sense of security," that Discovery Tours is, "not a fly-by-night" operation. He noted that conveying a sense of security is especially important for a South African company targeting a foreign audience. Tourists from industrialized countries are often somewhat wary of visiting South Africa due to the negative perceptions of developing countries. A well-designed website implies technological sophistication and development, for the individual company as well as for the country as a whole, thereby helping to ease some of those concerns.

Another very important function of the website is as a way for users to make bookings. Mr. Saban estimates that 60% of Discovery Tours' bookings are now made through the site's booking function. Clients may use that function to input their names,

contact information, and travel arrangements, as well as indicate which Discovery Tours package they are interested in. It is important to note, however, that the website does not enable online payments by credit card. Mr. Saban stated his understanding that the South African government was discouraging credit card payments for tours and that banks were adding 15% charges to such payments. He was not certain why tour operators were being singled out for these additional charges, but Discovery Tours was compelled to discourage payments by credit card. Clients who made reservations through the website paid either by wire transfer or upon their arrival.

Mr. Saban considered the tour information listed on the website to be very important to the site's success. Users may easily select either day or overnight tours from separate buttons at the top of the homepage. The two tour information pages provide brief text overviews of what tourists can expect to see, and each tour description is accompanied by a photo. When asked which feature of the site is most successful, Mr. Saban pointed out that many customers appreciate that each tour description has the price prominently displayed. Mr. Saban does not believe it would be helpful to include extensive information on tourist destinations, as these might overwhelm and distract the website users.

At the top of the Discovery Tours homepage, there is a small hyperlink titled "links." Clicking it brings the user to a page of hyperlinks to numerous travel websites related to South Africa and other destinations. Mr. Saban considers this page a very important aspect of the website. Its primary purpose is to increase the website's

standing with search engines, which increases the likelihood that web surfers interested in South African tourism will find the Discovery Tours website.

The website does not currently feature a customer testimonials page, and this was a source of continuing frustration to Mr. Saban. He envisioned a new functionality for the website that would enable him to take digital photographs of clients on tour and upload those photos to the site soon afterwards. Clients could then send emails to their friends and family to show their activities in South Africa, urging them to look at the website and view the photos. Presumably, these other people would see that South Africa is an attractive destination, would look at other pages of the website, and some would make reservations with Discovery Tours in the future. However, Mr. Saban was frustrated that his web hosting firm was reluctant to give up the necessary control to allow that to happen. Mr. Saban was also frustrated with the web hosting firm more generally. Although it was competent at keeping the site live, he felt the company staff did not understand his business, that they were too focused on technology, and that they were unresponsive to his inquiries and requests. He stated, “We’re small-time to them.”

The text of the Discovery Tours website is completely in English and Mr. Saban was uncertain of the need to use other languages. The overwhelming majority of the company’s clients spoke English and it was difficult to accommodate clients who did not. Mr. Saban acknowledged that there might be some potential clients who would book with Discovery Tours if tour descriptions and other features were translated into other languages, but said, “we don’t know if we’re losing out.” Nevertheless, he was

confident that there was enough English-speaking business to keep the company successful.

Mr. Saban had high expectations that the website would reduce telephone costs, and his experience was playing out as expected. He reported that e-mail had reduced much of the need for faxes, producing savings that way. In addition, customers who used the website were more informed about the services offered by Discovery Tours. Thus, when telephone calls with customers occurred, they tended to be shorter and more efficient. As Mr. Saban said, he was saved, “from telling a long story.”

On the other hand, Mr. Saban had no expectations that the website would reduce costs for printed materials such as brochures, and he had not experienced reduced costs. He accepted that printed brochures were still needed, and that the website supplemented rather than replaced other marketing efforts.

Discovery Tours paid R250 per month to maintain its website, and Mr. Saban was enormously pleased with the results. He stated that he would be willing to pay an additional R250 per month to expand the website as he envisioned. Asked how he measured the success of the website, he quickly pointed out the additional business that gets generated. But perhaps just as important was the additional control that the website provided. Specifically, the website was designed to appeal to the type of clients Discovery Tours wanted to attract. Furthermore, because the clients were more informed, and because e-mail provided a time-delay by its very nature, communication was improved. The staff had time to consider its responses to customers in a way that

was not possible on the telephone or with walk-in clients. In addition, e-mail correspondence was automatically saved for record purposes. Mr. Saban made a habit of checking the website every day to ensure that it was operating and to keep it high on search engines. His ongoing goal was to keep the content fresh and to utilize it in new ways. In short, the website dramatically improved the way Discovery Tours was conducting its business and the amount of business it did.

Hylton Ross

Hylton Ross Exclusive Touring was founded in 1980 but was just recently taken public and was experiencing tremendous growth since then. For the year to February 2001, revenues were R12 million; for the year to February 2002, revenues increased to R28 million. The company was among the larger tour operators in the Western Cape region, with 15 full-time employees and another 60 so-called “contract” workers. The company operated 47 touring vehicles and conducted a wide variety of tours around the Western Cape.

The experience of Hylton Ross demonstrates that not all tour operators achieve quick online success, as was the case with Discovery Tours. The company first created its website six years ago, but according to Director Claus Tworeck its performance was, “pathetic.” When he initiated the website at that time, he had very high expectations for what could be achieved. He anticipated dramatic success in marketing to consumers, reaching new markets, direct sales through the site, and customer service.

In each of these categories, the site performed much worse than expected. For several years, the website produced no tangible results and had very little impact on the business in any meaningful way. Disappointed by the lack of online success, the Hylton Ross staff virtually ignored the website for long periods of time.

Finally, approximately one year ago, the company undertook a systematic review of the website and initiated a dramatic overhaul. Mr. Tworeck reports that the website is now exceeding even his initially very high expectations. As a tool for marketing to consumers and for reaching new markets, Mr. Tworeck states that Hylton Ross was receiving, “bookings from parts of the world I’ve never heard of.” As a tool for making direct sales, Mr. Tworeck found it, “amazing” that 25% of his business was coming through the booking function of the website. In fact, Hylton Ross had recently dedicated one employee specifically to manage online reservations. Since the site redesign, Mr. Tworeck observed a direct link between the website operations and company success, measured by, “bums in the seats and rands in the bank.” Furthermore, he recognized, “unbelievable potential” for even greater success in the future.

What accounts for the dramatic change from “pathetic” to “amazing?” Clearly, simply operating a website was not enough to produce meaningful success for Hylton Ross. Certain functionality was either added or enhanced to account for the new success. Mr. Tworeck cited several notable factors. First, he observed that the website looked polished and professional, whereas the original version of the website appeared

somewhat amateurish. Whereas the old website was apparently cluttered with information and inconsistent between pages, the overall effect of the redesigned site is that the company image is professional, clean and competent. There are multiple places on the homepage where a viewer can see tour listings, yet the site is also easy to navigate. Tour descriptions are brief, but give a fair overview of the itinerary, provide prices and schedules, and include a photo of what the tourist might see. Page layouts are consistent throughout the site. The

photograph, shown on the right, of a sparkling Hylton Ross van, a clean-cut man who appears to be a guide, Table



Mountain, and the Hylton Ross logo is prominent at the top of each page. The more professional look to the site conveys that a user can make a reservation, input a credit card number, and feel confident that he or she will not be disappointed by their experience.

Another change that Mr. Tworeck credited for the newfound success is the “What’s Hot” page. This page is updated frequently and keeps the website fresh and fun. It may include photos of staff parties or other events in Cape Town. Mr. Tworeck believes this page produces a positive company image for website users and suggests that the company produces fun experiences.

The other significant change is the monthly online newsletter. Mr. Tworeck sent an email, which included a link to the newsletter on the website, to his distribution

list of several thousand people. The newsletter tended to focus on lighthearted issues, such as staff weddings or events in Cape Town, rather than serious business issues. In this way, the newsletter served to keep Hylton Ross prominent in people's minds, an especially important effort when the business was heavily dependent on referrals. Mr. Tworeck observed that the website received about 1,000 hits the day after the newsletter email was distributed, out of approximately 5,000 hits per month that the website typically received. Those additional 1,000 hits also kept the Hylton Ross website high on search engine listings.

Mr. Tworeck considered the What's Hot page, the newsletter, and the new site design to be the most successful aspects of the website, but other features were recognized as very important as well. For example, the tour listings are succinct and provide the prices, itineraries and schedules. Like Mr. Saban of Discovery Tours, Mr. Tworeck did not want to overwhelm viewers with more information than necessary. The bookings webpage is also very important. As stated above, one quarter of the company's bookings were made through the website, up from zero just one year earlier. Significantly, the Hylton Ross bookings website does accept credit card payments and the company absorbs the added charges as a convenience to its customers.

Mr. Tworeck identified some website features as unimportant. The Hylton Ross website has a link on its homepage to "German tours." This link leads to a page with three tour listings written in German. However, Mr. Tworeck reported that there were fewer tourists who requested German-only tours and so he planned to eliminate this

webpage soon. He also did not believe it important to list the Hylton Ross telephone number or other contact information on the website. He was satisfied with the existing page that invites users to type their comments into a specified field, which then generates an email to the company staff. Similarly, Mr. Tworeck believed it unimportant to have a customer testimonials page, as it would not contribute to the success of the site.

Overall, Mr. Tworeck was extremely pleased with the success of the site. He characterized the R400-500 per month that he paid to maintain the website, “a bargain.” Nevertheless, he was less pleased with his web hosting company. While the hosting firm was technically competent, he complained that, “nobody’s interested” in his business. He felt that the firm was bureaucratic and, “thick-headed,” making it difficult for Mr. Tworeck to update the website the way he wished. When asked if he or his staff had the skills to implement certain website features themselves, he replied, “We don’t have a clue.” The hosting firm handled all technical-related issues for them. Because of the disconnect between Hylton Ross and the hosting firm, he feared that the, “unbelievable potential” of the website might be just out of reach.

Tours Passe-Partout

Peter Pitout co-founded Tours Passe-Partout three years ago, but had been operating tours for more than 20 years. The company had 5 full-time employees, plus several contract drivers, and typically conducted five tours per week. The tours were private and personalized for small groups. The majority of the company’s business

came from British and American tourists, particularly middle- to upper-income tourists over the age of 40.

Several years ago, Mr. Pitout attended a few meetings of an association of South African tour operators where he heard success stories of other tour operators with their websites. These stories motivated him to create his own website, which finally went live about two years ago. The site cost R5000 to set up and he was paying R400 per month to maintain it. It was recently receiving 100-200 hits per week and Mr. Pitout considered it very successful.

As Mr. Pitout was creating the website, he had generally high expectations for what it could accomplish. As a tool for marketing to consumers, for improving the company image, and for improving customer service, his expectations were very high. He also had high expectations that the website could enable direct sales. In each of these areas, his expectations had largely been met. One thing that somewhat surprised him was how the website, “facilitates word of mouth.” Much like Discovery Tours, Tours Passe-Partout depends on referrals for much of its business. Mr. Pitout found that his past clients often referred their friends and family to the website, and that much of his new business was coming through that method. He gave the example of the Deputy Prime Minister of Finland who enjoyed his tour so much that he was referring many of his friends to the website. Mr. Pitout noticed soon after that tour that he was getting an unusual number of e-mail inquiries from Finnish government officials.

In thinking about which features were most important as they related to the success of the website, Mr. Pitout focused immediately on the logo, which is featured on the right. He stated that the phrase, “Around the Cape in 80 Ways” was very effective in piquing people’s interest. It is a play on the title, “Around the World in 80 Days,” implying adventure and



fun. The logo suggests that a person taking a trip with Tours Passe-Partout experiences South Africa actively and has a wealth of options regarding what to see and do. Mr. Pitout stated that many people have asked about the logo and complimented it. The logo is a prominent feature of the website, appearing at the top left of every web page.

The booking feature is also very important to the success of the website. Mr. Pitout estimated that one-third of the company’s reservations were being made through this feature, and many more people look at the website first and then call to make a reservation. Mr. Pitout especially appreciated that the booking feature, “does all your work for you.” By this he meant that, when people make their booking online, he was not spending that time on the phone taking their reservation. He could retrieve that booking information at his convenience and manipulate his schedule more efficiently.

In comments that mirrored those of Mr. Saban, Mr. Pitout emphasized the dramatic positive impact this enhanced control had for his business operations. When people made their reservation online, or communicated with him by e-mail, he felt that he had much greater control over his business. The time delay that is built into the

information exchange enabled him greater flexibility with his schedule in a way that was not possible with a telephone conversation or walk-ins. Similarly, he felt that he could be more selective in the clients that he chose to accept when the communication was conducted electronically. He said that, since his primary goal was not to achieve continuous growth but rather to enjoy his experience, he did not need to accept all potential clients. If he got the sense that a particular person would be very demanding and difficult to interact with, he preferred not to work with that person. Electronic communication enabled him to craft his communication in a way that appealed to people he wanted to work with and politely reject those people he did not want to work with. As he said, he got, “no irritating people through the website. Other ways do get irritating people.”

Another very important aspect of the website is the tour listings. Mr. Pitout felt strongly that the tour listings should be simple and straight-forward. There should not be, “a lot of flash” and, “no groveling.” Longer, in-depth tour descriptions would be, “boring.” Indeed, the tour listings on the website are easy to navigate and provide a brief overview of the itinerary. They each include a single photograph of a destination, as well as the price of the tour. Overall, the effect is clean, consistent, and professional.

Although Mr. Pitout was not an advocate for extensive use of photographs on the website, he pointed out one that was especially effective. On the “About us” page, there is a small, low resolution photo of a man standing with a vehicle. Mr. Pitout stated that this photo was put on that webpage one month earlier, and that there was,

“noticeable improvement” since then. It seemed surprising that a small photo of a man and a van would produce “noticeable improvement.” When asked (a bit skeptically) what he meant by this, he said, “more hits and more business.” Presumably, the explanation is that the photo reduces what Pauline Sheldon called the intangibility of the tourism product. People want to see who will showing them around and how they will be travelling. Even though the picture is of poor quality, it is somehow comforting and reassuring to see it there.

Mr. Pitout felt that customer testimonials were of slight importance. He stated that other tour operators, “put it there because they’re unsure of themselves.” Similarly, hyperlinks were unimportant because they “don’t add much” to the site. However, he noted that the hyperlinks to other tourism-related sites are necessary for maintaining the website’s standing among search engines. Mr. Pitout also rated the presence of multiple languages as unimportant. He pointed out that his staff spoke only English and that he did not believe it was cost effective to expand the business to handle multiple languages.

Overall, Mr. Pitout felt that the cost of maintaining the website was, “cheap” considering what he got from it. However, as with Discovery Tours and Hylton Ross, he expressed dissatisfaction with his web hosting firm. His complaints were remarkably similar – unresponsive service, bureaucratic decision-making, and lack of understanding of his business needs. Compounding the problem was that neither he nor any of his employees had the technical skills to fully understand the website. Thus, he

felt that he could not communicate his wishes in a way that the web hosting firm could understand. Nevertheless, he was extremely pleased with the success of the website and its contribution to the success of Tours Passe-Partout.

Vineyard Ventures

Two sisters, Glen Christie and Gillian Stoltzman, founded Vineyard Ventures in 1990. As of March 2003, the company had three employees, plus several freelance tour guides. As the company name suggests, their specialty was The Winelands region, but they also conducted tours of many other destinations around Cape Town and the Western Cape. The majority of their clients were American, particularly high-end travelers. These tended to be young corporate types or older travelers with disposable income. They estimated that 60% of their business came from recommendations in travel guides and the remaining 40% came from referrals. The company's 2002 revenue was R1.5 million.

Ms. Christie and Ms. Stoltzman learned about the potential benefits of a website from their associates and they inaugurated the Vineyard Ventures website five years ago. Unfortunately, while their initial expectations were very high, they characterized their website experience as a failure. As a tool for marketing to consumers, their expectations were very high, but their experience had been, "abysmal." Their expectations for reaching new markets was very high, but their experience had been, "disappointing." Their expectations for making direct sales through the website was also very high, but their experience had been, "zero."

Ms. Christie and Ms. Stoltzman were not certain why, but they knew that the website was not producing success by any objective or subjective measure. Their lack of online success left them discouraged and the site went virtually ignored for years. They recognized that the website was being, “severely underutilized” and that the content had remained, “basically static,” but they felt that they did not have the skills or technical background to figure out what was wrong or what to do about it. Yet, they also knew that many other tour operators were achieving dramatic online success and they were beginning to seek a new website designer and hosting company in order to undertake a comprehensive site redesign.

As with Hylton Ross, simply having a website was not enough for Vineyard Ventures to achieve online success. The company had spent thousands of rands over several years with no meaningful return. Something about the features and functionality of the website was not working. On one level, the Vineyard Ventures website has many of the same features as the other three already discussed. It has a booking feature, it has the company’s contact information, it has the company logo, and it has brief tour descriptions. Nevertheless, there are important differences that may account for the failure of the website to achieve success.

Compared to the three websites discussed previously, the overall impression of the Vineyard Ventures website is that it is uninspiring. The homepage is dominated by a crude map of South Africa, with several links to other pages arrayed around it. There is little on the homepage that grabs a viewer’s attention or piques his or her interest.

The South African flags arrayed around the map serve as the links to the other pages of the site, but they are haphazardly arranged and are somewhat of a distraction. The text that describes each link is difficult to read and difficult to match up to the appropriate link. The background color is an unflattering dark green, and the purple rectangle and orange font seem disjointed. Overall, the elements of the homepage do not work well together and do not create a favorable first impression of the company.

The other pages of the website suffer from similar problems. There are problems on several of the pages with graphics and text overlapping other text. This overlapping of text may be particularly harmful on the bookings page as potential clients may be reluctant to make a reservation with a company that cannot properly maintain its website. Furthermore, the site lacks elements that foster a sense of security and comfort that the company can provide an enjoyable experience. In short, the site is unappealing and fails to inspire confidence.

Whereas the other websites made creative use of photographs and text to intimate such abstract concepts as personalization, reliability, and authenticity, the Vineyard Ventures website fails to intimate these concepts. For example, a person wishing to make a reservation for a high-end, personalized tour might appreciate a photo of the sisters and one of their vehicles. Such a photo might reduce the intangibility of the Vineyard Ventures experience for website viewers. The cliché that a picture is worth a thousand words may be doubly true for a tour operator's website.

From their conversations with other tour operators, Ms. Christie and Ms. Stoltzman were beginning to think through the types of changes that their website needed. They expected that they needed to improve their tour descriptions. However, they felt that these descriptions should not be too in-depth for the same reasons described by the previous three tour operators. They expected that their contact information should be readily available on the website, as well as the capability to accept online bookings. They emphasized that they had developed a greater appreciation for the importance of photographs and branding elements, and that they believed this was the area in greatest need of improvement.

It is notable that the Vineyard Ventures website was the only one of the four that had a “Fan Mail” page. This page contained excerpts from several travel guides that recommended Vineyard Ventures. It is also notable that one of those recommendations was written in German. Ms. Christie and Ms. Stoltzman were, “questioning” whether this page was helping them and whether they were better off eliminating it. They were also doubting that they would continue using other languages, as they believed it was, “enough to focus on English-speaking clients.”

Overall, Ms. Christie and Stoltzman reported that they had, “learned to temper their expectations.” Their hopes for their overhauled website were much more modest than was the case several years ago. They hoped the new website, when it was eventually created, would generate three additional clients per month. Reports that other tour operators were experiencing great online success seemed like distant fantasy.

CHAPTER VI – Analysis

The four case studies covered a wide range of website experiences. Discovery Tours and Tours Passe-Partout experienced success very quickly after the launch of their websites. For Hylton Ross, success came only after several years of failure followed by a comprehensive redesign of the website. Meanwhile, Vineyard Ventures was still searching for the right formula to achieve any success at all.

When discussing the relative successes of these four companies with their websites, it is important to acknowledge that all four firms were viable and profitable before their websites were created. Vineyard Ventures was a successful company, even as it struggled to achieve success online. Therefore, the primary issue in question is whether certain website functionality is positively related to *greater* company success.

The first three companies all achieved both objective and subjective measures of success with their websites. Regarding the objective measures of success, it is difficult to quantify exactly how much additional revenue or how many additional clients were generated by any of the websites. Clearly, substantial percentages of their bookings were made directly through the websites. Yet, none of the subjects could say with any precision how much of their business was directly attributable to the websites and how much would have happened anyway through other channels. Nevertheless, Mr. Saban, Mr. Tworeck, and Mr. Pitout all felt strongly that their websites were directly responsible for sizable percentages of their revenue.

The subjective measures of success are easier to identify. The first three companies reported that their overall experiences had been very successful, and in certain areas exceeded their high or even very high expectations. In some instances where expectations were very high, as with Discovery Tours, the actual experience did not live up to those hopes but expectations were adjusted to more “realistic” levels and the experience was nonetheless judged successful. In other instances, as with Hylton Ross, expectations were very high but the initial experience was, “pathetic.” Only after significant changes were made was the experience judged to be successful and expectations were surpassed. In the case of Tours Passe-Partout, the experience was basically in line with expectations from the start. Because those initial expectations were generally high to very high, the experience was deemed very successful.

Three of the four subjects described specific features that they credited with the success of their websites. Similarly, they identified other features that either failed to produce success or which they doubted would produce success if tried. Thus, the seven hypotheses become important for identifying which features are positively related to success and which are not.

Hypothesis H1 relates the presence of contact information to company success. The experiences of the first three companies tend to support this hypothesis. The websites of Discovery Tours and Tours Passe-Partout each contain a company telephone number and e-mail address. When potential clients find the websites through web surfing or from a referral, they utilize this contact information to make inquiries.

As described earlier, Hylton Ross did not list its contact information, but its e-mail form served essentially the same purpose. These three companies, but especially Discovery Tours and Tours Passe-Partout, reported that e-mail in particular dramatically improved their business operations. Thus, it is reasonable to conclude that contact information on a website is positively related to company success and that Hypothesis H1 is supported.

Of course, Vineyard Ventures also includes its contact information on the website and it is not achieving success. Clearly, simply having a website with the company's contact information is not enough to achieve success. Indeed, this is a theme that recurs with several of these hypotheses. A certain functionality may be positively related to company success, but that functionality on its own may not be enough to make the website as a whole successful. It may become apparent that a combination of functionalities is positively related to company success. Or, perhaps there is one functionality that is especially important, and there are others that are also positively related to success in conjunction with that one special functionality.

Hypothesis H2 relates the presence of e-commerce and/or booking features to company success. The first three companies all expressed enormous satisfaction with the performance of their online bookings capabilities. For Discovery Tours, more than half of the company's bookings were made directly through the website. The three companies reported greater operational efficiencies when bookings were made online. Additionally, they believed (but could not quantify) that the bookings feature actually

generated more business than they would have received otherwise. In this regard, their expectations had been met or exceeded. Thus, the research findings generally support Hypothesis H2.

Once again, however, the unsuccessful experience of Vineyard Ventures prevents one from stating that Hypothesis H2 is unconditionally supported. Vineyard Ventures also had a booking function which for years generated zero business. Similarly, the old Hylton Ross website reportedly also had a bookings function which also generated zero business. Therefore, Hypothesis H2 is supported, but only conditionally. It is fair to say that the presence of booking features on the website is positively related to success, but that certain other features may be necessary as well.

E-commerce functionality may also positively relate to company success, but with the same conditions as booking capabilities. Hylton Ross was the only company that enabled credit card payments directly through its website. Mr. Tworeck's assessment was that even though the company absorbed the additional bank fees, the convenience afforded to customers outweighed the added costs. His experience suggests that e-commerce functionality is also positively related to success, but it is not essential and it may depend on the particular circumstances of the firm.

Hypothesis H3 related company success to the presence of tour options and tour information on a website. It may be obvious that a tour operator's website should contain information on the services it provides. Indeed, all four subjects reported that they believed that, in general, online tour information was a very important feature of

their websites. Clearly, this hypothesis was supported by the research findings.

Nevertheless, the nature of the tour information as it relates to company success, as well as the nature of the success, merits further discussion.

The research findings suggest that one way online tour information relates to company success is through improved customer relationships. In this regard, Mr. Saban and Mr. Pitout each believed that their clients who used their websites were well informed of the companies' services. When phone or e-mail communication did take place, those communications were more efficient and all parties were more satisfied. There was not a consensus that tour information and e-mail features helped to reduce telephone costs, but there was consensus that these features improved their relationships with customers. They both stated the belief that customers appreciated quick, efficient communication, and that these improved customer relationships were positively related to company success.

Notably, none of the four subjects believed that tour information on the website would reduce their reliance on printed brochures. All of them believed that a website was or could be an invaluable supplement to other marketing efforts, but that those other efforts needed to continue as they had before. This finding calls into question the statements by the World Tourism Organization in E-Business for Tourism that online brochures could replace printed brochures, thereby reducing printing costs.

It is also notable that all of the subjects agreed that the online tour information should be brief rather than expansive. One might expect that the more information a

tour operator provides, the more “tangible” the tourism product becomes for the website user. Yet, all of the subjects believed there was a point of diminishing returns regarding online tour information. It was generally agreed that short summaries of tour itineraries, as well as prices and schedules, was sufficient for appealing to potential clients. Thus, while the presence of concise tour information may be positively related to company success, the presence of very detailed tour information may not be positively related to success.

Hypothesis H4 set forth that the presence of branding and company image enhancing features is positively related to company success. These features came in many forms on the four websites. Mr. Saban and Mr. Pitout were both very proud of their company logos and emphasized their importance to the success of their respective websites. For Discovery Tours, the logo created a sense of “authentic Africa” in the viewer’s imagination. For Tours Passe-Partout, the logo created a sense of fun and adventure. Each logo was effective in capturing a website user’s imagination and prompting the viewer to investigate the websites further.

Each subject emphasized the use of photographs to serve a number of purposes. The three successful websites all contained photos of individual people. The Discovery Tours website had the photo of the Tania and Yaseen Saban; the Hylton Ross website had the photo of the people with the van; and the Tours Passe-Partout website had the photo of the man with the van. In the case of the latter two photos, it is not even clear that the people pictured are affiliated with the companies, yet that is the clear

implication. These photographs have the critical effect of creating a sense of intimacy, personalization, and familiarity for the user. The intangibility of the tourism product is reduced by allowing the user to see who would be showing him or her around, or at least that is the effect in the user's imagination. Such a photo is conspicuous by its absence on the Vineyard Ventures website.

Aside from the use of logos and photographs, company image is also shaped by the overall layout and design of the website. The first three websites all had a very polished and professional design. They had a balance of text and photographs; they were easy to navigate; and their use of color was modest and unobtrusive. For Hylton Ross, the creation of a new, more professional website design was the turning point that began the company's online success. Perhaps when Vineyard Ventures redesigns its website the company will begin to experience its own overdue success.

Judging from the experiences of these four companies, it seems that these branding and company image features are most important for website success. It seems that other features are important for enabling certain specific tasks, such as bookings. However, these image features are essential for capturing website users' attention and enticing users to delve deeper into the site. Tour operators work in a very competitive environment, and if a user is not impressed with a given website, he or she may quickly surf to another one. The surprising aspect of this realization is just how important these branding and image features are. With the four case studies, these features were the difference between dramatic success and dramatic failure. Considering that the

research findings strongly support Hypothesis H4, it seems that not only are branding and image features positively related to company success, they are the most important features of a company website.

Hypothesis H5 states that the presence of hyperlinks is positively related to company success. In each of the three successful cases, the primary purpose of the hyperlinks was to boost the website's rankings on search engines. Interestingly, the ability of hyperlinks to provide users with more information on destinations or accommodations was only a secondary reason for their presence. None of the four websites highlighted the presence of hyperlinks as a prominent feature. Certainly, none of the four could be considered a "portal" to South Africa or Cape Town. The one possible exception would be the Vineyard Ventures website, which contained a page of a dozen links to certain upscale accommodations. The hyperlinks pages of the other three websites were little more than collections of seemingly random links to various travel and tourism-related websites. The general consensus among all four companies was that hyperlinks were an important, though not critical, feature of the websites. Therefore, Hypothesis H5 was supported by the research findings.

Hypothesis H6 relates the presence of customer testimonials to company success. None of the three successful websites contained customer testimonials. In fact, Mr. Saban, Mr. Tworeck, and Mr. Pitout all believed that customer testimonials would be unimportant to the success of their websites. Ms. Christie and Ms. Stoltzman also expressed doubts that the testimonials on their website were serving a constructive

purpose. Perhaps Mr. Saban's idea regarding real-time photographs would be more successful if it were implemented. Nevertheless, Hypothesis H6 was not supported by the research findings.

Hypothesis H7 links the presence of multiple languages to company success. Discovery Tours and Tours-Passe Partout made no effort to translate their web content into other languages and did not believe it would significantly help them to do so. Hylton Ross and Vineyard Ventures did have some content in German and neither of them believed that this content was successful. Therefore, Hypothesis H7 was not supported by the research findings.

Aside from either supporting or not supporting the seven hypotheses, the research findings produced several other interesting insights. Among the interesting findings involves the idea of instantaneous communication. It has become rather cliché to say that e-mail enables near instantaneous communications, and this is certainly true compared to traditional "snail mail." Indeed, Mr. Saban and Mr. Pitout both emphasized that their clients appreciate speed of communication and quick responses to their inquiries. At the same time, it was also very clear that the time delay inherent in e-mail communication was a critical factor in their assertions that the website enabled greater control of their businesses. While e-mail may be sent and delivered instantaneously, the back-and-forth of two-way communication may be spread out over several hours or even days. That delay allows for more thoughtful, considered analysis of each message in a way that is not possible during a telephone conversation. During

that delay, the business manager can juggle his schedule or think through the consequences of accepting a certain client. Both Mr. Saban and Mr. Pitout placed enormous value on this enhanced control.

Mr. Tworeck also valued this enhanced control, but it was somewhat less important to him. His business model was to accept all comers and the company was large enough to handle them. By contrast, Discovery Tours and Tours Passe-Partout had fewer resources and so they needed to ensure that those resources were utilized to maximum efficiency.

Another interesting and unexpected insight was the concept of “authentic Africa.” This idea that many tourists desired a supposedly “real” African experience was brought up most directly by Mr. Saban of Discovery Tours. Of course, there is not a clear definition of what makes an authentic African experience. Jo Ellen Fair wrote about many of the negative stereotypes of Africa, but there are positive stereotypes as well, such as that Africa’s cultures and natural environment are unspoiled by modernity. Mr. Saban suggested this idea of authentic Africa involves safaris and eco-tours. Mr. Pitout also spoke about how his logo suggested fun and adventure. However abstract the concept, these two firms made it a central feature of the marketing pitch on their websites. Rather than simply selling a package of destinations, accommodations, and transportation, these companies were also selling an idea. Their appeal to customers was based at least as much on appealing to customers’ imaginings as it was on the quality of their tours.

Another insight that emerges from the research findings is that none of the four companies were satisfied with their web hosting firms. Each of them felt that their hosting companies were overly interested in technology and not interested enough in how the websites were changing their business operations. The tour operators looked to their hosting firms for ideas regarding new website content or other ideas for appealing to clients. Yet, the hosting firms could not provide such ideas, as their main concern was building the websites and keeping them live.

The final insight was how much hope the four companies attached to the websites. All four began their online ventures with generally high to very high expectations. The launching of a website was not a minor event for any of them, but carried great hope and excitement. They envisioned dramatic increases in inquiries, clients, and revenue. Consequently, the following success or lack of success produced either great enthusiasm or great disappointment. Indeed, for three of the four companies, the initial website experience produced disappointment. For Hylton Ross and Vineyard Ventures, the disappointment lasted years before steps were taken to improve the websites. For Mr. Saban, expectations needed to be made "realistic." Only Mr. Pitout was consistently pleased with the performance of his website. Yet, whatever the circumstances or degree of success achieved, there was no ambivalence on the subject of their websites. For all four subjects, performance of the websites was either "amazing" or "pathetic." An observer must conclude that a strong relationship exists between the functionality of the websites and the degree of company success.

CHAPTER VII - Conclusion

The research findings provide reasons for enthusiasm as well as caution regarding the potential of the Internet for small businesses in developing countries. The experiences of these four tour operators suggests that small businesses can use the Internet to gain clients, increase revenue, and improve their operations. However, the experiences of Hylton Ross and Vineyard Ventures demonstrates that a website does not make such success automatic. Other small businesses may look to these case studies for guidance that may be relevant to their own specific business plans for success.

When considering small businesses and the Internet, the first lesson for other small firms is that website functionality makes a difference. Tom and Lori Heatherington posed a series of questions to help small businesses, "decide whether the Web is right for your business" (Heatherington, 13) But it is not enough to answer yes or no. If the answer is affirmative, the small business must also evaluate its goals for the website and determine what functionality is most appropriate to achieve those goals. The experiences of Hylton Ross and Vineyard Ventures suggest that even if the answer is yes, and a firm goes ahead to create a website, success is not guaranteed. More work is necessary to build a website with the appropriate functionality. This lesson may seem obvious, but the experiences of Hylton Ross and Vineyard Ventures provides vivid evidence that it is often taken for granted.

More specifically, the research findings support Hypothesis H1, suggesting that small businesses may achieve success by including their company contact information

on their websites. The findings also support Hypothesis H2, suggesting that small businesses may achieve success by enabling online bookings or e-commerce, depending on the market conditions they face. The research findings supported Hypothesis H3, suggesting that small businesses may achieve success by including their product information on their websites. However, the findings also suggest that more product information does not necessarily translate into more success. There may be a point where more information does not help the user but actually becomes overwhelming or distracting. The research findings do not provide clear guidance as to how much information is enough versus too much. Further research is needed to provide further guidance as to how much product information a small business should present on a website.

The research findings most strongly supported Hypothesis H4, suggesting that branding and company image features on a small business website are positively related to success. In fact, the findings suggest that perhaps the most important feature of a small business website is the overall company image that is produced by the combination of elements. These elements, such as a logo, photographs, text, color, and others, interact in a viewers imagination to create a certain impression of the company. If the website – especially the homepage -- is designed well, the company image intimates familiarity, security, adventure, or other positive impressions. In this case, the viewer finds something about the website appealing and feels comfortable doing business with the company. On the other hand, when the elements do not work well

together, or when there are important elements missing, the viewer finds the website unappealing and is likely to move on to the competition.

Hypothesis H5, regarding the presence of hyperlinks, was also supported, though not strongly supported. The primary purpose of links may be to boost a small company's standing among search engines rather than providing truly helpful information to customers. Other small businesses might consider using hyperlinks for similar purposes.

Hypotheses H6, regarding customer testimonials, and H7, regarding multiple languages, were not supported by the research findings. Other small businesses should be careful in their use of these features. There may be very good reasons for some small companies to make use of customer testimonials and multiple languages, but the findings did not identify a correlation between these features and company success. More research may be helpful to understand why there was not a relationship between these features and company success, and whether there are other circumstances where there is a positive relationship.

In an overall sense, the research findings suggest that there is not a magic formula for what makes a successful website. For example, there are not a certain number of photographs that a website should contain. Similarly, it is not absolute that a small business should have e-commerce capability or should only be in English. How a small business approaches these issues depends on its particular circumstances. The research findings do make clear, however, that a small business needs to think about its

circumstances. It needs to know its competition, know its audience, and consider how those factors affect the functionality of the website. It may be that tour operators in South Africa need only English, but that is because of the particular conditions they confront. Other industries in other countries likely have different needs.

It is in this way that this research project builds on the works of Tom and Lori Heatherington, Pauline Sheldon, and Simpson Poon. The Heatherington's presented a convincing case for why a small business needs a website. Sheldon outlined the complex information flows that characterize the tourism industry and argued that information technology can help manage those flows. Poon acknowledged the great potential of information technology and the Internet, but observed a disconnect between expectations of what a website could accomplish and company satisfaction with what a website actually accomplished. However, Poon did not address why this disconnect existed and what could be done to fix it. A key conclusion of this project is that not just any information technology, and not just any website, is sufficient for a small business to achieve success. The functionality of that technology, and how that information is presented, makes a difference. In fact, elements like logos, photos, and color may appear somewhat superficial from a technology-centric perspective, but the findings suggest that they make the difference between dramatic success and dramatic failure.

In addition to the conclusions regarding small businesses and the Internet, the research findings also lead one to certain insights regarding small businesses and developing countries. Ronald Parker, et al. wrote about the vital role that small

businesses play in the processes of economic development. In particular, they wrote that small firms are often innovative, flexible, and that some will eventually grow into large firms. The case studies vividly demonstrated these characteristics in the tour operators, and also demonstrated how a website factored into the innovative, flexible nature of the companies. Discovery Tours used an innovative collection of photographs, graphics and other elements to create a distinctive company image that translated into real success. Hylton Ross was a small firm that overhauled its unsuccessful website and found that its new website was one critical factor (among others) enabling it to grow into one of the largest tour operators in Cape Town. Tours Passe-Partout also developed a distinctive company image on its website and benefited from the operational efficiencies and other success factors that the website fostered. For these three small businesses, as well as Vineyard Ventures, a certain amount of experimentation was necessary to identify successful website strategies. Such experimentation may lead to success and sometimes lead to failure, but the "innate SSE characteristics" (Parker, 17) clearly make small businesses are well-suited to experiment with different formulas for success.

These companies served a relatively small but important market niche within the larger South African tourism industry. Their success, which the websites helped achieve, directly contributed to the employment of several dozen people. These companies also contributed in a small way to the increasing success of tourism in South Africa, with all of the associated economic implications. Perhaps, the experiences of

these four companies are a microcosm of what is occurring, and what can be achieved, in other small companies in other developing countries.

The research findings should be a cause for optimism for small businesses in developing countries. Three of the four companies that were investigated experienced great success with their websites. Furthermore, there was no inherent reason why Vineyard Ventures could not achieve success after redesigning the website. For the companies studied here, the website was an invaluable tool for gaining clients, especially international clients. There were two basic reasons why the websites were effective for securing foreign clients. The first reason was the convenience factor. Customers could gather information and make bookings at their convenience, without needing to speak with the business manager in person. The difficulties imposed by different time zones or busy schedules thus become less significant with a website.

The second reason was that customers were impressed by a well-designed website. The well-designed sites conveyed professionalism, technological sophistication, and competence. The tour operators acknowledged that these were not attributes one typically associates with developing countries. For this reason, a well-designed website can inspire customer confidence in a small business, especially one in a developing country.

Finally, the research findings lend support to advocates of Internet technology for developing countries. Robert White and Heather Hudson both made the case that developing countries have more to gain from the Internet than they have to lose. They

argue that the Internet can be an invaluable tool to help people in the developing world overcome their economic and political isolation and improve their standards of living. The case studies attest to the capability of the Internet to help entrepreneurs in developing countries tap into the global marketplace. At least in the tourism sector, South Africa has the infrastructure and attractions to compete with any other country, and the Internet is helping South Africans to do that. The Internet can similarly help other developing countries play to their own advantages and communicate those advantages to a global audience.

Skeptics may argue that, with the exception of Mr. Saban, all of the subjects who participated in this project were white, thereby detracting from the assertion that other Africans can benefit from the Internet as did the people described here. The peculiarities of South Africa's history, and the continuing wealth disparity between South Africa's racial groups, certainly complicate any attempts to generalize lessons learned from the country's experience. Nevertheless, the subjects described here did face some similar challenges as those faced by entrepreneurs in many other developing countries: geographic isolation, negative perceptions on the part of potential customers, and lack of experience with technology. The larger point remains valid -- that people in developing countries can use the Internet to empower themselves. In the process of doing so, they can achieve success for themselves, provide opportunities for others, and improve living conditions in their communities.

APPENDIX A -- Introductory E-mail

Dear [Name],

My name is Michael Jaffe and I am a researcher with Georgetown University in Washington, DC. I am currently working on a project studying how small and medium-sized businesses in South Africa are using the Internet. In particular, I am interested in the experiences of tour operators with their websites. I have looked at the [company name] website and would like to talk about your company's expectations and experiences with the Internet. Allow me to emphasize that I am not a salesman, but a researcher conducting a study for completely academic purposes.

I will soon be visiting Cape Town and would very much like to meet you or someone else in your company to discuss your business and your website. If you or a colleague is able to meet with me, I expect our discussion to last no more than 20-30 minutes. I have several questions that I would like to pose, but of course, you may provide as much or as little information as you like. I appreciate any information you can provide.

Thank you very much for your consideration. You may respond to me by e-mail at mwj@georgetown.edu and perhaps we can set up a day and time at your convenience to meet.

Sincerely,
Michael Jaffe

APPENDIX B – Interview Script

Company:

Date:

Name:

- 1) What year was the company founded?
- 2) How many employees work for the company?
- 3) How many tours does the company operate per day/per week?
- 4) How long has the company been operating a website?
- 5) Who encouraged the company to create a website?
- 6) Why did the company decide to create a website?
- 7) What aspects of the website development process were most difficult?
- 8) What aspects of the website development process were least difficult?
- 9) On average, how many visitors per month does the website receive?
- 10) What groups make up the target audience for the website?
- 11) What website features does the company use to target particular audiences?
- 12) Does the company track the demographic characteristics of visitors to its website?
- 13) If so, has it been helpful? If not, why?
- 14) If visitor demographics are tracked, please describe the demographics of visitors to the website?
- 15) Please think back to when the company was first creating its website. What were your general expectations for the following functions of the website? Please use the following scale: Very high expectations; High expectations; Moderate expectations; Low expectations; No expectations/not considered.
 - a) Marketing to consumers
 - b) Reaching new markets

- c) Direct sales through the Web
- d) Company image
- e) Printing costs
- f) Telephone costs
- g) Staff costs
- h) Customer service
- i) Other

16) Using the following scale, please rate the company's actual experience with these website functions: (1) Much better than expected; (2) Somewhat better than expected; (3) as expected; (4) somewhat worse than expected; (5) much worse than expected.

- a) Marketing to consumers
- b) Reaching new markets
- c) Direct sales through the Web
- d) Providing information to travel agents
- e) Company image
- f) Printing costs
- g) Telephone costs
- h) Customer service
- i) Other

17) Using the following scale, please rate the following website features as they relate to the success of the website and the success of the business: (1) Very important; (2) Moderately important; (3) Of slight importance (4) Unimportant; (5) Don't know

- a) Listing of tours
- b) In-depth descriptions of tours
- c) Contact information
- d) E-commerce/booking capability
- e) Customer testimonials
- f) Hyperlinks to other websites
- g) Graphics and photographs
- h) Branding (logo, color, etc.)
- i) Multiple languages
- j) Other

18) Of the features listed above, or others, is there one that stands out as the *most* successful?

- 19) Of the features listed above, or others, is there one that stands out as the *least* successful?
- 20) Is there another website feature that you believe has been particularly successful?
- 21) If the website has an online booking feature, what percentage of total bookings does the company receive through the website?
- 22) How much does website maintenance cost?
- 23) How often is the website updated?
- 24) How much time per week or per month does the company staff spend maintaining the website? Does that seem an appropriate amount of time or too much?
- 25) What was the company's 2002 revenue?
- 26) Does the company experience problems with any of the following aspects of website maintenance? Would you characterize these problems as significant or minor?
- a) Keeping content updated
 - b) Online security
 - c) Reliability of telecommunications service
 - d) Quality of web hosting equipment
 - e) Cost of maintenance
 - f) Training or skills to implement certain website features
 - g) Access to expert assistance or advice
 - h) Customers who do not speak English and therefore cannot use the website
 - i) Customers who do not have the skills to use the website
 - h) Other
- 27) Does the company conduct systematic reviews and evaluations of the website?
- 28) How does the company measure success concerning the website?

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